



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

THIS IS THE BEGINNING OF MUR # 2309

DATE FILMED 6/15/88 CAMERA NO. 2

CAMERAMAN K.A.U.

88040705139



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

December 30, 1986

TO: CHARLES N. STEELE
GENERAL COUNSEL

THROUGH: JOHN C. SUBINA
STAFF DIRECTOR

FROM: ROBERT J. COSTA *Rh Fox RJC. 12/30/86*
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: PENNSYLVANIA DEMOCRATIC STATE COMMITTEE - MATTERS
REFERRED TO OFFICE OF GENERAL COUNSEL

16 DEC 30 P 2: 56

RECEIVED
OFFICE OF
GENERAL COUNSEL

On December 19, 1986, the Commission approved the final audit report of the Audit Division on the Pennsylvania Democratic State Committee. Attached as Exhibits A through E are matters noted in the final audit report which the Commission voted to refer to your office for review and consideration.

Also attached for your information are two Requests for Additional Information (Attachment I) which were sent to the Committee concerning matters similar to issues addressed in this report.

All workpapers in support of these matters are available for review in the Audit Division.

Should you have any questions, please contact Karin Simmons or Joseph Stoltz at 376-5320.

Attachments as stated

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Transfer of Funds From Unregistered/Non-Federal Committees

Section 102.5(a)(1)(i) of Title 11, Code of Federal Regulations, states, in part, that a political committee which finances political activity in connection with both federal and non-federal elections and establishes a separate federal and non-federal account shall only deposit funds subject to the prohibitions and limitations of the Act into such federal account.

Section 441b(a) of Title 2, United States Code, states, in part, that it is unlawful for any corporation, national bank, or labor organization to make a contribution or expenditure in connection with any election to any Federal office.

Section 103.3(b) of Title 11, Code of Federal Regulations, states that contributions which appear to be illegal shall be, within 10 days, either deposited and reported or returned to the contributor. If deposited, the treasurer shall make and retain a written record regarding the basis for the appearance of illegality and should include in the report a statement noting that the legality of the contribution is in question. The treasurer shall make a best effort to determine the legality of the contribution. Where the legality of the contribution cannot be determined, a refund shall be made within a reasonable time and shall be reported in an amendment to the current report or in the next required report.

During the review of the Committee's contribution records, the Audit staff noted that the Committee received three contributions totaling \$11,500 from political committees which were not registered with the Federal Election Commission. Since these committees were not registered under the Act, it is possible that the transfers were comprised of funds which are not permissible for use in federal elections.

Committee officials stated that they would research these transactions but advised that there was not sufficient cash on hand from which to make refunds or transfer the amount in question.

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Exhibit A
Page 2 of 2

In the Interim report, the Audit staff recommended that the Committee either:

1. refund the contributions to the respective political committees,
2. transfer the monies to the Committee's non-federal account (if permissible under Pennsylvania state election law), or
3. provide evidence to demonstrate that the transfers were comprised of funds which are permissible under the Act.

It was further recommended that if sufficient funds were not on hand with which to make a refund or transfer, the Committee should recognize the amounts as a debt in its next required FEC Report and make an attempt to extinguish the debt within a reasonable time.

The Committee provided evidence to demonstrate that the \$4,000 contribution from the Goode for Mayor Committee was comprised of funds which are permissible under the Act. The Committee also submitted evidence to indicate that the \$5,000 contribution from the Potomac Machinists PAC was originally from the Machinists Non-Partisan Political League's federal account, which is registered with the Commission.

The Committee stated that the \$2,500 contribution from the Fuma for Senate Committee will be listed as a debt owed to the non-federal account.

Recommendation

The Audit staff recommends that this matter be referred to the Office of General Counsel for further review.

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Contributions to Candidates from
Non-permissible Funds

Section 102.5(a)(1)(i) of Title 11, Code of Federal Regulations, states, in part, that each organization, including a party committee, which finances political activity in connection with both federal and non-federal elections and which qualifies as a political committee under 11 C.F.R. § 100.5 shall establish a separate federal account in a depository in accordance with 11 CFR Part 103. All disbursements, contributions, expenditures and transfers by the committee in connection with any federal election shall be made from its federal account.

Section 441b(a) of Title 2, United States Code, states, in part, that it is unlawful for any corporation, national bank, or labor organization to make a contribution or expenditure in connection with any election to any Federal office.

During the entrance conference, Committee officials informed the Audit staff that contributions to two Federal candidates in connection with their 1984 general election campaigns were inadvertently made from the Party organization's non-federal account. The contributions were made on November 1, 1984 to the Edgar for Congress Committee for \$3,000 and to the Wachob for Congress Committee for \$2,000. Committee officials stated that the Committee's bookkeeper mistakenly drew the checks on the non-federal account. They stated that this was merely a clerical error and advised that there were sufficient funds in the federal account at the time the checks were issued. (This was verified by the auditors during the fieldwork.) Sometime in 1985, when the error was detected, refunds to the non-federal account were sought from the candidates' committees. The Committee reported the reissuance of these checks from the federal account on May 16, 1985 (Wachob) and May 22, 1985 (Edgar).

In addition to the above, the Audit staff advised Committee officials that a third contribution to a Federal candidate from the non-federal account was noted: a \$2,000 contribution to Victory Fund Mondale/Ferraro on October 30, 1984. Committee officials stated that they were unaware of this transaction but agreed to research the matter.

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Exhibit B
Page 2 of 3

In the Interim report, the Audit staff recommended that the Committee:

1. provide evidence that the refunds received from the Edgar for Congress and Wachob for Congress Committees were deposited into the non-federal account and that the checks were reissued from the Committee's federal account and
2. either: (a) seek a refund from Victory Fund Mondale/Ferraro and provide evidence of deposit into the non-federal account, (b) reimburse the non-federal account \$2,000 directly, or (c) provide evidence as to why a refund from Victory Fund Mondale/Ferraro need not be sought.

If option (b) under Recommendation #2 was selected and there were insufficient funds on hand to reimburse the non-federal account, the Committee was advised to recognize the \$2,000 as a debt in its next required FEC report with full disclosure surrounding the nature of the obligation.

The Committee provided evidence to show that the refunds received from the Edgar for Congress Committee and Wachob for Congress '84 were deposited into the non-federal account and checks were reissued from the federal account. Further, the Committee stated that they will recognize a \$2,000 debt to the non-federal account for the contribution to Victory Fund Mondale/Ferraro. Finally, the Committee mentioned that a \$5,000 debt to the non-federal account will be disclosed on their report(s) as a result of the Wachob/Edgar transaction.

In reviewing the 1985 Quarterly Report, which covered the period April 1 - June 30, the Committee received two transfers of \$3,000 each on May 14 and May 22, 1985, from the Pennsylvania

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Democratic State Committee (a non-Federal account).^{1/} Also, cash on hand at the beginning of the reporting period was \$3,180.49 and the transfer(s) from the non-Federal account were the only receipts during this period. Therefore, it appears that the two transfers were made to cover the reissuance of the contributions made to the above named committees.

Recommendation

The Audit staff recommends that this matter be referred to the Office of General Counsel for further review.

^{1/} The Reports Analysis Division sent a Request for Additional Information on May 7, 1986 concerning this matter.

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Expenditures for Voter Registration and
Get-Out-The-Vote (GOTV)

Section 106.1(c)(2) of Title 11, Code of Federal Regulations, states that expenditures for educational campaign seminars, for training of campaign workers, and for registration or get-out-the-vote drives of committees need not be attributed to individual candidates unless these expenditures are made on behalf of a clearly identified candidate, and the expenditure can be directly attributed to that candidate.

Section 106.1(c)(3) of Title 11, Code of Federal Regulations, states that payments made for the cost of certain voter registration and get-out-the-vote activities conducted by State or local party organizations on behalf of any Presidential or Vice-Presidential candidate(s) are exempt from the definition of a contribution or an expenditure under 11 C.F.R. §§ 100.7(b)(17) and 100.8(b)(18). If the State or local party organization includes references to any candidate(s) seeking nomination or election to the House of Representatives or Senate of the United States, the portion of the cost of such activities allocable to such candidate(s) shall be considered a contribution to or an expenditure on behalf of such candidate(s), unless such reference is incidental to the overall activity. If such reference is incidental to the overall activity, such costs shall not be considered a contribution to or expenditure on behalf of any candidate(s).

During the audit period, beginning with the Pre-General Election Report (10/1-10/17/84), the Committee disclosed numerous expenditures of a voter registration/GOTV nature as well as others which could potentially have been made on behalf of Federal candidates. The Committee reported in excess of 100 expenditures totaling \$127,399.55 with "purpose" of expenditure such as: printing, advertising, polling, commissions and travel expense reimbursement, and reimbursements of voter registration or GOTV expenses (see Attachment I). None of these expenditures were allocated to or on behalf of specific candidates. In fact, with the exception of the items noted in Exhibit B, the Committee reported no contributions to or expenditures on behalf of Federal candidates during the audit period.

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Exhibit C
Page 2 of 3

Prior to the audit, the Commission's Reports Analysis Division requested clarification of certain of these expenditures and advised the Committee of the requirement to allocate to specific candidates, where applicable. The Committee responded, in writing, stating that the expenditures were exclusively for "comprehensive voter registration and get-out-the-vote programs."

During the entrance conference, Committee officials advised the auditors that the main thrust of their Federal political activity was a voter registration/GOTV program. The auditors asked the Committee to describe the program and to provide copies or samples of the printed materials as well as the text from a radio advertisement to determine if the activity was of a general Democratic Party nature or if any Federal candidates were specifically mentioned.

The Committee officials stated that the Committee's Chairman would have knowledge of the voter registration/GOTV activity but that neither he nor any related documentation would be available at the audit site. They agreed, however, to contact the Chairman and to forward any materials or information that he could provide.

In the Interim report, the Audit staff recommended that the Committee:

1. provide a written description of the Committee's voter registration/GOTV activity including an expansion on what is meant by a "comprehensive voter registration and GOTV program." Such a description should address how the expenditures at Attachment I related to this program;
2. provide: (a) examples of printed materials used or distributed, (b) copies or examples of any door-to-door or telephone canvassing scripts utilized, (c) copies of the text of any public advertising done, and (d) copies of any other materials which describe or are representative of the nature of any contact with or message(s) conveyed to prospective voters in conjunction with any voter registration/GOTV activity; and,

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3. file amended reports to disclose the allocation of expenditures to any candidates which were clearly identified in the voter registration/GOTV communications.

The Committee's response to this matter has not been received to date.

Recommendation

The Audit staff recommends that this matter be referred to the Office of General Counsel for further review.

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**Schedule of Expenditures Relating to
GOTV/Voter Registration**

<u>Vendor</u>	<u>Date</u>	<u>Purpose per Report(s)</u>	<u>Amount</u>
18. James Kennedy	11/5/84	Delaware Co. Polling Expense Reimbursement	\$ 6,000.00
19. John O'Leary	11/20/84	Consulting	1,500.00
20.-			
80. Various Individuals	Late Oct. early Nov. 1984	Commissions & Travel Expense Reimbursement	27,042.97
81. Alleghany Co. Dem. Committee	10/30/84	Expense Reimbursement (GOTV)	3,000.00
82. " " "	11/9/84	" " "	2,400.00
83. Delaware Co. Dem. Committee	11/2/84	Expense Reimbursement (Chester City GOTV)	2,000.00
84. 1st Ward Dem. Committee	11/5/84	Polling Exp. Reimbursement	54.00
85.-			
115. 2nd through 32nd Ward Dem. Committees	11/5/84	Voter Registration Expense Reimbursement	7,326.99
116. Value Rent-A-Car	12/5/84	Auto Rental	1,924.06
117. VSE Corporation	12/26/84	Printing	2,777.85
118. Duplicating Brokers, Inc.	12/26/84	" " "	491.72
119. Dianna Pierce	12/26/84	Consulting Fee	600.00
120. Budget Rent-A-Car	12/26/84	Auto Rental	600.00
121. William Comer	12/26/84	Consulting Fee	300.00
122. Terry Weldon	12/26/84	" " "	<u>900.00</u>
			<u>\$127,399.55</u>

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Recordkeeping of Contributions

Sections 432(c)(1) through (3) and Section 432(d) of Title 2, United States Code, state that the treasurer of a political committee shall keep an account of all contributions received by or on behalf of such political committee; the name and address of any person who makes any contribution in excess of \$50, together with the date and amount of such contribution and, the identification of any person who makes a contribution or contributions aggregating more than \$200 during a calendar year, together with the date and amount of any such contribution. The treasurer shall preserve all records required to be kept by this section and copies of all reports required to be filed by this subchapter for 3 years after the report is filed.

The regulations on joint fundraising at 11 C.F.R. § 102.17(c)(4)(ii) state, in part, that the fundraising representative shall collect and retain contributor information with regard to gross proceeds as required under 11 C.F.R. § 102.8 and shall also forward such information to participating political committees.

Section 102.9(d) of Title 11, Code of Federal Regulations, states, in part, that in performing recordkeeping duties, the treasurer or authorized agent shall use best efforts to obtain, maintain and submit the required information and shall keep a complete record of such efforts. If there is a showing that best efforts have been made, any records of a committee shall be deemed to be in compliance with the Act.

The Committee participated in a joint fundraiser with the Democratic National Committee (DNC) in which "house parties" on behalf of the Mondale-Ferraro campaign were held throughout Pennsylvania. The Committee advanced \$32,500 to the DNC to defray fundraising expenses. The contributions resulting from these fundraisers were forwarded to the DNC, the fundraising representative, who in turn transferred the net proceeds to the Committee along with a printout of the identity of the contributors. The Audit staff's review of the printout disclosed contributions totaling \$45,169.21. However, analysis of the Committee's disclosure reports and other supporting documentation revealed that proceeds totaling \$67,536.81 were received from the DNC, resulting in \$22,367.60 in undocumented contributions.

Committee officials were aware of this discrepancy and stated that they have made several attempts to get the required information from the DNC, but have been unsuccessful.

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In the Interim report, the Audit staff recommended that the Committee exercise best efforts to obtain from the DNC an explanation and/or documentation regarding the \$22,367.60 in undocumented contributions received at these fundraising events, pursuant to 11 C.F.R. § 102.8. It was also recommended that the Committee document such efforts and provide to the Commission any information or documentation received as a result of their efforts within the 30 day response period.

The Committee's response to this matter has not been received to date.

Recommendation

The Audit staff recommends that this matter be referred to the Office of General Counsel for further review.

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Itemization of Receipts

Section 434(b)(3)(A) of Title 2, United States Code, states, in part, that a political committee shall disclose the identification of each person who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of \$200 within the calendar year, together with the date and amount of any such contribution.

Section 102.17(c)(8)(B) of Title 11 of the Code of Federal Regulations, which deals with the reporting of receipts for joint fundraising, states that after distribution of net proceeds, each participating political committee shall report its share of net proceeds received as a transfer-in from the fundraising representative. Each participating political committee shall also file a memo Schedule A itemizing its share of gross receipts as contributions from original contributors to the extent required under 11 C.F.R. § 104.3(a).

During the review of the Committee's contribution records, the Audit staff noted that the Committee did not itemize 10 of the 19 contributions from individuals which, in the aggregate, exceeded \$200. These represent 52.63% of the total number and 45.24% of the dollar amount of contributions requiring itemization.

It should be noted that 8 out of the 10 itemization errors were contributions resulting from the joint fundraiser between the Committee and the Democratic National Committee discussed in Exhibit D. Committee officials stated that they were reluctant to disclose the identification of the joint fundraising contributors until the discrepancy between the amount received from the DNC and the total of contributions on the printout could be resolved (see Exhibit D above).

In the Interim report, the Audit staff recommended that the Committee file a comprehensive amendment for 1984 itemizing all contributors whose contributions aggregate in excess of \$200. Regarding the itemization of joint fundraising contributions, the Committee was required to file a memo Schedule A itemizing its share of gross receipts from the joint fundraiser as contributions from original contributors to the extent required under 11 C.F.R. § 104.3(a).

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Exhibit E
Page 2 of 2

The Committee's response to this matter has not been received to date.

Recommendation

The Audit staff recommends that this matter be referred to the Office of General Counsel for further review.

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RQ-2

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they should be reported on Schedule B Supporting Line 19 of the Detailed Summary Page and the debt should be reduced by a corresponding amount.

-Schedule A of your report (pertinent portion(s) attached) discloses a contribution(s) from an organization(s) which is not a political committee registered with the Commission. Under 11 CFR 102.5(b), organizations which are not political committees under the Act must either: 1) establish a separate account which contains only those funds permitted under the Act, or 2) demonstrate through a reasonable accounting method that the organization has received sufficient funds subject to the limitations and prohibitions in order to make the contribution.

Please clarify whether the contribution(s) received from the referenced organization(s) is permissible, as required by 11 CFR 102.5(a). To the extent that your committee has received funds which are not permissible, the Commission recommends that you refund the impermissible amount(s) to the donor(s) in accordance with 11 CFR 103.3(b). If you choose to transfer the funds to an account not used to influence federal elections, the Commission advises that you inform the contributor(s) of your intent and provide the contributor(s) with the option of receiving a refund. Please inform the Commission in writing and provide a photocopy of your check(s) for the refund(s) or transfer(s)-out. Contributions which are refunded should be disclosed on Schedule B for Line 26a of your next report; those which are transferred-out should be disclosed on Schedule B for Line 20 or Line 27, as appropriate.

-The 1986 July Quarterly Report disclosed \$7,200 in loans from The Fidelity Bank and the Pennsylvania Democratic State Committee (Non-Federal Account). This report, however, does not include a Schedule C to disclose the status of the loans, nor are there any loan repayments on Schedule B. Please provide a Schedule C to show the status of the loans and/or a Schedule B to show loan repayments. Loans must be continuously reported until they are repaid. 11 CFR 104.3(d).

An amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,

Tammy Rollins

Tammy Rollins
Reports Analyst
Reports Analysis Division

88 06 00 45 04 75 01 53 11 57 62

SCHEDULE A

ITEMIZED RECEIPTS

Use separate sheet for each category of the Detailed Summary Page

PAGE 1 OF 1
FOR LINE NUMBER 12(c)

(CONTRIBUTIONS FROM POLITICAL COMMITTEES)

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

NAME OF COMMITTEE (in Full)

Pennsylvania Democratic State Committee

C00167130

A. Full Name, Mailing Address and ZIP Code

Potomac Machinists PAC
Pittsburgh, PA

Receipt For: ☐ Primary ☐ General
☐ Other (specify):

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

10/6/86

\$3,000.00

Aggregate Year-to-Date > 8

B. Full Name, Mailing Address and ZIP Code

American Federation of Gov. Employees PAC
1325 Mass. Avenue, N.W.
Washington, DC 20005

Receipt For: ☐ Primary ☐ General
☐ Other (specify):

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

10/10/86

500.00

Aggregate Year-to-Date > 8

C. Full Name, Mailing Address and ZIP Code

Receipt For: ☐ Primary ☐ General
☐ Other (specify):

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

Aggregate Year-to-Date > 8

D. Full Name, Mailing Address and ZIP Code

Receipt For: ☐ Primary ☐ General
☐ Other (specify):

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

Aggregate Year-to-Date > 8

E. Full Name, Mailing Address and ZIP Code

Receipt For: ☐ Primary ☐ General
☐ Other (specify):

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

Aggregate Year-to-Date > 8

F. Full Name, Mailing Address and ZIP Code

Receipt For: ☐ Primary ☐ General
☐ Other (specify):

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

Aggregate Year-to-Date > 8

G. Full Name, Mailing Address and ZIP Code

Receipt For: ☐ Primary ☐ General
☐ Other (specify):

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

Aggregate Year-to-Date > 8

SUBTOTAL of Receipts This Page (optional)

TOTAL This Period (last page the line number only)

\$3,500.00

\$3,500.00

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FEDERAL ELECTION C
WASHINGTON, D.C. 20463

MISSION

RQ-2

DEC 17 1986

Lawrence J. Yatch, Treasurer
Pennsylvania Democratic State
Committee
510 North Third Street
Harrisburg, PA 17101

Identification Number: C00167130

Reference: Amended October Quarterly Report (6/30/86-9/30/86 -
dated 10/29/86)

Dear Mr. Yatch:

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

-Your previous filing, the 1986 July Quarterly Report, disclosed a total of \$7,200 in loans from The Fidelity Bank and the Pennsylvania Democratic State Committee (Non-Federal Account). This report, however, does not include a Schedule C to disclose the status of the loans, nor are there any loan repayments on Schedule B. Please provide a Schedule C to show the status of the loans and/or a Schedule B to show loan repayments. Loans must be continuously reported until they are repaid. 11 CFR 104.3(d).

An amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,

Tammy Rollins
Reports Analyst
Reports Analysis Division

DEC 22 1986

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CCC# 3340

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 2309
NAME OF COUNSEL: Judith L. Corley, Esq.
ADDRESS: Perkins Coie
1110 Vermont Ave., N.W.
Washington, D.C. 20005
TELEPHONE: 202/887-9030

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.

May 7, 1987
Date

Lawrence J. Yatch
Signature

RESPONDENT'S NAME: Pennsylvania Democratic State Committee and
Lawrence J. Yatch, as Treasurer
ADDRESS: Penna. Democratic State Committee
510 North Third Street
Harrisburg, PA 17101
HOME PHONE: _____
BUSINESS PHONE: 717/238-9381

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SENSITIVE

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

07 APR 21 P 3:50

COMMUNICATIONS SECTION

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION _____

MUR # 2309
STAFF MEMBER:
Frances B. Hagan

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

RESPONDENTS' NAMES: Pennsylvania Democratic State Committee
Lawrence J. Yatch, Treasurer

Goode for Mayor Committee
Donald Redcross, Treasurer

Potomac Machinists PAC
Anthony Como, Treasurer

Fumo for Senate and its treasurer

RELEVANT STATUTE:

- 2 U.S.C. § 441b(a)
- 11 C.F.R. § 102.5(a) and (b)
- 11 C.F.R. § 103.3(b)
- 11 C.F.R. § 106.1(a)
- 11 C.F.R. § 106.1(c)(2) and (3)
- 2 U.S.C. § 432(c)(1)-(3)
- 11 C.F.R. § 102.17(c)(4)(ii)
- 11 C.F.R. § 102.9(d)
- 2 U.S.C. § 434(b)(3)(A)
- 11 C.F.R. § 102.17(c)(8)(B)
- 2 U.S.C. §§ 433 and 434

INTERNAL REPORTS
CHECKED:

Audit Referral and Work Papers

FEDERAL AGENCIES
CHECKED:

None

GENERATION OF MATTER

This matter was referred to the Office of General Counsel by the Audit Division as a result of an audit conducted pursuant to 2 U.S.C. § 438(b).

SUMMARY OF ALLEGATIONS

The Pennsylvania Democratic State Committee ("the Committee") and Lawrence J. Yatch, as treasurer, violated

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11 C.F.R. 102.5(a) by depositing contributions from unregistered entities into the federal Committee account. The Committee further violated 11 C.F.R. § 102.5(a) by making contributions to federal committees from its non-federal account. The Committee violated 2 U.S.C. § 434(b)(4) by apparently failing to disclose allocation of funds to candidates pursuant to 11 C.F.R. § 106.1(a).

The Committee violated 2 U.S.C. § 432(c)(1)-(3) and 432(d) and 11 C.F.R. § 102.9(d) by failing to keep an account of records for certain receipts and failing to use best efforts to produce the records. The Committee violated 2 U.S.C. § 434(b)(3)(A) and 11 C.F.R. § 102.17(c)(8)(B) by failing adequately to itemize receipts.

Finally, three unregistered entities violated 2 U.S.C. §§ 433 and 434 by failing to register and report as political committees.

FACTUAL AND LEGAL ANALYSIS

11 C.F.R. § 102.5(a)(1) states in part that a political committee, including a party committee, which finances political activity in connection with both federal and non-federal elections and which has established a separate account for federal activity, shall deposit into the federal account only funds subject to the prohibitions and limitations of the Act. All disbursements, contributions, expenditures and transfers by the committee in connection with any federal election shall be made from its federal account. No transfers may be made to

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such federal account from any other accounts maintained for the purpose of financing non-federal election activity.

2 U.S.C. §§ 433 and 434 require registration and reporting with the FEC by political committees. 2 U.S.C. § 431(4) in part defines a political committee as any committee which receives contributions or makes expenditures in excess of \$1,000 during a calendar year.

Transfer of Funds from Unregistered/Non-Federal Committees

During the FEC audit of the Committee, the auditors found that the Committee received contributions totaling \$11,500 from three unregistered committees, the Goode for Mayor Committee, the Potomac Machinists PAC and the Fumo for Senate Committee.

The Goode for Mayor campaign contributed \$4,000 to the Committee on November 7, 1984. In response to the interim audit report, the Committee provided a letter from this unregistered mayoral committee stating that on November 5, 1984, its treasury contained \$13,748.64. Of that amount, the Goode Committee stated, \$13,710.12 "represented federally permissible funds. The balance reflect [sic] deposits of vendor refunds."

In offering this information, the Committee apparently is relying on the Regulation at 11 C.F.R. § 102.5(b)(ii) which allows non-registered organizations to "demonstrate through a reasonable accounting method that whenever such organization makes a contribution, expenditure or exempted payment, that organization has received sufficient funds subject to the

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limitations and prohibitions of the Act to make such contribution...." However, this regulation is applicable only to organizations that do not qualify as political committees under the Act, notably, those organizations which do not make contributions in excess of \$1,000. 11 C.F.R. § 102.5(b)(1).

Contributions over \$1,000, as in each of the three contributions at issue here, would trigger the registration and reporting requirements of the Act. Once an organization becomes a political committee, 11 C.F.R. § 102.5(b) is no longer applicable and the committee must adhere to the regulations at 11 C.F.R. § 102.5(a)(1)(i), (ii) and (2).

A second contribution of \$5,000 reportedly was from the unregistered Potomac Machinists PAC. The auditors obtained a letter from the Potomac Machinists PAC stating that this contribution originated from the registered Machinists Non-Partisan Political League's ("the MNPL") federal account. However, our analysis of this contribution is similar to the previous case in that a contribution in excess of \$1,000 was made from an unregistered organization. Furthermore, certain questions surrounding this transaction remain unanswered.

Our research indicates that the MNPL's 1984 Pre-General Report shows two disbursements to the Potomac Machinists PAC (\$5,000 on 10-11-84 and \$1,200 on 10-15-84). The address for the Potomac Machinists PAC shown on MNPL's report is that of the Pennsylvania Democratic State Committee. The two disbursements are reported on line 21 for "contributions to federal candidates

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and other political committees" along with contributions reported to candidate committees and other state party committees.

Although it is not clear why the Pennsylvania Democrats' address is listed for the Potomac Machinists PAC on the MNPL report, this local PAC provided a letter stating that the MNPL funds of \$5000 were deposited in the Potomac Machinists PAC account before the contribution was made to the Pennsylvania Democrats. The audit provided a check copy for the \$5,000 contribution drawn on the unregistered entity's account.

8 8 0 4 0 7 0 5 1 6 4 This Office also notes that before the audit, RAD questioned the Pennsylvania Democrats about the receipt of contributions from the unregistered organization and apparently received no response. RAD's question to the Potomac Machinists PAC elicited a letter stating that the organization is not a federal PAC and does "not wish to become one." The letter stated that the Potomac Machinists PAC had contacted the Pennsylvania Democrats with this information and had been told that the \$5,000 contribution would be transferred to a non-federal account. According to the audit, this transfer was not made.

The Committee stated to the auditors that a third contribution, \$2,500 from the Fumo for [state] Senate committee, will be listed on the Pennsylvania Democrats' Committee reports as a debt owed to the non-federal account, apparently because the Committee did not receive confirmation from the Fumo Committee that the funds were permissible under the Act. This contribution of more than \$1,000 from an unregistered committee falls into the same category as the two mentioned above.

Because corporate and labor contributions are not acceptable in connection with Pennsylvania state and local elections, it does not appear that the Committee has accepted prohibited contributions under 2 U.S.C. § 441b(a) through receipt of funds from unregistered committees. However, the Committee has violated 11 C.F.R. § 102.5(a)(1) by depositing funds into its federal account from other accounts (the three unregistered committees) maintained for the purpose of financing non-federal election activity. This Office recommends a finding of reason to believe against the Committee regarding this issue.

Further, the three unregistered entities violated 2 U.S.C. §§ 433 and 434 by failing to register and report as political committees. This Office recommends that the Commission find reason to believe against the Goode for Mayor Committee, the Potomac Machinists PAC and the Fumo for Senate Committee regarding 2 U.S.C. §§ 433 and 434.

Contributions to Candidates from Non-Permissible Funds

The auditors learned that during the audit period, May 3, 1983 through December 31, 1984, the Committee made three contributions to federal political committees using funds from its non-federal account. See 11 C.F.R. § 102.5(a)(1)(i). On November 1, 1984, the Committee made contributions of \$3,000

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to the Edgar for Congress Committee and \$2,000 to the Wachob for Congress Committee. The Committee asserted that these contributions to two federal candidate committees from its non-federal account were clerical errors because at the time of the contribution the federal account contained sufficient funds to make the contributions. The auditors verified that sufficient federal account funds were available.

In response to the interim audit report, the Committee provided evidence to show that it received refunds from the two federal candidate committees noted above, that it deposited the refunds in the non-federal account, and reissued the contributions from the federal account.

As stated above, the Committee obtained contribution refunds totaling \$5,000 from the two candidate committees (Edgar and Wachob) and deposited them in the non-federal account, an appropriate remedial action when contributions are made to federal committees from a non-federal account. Inexplicably, however, the Committee stated that it would disclose a debt of \$5,000 to the non-federal account.

Because the \$5,000 debt was not explained and apparently not necessary, the auditors reviewed the Committee's 1985 July Quarterly Report. In it, the auditors noted disclosure of two transfers-in from the non-federal to the federal account, transfers which corresponded to the amounts and dates of the checks which had been reissued from the federal account to the Edgar and Wachob committees. The report showed that the Committee's federal account received the two non-federal

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transfers of \$3,000 each on May 14 and May 22, 1985, and showed contributions reissued from the federal account to the candidate committees on May 16, 1985 (\$2,000) and May 22, 1985 (\$3,000). Thus, it appears that the Committee has received transfers from the non-federal account to cover the two contributions reissued from the federal account (along with an additional \$1,000). If so, the Committee has exacerbated the original problem found by the auditors. That is, the Committee originally made contributions from its non-federal account to the Edgar and Wachob Committees, received refunds of these contributions, then reissued checks from the federal account. Then, the Committee apparently compounded its original mistake and nullified its remedial action by making a transfer of funds directly from the non-federal to the federal account to cover the contributions reissued from the federal account.

It is clear that confusion remains concerning the Committee's use of its federal and non-federal accounts. For example, as noted above, the Committee told the auditors it would disclose a debt of \$5,000 to the non-federal account. However, when RAD inquired about the transfers totaling \$6,000 from the non-federal account, the Committee stated that the transfers-in (which occurred three months prior to the audit fieldwork) had been suggested by the audit staff. In the same response, the Committee stated that it had reported the \$6,000 as a debt to the non-federal account on its 1985 Year End Report.

As to the third contribution, the auditors found that on October 30, 1984, the Committee made a contribution of \$2,000

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from the non-federal account to a federal committee, the Victory Fund Mondale/Ferraro. The interim audit report recommended three options to rectify the non-federal disbursement to a federal committee: (a) seek a refund, (b) reimburse the non-federal account from the federal account or (c) provide evidence that a refund is not necessary.*/ The Committee stated that it would report a debt of \$2,000 to the non-federal account representing the amount of the non-federal contribution to the Victory Fund Mondale/Ferraro.

Based on the foregoing analysis, the Office of the General Counsel concludes that by failing to make the contributions from its federal account and by transferring funds from the non-federal to the federal account, the Committee again violated 11 C.F.R. § 102.5(a)(1).

Get-Out-The-Vote Expenditures

2 U.S.C. § 434(b)(4)(H) requires that political committees disclose all disbursements.

11 C.F.R. § 106.1(a) states that expenditures made on behalf of more than one candidate shall be attributed to each candidate in proportion to, and shall be reported to reflect, the benefit reasonably expected to be derived.

11 C.F.R. § 106.1(c)(2) states that expenditures for educational campaign seminars, for training of campaign workers,

*/ The Office of the General Counsel maintains its position that a transfer to a non-federal account is not an appropriate remedy in that 11 C.F.R. § 103.3(b) contemplates refunds for apparent illegal receipts.

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and for registration or get-out-the-vote drives of committees need not be attributed to individual candidates unless these expenditures are made on behalf of a clearly identified candidate, and the expenditure can be directly attributed to that candidate.

11 C.F.R. § 106.1(c)(3) states that payments made for the cost of certain voter registration and get-out-the-vote activities conducted by State or local party organizations on behalf of any Presidential or Vice Presidential candidate(s) are exempt from the definition of a contribution or an expenditure under 11 C.F.R. §§ 100.7(b)(17) and 100.8(b)(18). If the State or local party organization includes references to any candidate(s) seeking nomination or election to the House of Representatives or Senate of the United States, the portion of the cost of such activities allocable to such candidate(s) shall be considered a contribution to or an expenditure on behalf of such candidate(s), unless such reference is incidental to the overall activity. If such reference is incidental to the overall activity, such costs shall not be considered a contribution to or expenditure on behalf of any candidate(s).

11 C.F.R. §§ 100.7(b)(17) and 100.8(b)(18) stipulate in part that state party committee get-out-the-vote activities on behalf of Presidential or Vice Presidential nominees are not considered contributions or expenditures provided that such payments are not for costs in connection with broadcasting, newspaper, magazine, billboard, direct mail or similar general public communication or

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political advertising; the federally allocable portion of costs is paid from funds subject to the Act; and such payments are not made from monies designated for a particular federal candidate.

During the audit period, the Committee disclosed a number of expenditures apparently for voter registration and get-out-the-vote ("GOTV") activities which could have benefited specific federal candidates. Expenditures directly attributable to candidates should be reported as such and the amounts applied to contribution limitations.

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The Committee reported more than 100 expenditures totaling \$127,399.55, listing the purposes as: printing, advertising, polling, commissions and travel expense reimbursement and reimbursements of voter registration or GOTV expenses. Before the audit, RAD had requested clarification of some of these expenditures and had advised the Committee of the requirement to allocate to specific candidates where applicable. The Committee's response stated that the expenditures were exclusively for "comprehensive voter registration and get-out-the-vote programs."

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During the audit, the Committee advised the auditors that the bulk of its federal political activity consisted of a voter registration and GOTV program. The auditors requested a description of the program and copies or samples of printed materials as well as radio advertising copy in order to determine whether the GOTV activity constituted contributions on behalf of specific candidates. Without such information, it is not clear whether the GOTV activity qualifies for the exemptions to

contributions and expenditures on behalf of presidential nominees. (11 C.F.R. §§ 100.7(b)(17) and 100.8(b)(18)). In addition, it is not clear if reference was made to House or Senate candidates, and if so, whether such references were more than incidental and thus allocable pursuant to 11 C.F.R. § 106.1(c)(3). The Committee agreed to provide any related materials still available, but has not responded further.

The Office of the General Counsel recommends that the Commission find a violation of 2 U.S.C. § 434(b)(4) and send questions to the Committee in an effort to resolve this issue.

Contribution Recordkeeping and Receipts Itemization

2 U.S.C. §§ 432(c)(1)-(3) and 432(d) state that the treasurer of a political committee shall keep an account of all contributions received by or on behalf of such political committee, the name and address of any person who makes any contribution in excess of \$50, together with the date and amount of such contribution, and the identification of any person who makes a contribution or contributions aggregating more than \$200 during the calendar year, together with the date and amount of any such contribution. The treasurer shall preserve all records required to be kept by this section and copies of all reports required to be filed by this subchapter for 3 years after the report is filed.

The regulations on joint fundraising at 11 C.F.R. § 102.17(c)(4)(ii) state, in part, that the fundraising representative shall collect and retain contributor information

with regard to gross proceeds as required under 11 C.F.R. § 102.8 and shall also forward such information to participating political committees.

11 C.F.R. § 102.9(d) states in part that in performing recordkeeping duties, the treasurer or authorized agent shall use best efforts to obtain, maintain and submit the required information and shall keep a complete record of such efforts. If there is a showing that best efforts have been made, any records of a committee shall be deemed to be in compliance with the Act.

2 U.S.C. § 434(b)(3)(A) states in part that a political committee shall disclose the identification of each person who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of \$200 within the calendar year, together with the date and amount of any such contribution.

11 C.F.R. § 102.17(c)(8)(B), regarding the reporting of receipts for joint fundraising, states that after distribution of net proceeds, each participating political committee shall report its share of net proceeds received as a transfer-in from the fundraising representative. Each participating political committee shall also file a memo Schedule A itemizing its share of gross receipts as contributions from original contributors to the extent required under 11 C.F.R. § 104.3(a).

As stated in the audit referral, the Committee participated in a joint fundraiser with the Democratic National Committee ("DNC") on behalf of the Mondale-Ferraro campaign. As set forth

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in the joint fundraising regulations at 11 C.F.R. § 102.17(c)(4)(ii), the DNC served as fundraising representative, collecting and retaining contributor information with regard to gross proceeds. The fundraising representative is also charged with forwarding the contributor information to other participants. In this case, the Committee advanced \$32,500 to the DNC to defray expenses and received net proceeds of \$67,536.81 from the fundraising event. The contributor information provided by the DNC identified contributors whose contributions totaled \$45,169.21, leaving undocumented receipts of \$22,367.60.

Because the fundraising representative, in this instance the DNC, is charged with collecting, retaining and forwarding the contributor information, any Committee attempts to obtain the missing information from the DNC should be considered "best efforts" if the fundraising representative is unable to produce the required records. 11 C.F.R. § 102.9(d). However, even though the Committee stated to the auditors that it had made several unsuccessful attempts to obtain the required information from the DNC, none of the missing records nor any evidence of attempts to get them was provided. Therefore, this Office recommends a finding of reason to believe that the Committee violated 2 U.S.C. § 432(c)(1), (2) and (3) and 432(d).

During the audit review of contribution records, the auditors noted that the Committee failed to itemize 10 of 19 contributions from individuals which, in the aggregate, exceeded

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\$200. These omissions represent 52.63% of the total number and 45.24% of the dollar amount requiring itemization. Eight of 10 itemization omissions were contributions received from the Committee/DNC joint fundraiser. The Committee stated that it did not wish to itemize the available joint fundraising contributors until it had resolved the discrepancy between the amount of funds received from the DNC and the insufficient list of contributors received with those funds. The audit recommended that the Committee itemize in a 1984 comprehensive amendment all contributions in excess of \$200. The Committee was also required to file a memo Schedule A itemizing its share of gross proceeds from the joint fundraiser as contributions from the original contributors as required by 11 C.F.R. § 104.3(a).

Because the Committee has not itemized all contributions as required, this Office recommends a finding of reason to believe that the Committee violated 2 U.S.C. § 434(b)(3)(A) and 11 C.F.R. § 102.17(c)(8)(B).

RECOMMENDATION

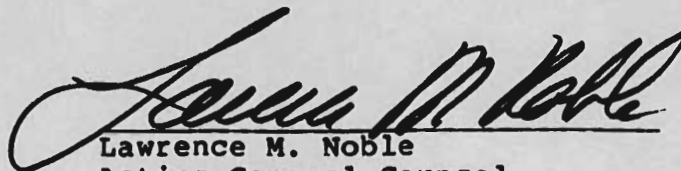
1. Find reason to believe that the Pennsylvania Democratic State Committee and Lawrence J. Yatch, as treasurer, violated the following:
 - a) 11 C.F.R. § 102.5(a)(1);
 - b) 2 U.S.C. § 434(b)(4);
 - c) 2 U.S.C. § 432(c)(1), (2) and (3);
 - d) 2 U.S.C. § 432(d);
 - e) 2 U.S.C. § 434(b)(3)(A);
 - f) 11 C.F.R. § 102.17(c)(8)(B).
2. Find reason to believe that the following violated 2 U.S.C. §§ 433 and 434:
 - a) Goode for Mayor Committee and Donald Redcross, as treasurer;

- b) Potomac Machinists PAC and Anthony Como, as treasurer;
- c) Fumo for Senate Committee and its treasurer.

4. Send the attached letters and General Counsel's Factual and Legal Analyses and questions.

Date

4/21/87



Lawrence M. Noble
Acting General Counsel

Attachments

Letters to Respondents with General Counsel's Factual and Legal
Analyses and Questions
Audit Referral

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Pennsylvania Democratic State Committee) MUR 2309
Lawrence J. Yatch, Treasurer)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on April 24, 1987, the Commission decided by a vote of 5-0 to take the following actions in MUR 2309:

1. Find reason to believe that the Pennsylvania Democratic State Committee and Lawrence J. Yatch, as treasurer, violated the following:
 - a) 11 C.F.R. § 102.5(a)(1);
 - b) 2 U.S.C. § 434(b)(4);
 - c) 2 U.S.C. § 432(c)(1), (2) and (3);
 - d) 2 U.S.C. § 432(d);
 - e) 2 U.S.C. § 434(b)(3)(A);
 - f) 11 C.F.R. § 102.17(c)(8)(B).
2. Find reason to believe that the following violated 2 U.S.C. §§ 433 and 434:
 - a) Goode for Mayor Committee and Donald Redcross, as treasurer;
 - b) Potomac Machinists PAC and Anthony Como, as treasurer;
 - c) Fumo for Senate Committee and its treasurer.

(continued)

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3. Send the letters and General Counsel's Factual and Legal Analyses and questions, as recommended in the First General Counsel's Report signed April 21, 1987.

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

Attest:

4-24-87

Date

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

Received in the Office of Commission Secretary:	Tues.,	4-21-87,	3:50
Circulated on 48 hour tally basis:	Wed.,	4-22-87,	11:00
Deadline for vote:	Fri.,	4-24-87,	11:00

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 5, 1987

Lawrence J. Yatch, Treasurer
Pennsylvania Democratic State Committee
510 N. Third Street
Harrisburg, Pennsylvania 17101

RE: MUR 2309
Pennsylvania Democratic
State Committee
Lawrence J. Yatch, as
treasurer

Dear Mr. Yatch:

On April 24, 1987, the Federal Election Commission determined that there is reason to believe that the Pennsylvania Democratic State Committee and you, as treasurer, violated the following provisions of the Federal Election Campaign Act of 1971, as amended ("the Act") and the Commission Regulations:

- a) 11 C.F.R. § 102.5(a)(1);
- b) 2 U.S.C. § 434(b)(4);
- c) 2 U.S.C. § 432(c)(1), (2) and (3);
- d) 2 U.S.C. § 432(d);
- e) 2 U.S.C. § 434(b)(3)(A);
- f) 11 C.F.R. § 102.17(c)(8)(B).

The Factual and Legal Analysis, which formed a basis for the Commission's findings, 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. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within fifteen days of your receipt of this letter.

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.

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Letter to Lawrence J. Yatch
Page 2

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

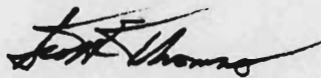
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and 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 Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,



Scott E. Thomas
Chairman

Enclosures

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

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Pennsylvania Democratic) MUR 2309
State Committee)
Lawrence J. Yatch, as treasurer)

INTERROGATORIES AND REQUEST
FOR PRODUCTION OF DOCUMENTS

TO: Lawrence J. Yatch
Treasurer, Pennsylvania
Democratic State Committee
510 N. Third Street
Harrisburg, PA 17101

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In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 15 days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety, for inspection and copying at the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, DC 20463, on or before the same deadline. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals.

INSTRUCTIONS

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

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

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

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

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

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

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Interrogatories: PA Democratic State Committee

1. Please provide a written description of the Committee's voter registration/GOTV activity including a detailed explanation as to what is meant by a "comprehensive voter registration and GOTV program." Such a description should address how the expenditures attached related to this program.
2. Also provide: (a) examples of printed materials used or distributed, (b) copies or examples of any door-to-door or telephone canvassing scripts utilized, (c) copies of the text of any public advertising, and (d) copies of any other materials which describe or are representative of the nature of any contact with, or message(s) conveyed to, prospective voters in conjunction with any voter registration/GOTV activity.
3. Were any of the GOTV expenditures made on behalf of the Presidential or Vice Presidential nominees? See 11 C.F.R. § 106.1(c)(3). If so, which? Please provide evidence.
4. Were references made to any candidate (Presidential, House or Senate) in any of the GOTV activity? Provide transcripts, descriptions or other evidence.
5. Please provide evidence of any efforts to obtain from the DNC an explanation and/or documentation regarding \$22,367.60 in undocumented contributions received during the joint fundraising events held in 1984.
6. Please explain in detail the transfer of \$3,000 each on May 14 and May 22, 1985, from the non-federal account to the federal account and the relationship between these transfers and the contributions made during 1984 to the Wachob for Congress and the Edgar for Congress Committees.

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**SCHEDULE OF EXPENDITURES RELATING TO
GOTV/VOTER REGISTRATION**

	<u>VENDOR</u>	<u>DATE</u>	<u>PURPOSE PER REPORT(S)</u>	<u>AMOUNT</u>
1.	Frediani Printing Co.	10/8/84	Printing	\$ 340.26
2.	Philadelphia AFL-CIO, Register & Vote Committee	10/12/84	Pre-election expense	1,000.00
3.	7th Ward Democratic Committee	10/11/84	Travel and Expense Reimbursement	250.00
4.	32nd Ward Democratic Committee	10/11/84	same as above	200.00
5.	24th Ward Democratic Committee	10/11/84	same as above	200.00
6.	3rd Ward Democratic Committee	10/11/84	same as above	200.00
7.	21st Ward Democratic Committee	10/11/84	same as above	100.00
8.	Budget Rent-a-Car	10/30/84	Auto Rental	9,497.00
9.	Kennedy Printing	10/18/84	Printing Expense	10,000.00
10.	Kennedy Printing	10/30/84	Printing Expense	6,061.00
11.	Kennedy Printing	11/2/84	Printing Expense	3,911.00
12.	Ed Slaughter	10/30/84	Consulting Fee	500.00
13.	Lisa Gelb	10/30/84	Consulting Fee	220.00
14.	WAMO	10/31/84	Advertising	1,973.70
15.	Unity Broadcasting Co.-WJCY	10/31/84	Advertising	340.00
16.	Commercial & Industrial Printing	11/2/84	Printing Expense	689.00
17.	James Dolan	11/2/84	Philadelphia Polling Expense Distribution	35,000.00
18.	James Kennedy	11/5/84	Delaware Co. Polling Expense Reimbursement	6,000.00

**SCHEDULE OF EXPENDITURES RELATING TO
GOTV/VOTER REGISTRATION**

<u>VENDOR</u>	<u>DATE</u>	<u>PURPOSE PER REPORT(S)</u>	<u>AMOUNT</u>
19. John O'Leary	11/20/84	Consulting	1,500.00
20 through 80. Various Individuals	Late Oct. early Nov.1984	Commissions & Travel Expense Reimbursement	27,042.97
81. Allegheny Co. Dem.Committee	10/30/84	Expense Reimbursement (GOTV)	3,000.00
82. " " "	11/9/84	" " "	2,400.00
83. Delaware Co. Dem.Committee	11/2/84	Expense Reimbursement (Chester City GOTV)	2,000.00
84. 1st Ward Dem. Committee	11/5/84	Polling Exp. Reimbursement	54.00
85 through 115 2nd through 32nd Ward Demo.Committee	11/5/84	Voter Registration Expense Reimbursement	7,326.99
116. Value Rent-A-Car	12/5/84	Auto Rental	1,924.06
117. VSE Corporation	12/26/84	Printing	2,777.85
118. Duplicating Brokers, Inc.	12/26/84	Printing	491.72
119. Dianna Pierce	12/26/84	Consulting Fee	500.00
120. Budget Rent-A-Car	12/26/84	Auto Rental	500.00
121. William Comer	12/26/84	Consulting Fee	300.00
122. Terry Weldon	12/26/84	" " "	900.00
			<u>\$127,399.55</u>

[Signature]

MUR NO. 2309
STAFF MEMBER & TEL. NO.
Frances B. Hagan (202)
376-8200

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The Pennsylvania Democratic State Committee ("the Committee") and Lawrence J. Yatch, as treasurer, violated 11 C.F.R. 102.5(a) by depositing contributions from unregistered entities into the federal Committee account. The Committee further violated 11 C.F.R. § 102.5(a) by making contributions to federal committees from its non-federal account. The Committee violated 2 U.S.C. § 434(b)(4) by apparently failing to disclose allocation of funds to candidates pursuant to 11 C.F.R. § 106.1(a).

The Committee violated 2 U.S.C. § 432(c)(1)-(3) and 432(d) by failing to keep an account of records for certain receipts and failing to use best efforts to produce the records. Finally, the Committee violated 2 U.S.C. § 434(b)(3)(A) and 11 C.F.R. § 102.17(c)(8)(B) by failing adequately to itemize receipts.

11 C.F.R. § 102.5(a)(1) states in part that a political committee, including a party committee, which finances political activity in connection with both federal and non-federal elections and which has established a separate account for

federal activity, shall deposit into the federal account only funds subject to the prohibitions and limitations of the Act. All disbursements, contributions, expenditures and transfers by the committee in connection with any federal election shall be made from its federal account. No transfers may be made to such federal account from any other accounts maintained for the purpose of financing non-federal election activity.

Transfer of Funds from Unregistered/Non-Federal Committees

During the FEC audit of the Committee, the auditors found that the Committee received contributions totaling \$11,500 from three unregistered committees, the Goode for Mayor Committee, the Potomac Machinists PAC and the Fumo for Senate Committee.

The Goode for Mayor campaign contributed \$4,000 to the Committee on November 7, 1984. In response to the interim audit report, the Committee provided a letter from the unregistered mayoral committee stating that on November 5, 1984, its treasury contained \$13,748.64. Of that amount, the Goode Committee stated, \$13,710.12 "represented federally permissible funds. The balance reflect [sic] deposits of vendor refunds."

In offering this information, the Committee apparently is relying on the Regulation at 11 C.F.R. § 102.5(b)(ii) which allows non-registered organizations to "demonstrate through a reasonable accounting method that whenever such organization

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makes a contribution, expenditure or exempted payment, that organization has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution...." However, this regulation is applicable only to organizations that do not qualify as political committees under the Act, notably, those organizations which do not make contributions in excess of \$1,000. 11 C.F.R. § 102.5(b)(1).

Contributions over \$1,000, as in each of the three contributions at issue here, would trigger the registration and reporting requirements of the Act. Once an organization becomes a political committee, 11 C.F.R. § 102.5(b) is no longer applicable and the committee must adhere to the regulations at 11 C.F.R. § 102.5(a)(1)(i), (ii) and (2).

A second contribution of \$5,000 reportedly was from the unregistered Potomac Machinists PAC. The auditors found that this contribution apparently originated from the registered Machinists Non-Partisan Political League's ("the MNPL") federal account. However, our analysis of this contribution is similar to the previous case in that a contribution in excess of \$1,000 was made from an unregistered organization. Furthermore, certain questions surrounding this transaction remain unanswered.

Our research indicates that the MNPL's 1984 Pre-General Report shows two disbursements to the Potomac Machinists PAC (\$5,000 on 10-11-84 and \$1,200 on 10-15-84). The address for the Potomac Machinists PAC shown on MNPL's report is that of the Pennsylvania Democratic State Committee. The two disbursements

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are reported on line 21 for "contributions to federal candidates and other political committees" along with contributions reported to candidate committees and other state party committees.

Although it is not clear why the Pennsylvania Democrats' address is listed for the Potomac Machinists PAC on the MNPL report, this local PAC provided a letter stating that the MNPL funds of \$5000 were deposited in the Potomac Machinists PAC account before the contribution was made to the Pennsylvania Democrats. The audit provided a check copy for the \$5,000 contribution drawn on the unregistered entity's account.

This Office also notes that before the audit, RAD questioned the Pennsylvania Democrats about the receipt of contributions from the unregistered organization and apparently received no response. RAD's question to the Potomac Machinists PAC elicited a letter stating that the organization is not a federal PAC and does "not wish to become one." The letter stated that the Potomac Machinists PAC had contacted the Pennsylvania Democrats with this information and had been told that the \$5,000 contribution would be transferred to a non-federal account. According to the audit, this transfer was not made.

The Committee stated to the auditors that a third contribution, \$2,500 from the Fumo for Senate committee, will be listed on the Pennsylvania Democrats' Committee reports as a debt owed to the non-federal account, apparently because the Committee did not receive confirmation from the Fumo Committee that the funds were permissible under the Act. This contribution of more

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than \$1,000 from an unregistered committee falls into the same category as the two mentioned above.

Because corporate and labor contributions are not acceptable in connection with Pennsylvania state and local elections, it does not appear that the Committee has accepted prohibited contributions under 2 U.S.C. § 441b(a) through receipt of funds from unregistered committees. However, the Committee has violated 11 C.F.R. § 102.5(a)(1) by depositing funds into its federal account from other accounts (the three unregistered committees) maintained for the purpose of financing non-federal election activity. The Office of the General Counsel recommended finding reason to believe regarding this matter.

Contributions to Candidates from Non-Permissible Funds

The auditors learned that during the audit period, May 3, 1983 through December 31, 1984, the Committee made three contributions to federal political committees using funds from its non-federal account. See 11 C.F.R. § 102.5(a)(1)(i). On November 1, 1984, the Committee made contributions of \$3,000 to the Edgar for Congress Committee and \$2,000 to the Wachob for Congress Committee. The Committee asserted that these contributions to two federal candidate committees from its non-federal account were clerical errors because at the time of the contribution the federal account contained sufficient funds to make the contributions. The auditors verified that sufficient federal account funds were available.

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In response to the interim audit report, the Committee provided evidence to show that it received refunds from the two federal candidate committees noted above, that it deposited the refunds in the non-federal account, and reissued the contributions from the federal account.

As stated above, the Committee obtained contribution refunds totaling \$5,000 from the two candidate committees (Edgar and Wachob) and deposited them in the non-federal account, an appropriate remedial action when contributions are made to federal committees from a non-federal account. Inexplicably, however, the Committee stated that it would disclose a debt of \$5,000 to the non-federal account.

Because the \$5,000 debt was not explained and apparently not necessary, the auditors reviewed the Committee's 1985 July Quarterly Report. In it, the auditors noted disclosure of two transfers-in from the non-federal to the federal account, transfers which corresponded to the amounts and dates of the checks which had been reissued from the federal account to the Edgar and Wachob committees. The report showed that the Committee's federal account received the two non-federal transfers of \$3,000 each on May 14 and May 22, 1985, and showed contributions reissued from the federal account to the candidate committees on May 16, 1985 (\$2,000) and May 22, 1985 (\$3,000). Thus, it appears that the Committee has received transfers from the non-federal account to cover the two contributions reissued from the federal account (along with an additional \$1,000). If

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so, the Committee has exacerbated the original problem found by the auditors. That is, the Committee originally made contributions from its non-federal account to the Edgar and Wachob Committees, received refunds of these contributions, then reissued checks from the federal account. Then, the Committee apparently compounded its original mistake and nullified its remedial action by making a transfer of funds directly from the non-federal to the federal account to cover the contributions reissued from the federal account.

It is clear that confusion remains concerning the Committee's use of its federal and non-federal accounts. For example, as noted above, the Committee told the auditors it would disclose a debt of \$5,000 to the non-federal account. However, when RAD inquired about the transfers totaling \$6,000 from the non-federal account, the Committee stated that the transfers-in (which occurred three months prior to the audit fieldwork) had been suggested by the audit staff. In the same response, the Committee stated that it had reported the \$6,000 as a debt to the non-federal account on its 1985 Year End Report.

As to the third contribution, the auditors found that on October 30, 1984, the Committee made a contribution of \$2,000 from the non-federal account to a federal committee, the Victory Fund Mondale/Ferraro. The interim audit report recommended three options to rectify the non-federal disbursement to a federal committee: (a) seek a refund, (b) reimburse the non-federal account from the federal account or (c) provide evidence that a

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refund is not necessary.^{*/} The Committee stated that it would report a debt of \$2,000 to the non-federal account representing the amount of the non-federal contribution to the Victory Fund Mondale/Ferraro.

Based on the foregoing analysis, the Office of the General Counsel concludes that by failing to make the contributions from its federal account and by transferring funds from the non-federal to the federal account, the Committee further violated 11 C.F.R. § 102.5(a)(1).

Get-Out-The-Vote Expenditures

2 U.S.C. § 434(b)(4)(H) requires that political committees disclose all disbursements.

11 C.F.R. § 106.1(a) states that expenditures made on behalf of more than one candidate shall be attributed to each candidate in proportion to, and shall be reported to reflect, the benefit reasonably expected to be derived.

11 C.F.R. § 106.1(c)(2) states that expenditures for educational campaign seminars, for training of campaign workers, and for registration or get-out-the-vote drives of committees need not be attributed to individual candidates unless these expenditures are made on behalf of a clearly identified candidate, and the expenditure can be directly attributed to that candidate.

^{*/} The Office of the General Counsel maintains its position that a transfer to a non-federal account is not an appropriate remedy in that 11 C.F.R. § 103.3(b) contemplates refunds for apparent illegal receipts.

11 C.F.R. § 106.1(c)(3) states that payments made for the cost of certain voter registration and get-out-the-vote activities conducted by State or local party organizations on behalf of any Presidential or Vice Presidential candidate(s) are exempt from the definition of a contribution or an expenditure under 11 C.F.R. §§ 100.7(b)(17) and 100.8(b)(18). If the State or local party organization includes references to any candidate(s) seeking nomination or election to the House of Representatives or Senate of the United States, the portion of the cost of such activities allocable to such candidate(s) shall be considered a contribution to or an expenditure on behalf of such candidate(s), unless such reference is incidental to the overall activity. If such reference is incidental to the overall activity, such costs shall not be considered a contribution to or expenditure on behalf of any candidate(s).

11 C.F.R. §§ 100.7(b)(17) and 100.8(b)(18) stipulate in part that state party committee get-out-the-vote activities on behalf of Presidential or Vice Presidential nominees are not considered contributions or expenditures provided that such payments are not for costs in connection with broadcasting, newspaper, magazine, billboard, direct mail or similar general public communication or political advertising; the federally allocable portion of costs is paid from funds subject to the Act; and such payments are not made from monies designated for a particular federal candidate.

During the audit period, the Committee disclosed a number of expenditures apparently for voter registration and get-out-the-

vote ("GOTV") activities which could have benefited specific federal candidates. Expenditures directly attributable to candidates should be reported as such and the amounts applied to contribution limitations.

The Committee reported more than 100 expenditures totaling \$127,399.55, listing the purposes as: printing, advertising, polling, commissions and travel expense reimbursement and reimbursements of voter registration or GOTV expenses. Before the audit, RAD had requested clarification of some of these expenditures and had advised the Committee of the requirement to allocate to specific candidates where applicable. The Committee's response stated that the expenditures were exclusively for "comprehensive voter registration and get-out-the-vote programs."

During the audit, the Committee advised the auditors that the bulk of its federal political activity consisted of a voter registration and GOTV program. The auditors requested a description of the program and copies or samples of printed materials as well as radio advertising copy in order to determine whether the GOTV activity constituted contributions on behalf of specific candidates. Without such information, it is not clear whether the GOTV activity qualifies for the exemptions to contributions and expenditures on behalf of presidential nominees. (11 C.F.R. §§ 100.7(b)(17) and 100.8(b)(18)). In addition, it is not clear if reference was made to House or Senate candidates, and if so, whether such references were more

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than incidental and thus allocable pursuant to 11 C.F.R. § 106.1(c)(3). The Committee agreed to provide any related materials still available, but has not responded further.

The Office of the General Counsel recommends that the Commission find a violation of 2 U.S.C. § 434(b)(4) and send questions to the Committee in an effort to resolve this issue.

Contribution Recordkeeping and Receipts Itemization

2 U.S.C. §§ 432(c)(1)(3) and 432(d) state that the treasurer of a political committee shall keep an account of all contributions received by or on behalf of such political committee; the name and address of any person who makes any contribution in excess of \$50, together with the date and amount of such contribution and, the identification of any person who makes a contribution or contributions aggregating more than \$200 during the calendar year, together with the date and amount of any such contribution. The treasurer shall preserve all records required to be kept by this section and copies of all reports required to be filed by this subchapter for 3 years after the report is filed.

The regulations on joint fundraising at 11 C.F.R. § 102.17(c)(4)(ii) state, in part, that the fundraising representative shall collect and retain contributor information with regard to gross proceeds as required under 11 C.F.R. § 102.8 and shall also forward such information to participating political committees.

11 C.F.R. § 102.9(d) states in part that in performing recordkeeping duties, the treasurer or authorized agent shall use

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best efforts to obtain, maintain and submit the required information and shall keep a complete record of such efforts. If there is a showing that best efforts have been made, any records of a committee shall be deemed to be in compliance with the Act.

2 U.S.C. § 434(b)(3)(A) states in part that a political committee shall disclose the identification of each person who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of \$200 within the calendar year, together with the date and amount of any such contribution.

11 C.F.R. § 102.17(c)(8)(B) regarding the reporting of receipts for joint fundraising, states that after distribution of net proceeds, each participating political committee shall report its share of net proceeds received as a transfer-in from the fundraising representative. Each participating political committee shall also file a memo Schedule A itemizing its share of gross receipts as contributions from original contributors to the extent required under 11 C.F.R. § 104.3(a).

As stated in the audit referral, the Committee participated in a joint fundraiser with the Democratic National Committee ("DNC") on behalf of the Mondale-Ferraro campaign. As set forth in the joint fundraising regulations at 11 C.F.R. § 102.17(c)(4)(ii), the DNC served as fundraising representative, collecting and retaining contributor information with regard to gross proceeds. The fundraising representative is also charged with forwarding the contributor information to other

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participants. In this case, the Committee advanced \$32,500 to the DNC to defray expenses and received net proceeds of \$67,536.81 from the fundraising event. The contributor information provided by the DNC identified contributors whose contributions totaled \$45,169.21, leaving undocumented receipts of \$22,367.60.

Because the fundraising representative, in this instance the DNC, is charged with collecting, retaining and forwarding the contributor information, any Committee attempts to obtain the missing information from the DNC should be considered "best efforts" if the fundraising representative is unable to produce the required records. 11 C.F.R. § 102.9(d). However, even though the Committee stated to the auditors that it had made several unsuccessful attempts to obtain the required information from the DNC, none of the missing records nor any evidence of attempts to get them was provided. Therefore, this Office recommends a finding of reason to believe that the Committee violated 2 U.S.C. § 432(c)(1), (2) and (3) and 432(d).

During the audit review of contribution records, the auditors noted that the Committee failed to itemize 10 of 19 contributions from individuals which, in the aggregate, exceeded \$200. These omissions represent 52.63% of the total number and 45.24% of the dollar amount requiring itemization. Eight of 10 itemization omissions were contributions received from the Committee/DNC joint fundraiser. The Committee stated that it did not wish to itemize the available joint fundraising contributors

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until it had resolved the discrepancy between the amount of funds received from the DNC and the insufficient list of contributors received with those funds. The audit recommended that the Committee itemize in a 1984 comprehensive amendment all contributions in excess of \$200. The Committee was also required to file a memo Schedule A itemizing its share of gross proceeds from the joint fundraiser as contributions from the original contributors as required by 11 C.F.R. § 104.3(a).

Because the Committee has not itemized all contributions as required, this Office recommends a finding of reason to believe that the Committee violated 2 U.S.C. § 434(b)(3)(A) and 11 C.F.R. § 102.17(c)(8)(B).

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 5, 1987

Anthony Como, Treasurer
Potomac Machinists PAC
Greater Pittsburgh Airport
Pittsburgh, PA 15231

RE: MUR 2309
Potomac Machinists PAC
Anthony Como, as
treasurer

Dear Mr. Como:

On April 24, 1987, the Federal Election Commission determined that there is reason to believe that the Potomac Machinists PAC and you, as treasurer, violated 2 U.S.C. §§ 433 and 434, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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

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.

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

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

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

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and 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 Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,



Scott E. Thomas
Chairman

Enclosures

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

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

MUR NO. 2309
STAFF MEMBER & TEL. NO.
Frances B. Hagan (202)
376-8200

RESPONDENTS: Potomac Machinists PAC
Anthony Como, as treasurer

SUMMARY OF ALLEGATIONS

The Potomac Machinists PAC and Anthony Como, as treasurer, violated 2 U.S.C. §§ 433 and 434 by failing to register and report to the FEC as a political committee.

FACTUAL BASIS AND LEGAL ANALYSIS

2 U.S.C. §§ 433 and 434 require registration and reporting with the FEC by political committees.

2 U.S.C. § 431(4) in part defines a political committee as any committee which receives contributions or makes expenditures in excess of \$1,000 during a calendar year.

On October 16, 1984, the Potomac Machinists PAC made a contribution of \$5,000 to the Pennsylvania Democratic State Committee.

The auditors obtained a letter from the Potomac Machinists PAC stating that this contribution originated from the registered Machinists Non-Partisan Political League's ("the MNPL") federal account. However, because the Potomac Machinists PAC deposited the funds and made the expenditure in excess of \$1,000 from its own account for the purpose of influencing a federal election, it triggered the registration and reporting requirements of 2 U.S.C. §§ 433 and 434. The Office of the General Counsel recommended that the Commission find reason to believe concerning this issue.

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This Office also noted that before the audit, the Reports Analysis Division questioned the Potomac Machinists PAC about the contribution and received a letter stating that the organization is not a federal PAC and does "not wish to become one." The letter stated that the Potomac Machinists PAC had contacted the Pennsylvania Democrats with this information and had been told that the \$5,000 contribution would be transferred to a non-federal account. According to the audit, this transfer was not made.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 5, 1987

Mr. Donald Redcross, Treasurer
Goode for Mayor Committee
1818 Market Street, 31st Floor
Philadelphia, PA 19103

RE: MUR 2309
Goode for Mayor Committee
Donald Redcross, as
treasurer

Dear Mr. Redcross:

On April 24, 1987, the Federal Election Commission determined that there is reason to believe the Goode for Mayor Committee and you as treasurer, violated 2 U.S.C. §§ 433 and 434, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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

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.

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

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

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

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and 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 Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,



Scott E. Thomas
Chairman

Enclosures

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

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12/11/84

**FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS**

MUR NO. 2309
STAFF MEMBER & TEL. NO.
Frances B. Hagan (202)
376-8200

RESPONDENTS: Goode for Mayor Committee
Donald Redcross, as treasurer

SUMMARY OF ALLEGATIONS

The Goode for Mayor Committee and Donald Redcross, as treasurer, violated 2 U.S.C. §§ 433 and 434 by failing to register and report to the FEC as a political committee.

FACTUAL BASIS AND LEGAL ANALYSIS

2 U.S.C. §§ 433 and 434 require registration and reporting with the FEC by political committees.

2 U.S.C. § 431(4) in part defines a political committee as any committee which receives contributions or makes expenditures in excess of \$1,000 during a calendar year.

On November 5, 1984, the Goode for Mayor Committee made a contribution of \$4,000 to the Pennsylvania Democratic State Committee. Because the Goode Committee made an expenditure in excess of \$1,000 for the purpose of influencing a federal election, it triggered the registration and reporting requirements of 2 U.S.C. §§ 433 and 434. A letter from the Goode Committee stated that on the date of the contribution, its bank balance contained \$13,710.12 in "federally permissible funds." The balance was made up of "vendor refunds." The Office of the General Counsel recommended that the Commission find reason to believe concerning this matter.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 5, 1987

Fumo for Senate
1208 Tasker Street
Philadelphia, PA 19148

RE: MUR 2309
Fumo for Senate
and its treasurer

Dear Sir or Madam:

On April 24, 1987, the Federal Election Commission determined that there is reason to believe that the Fumo for Senate Committee and its treasurer violated 2 U.S.C. §§ 433 and 434, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's findings, is attached for your information.

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

In the absence of any additional information which demonstrates that no further action should be taken against your committee and its treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

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

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

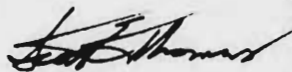
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and 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 Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,



Scott E. Thomas
Chairman

Enclosures

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

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

MUR NO. 2309
STAFF MEMBER & TEL. NO.
Frances B. Hagan (202)
376-8200

RESPONDENTS: Fumo for Senate Committee
and its treasurer

SUMMARY OF ALLEGATIONS

The Fumo for Senate Committee violated 2 U.S.C. §§ 433 and 434 by failing to register and report as a political committee.

FACTUAL BASIS AND LEGAL ANALYSIS

2 U.S.C. §§ 433 and 434 require registration and reporting with the FEC by political committees.

2 U.S.C. § 431(4) in part defines a political committee as any committee which receives contributions or makes expenditures in excess of \$1,000 during a calendar year.

On November 5, 1984, the Fumo for Senate Committee, an unregistered State Senate committee, made a contribution of \$2,500 to the Pennsylvania Democratic State Committee. Because the Fumo Committee made an expenditure in excess of \$1,000 for the purpose of influencing a federal election, it triggered the registration and reporting requirements of 2 U.S.C. §§ 433 and 434. The Office of the General Counsel recommended that the Commission find reason to believe concerning this matter.

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PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
1110 VERMONT AVENUE, N.W. • WASHINGTON, D.C. 20005 • (202) 887-9030

May 12, 1987

7/12/12 P4:18

Lawrence M. Noble
Acting General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2309
Pennsylvania Democratic State Committee

Dear Mr. Noble:

This is to request an extension of time in which to respond to the Commission's Reason to Believe finding in the above-referenced Matter Under Review. The response is currently due May 20. We request an extension of time to June 22.

The extension is necessary to allow the Party adequate time to compile the relevant materials and information your office has requested in your interrogatories. This effort alone may require contacting over 100 individuals, companies and local party committees. The information must then be consolidated and prepared for presentation to the Commission.

This process is complicated by the fact that I, as principal counsel in this matter, have a previously scheduled trip out of the country from May 20 through June 4 and will be unavailable during that period.

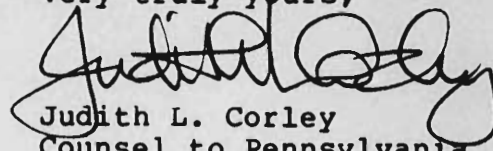
I understand that any request for an extension of time of over 20 days must be presented to the Commission for approval. I would appreciate your prompt handling of this request so that we may plan our activities accordingly.

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Lawrence M. Noble
May 12, 1987
Page 2

If you have any questions or need any additional
information, please do not hesitate to contact me.

Very truly yours,



Judith L. Corley
Counsel to Pennsylvania
Democratic State
Committee and Lawrence
J. Yatch, as Treasurer

JLC:cer
cc: Lawrence J. Yatch
12930

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87 MAY 15 AM: 23

MORGAN, LEWIS & BOCKIUS

WASHINGTON
NEW YORK
LOS ANGELES

COUNSELORS AT LAW
2000 ONE LOGAN SQUARE
PHILADELPHIA, PENNSYLVANIA 19103
TELEPHONE: (215) 963-5000
CABLE ADDRESS: MORLEBOCK
TELEX: 83-1315

MIAMI
HARRISBURG
LONDON

Marshall

GREGORY M. HARVEY
DIAL DIRECT (215) 963-5427

May 14, 1987

VIA FEDERAL EXPRESS

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

Attention: Ms. Frances B. Hagan

Re: MUR 2309

Dear Ms. Hagan:

Enclosed are Statement of Designation of Counsel forms signed by the Treasurers of the Fumo for Senate Committee and the Goode for Mayor Committee, respectively, designating the undersigned as counsel. On behalf of both Respondents, which are both duly registered Pennsylvania Political Action Committees, we respectfully request an extension of time within which to respond, for the following reasons:

1. Both Respondents are heavily involved in a Pennsylvania Primary Election to occur Tuesday, May 19, 1987, and our ability effectively to confer with our clients prior to that time is greatly impeded by that activity.

2. We are advised that counsel who has accepted the lead responsibility in respect of this situation, Judith L. Corley, Esquire of Perkins Coie is not available after May 20 by reason of a scheduled absence on vacation. In respect of our clients, who are subject to your proceedings by reason of the use of their funds by Ms. Corley's client, Pennsylvania Democratic State Committee, we believe it will be difficult to respond without an opportunity, after conferring with our clients, to confer with Ms. Corley. Accordingly, we request an extension of time of ten days

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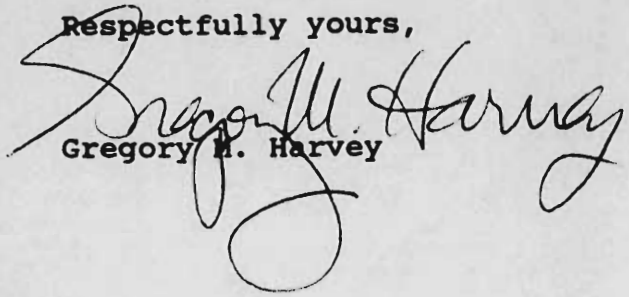
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MORGAN, LEWIS & BOCKIUS

Ms. Frances B. Hagan
May 14, 1987
Page 2

beyond that granted to Respondent Pennsylvania Democratic State Committee, if such extension is granted, or, if such extension is denied, for ten days beyond May 19, 1987, the date of the Pennsylvania Primary Election.

Respectfully yours,


Gregory M. Harvey

GMH:pg

enclosures

cc: Judith L. Corley, Esquire
(with enclosures)

88040705212

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2309

NAME OF COUNSEL: Gregory M. Harvey, Esq.

ADDRESS: 2000 One Logan Square

Phila., Pa. 19103

TELEPHONE: 963-5427

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.

May 13, 1987
Date

James F. Kenney, TREAS.
Signature

RESPONDENT'S NAME: Fumo for Senate Committee

ADDRESS: 1208 Tasker St.

Phila., Pa. 19148

HOME PHONE: _____

BUSINESS PHONE: 468-5109

88040705213

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2309

NAME OF COUNSEL: Gregory M. Harvey, Esquire

ADDRESS: 2000 One Logan Square
Philadelphia, PA 19103

TELEPHONE: (215) 963-5427

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.

5/12/87
Date

Donald Redcross
Signature

RESPONDENT'S NAME: Donald Redcross

Donald Redcross, Treasurer
Goode for Mayor Committee

ADDRESS: 1001 City Avenue, WA305
Philadelphia, PA 19151

HOME PHONE: (215) 649-4228

BUSINESS PHONE: (215) 561-7300

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

87 MAY 19 A 9:22

May 18, 1987

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble *[Signature]*
Acting General Counsel

SUBJECT: MUR #2309 Request for Extension of Time

By letter dated May 12, 1987, Judith L. Corley, Counsel to the Pennsylvania Democratic State Committee and Lawrence J. Yatch, as treasurer, requested an extension of 32 days in which to respond to the Commission's Reason to Believe finding. (Attachment 1.) The letter explains that an extension is necessary to allow the respondent adequate time to compile the relevant materials and information requested in the interrogatories.

The Office of the General Counsel recommends that the Commission grant the requested extension.

RECOMMENDATIONS

1. Grant an extension of 32 days to Pennsylvania Democratic State Committee and Lawrence J. Yatch, as treasurer.
2. Approve the attached letter.

Attachments

1. Request for Extension
2. Letter

88040705215

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Pennsylvania Democratic State Committee
and Lawrence J. Yatch, as treasurer

)
)
)
)
MUR 2309

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal
Election Commission, do hereby certify that on May 21,
1987, the Commission decided by a vote of 6-0 to take
the following actions in MUR 2309:

1. Grant an extension of 32 days to Pennsylvania
Democratic State Committee and Lawrence J.
Yatch, as treasurer, as recommended in the
General Counsel's Memorandum to the Commission
dated May 18, 1987.
2. Approve the letter, as recommended in the
General Counsel's Memorandum to the Commission
dated May 18, 1987.

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

Attest:

5-22-87

Date

Mary H. Dove
for

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Tues., 5-19-87, 9:22
Circulated on 48 hour tally basis: Tues., 5-19-87, 4:00
Deadline for vote: Thurs., 5-21-87, 4:00



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

87 MAY 26
ALL: 17

May 26, 1987

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble *LMN*
Acting General Counsel

SUBJECT: MUR #2309 Request for Extension of Time

By letter dated May 14, 1987, Gregory M. Harvey, Counsel to the Fumo for Senate Committee and Donald Redcross, as treasurer, and the Goode for Mayor Committee, requested an extension of 42 days in which to respond to the Commission's reason to believe finding. (Attachment 1). The letter explains that an extension is necessary because both respondents are heavily involved in a Pennsylvania primary election and the counsel for respondent Pennsylvania Democratic State Committee is unavailable at this time. In addition, the Pennsylvania Democratic State Committee has a request for extension pending that will affect counsel's ability to respond.

The Office of the General Counsel recommends that the Commission grant the requested extension.

RECOMMENDATIONS

1. Grant an extension of 42 days to the Fumo for Senate Committee and Donald Redcross, as treasurer, and the Goode for Mayor Committee.
2. Approve the attached letter.

Attachments

1. Requests for Extension of time
2. Letter

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 27, 1987

Judith L. Corley
Perkins Coie
1110 Vermont Avenue, N.W.
Washington, D.C. 20005

RE: MUR 2309
Pennsylvania Democratic State
Committee

Dear Ms. Corley:

This is in response to your letter dated May 12, 1987, which we received on May 12, 1987, requesting an extension of 32 days until June 22, 1987 to respond to the Commission's Reason to Believe finding. After considering the circumstances presented in your letter; the Federal Election Commission has granted the requested extension. Accordingly, your response is due by close of business on June 20, 1987.

If you have any questions, please contact Anthony L. Marshall, the attorney assigned to this matter at (202) 376-8200.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lawrence M. Noble", is written over the typed name.

Lawrence M. Noble
Acting General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Fumo for Senate Committee and) MUR 2309
Donald Redcross, as treasurer,)
and Goode for Mayor Committee)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 28, 1987, the Commission decided by a vote of 6-0 to take the following actions in MUR 2309:

1. Grant an extension of 42 days to the Fumo for Senate Committee and Donald Redcross, as treasurer, and the Goode for Mayor Committee, as recommended in the General Counsel's Memorandum to the Commission dated May 26, 1987.
2. Approve the letter, as recommended in the General Counsel's Memorandum to the Commission dated May 26, 1987.

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

Attest:

5/28/87

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Tues., 5-26-87, 11:17
Circulated on 48 hour tally basis: Tues., 5-26-87, 4:00
Deadline for vote: Thurs., 5-28-87, 4:00

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

rum

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Anthony Como, Treasurer
Potomac Machinist PAC
Greater Pittsburgh Airport
Pittsburgh, PA 15231

June 2, 1987

RE: MUR 2309
Potomac Machinist PAC
and Anthony Como, as
treasurer

Dear Mr. Como:

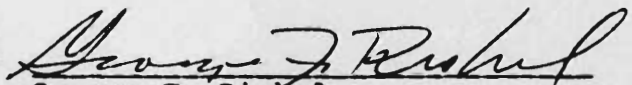
On May 5, 1987, you were notified that the Federal Election Commission found reason to believe that Potomac Machinist PAC and you, as treasurer, violated 2 U.S.C. §§ 433 and 434. On that same date, you were sent a Factual and Legal Analysis in support of the Commission's findings. As of the date of this letter this office has not received your response to the Commission's findings.

Under the Act, you have an opportunity to demonstrate that no further action should be taken against you and the committee. Insofar as more than 15 days have elapsed since the date of the original letter, please respond as soon as possible. Failure to respond may result in the Commission finding probable cause to believe that a violation has occurred.

Should you have any questions, please contact Anthony Marshall, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
Acting General Counsel

BY: 
George F. Rishel
Acting Associate General Counsel

Enclosures

Copy of Commission's finding
Factual and Legal Analysis
Procedures
Designation of Counsel

88040705220



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 3, 1987

Gregory M. Harvey, Esquire
Morgan, Lewis & Bockius
2000 One Logan Square
Philadelphia, Pennsylvania 19103

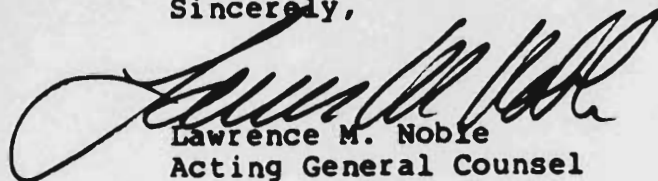
RE: MUR 2309
Fumo for Senate Committee and
Donald Redcross, as treasurer
and Goode for Mayor Committee

Dear Mr. Harvey:

This is in response to your letter dated May 14, 1987, which we received on May 15, 1987, requesting an extension of 42 days until June 30, 1987 to respond to the Commission's reason to believe finding. After considering the circumstances presented in your letter, the Federal Election Commission has granted the requested extension. Accordingly, your response is due by close of business on June 30, 1987.

If you have any questions, please contact Anthony L. Marshall, the attorney assigned to this matter at (202) 376-8200.

Sincerely,



Lawrence M. Noble
Acting General Counsel

88040705221

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
1110 VERMONT AVENUE, N.W. • WASHINGTON, D.C. 20005 • (202) 887-9030

87 JUN 22 P 4: 56

RECEIVED
GENERAL COUNSEL

June 22, 1987

Lawrence M. Noble, Esq.
Acting General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2309 - Pennsylvania Democratic State Committee
and Lawrence J. Yatch, as Treasurer

Attention: Anthony Marshall

Dear Mr. Noble:

The Pennsylvania Democratic State Committee and Lawrence J. Yatch, as Treasurer ("Respondents"), herewith reply through counsel to the Federal Election Commission's Interrogatories and Requests for Production of Documents forwarded to them by letter dated May 5, 1987. As you know, this Matter Under Review arises from an audit of the activities of the Pennsylvania Democratic State Committee (the "State Party") during the 1984 general election. Because of the length of time that has passed since the activities in question took place, it has been difficult to locate individuals with clear knowledge or memory of the activities and to uncover documents or other materials that were produced at that time.

Respondents, nonetheless, have exercised due diligence to secure full information to all interrogatories, and have answered them to the extent possible under the circumstances. Respondents will continue to work with counsel in attempting to obtain any information unavailable as of this date. Furthermore, Respondents under guidance of counsel have exercised due diligence in reviewing files and records in their possession and control in attempting to obtain the documents requested by the Commission. Respondents will continue to work with counsel to obtain any documents which are unavailable as of this date.

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Although not the subject of interrogatories or requests for documents, Respondents would like to submit for the Commission's consideration the following information concerning the Reason to Believe findings in the General Counsel's report.

The General Counsel found that the State Party accepted contributions from the following unregistered entities: Goode for Mayor, Potomac Machinists PAC and Fumo for Senate. These contributions were made to the State Party during 1984 for use in connection with Pennsylvania state and local elections. The State Party, however, erroneously placed the donations into its federal account and reported the funds as contributions on its Federal Election Commission report.

The State Party believes that the funds donated were lawful under the Federal Election Campaign Act, and, therefore, could lawfully be accepted into its federal account. The State Party recognizes, however, that the funds were not donated by the state committees for that purpose and that the funds were placed in the federal account due to an administrative error on the part of the State Party. Therefore, the State Party has transferred an amount equal to the original donation from its federal account to its nonfederal account. This transfer will be disclosed on the next regularly scheduled FEC report to be filed on July 31, 1987.¹

The State Party has continuously disclosed on its FEC report (Schedule D) an obligation owed to its nonfederal account representing the \$2,000 contribution made from the nonfederal account to Victory Fund Mondale/Ferraro. The State Party will repay this obligation as funds become available.

The State Party also notes, for the Commission's consideration, that under Pennsylvania state law contributions by corporations and labor organizations are prohibited. Thus, the vast majority of the funds received into the nonfederal account of the Party were lawful under federal law. Any funds

¹ The \$2,500 contribution from Fumo for Senate has been continuously disclosed on the State Party's Federal Election Commission report (Schedule D) as an obligation owed by the Party to the Party's nonfederal account. This obligation will be shown as retired on the next report.

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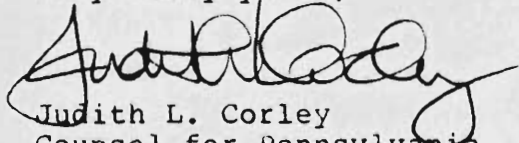
Lawrence M. Noble, Esq.
June 22, 1987
Page 3

from the nonfederal account used for federal purposes, therefore, were funds lawful under federal law. While the Party recognizes that this does not altogether address the accounting problems that the Party had in 1984, it is a mitigating factor.

The State Party will prepare amendments to its 1984 reports to reflect information about the joint fundraising event held with the Democratic National Committee in 1984. These amendments will include a memo Schedule A itemizing the State Party's share of the gross proceeds of the joint fundraiser to the extent possible given the partial information available to the State Party at this time. In the event the State Party obtains additional information on the proceeds of the joint fundraising events, it will further amend its reports to reflect this information. The amendments will also itemize the other contributions in excess of \$200 cited in the General Counsel's report.

The State Party acknowledges that accounting between the Party's federal and nonfederal accounts and recordkeeping by the Party in connection with the 1984 elections did not fully satisfy at all times and in all material aspects the relevant requirements of the Federal Election Campaign Act and the regulations of the Federal Election Commission. As a result of the Commission's audit, the State Party has undertaken a review of its policies and procedures and has identified those areas in need of improvement. The State Party is taking the steps necessary to ensure that procedures and systems are established to avoid any recurrence of these problems.

Very truly yours,


Judith L. Corley
Counsel for Pennsylvania
Democratic State Committee
and Lawrence J. Yatch, as
Treasurer

JLC:dml

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Before the Federal Election Commission

MUR 2309

Respondents: Pennsylvania Democratic State Committee
Lawrence J. Yatch, as Treasurer

ANSWERS TO INTERROGATORIES AND
REQUEST FOR PRODUCTION OF DOCUMENTS

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The answers to these interrogatories are based primarily on the recollections of Lawrence J. Yatch, Treasurer of the Pennsylvania Democratic State Committee ("the Party" or "the State Party") in 1984 (and currently Chairman of the State Party), and of John Glasheen, Field Coordinator of the get-out-the-vote activities of the State Party in 1984, and on information derived from files and records in the Party's possession and control.

Interrogatory No. 1:

Please provide a written description of the Committee's voter registration/GOTV activity including a detailed explanation as to what is meant by a "comprehensive voter registration and GOTV program." Such a description should address how the expenditures attached related to this program.

The Pennsylvania Democratic State Committee performs traditional state party functions for the state of Pennsylvania, including registration and get-out-the-vote ("GOTV") activities. In Pennsylvania, the State Party traditionally does not devote a large portion of its resources to directly supporting candidates, either federal or nonfederal, through contributions or contributions in-kind. Rather, the State Party's principal responsibility in an

election year is to encourage voters to register and go to the polls on election day to vote for all Democratic candidates.¹ This is the emphasis encouraged by the federal campaign laws which exempt registration and get-out-the vote activities conducted by state and local parties. 2 U.S.C. §§ 431(8)(B)(v), (x) and (xii) and §§ 431(9)(B)(iv), (viii) and (ix); 11 C.F.R. §§ 100.7(b)(9), (15) and (17) and §§ 100.8(b)(10), (16) and (18).

In 1984, the Party's registration and GOTV activities were designed to take advantage of these exemptions in the law and were organized to be carried out in accordance with those exemptions. That year, the Presidential election was the most important of the races on the ballot. There was no federal Senate election or race for Governor that year. The most important statewide nonfederal elections included races for State Treasurer, Attorney General and Auditor General. There were also nonstatewide local elections (State Senate, State House, etc.).

Thus, the majority of the the registration and GOTV activity undertaken by the State Party was directed to the election of Mondale and Ferraro as President and Vice President and to the election of the Democratic nominees in the three

¹ The State Party has other responsibilities such as organizing and administering the nomination process for the Democratic Party and the day-to-day administration of the party in Pennsylvania.

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statewide nonfederal elections: Al Benedict for State Treasurer, Allen Ertel for Attorney General, and Don Bailey for Auditor General. Support by the State Party for other candidates was as part of its support for the entire Democratic Party slate in the state.

The "comprehensive voter registration and GOTV program" undertaken by the State Party included the following types of activities:

- Organizing party volunteers.
- Organizing local party committees.
- Organizing labor and other traditional Democratic Party support groups.
- Producing flyers, slate cards, bumper stickers, buttons, and other campaign materials for distribution to potential Democratic Party voters.
- Establishing phone banks to identify potential Democratic Party voters.
- Advertising to support registration and GOTV activities on behalf of the Democratic Party ticket.
- Providing poll watchers, transporting voters to the polls, "door knocking," distributing slate cards and flyers, reimbursing for meals, refreshments and other miscellaneous expenses for poll workers on election day and other election day activities.

In connection with its registration and GOTV program, the Party made many of the expenditures listed by the Federal Election Commission in the attachment to its Interrogatories. An explanation of how each of these specific expenditures relates (or does not relate) to the registration and GOTV program follows.²

1. Frediani Printing Co.
10/08/84
\$340.26
Printing

This expenditure represents payment for the printing of flyers to be distributed to potential voters in the state of Pennsylvania.

2. Philadelphia AFL/CIO Register and Vote Committee
10/12/84
\$1,000.00
Pre-election Expense

8 3 0 4 0 7 0 5 2 2 8
This expenditure was made to reimburse the Philadelphia AFL/CIO for use of its facilities to conduct a phone bank. Phone banks were used by the State Party to identify potential Democratic Party voters by asking voters whether they planned to vote, for example, for Walter Mondale for President. The phone banks were also used to determine support for one or more of the three statewide nonfederal candidates. By identifying those voters who would definitely or were likely to support Democratic Party candidates, the State Party could compile a list of individuals who could be contacted on election day and urged to get out and vote.

² The activities on the Commission's list date from October through December, after the close of registration of voters in Pennsylvania for the general election. These expenditures, thus, were made during the time of the Party's GOTV activities.

3. 7th Ward Democratic Committee
10/11/84
\$250.00
Travel and Expense Reimbursement

Payments to the Democratic Party Ward Committees were for the purpose of reimbursing volunteers and party workers for election day expenditures, including the costs of poll watcher certificates, food and beverages for election day activities, transportation of voters to the polls, etc.

4. 32nd Ward Democratic Committee
10/11/84
\$200.00
Travel and Expense Reimbursement

Payments to the Democratic Party Ward Committees were for the purpose of reimbursing volunteers and party workers for election day expenditures, including the costs of poll watcher certificates, food and beverages for election day activities, transportation of voters to the polls, etc.

5. 24th Ward Democratic Committee
10/11/84
\$200.00
Travel and Expense Reimbursement

Payments to the Democratic Party Ward Committees were for the purpose of reimbursing volunteers and party workers for election day expenditures, including the costs of poll poll watcher certificates, food and beverages for election day activities, transportation of voters to the polls, etc.

6. 3rd Ward Democratic Committee
10/11/84
\$200.00
Travel and Expense Reimbursement

Payments to the Democratic Party Ward Committees were for the purpose of reimbursing volunteers and party workers for election day expenditures, including the costs of poll watcher certificates, food and beverages for election day activities, transportation of voters to the polls, etc.

7. 21st Ward Democratic Committee
10/11/84
\$100.00
Travel and Expense Reimbursement

Payments to the Democratic Party Ward Committees were for the purpose of reimbursing volunteers and party workers for election day expenditures, including poll watcher certificates, food and beverages for election day activities, transportation of voters to the polls, etc.

8. Budget Rent-A-Car
10/30/84
\$9,497.00
Auto Rental

The Party rented numerous automobiles for use by Party employees and volunteers who were organizing GOTV activities around the state of Pennsylvania. Because the state is large and Party election activities were centered in Pittsburgh and Philadelphia, Party workers used the cars to travel to the various counties to meet with local party officials, volunteers, labor groups and other traditional Democratic Party support groups to organize these individuals into an effective

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election-day GOTV program. The party workers traveled to the various counties, for example, to identify individuals for poll watching and door knocking, to provide copies of volunteer campaign materials to distribute, and to encourage and promote election day turnout by Democratic Party voters.

9. Kennedy Printing
10/18/84
\$10,000.00
Printing Expense

Printing by the Party in connection with its registration and GOTV activities consisted in large part of the production of pamphlets, slate cards, yard signs, buttons, bumper stickers and similar volunteer campaign materials that could be passed out by party workers to potential Democratic Party voters. Occasionally, the Party produced posters to be used to decorate events sponsored by the Party and then to be used by party workers as yard signs.

The campaign materials were designed primarily to advocate the election of the Democratic slate, with an emphasis on the Mondale-Ferraro ticket. Some of the materials mentioned all Democratic candidates, some mentioned the four statewide Democratic Party nominees, and other materials were targeted to the particular area where the materials were to be distributed and listed candidates with a particular connection to that area. These materials would mention the top of ticket (Mondale-Ferraro), statewide nonfederal offices, and then would be tailored to the particular area where they were distributed

by referring to nonstatewide and local elections. Many of the materials also contained generic party exhortations such as "Vote Democratic" or "Support the Democratic Ticket," and information about voting and polling places.

10. Kennedy Printing
11/02/84
\$6,061.00
Printing Expense

Printing by the Party in connection with its registration and GOTV activities consisted in large part of the production of pamphlets, slate cards, yard signs, buttons, bumper stickers and similar volunteer campaign materials that could be passed out by party workers to potential Democratic Party voters. Occasionally, the Party produced posters to be used to decorate events sponsored by the Party and then to be used by party workers as yard signs.

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materials also contained generic party exhortations such as "Vote Democratic" or "Support the Democratic Ticket," and information about voting and polling places.

11. Kennedy Printing
11/02/84
\$3,911.00
Printing Expense

Printing by the Party in connection with its registration and GOTV activities consisted in large part of the production of pamphlets, slate cards, yard signs, buttons, bumper stickers and similar volunteer campaign materials that could be passed out by party workers to potential Democratic Party voters. Occasionally, the Party produced posters to be used to decorate events sponsored by the Party and then to be used by party workers as yard signs.

The campaign materials were designed primarily to advocate the election of the Democratic slate, with an emphasis on the Mondale-Ferraro ticket. Some of the materials mentioned all Democratic candidates, some mentioned the four statewide Democratic Party nominees, and other materials were targeted to the particular area where the materials were to be distributed and listed candidates with a particular connection to that area. These materials would mention the top of ticket (Mondale-Ferraro), statewide nonfederal offices, and then would be tailored to the particular area where they were distributed by referring to nonstatewide and local elections. Many of the

materials also contained generic party exhortations such as "Vote Democratic" or "Support the Democratic Ticket," and information about voting and polling places.

12. Ed Slaughter
10/30/84
\$500.00
Consulting Fee

The consulting fee represented payment for services rendered to organize the Party's GOTV campaign around the state.

13. Lisa Gelb
10/30/84
\$220.00
Consulting Fee

The consulting fee represented payment for services rendered to organize the Party's GOTV campaign around the state.

14. WAMO
10/31/84
\$1,973.70
Advertising

The Party conducted some advertising around election day to encourage voters to go to the polls and support the Democratic Party ticket. The radio advertisements may have mentioned the Mondale-Ferraro campaign. The primary purpose of the spots was to urge Democratic voters to go to the polls.

15. United Broadcasting Company (WJCY)
10/31/84
\$340.00
Advertising

The Party conducted some advertising around election day to encourage voters to go to the polls and support the Democratic Party ticket. The radio advertisements may have mentioned the Mondale-Ferraro campaign. The primary purpose of the spots was to urge Democratic voters to go to the polls.

16. Commercial and Industrial Printing
11/02/84
\$689.00
Printing Expense

Printing by the Party in connection with its registration and GOTV activities consisted in large part of the production of pamphlets, slate cards, yard signs, buttons, bumper stickers and similar volunteer campaign materials that could be passed out by party workers to potential Democratic Party voters. Occasionally, the Party produced posters to be used to decorate events sponsored by the Party and then to be used by party workers as yard signs.

The campaign materials were designed primarily to advocate the election of the Democratic slate, with an emphasis on the Mondale-Ferraro ticket. Some of the materials mentioned all Democratic candidates, some mentioned the four statewide Democratic Party nominees, and other materials were targeted to the particular area where the materials were to be distributed and listed candidates with a particular connection to that

area. These materials would mention the top of ticket (Mondale-Ferraro), statewide nonfederal offices, and then would be tailored to the particular area where they were distributed by referring to nonstatewide and local elections. Many of the materials also contained generic party exhortations such as "Vote Democratic" or "Support the Democratic Ticket," and information about voting and polling places.

17. James Dolan
11/02/84
\$35,000.00
Philadelphia Polling Expense Reimbursement

This disbursement represents the distribution of funds to individuals in Philadelphia on election day for expenses incurred in connection with election day services. These payments were made to cover the costs, for example, of poll watcher certificates, transportation of voters to the polls, door knocking campaigns, distribution of state cards and flyers, refreshments for election-day volunteers, etc.

18. James Kennedy
11/05/84
\$6,000.00
Delaware Co. Polling Expense Reimbursement

This disbursement represents the distribution of funds to individuals in Delaware County for expenses incurred in connection with election-day services in Delaware County. These payments were made to cover the costs, for example, of poll watcher certificates, transportation of voters to the

polls, door knocking campaigns, distribution of slate cards and flyers, refreshments for election-day volunteers, etc.

19. John O'Leary
11/20/84
\$1,500.00
Consulting

This consulting fee represents compensation for services rendered after the date of the election. These services were not in connection with the Party's registration or GOTV activities. Mr. O'Leary assisted State Party employees in collecting Party records after the election in order to prepare for the Federal Election Commission and Pennsylvania State Election Commission reports. Attachment 1.

20-80. Various Individuals³
Late October-Early November, 1984
\$27,042.97
Commissions and Travel Expense Reimbursement

The various individuals listed were paid by the State Party for services rendered in traveling around the state to organize participants in the Party's GOTV campaign. These workers were responsible for meeting with local parties and other Democratic Party supporters to establish registration and GOTV efforts around the state.

³ Respondents were not able to determine precisely which "various individuals" the Interrogatory was referring to in its list. For purposes of this response, Respondents are referring to the disbursements reported on pages 3 (beginning with Box G) through 8 of Schedule B, Line 19 of the Party's 1984 30-day Post-General Election Report.

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In addition to their commissions (salaries), these individuals were reimbursed for various travel expenses (mileage, meals, etc.) incurred in connection with their activities on behalf of the state party. Many of these individuals also worked as party representatives in conducting election-day activities such as door knocking, transporting voters to the polls, distributing flyers and slate cards, etc., and they received reimbursement for expenses incurred in connection with these services.

81. Allegheny County Democratic Committee
10/30/84
\$3,000.00
Expense Reimbursement (GOTV)

The state party distributed money to county Democratic Party committees to allow these local committees to conduct election-day activities in their area. It was the State Party's understanding that the funds would be used to defray the costs of poll watcher certificates, to transport voters to the polls, and to pay for other traditional election day expenses, as well as to produce slate cards to be distributed on election day. The slate cards were to be designed to highlight the Democratic party ticket in their county.

82. Allegheny County Democratic Committee
11/09/84
\$2,400.00
Expense Reimbursement (GOTV)

The state party distributed money to county Democratic Party committees to allow these local committees to conduct election-day activities in their area. It was the State Party's understanding that the funds would be used to defray the costs of poll watcher certificates, to transport voters to the polls, and to pay for other traditional election day expenses, as well as to produce slate cards to be distributed on election day. The slate cards were to be designed to highlight the Democratic party ticket in their county.

83. Delaware County Democratic Committee
11/02/84
\$2,000.00
Expense Reimbursement

The state party distributed money to county Democratic Party committees to allow these local committees to conduct election-day activities in their area. It was the State Party's understanding that the funds would be used to defray the costs of poll watcher certificates, to transport voters to the polls, and to pay for other traditional election day expenses, as well as to produce slate cards to be distributed on election day. The slate cards were to be designed to highlight the Democratic party ticket in their county.

84. 1st Ward Democratic Committee
11/05/84
\$54.00
Polling Expense Reimbursement

Payments to the Democratic Party Ward Committees were for the purpose of reimbursing volunteers and party workers for election day expenditures, including the costs poll watcher certificates, food and beverages for election day activities, transportation of voters to the polls, etc.

85-115. 2nd through 32nd Ward Democratic Committees
11/05/84
\$7,326.99⁴
Voter Registration Expense Reimbursement

Payments to the Democratic Party Ward Committees were for the purpose of reimbursing volunteers and party workers for election day expenditures, including the costs of poll watcher certificates, food and beverages for election day activities, transportation of voters to the polls, etc.

116. Value Rent-A-Car
12/05/84
\$1,924.06
Auto Rental

The Party rented numerous automobiles for use by Party employees and volunteers who were organizing GOTV activities around the state of Pennsylvania. Because the state is large and Party election activities were centered in Pittsburgh and Philadelphia, Party workers used the cars to travel to the

⁴ It would appear that this is a typographical error and the amount should be \$7,326.00

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various counties to meet with local party officials, volunteers, labor groups and other traditional Democratic Party support groups to organize these individuals into an effective election-day GOTV program. The party workers traveled to the various counties, for example, to identify individuals for poll watching and door knocking, to provide copies of volunteer campaign materials to distribute, and to encourage and promote election day turnout by Democratic Party voters.

117. VSE Corporation
12/26/84
\$2,777.85
Printing

Printing by the Party in connection with its registration and GOTV activities consisted in large part of the production of pamphlets, slate cards, yard signs, buttons, bumper stickers and similar volunteer campaign materials that could be passed out by party workers to potential Democratic Party voters. Occasionally, the Party produced posters to be used to decorate events sponsored by the Party and then to be used by party workers as yard signs.

The campaign materials were designed primarily to advocate the election of the Democratic slate, with an emphasis on the Mondale-Ferraro ticket. Some of the materials mentioned all Democratic candidates, some mentioned the four statewide Democratic Party nominees, and other materials were targeted to the particular area where the materials were to be distributed and listed candidates with a particular connection to that

area. These materials would mention the top of ticket (Mondale-Ferraro), statewide nonfederal offices, and then would be tailored to the particular area where they were distributed by referring to nonstatewide and local elections. Many of the materials also contained generic party exhortations such as "Vote Democratic" or "Support the Democratic Ticket," and information about voting and polling places.

118. Duplicating Brokers, Inc.
12/26/84
\$491.72
Printing

This disbursement represented a payment for rental of a copier by the Philadelphia office of the Pennsylvania Democratic State Committee. Attachment 2.

119. Diana Pierce
12/26/84
\$600.00
Consulting Fee

This disbursement represented a salary adjustment for an employee of the Pennsylvania State Party. Attachment 3.

120. Budget Rent-A-Car
12/26/84
\$600.00
Auto Rental

The Party rented numerous automobiles for use by Party employees and volunteers who were organizing GOTV activities around the state of Pennsylvania. Because the state is large and Party election activities were centered in Pittsburgh and

Philadelphia, Party workers used the cars to travel to the various counties to meet with local party officials, volunteers, labor groups and other traditional Democratic Party support groups to organize these individuals into an effective election-day GOTV program. The party workers traveled to the various counties, for example, to identify individuals for poll watching and door knocking, to provide copies of volunteer campaign materials to distribute, and to encourage and promote election day turnout by Democratic Party voters.

121. William Comer
12/26/84
\$300.00
Consulting Fee

This disbursement represented a salary adjustment for an employee of the Pennsylvania State Party. Attachment 4.

122. Tarry Weldon
12/26/84
\$900.00
Consulting Fee

This disbursement represented a salary adjustment for an employee of the Pennsylvania State Party. Attachment 5.

Interrogatory No. 2:

Also provide: (a) examples of printed materials used or distributed, (b) copies or examples of any door-to-door or telephone canvassing scripts utilized, (c) copies of the text of any public advertising, and (d) copies of any other materials which describe or are representative of the nature of any contact with, or message(s) conveyed to, prospective voters in conjunction with any voter registration/GOTV activity.

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(a) After a diligent search of the files and records in the possession and control of the State Party, no examples of printed materials used or distributed were found. Upon information and belief, some examples of printed materials were provided to the Democratic National Committee and/or the Mondale-Ferraro Committee during audits of those committees by the Federal Election Commission.

(b) After a diligent search of the files and records in the possession and control of the State Party, no scripts used for door-to-door or telephone canvassing were found.

(c) After a diligent search of the files and records in the possession and control of the State Party, no copies of the text of any public advertising were found.

(d) After a diligent search of the files and records in the possession and control of the State Party, the Party produces copies of the following materials which describe or are representative of the nature of any contact with, or message(s) conveyed to prospective voters in conjunction with the Party's voter registration and GOTV activity:

Document #1	Invoices for WAMO radio station.
Document #2	Invoice for Frediani Printing Co.
Document #3	Samples of tally sheets used in connection with Party phone banks.

Document #4 Receipts for payments in Philadelphia
for election-day services.⁵

Document #5 Invoices for NBC Specialty Consultants,
Inc.

The Party is aware of the continuing nature of the Commission's Request for Production of Documents and will file supplementary responses if additional documents requested are found.

Interrogatory No. 3:

Were any of the GOTV expenditures made on behalf of the Presidential or Vice Presidential nominees? See 11 C.F.R. § 106.1(c)(3). If so, which? Please provide evidence.

As discussed in the response to Interrogatory No. 1, the State Party undertook in 1984 to provide traditional registration and GOTV services provided by state parties across the country and exempted from the definition of contribution and expenditure under the federal campaign laws. These traditional activities inevitably benefit the presidential and vice presidential nominees. By their very nature, expenditures

⁵ The produced receipts show the distribution of these funds to the various individuals for election day services in the district and wards around Philadelphia. The total amount reflected is approximately \$59,000. The \$35,000 disclosed on the Party's Federal Election Commission report represents the allocable federal portion of election day funds paid by the Party. The remaining \$24,000 shown on the receipts represents the allocable nonfederal portion of the funds distributed by the Party on election day.

for registration and GOTV activities benefit all Democratic Party candidates. Therefore, virtually all expenditures made by the State Party for registration and GOTV activities in 1984 were, in a sense, "made on behalf of the presidential or vice presidential nominee."

Some of these expenditures, however, were more directly related to the presidential and vice presidential nominees. Using as examples some of the disbursements listed in the attachment to Interrogatory No. 1, the State Party produced flyers, slate cards, bumper stickers and other campaign materials which identified the presidential and vice presidential candidates of the Democratic Party, among other candidates. Radio advertising to encourage voters to go the polls on election day may have mentioned candidates on the Democratic Party slate (including the Party's nominees for President and Vice President) while encouraging individuals to vote for all the candidates of the Democratic Party. Phone banks established by the Party to determine potential Democratic Party voters would generally make this determination by asking how an individual would vote in the presidential race.

Interrogatory No. 4:

Were references made to any candidate (Presidential, House or Senate) in any of the GOTV activity? Provide transcripts, descriptions or other evidence.

There was no Senate Race in Pennsylvania in 1984.

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As a general rule, the State Party did not make references to Congressional candidates unless the mention was part of a listing of all Democratic Party candidates. References were made to other candidates in several of the GOTV activities undertaken by the State Party in 1984. Using as examples some of the disbursements listed in the attachment to Interrogatory No. 1, the Party identified specific candidates on the Democratic Party slate in the flyers, slate cards, bumper stickers, and other campaign materials produced by the Party. Which candidates appeared depended on the type of materials being produced, the location where the materials were to be distributed, and other factors. The materials would also contain generic exhortations to "Vote Democratic" or "Support the Democratic Party." In radio advertising produced by the Party, the Mondale-Ferraro ticket may have been mentioned as part of the general encouragement of voters to go to the polls. In trying to determine voter preferences through phone banks, the Party would ask for the voter's preference in the presidential race, and would ask for the voter's preference in other important races, such as one or more of the state-wide nonfederal races.

Interrogatory No. 5:

Please provide evidence of any efforts to obtain from the DNC an explanation and/or documentation regarding \$22,367.60 in undocumented contributions received during the joint fundraising events held in 1984.

After a diligent search of the files and records in the possession and control of the State Party, the Party has found no explanation and/or documentation from the Democratic National Committee regarding \$22,367.60 in undocumented contributions received during the joint fundraising events held in 1984. Members of the Party's staff have requested the information by telephone from the Democratic National Committee. The Party will continue to attempt to obtain this information.

Interrogatory No. 6:

Please explain in detail the transfer of \$3,000 each on May 14 and May 22, 1985, from the nonfederal account to the federal account and the relationship between these transfers and the contributions made during 1984 to the Wachob for Congress and the Edgar for Congress Committees.

The contributions from the Party's nonfederal account to the Wachob for Congress and Edgar for Congress committees were the result of the erroneous deposit into its nonfederal account of contributions received by the State Party for its federal account. In 1984, the officers of the Party were located across the state: the Treasurer in Pittsburgh, the Vice Chair in Harrisburg and the Chair in Philadelphia. The Party's Federal account was located with the Treasurer in Pittsburgh. Contributions for the Party's federal account, however (and for its nonfederal accounts), were received at all locations around the state.

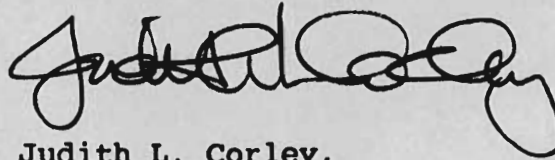
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During the period immediately preceding the general election, the Party was receiving large numbers of contributions and nonfederal donations to support its activities. This was also the time when Party officers and workers were most preoccupied with the press of carrying out the programs of the Party. It was during this period immediately preceding the general election that contributions were received in Harrisburg to support the Party's federal campaign activities and were inadvertently placed in the Party's nonfederal account. About the same time a decision was made by the Party to support the Edgar and Wachob campaigns. Because it was necessary to act quickly, with the election only a few days away, and because the funds in the nonfederal account had been contributed for federal purposes, the contributions were made from the nonfederal account without the knowledge of the Treasurer.

After the election, the deposit and subsequent disbursement of funds for federal purposes from the nonfederal account was discovered. The Party sought guidance from the Federal Election Commission as to how to correct its error. In response to this guidance, the Party requested reimbursements from the Edgar and Wachob campaigns and deposited these reimbursements into its nonfederal account. To correct the erroneous deposit of federal contributions into its nonfederal account, the party transferred the funds from the nonfederal

account to the federal account. The Party also reissued the Wachob and Edgar contributions from its federal account.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Judith L. Corley", written in a cursive style.

Judith L. Corley,
Counsel to Pennsylvania
Democratic State Committee,
and Lawrence J. Yatch,
as Treasurer

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BEFORE THE FEDERAL ELECTION COMMISSION

MUR 2309

Respondents: Pennsylvania Democratic State Committee
Lawrence J. Yatch, as Treasurer

AFFIDAVIT OF LAWRENCE J. YATCH IN
SUPPORT OF RESPONDENTS' ANSWERS
TO INTERROGATORIES

DISTRICT OF COLUMBIA) ss.

I, LAWRENCE J. YATCH, being duly sworn according to law,
hereby depose and state as follows:

1. I have personal knowledge of the facts set forth
herein and if called to testify in this matter, I would testify
as set forth herein.

2. I am Chairman of the Pennsylvania Democratic State
Committee (hereinafter referred to as the "Party" or the "State
Party"). In 1984, I was Treasurer of the same committee.

3. In Pennsylvania, the State Party traditionally does
not devote a large portion of its resources to directly
supporting candidates, either federal or nonfederal, through
contributions or contributions in-kind. The State Party's
principal responsibility in an election year is to encourage
voters to register and go to the polls on election day to vote
for Democratic candidates.

4. In 1984, the Presidential election was the most
important of the races on the ballot. There was no federal

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Senate election or race for Governor that year. The statewide nonfederal elections included a race for State Treasurer, Attorney General and Auditor General. There were also nonstatewide local elections (State Senate, State House, etc.).

5. The majority of the the registration and get-out-the-vote ("GOTV") activity undertaken by the State Party in 1984 was directed to the election of the Democratic Party's nominees for President and Vice President and to the election of the Democratic Party's nominees in the three statewide nonfederal elections. Support by the State Party for other candidates was as part of support for the entire Democratic Party slate in the state.

6. The registration and GOTV program undertaken by the State Party in 1984 included the following types of activities:

- Organizing party volunteers.
- Organizing local party committees.
- Organizing labor and other traditional Democratic Party support groups.
- Producing flyers, slate cards, bumper stickers, buttons, and other campaign materials for distribution to potential Democratic Party voters.
- Establishing phone banks to identify potential Democratic Party voters.
- Advertising to support registration and GOTV activities on behalf of the Democratic Party ticket.
- Providing poll watchers, transporting voters to the polls, "door knocking," distributing slate cards and flyers, reimbursing for meals, refreshments and other expenses incurred by party workers on election day, and other election day activities.

8 8 0 4 0 7 0 5 2 5 3

7. During the period preceding the general election in 1984, various individuals were paid by the State Party to travel around the state to organize participants in the Party's GOTV campaign. These workers were responsible for meeting with local parties and other Democratic Party supporters to establish registration and GOTV efforts around the state. The party workers travelled to the various counties, for example, to identify individuals for poll watching and door knocking, to provide copies of volunteer campaign materials to distribute, and to encourage and promote election day turnout by Democratic Party voters.

8. Printing by the Party in connection with its registration and GOTV activities consisted in large part in the production of pamphlets, slate cards, yard signs, buttons, bumper stickers and similar volunteer campaign materials that could be passed out by party workers to potential Democratic Party voters.

9. The campaign materials were designed primarily to advocate the election of the Democratic Party's slate, with an emphasis on the Mondale-Ferraro ticket. Upon information and belief, many of the materials produced by the Party referred to the Mondale-Ferraro campaign. Some of the materials mentioned all Democratic candidates, some mentioned the four statewide Democratic Party nominees, other materials were targeted to the particular area where the materials were to be distributed, and

8 9 0 4 0 7 0 5 2 5 4

listed candidates with a particular connection to that area. Many of the materials also contained generic party exhortations such as "Vote Democratic" or "Support the Democratic Ticket," and information about voting and polling places.

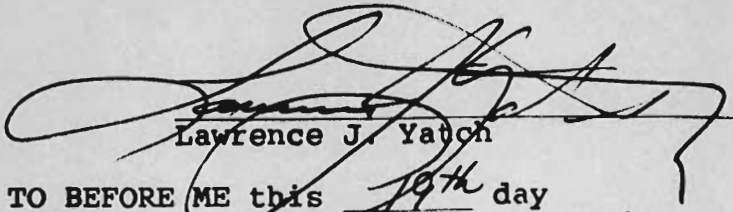
10. Phone banks were used by the State Party to identify potential Democratic Party voters by asking voters for whom they planned to vote. The phone banks were used to determine support in the presidential race and also used to determine support for one or more of the statewide nonfederal candidates. By identifying those voters who would definitely or were likely to support Democratic Party candidates, the State Party could compile a list of individuals who could be contacted on election day and urged to get out and vote.

11. The Party conducted some advertising around election day to encourage voters to go to the polls and support the Democratic Party ticket. Upon information and belief, the advertisements may have mentioned the Mondale-Ferraro campaign.

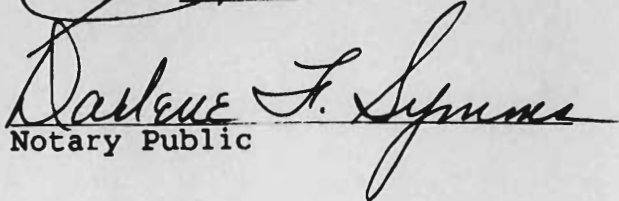
12. The State Party made disbursements to local Democratic Party committees to allow these local committees to conduct election-day activities in their area.

13. The Party made payments to reimburse individuals for expenses incurred in connection with election day services. These payments were made to cover the cost, for example, of poll watcher certificates, transportation of voters to the

polls, refreshments for election-day volunteers, door knocking campaigns, distribution of slate cards and flyers, etc.


Lawrence J. Yatch

SUBSCRIBED AND SWORN TO BEFORE ME this 19th day
of JUNE, 1987.


Notary Public

My Commission Expires on March 31, 1989.

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ATTACHMENTS

GENERAL ELECTION CAMPAIGN FUND 1984
FEDERAL ACCOUNT

442

November 20, 1984

6-7430/2430

PAY TO THE
ORDER OF John O'Leary

\$ **1,500.00

** One-Thousand-Five-Hundred and -----00/100

DOLLARS

Dollar Bank
Member FDIC
Member of the
Federal Reserve System

for Consulting Fees - Campaign/WRAP-UP

#000442# 12430743851: 0908055438#

#0000150000#

B-1

75250704088



DUPLICATING MACHINES, INC.

401 East 4th Street
Philadelphia, PA 19106
(215) 582-2222

Invoice

NO. * 5898

DATE 9/13/84

SOLD TO

Penna. Democratic Gen. Election
Campaign '84
311 S. Broad Street
Phila. Pa. 19107

attn: Maria McQueen

SHIPPED TO

OUR ORDER NO. YOUR ORDER NO. SALESMAN

TERMS

SHIPPED VIA

Ppd. or Coll.

DUE UPON RECEIPT

QUANTITY	DESCRIPTION	PRICE	AMOUNT
1	87-811 Sharp copier S/N-16355374		
	Rental Sept. '84		\$250.00
	Rental Oct. '84		\$250.00
	delivery		\$ 50.00
	removal		\$ 50.00
	sub total		\$600.00
	deposit		\$500.00)
	Balance due upon receipt		\$100.00

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12/29/84 Total Due: 819.00
491.72 ± 419
327.28 ± 329

88040705259

**GENERAL ELECTION CAMPAIGN FUND 1984
FEDERAL ACCOUNT**

451

8-7426/2-88

DECEMBER 26 19 81

**PAY TO THE
ORDER OF**

DIANNA PIERCE

56098

Six-Hundred

Yam

00/100

DOLLARS

Dollar Bank

Donor Savings Bank

SECRET

FOR salary Adj.

#8E75508060 :158E720E72:1 • "957000"

1000900000

THE

88040705260

**GENERAL ELECTION CAMPAIGN FUND 1984
FEDERAL ACCOUNT**

457

1-702-252-2000

December 26 1951

**PAY TO THE
ORDER OF**

William Comer

४०५

Three-Hundred and 72 ^{00/100} 100 DOLLARS

Dollar Bank
Dollar Savings Bank
Philadelphia, Pennsylvania

Edward H. Myers

FOR

~~#BE75508060~~ #15BE7L0E72# • #1257000•

0000030000

QUESTION A

88040705261

**GENERAL ELECTION CAMPAIGN FUND 1984
FEDERAL ACCOUNT**

459

1-742-7200

DECEMBER 26 19 84

**PAY TO THE
ORDER OF**

TERRY WELDON

2008

NINE - HUNDRED and

00/100

DOLLARS

Dollar Bank
Dollar Savings Bank
Pittsburgh, Pennsylvania

FOR CORRECTING FOR ADJUSTMENT.

#BE75508060 :15BE720E72:1.#B57000A

0000090000

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SBC**WAMO
FM 106**

Chamber of Commerce Building
Suite 1500
411 Seventh Avenue
Pittsburgh, Pennsylvania 15219
(412) 471-2181

INVOICE NO.

1184156

PAGE

1

PA- DEMOCRATIC GEN ELEC
311 SOUTH BROAD ST
PHILADELPHIA PA 19107

DATE	STATION/MARKET		REVENUE
11/30/84	WAMO-FM		POLIT
ACCOUNT NO.	AGENCY	REPRESENTATIVE	BROADCAST MONTH
1763-2	CGO		NOVEMBER
FOR INVOICE INFORMATION CONTACT:			
ACCOUNTING DEPT 412/291-6747			
ADVERTISER		PRODUCT	
		MONDALE FERRARO	
SALESPERSON		SCHEDULE DATES	
CONNIE MCDANIEL		FROM 0/29/84 TO 11/25/84	

TERMS:	MAKE PAYMENT TO:
DUE UPON RECEIPT	WAMO 106 - FM 60

DATE	TIME	LTH	CLASS	M/G FOR	RATE	REMARKS
1/01	0621P	30	VAR		25.50	
1/01	0642P	30	VAR		25.50	
1/01	0839P	30	VAR		25.50	
1/02	0707A	30	VAR		25.50	
1/02	1010A	30	VAR		25.50	
1/02	0110P	30	VAR		25.50	
1/02	0411P	30	VAR		25.50	
1/03	0810A	30	VAR		25.50	
1/03	0121P	30	VAR	30	25.50	
1/03	0640P	30	VAR		25.50	

DATE	TIME	LTH	CLASS	M/G FOR	RATE	REMARKS
11/01	0621P	30	VAR		25.50	
11/01	0744P	30	VAR		25.50	
11/01	0940P	30	VAR		25.50	
11/02	0839A	30	VAR		25.50	
11/02	1122A	30	VAR		25.50	
11/02	0240P	30	VAR		25.50	
11/03	0620A	30	VAR		25.50	
11/03	1112A	30	VAR	30	25.50	
11/03	0510P	30	VAR		25.50	

GROSS BILLING ANALYSIS

CLASS	NO.	CONTRACT	UNIT COST	TOTAL GROSS
ANNC'S.	19	19	25.50	484.50

TOTAL TIME CHARGES \$ 484.50

AGENCY COMMISSION \$

OTHER CHARGES \$

AMOUNT DUE STATION \$ 484.50

Annabelle M. Lee

SWORN TO AND SUBSCRIBED BEFORE ME
ON THIS DATE 11/30/84
AS WITNESS MY HAND AND NOTARY SEAL

STATION COPY

Document 1

SBC

WAMO

FM 106

Chamber of Commerce Building
Suite 1500
411 Seventh Avenue
Pittsburgh, Pennsylvania 15219
(412) 471-2181

INVOICE NO.
1164157 PAGE

CORRECTED INVOICE
12/12/84

PA, DEMOCRATIC GEN ELEC
311 SOUTH BROAD ST
PHILADELPHIA PA 19107

DATE	STATION/MARKET	REVENUE
11/30/84	WAMO-FM	POLIT
ACCOUNT NO.	AGENCY	REPRESENTATIVE
1763-2	CON	NOVEMBER
FOR INVOICE INFORMATION CONTACT:		
ACCOUNTING DEPT 412/281-6767		
ADVERTISER		PRODUCT
		MONDALE FERRARO
SALESPERSON		SCHEDULE DATES
CONNIE MCDANIEL		FROM 11/29/84 TO 11/25/84

TERMS:	MAKE PAYMENT TO:
DUE UPON RECEIPT	WAMO 106 - FM 60

DATE	TIME	LTH	CLASS	M/G FOR	RATE	REMARKS
11/01	0141P	60	VAR		30.60	
11/01	0342P	60	VAR		30.60	
11/01	0542P	60	VAR		30.60	
11/02	0810A	60	VAR		30.60	
11/02	1020A	60	VAR		30.60	
11/02	0140P	60	VAR		30.60	
11/03	1120A	60	VAR		30.60	
11/03	0410P	60	VAR		30.60	
11/03	0610P	60	VAR		30.60	
11/03	0911P	60	VAR		30.60	
11/04	0211P	60	VAR		30.60	
11/05	0707A	30	VAR		30.60	
11/05	1110A	60	VAR		30.60	
11/05	1240P	60	VAR		30.60	
11/05	0210P	60	VAR		30.60	
11/05	0420P	60	VAR		30.60	

DATE	TIME	LTH	CLASS	M/G FOR	RATE	REMARKS
11/01	0221P	60	VAR		30.60	
11/01	0511P	30	VAR		30.60	
11/01	0811P	60	VAR		30.60	
11/02	0910A	60	VAR		30.60	
11/02	1210P	60	VAR		30.60	
11/02	0349P	60	VAR		30.60	
11/03	1242P	60	VAR		30.60	
11/03	0520P	60	VAR		30.60	
11/03	0841P	60	VAR		30.60	
11/04	0111P	60	VAR		30.60	
11/04	1040P	60	VAR		30.60	
11/05	0738A	60	VAR		30.60	
11/05	1222P	60	VAR		30.60	
11/05	0110P	60	VAR		30.60	
11/05	0248P	60	VAR		30.60	
11/05	0711P	60	VAR		30.60	

GROSS BILLING ANALYSIS				
CLASS	NO.	CONTRACT	UNIT COST	TOTAL GROSS
ANNCS.	30	20	30.60	918.00
ANNCS.	2	20	30.60	61.20

TOTAL TIME CHARGES	\$979.20	XXXXXX
AGENCY COMMISSION	\$	
OTHER CHARGES	\$	
AMOUNT DUE STATION	\$979.20	XXXXXX

Annabelle McGee

SWORN TO AND SUBSCRIBED BEFORE ME
ON THIS DATE 11/30/84
AS WITNESS MY HAND AND NOTARY SEAL STATION COPY

James Miller

SOC**WAMO
FM 106**

Chamber of Commerce Building
Suite 1500
411 Seventh Avenue
Pittsburgh, Pennsylvania 15219
(412) 471-2181

1184157

PAGE

PA. DEMOCRATIC GEN ELFC
311 SOUTH BROAD ST
PHILADELPHIA PA 19107

11/30/84	WAMO-FM	POL 11
1763-2	FOR INVOICE INFORMATION CONTACT:	BROADCAST MONTH: NOVEMBER
ACCOUNTING DEPT 412/281-6747		
ADVERTISER		PRODUCT
SALESPERSON		SCHEDULE DATES
CONNIE MCDANIEL		FROM 1/29/84 TO 11/25/84

DUE UPON RECEIPT	WAMO 106 - FM	60
------------------	---------------	----

DATE	TIME	LTH	CLASS	M/G FOR	RATE	REMARKS
11/01	0141P	60	VAR		30.60	
11/01	0342P	60	VAR		30.60	
11/01	0542P	60	VAR		30.60	
11/02	0810A	60	VAR		30.60	
11/02	1020A	60	VAR		30.60	
11/02	0140P	60	VAR		30.60	
11/03	1120A	60	VAR		30.60	
11/03	0410P	60	VAR		30.60	
11/03	0610P	60	VAR		30.60	
11/03	0911P	60	VAR		30.60	
11/04	0211P	60	VAR		30.60	
11/05	0707A	30	VAR		30.60	
11/05	1110A	60	VAR		30.60	
11/05	1240P	30	VAR		25.50	
11/05	0210P	30	VAR		25.50	
11/05	0420P	60	VAR		30.60	

DATE	TIME	LTH	CLASS	M/G FOR	RATE	REMARKS
11/01	0221P	60	VAR		30.60	
11/01	0511P	30	VAR		30.60	
11/01	0811P	60	VAR		30.60	
11/02	0910A	60	VAR		30.60	
11/02	1210P	60	VAR		30.60	
11/02	0340P	60	VAR		30.60	
11/03	1242P	60	VAR		30.60	
11/03	0520P	60	VAR		30.60	
11/03	0841P	60	VAR		30.60	
11/04	0111P	60	VAR		30.60	
11/04	1040P	60	VAR		30.60	
11/05	0738A	60	VAR		30.60	
11/05	1222P	60	VAR		30.60	
11/05	0110P	60	VAR		30.60	
11/05	0240P	60	VAR		30.60	
11/05	0711P	60	VAR		30.60	

GROSS BILLING ANALYSIS				
CLASS	NO.	CONTRACT	UNIT COST	TOTAL GROSS
ANNCS.	30	20	30.60	918.00
ANNCS.	2	20	25.50	51.00

TOTAL TIME CHARGES	\$ 969.00
AGENCY COMMISSION	\$
OTHER CHARGES	\$
AMOUNT DUE STATION	\$ 969.00

Annabelle McGee

LENORE E. WILLIAMS, Notary Public
Pittsburgh, Allegheny County, Pa.
My Commission Expires Aug. 5, 1985

SWORN TO AND SUBSCRIBED BEFORE ME
ON THIS DATE 11/30/84
AS WITNESS MY HAND AND NOTARY SEAL ORIGINAL INVOICE

James A. Miller

SOC

**WAMO
FM 106**

Chamber of Commerce Building
Suite 1500
411 Seventh Avenue
Pittsburgh, Pennsylvania 15219
(412) 471-2181

BOOK NO.
1184156

PAGE 1

PA- DEMOCRATIC GEN ELEC
311 SOUTH BROAD ST
PHILADELPHIA PA 19107

DATE	STATION	REVENUE
11/30/84	WAMO-FM	POLIT
ACCOUNT NO.	ADVERTISER	BROADCAST MONTH
1763-2	LOO	NOVEMBER
FOR SERVICE INQUIRY CONTACT:		
ACCOUNTING DEPT 412/291-6747		
ADVERTISER		PRODUCT
		MONDALE FERRARO
SALESPERSON		SCHEDULE DATES
CONNIE MCDANIEL		FROM 11/29/84 TO 11/25/84

TERMS:	MAKE PAYMENT TO:
DUE UPON RECEIPT	WAMO 106 - FM 60

DATE	TIME	LEN	CLASS	M/G FOR	RATE	REMARKS
11/01	0621P	30	VAR		25.50	
11/01	0642P	30	VAR		25.50	
11/01	0839P	30	VAR		25.50	
11/02	0707A	30	VAR		25.50	
11/02	1010A	30	VAR		25.50	
11/02	0110P	30	VAR		25.50	
11/02	0411P	30	VAR		25.50	
11/03	0810A	30	VAR		25.50	
11/03	0121P	60	VAR		25.50	
11/03	0640P	30	VAR		25.50	

DATE	TIME	LEN	CLASS	M/G FOR	RATE	REMARKS
11/01	0621P	30	VAR		25.50	
11/01	0744P	30	VAP		25.50	
11/01	0940P	30	VAR		25.50	
11/02	0839A	30	VAR		25.50	
11/02	1122A	30	VAR		25.50	
11/02	0240P	30	VAR		25.50	
11/03	0620A	30	VAP		25.50	
11/03	1112A	60	VAR		25.50	
11/03	0510P	30	VAR		25.50	

GROSS BILLING ANALYSIS				
CLASS	NO.	CONTRACT	UNIT COST	TOTAL GROSS
ANNC'S	19	19	25.50	484.50

TOTAL TIME CHARGES	\$ 484.50
AGENCY COMMISSION	\$
OTHER CHARGES	\$
AMOUNT DUE STATION	\$ 484.50

Annabelle Williams
LENORE E. WILLIAMS, Notary Public
Pittsburgh, Allegheny County, Pa.
My Commission Expires Aug. 5, 1985

SWORN TO AND SUBSCRIBED BEFORE ME
ON THIS DATE 11/30/84
AS WITNESS MY HAND AND NOTARY SEAL ORIGINAL INVOICE

John A. Hill

WAMO
FM 106

CHAMBER OF COMMERCE BUILDING
11 7th AVENUE
SUITE 1500
PITTSBURGH, PA 15219
(412) 471-2181

CONTRACT NO.: 00714

REVISION: 3

PA. DEMOCRATIC GEN ELEC
311 SOUTH BROAD ST
PHILADELPHIA PA 19107

ACCOUNT NO.	AGENCY	MARKET	DATE
1763-2		WABC-FM	12/24/8
PRODUCT	085		CLASS
MONDALE FERRARO		POLIT	RATE C
ADVERTISER	ACCOUNT EXECUTIVE		
PA. DEMOCRATIC GEN E		CONNIE MCDANIEL	

DATES	STARTING	10/31/84
	ENDING	11/05/84
BILLING INSTRUCTIONS 6	COPY-NO AFFDV-YES SBC CAL.	

RUNNING WEEKS SEPRIN: 1	1	2	3	4	5	6	7	8	9	10	11	12	13
	14	15	16	17	18	19	20	21	22	23	24	25	26
	27	28	29	30	31	32	33	34	35	36	37	38	39
	40	41	42	43	44	45	46	47	48	49	50	51	52

[illegible]

THIS CONTRACT IS SUBJECT TO THE CONDITIONS PRINTED ON THE BACK HEREOF AND CONTAINS THE ENTIRE AGREEMENT BETWEEN THE PARTIES. QUESTIONS REGARDING THIS CONTRACT SHOULD BE REFERRED TO THE ACCOUNT EXECUTIVE INDICATED ABOVE.

SUB-TOTAL

SUB-TOTAL 2 5

Connie McDaniel
ACCOUNT EXECUTIVE

ACCEPTED BY

TITLE

PRODUCTION

TALENT

TOTAL

STATION COF

WAMO
FM 106

11 BOULEVARD OF THE ALLIES
PITTSBURGH, PA. 15219
(412) 471-2181

CONTRACT NO.: 00019

REVISION: 2

PA. DEMOCRATIC GEN ELEC
311 SOUTH BROAD ST
PHILADELPHIA PA 19107

COUNT NO.	AGENCY	MARKET	DATE
1763-2		WAMO-FM	11/18/84
PRODUCT	085		CLASS
MONDALE FERRARO		POLIT	
ADVERTISER		ACCOUNT EXECUTIVE	6
PA. DEMOCRATIC GEN E		CONNIE MCDANILL	

DATES	STARTING	10/31/84
	ENDING	11/05/84
BILLING INSTRUCTIONS	COPY-NO AFFDV-YES SBC CAL.	

RUNNING WEEKS DEPRTH: 1	1	2	3	4	5	6	7	8	9	10	11	12	13
	14	15	16	17	18	19	20	21	22	23	24	25	26
	27	28	29	30	31	32	33	34	35	36	37	38	39
	40	41	42	43	44	45	46 XX	47 XX	48	49	50	51	52

[illegible]

THIS CONTRACT IS SUBJECT TO THE CONDITIONS PRINTED ON THE BACK HEREOF AND CONTAINS THE ENTIRE AGREEMENT BETWEEN THE PARTIES. QUESTIONS REGARDING THIS CONTRACT SHOULD BE REFERRED TO THE ACCOUNT EXECUTIVE INDICATED ABOVE.

SUB-TOTAL

24

612.00

24

612.

SUB-TOTAL 24

Corrie McDaniel
ACCOUNT EXECUTIVE

PRODUCTION

TALENT

ACCEPTED BY

TOTAL

612.

TITLE

STATION COPY

8 8 0 4 0 7 0 5 2 6 8

INVOICE

Paid 10/10

FREDIANI PRINTING COMPANY

1719 LIBERTY AVENUE • PITTSBURGH, PENNSYLVANIA 15222

Phone: (412) 281-8533

PA Democratic General Election Campaign '84

Letterpress • Offset

Date September 25, 1984

Our Order No.

Your Order No.

Terms: Net

QUANTITY

ITEM

AMOUNT

SALES TAX

TOTAL

10,000

(Jackson) Fliers -

One Photo - Various Copy

Arrangements - 8 1/2 X 11 -

Printed On Goldenrod Bond

\$321.00

\$19.26

\$340.26

88040705269

THE MEDIANE BOOKING COMPANY

THE MEDIANE BOOKING COMPANY

THE MEDIANE BOOKING COMPANY

THE MEDIANE BOOKING COMPANY

DATE	NO.	NAME	AGE	SEX	STATUS
1960	1	JOHN	25	M	Single
1960	2	JANE	22	F	Single
1960	3	JOHN	20	M	Single
1960	4	JANE	18	F	Single
1960	5	JOHN	15	M	Single
1960	6	JANE	12	F	Single
1960	7	JOHN	10	M	Single
1960	8	JANE	8	F	Single
1960	9	JOHN	5	M	Single
1960	10	JANE	3	F	Single

PENNSYLVANIA - VOTER IDENTIFICATION PROGRAM

DAILY REPORTING SCRIPT

CALL: (215) 753-4955 or 2388 - ROY ARSENAULT

THIS IS (your name) FROM (phone bank location). HBG. 10/21/84

ON (date for which you are reporting).

5 CALLERS WERE IN

150 INTERVIEWS WERE COMPLETED WARD _____ CITY _____

PRECINCT NUMBERS _____, _____, _____, _____
(DIVISION)

0
WERE COMPLETED FROM city or county

CANDIDATE SUPPORT WAS AS FOLLOWS:

		precinct District 01 Ward 5	precinct Dist. 01 Ward 8	precinct Ward 9, Prec. 01	precinct
<u>5</u> <u>0</u> <u>7</u> <u>0</u> <u>4</u> <u>0</u> <u>0</u>	MONDALE..... +	<u>51</u>	<u>37</u>	<u>30</u>	_____
	-	<u>1</u>	<u>1</u>	<u>0</u>	_____
	?	<u>10</u>	<u>12</u>	<u>10</u>	_____

<u>0</u> <u>0</u> <u>0</u> <u>0</u> <u>0</u> <u>0</u> <u>0</u>	PERKINS..... +	<u>46</u>	<u>68</u>	<u>17</u>	_____
	(OTHER)..... -	<u>6</u>	<u>1</u>	<u>3</u>	_____
	?	<u>10</u>	<u>22</u>	<u>20</u>	_____

BLOCK LEADER	+	_____	_____	_____	_____
		_____	_____	_____	_____
		_____	_____	_____	_____

VOLUNTEER	+	_____	_____	_____	_____
		_____	_____	_____	_____
		_____	_____	_____	_____

PENNSYLVANIA - VOTER IDENTIFICATION PROGRAM

DAILY REPORTING SCRIPT

CALL: (215) 753-4955 or 2388 - ROY ARSENAULT

THIS IS (your name) FROM (phone bank location). PSEA BLDG. HARRISBURG, 10/17/84

ON (date for which you are reporting).

Swatara 9 W
Steelton W-3
Lower Paxton (our list)

6 CALLERS WERE IN

172 INTERVIEWS WERE COMPLETED WARD _____ CITY _____

PRECINCT NUMBERS Steelton W-3 Swatara W-9 L. Paxton W 10
(DIVISION)

WERE COMPLETED FROM city or county

CANDIDATE SUPPORT WAS AS FOLLOWS:

		Steelton 3 precinct	Swatara 9 precinct	L. Paxton 10 precinct	precinct
MONDALE.....	+	<u>6</u>	<u>17</u>	<u>89</u>	<u> </u>
	-	<u>0</u>	<u>3</u>	<u>10</u>	<u> </u>
	?	<u>0</u>	<u>10</u>	<u>38</u>	<u> </u>
(OTHER) Perkins....	+	<u>24</u>	<u>30</u>	<u>22</u>	<u> </u>
	-	<u>0</u>	<u>5</u>	<u>4</u>	<u> </u>
	?	<u>15</u>	<u>15</u>	<u>17</u>	<u> </u>
BLOCK LEADER	+	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
VOLUNTEER	+	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

PENNSYLVANIA - VOTER IDENTIFICATION PROGRAM

DAILY REPORTING SCRIPT

CALL: (215) 753-4955 or 2388 - ROY ARSENAULT

THIS IS (your name) FROM (phone bank location). PSEA BLDG. HARRISBURG, PA
ON (date for which you are reporting). 10/18/84

9 CALLERS WERE IN

190 INTERVIEWS WERE COMPLETED WARD CITY

PRECINCT NUMBERS , , ,
(DIVISION)

2
WERE COMPLETED FROM city or county

CANDIDATE SUPPORT WAS AS FOLLOWS:

		Steelton precinct 37	W-8-Hbg. precinct 42	L. Paxton 10 precinct 10	Swatara precinct 29	
MONDALE.....	+	<u> </u>	<u> </u>	<u> </u>	<u> </u>	
	-	<u>87</u>	<u>5</u>	<u>2</u>	<u>6</u>	
	?	<u>16</u>	<u>28</u>	<u> </u>	<u>9</u>	
(OTHER) Perkins....	+	<u>28</u>	<u>31</u>	<u>10</u>	<u>24</u>	TOTAL 93
	-	<u>1</u>	<u>8</u>	<u>2</u>	<u>6</u>	17
	?	<u>20</u>	<u>34</u>	<u> </u>	<u>10</u>	64

BLOCK LEADER +

VOLUNTEER +

PENNSYLVANIA - VOTER IDENTIFICATION PROGRAM

DAILY REPORTING SCRIPT

CALL: (215) 753-4955 or 2388 - ROY ARSENAULT

THIS IS (your name) FROM (phone bank location).

HBG 10/20/84

ON (date for which you are reporting).

5

CALLERS WERE IN

277

INTERVIEWS WERE COMPLETED

WARD

CITY

PRECINCT NUMBERS
(DIVISION)

WERE COMPLETED FROM city or county

CANDIDATE SUPPORT WAS AS FOLLOWS:

		W-9/P2 precinct	W-8 precinct	W 9/P 2 precinct	W-7/P2 precinct	W-10/P4	TOTAL
MONDALE.....	+	21	32	53	56	88	250
	-	2	2	1	1	3	9
	?	3	6	13	12	11	45
PERKINS.....	+	11	30	44	53	74	212
(OTHER)	-	1	1	1	2	1	5
	?	11	9	22	14	20	76

BLOCK LEADER +

VOLUNTEER +

PHONE LOG

(BETH)

YOUR NAME ELIZABETH M. VERTERANO

YOUR HOME PHONE NUMBER 412 - 654-6176

DATE 10/20/84

NUMBER OF CALLS COMPLETED 268

HOURS CALLED 3 P.M. - 6 P.M.

All calls were made in the county - Pulaski Twp. - Prec. 1, Union Twp. - Prec. 3, Unadoming Twp. 3, SNPS and Candidate support was as follows: Schenango Twp. - Prec. 1 (partial), Slippery Rock Twp. - Prec. 3

		Ward	Precinct	Ward	Precinct
<u>Mondale</u>	+		<u>232</u>		
	-		<u>45</u>		
	?		<u>102</u>		
	L		<u>8</u>		
	N.C.		<u>31</u>		

N.C. = "NO COMMENT" - FROM PEOPLE WHO DIDN'T WANT TO SAY HOW THEY WERE VOTING.

LEARNING TOWARD MONDALE

<u>Straight Democrat</u>	+	<u>139</u>	
	-	<u>68</u>	
	?	<u>95</u>	

Block Leaders + _____

Volunteers + 3 - all wanted a yard sign

~~4~~ 2 One will help pass out literature in her targeted precinct.

(over)

88040705274

Dear John,

Although I'm still short a few volunteers,
I'm trying to get a phone bank operating
Monday thru Friday from 3 p.m. - 6 p.m. and
Saturdays from 12 - 3 p.m. and 3 p.m. - 6 p.m.

How often do you want these reports?

Can you send more buttons and
bumper stickers?

Sincerely yours,

Beth Ventres

901 North Bruce St.

New Castle, Pa. 16101

88040705275

By my signature below, I certify that I have received the amount of money listed in return for services in connection with the November 6th General Election.

<u>NUMBER</u>	<u>NAME</u>	<u>ADDRESS</u>	<u>AMOUNT</u>	<u>SIGNATURE</u>
D 1 ^{Amount} \$1500	Bill Comer	122 DEXTER AVE WATERTOWN MA 02172		[Signature]
D 2 \$1750	Sherrine Mottick-Turner	7010 Cornell St.		Sherrine Turner
D 3 \$200	Angelo Cren	-3407 RIDGE AVE		Angelo Cren
D 4 \$300	Douglas BAKER	1845 N. 59th St		Douglas Baker
D 5 \$1000	Ralph Acosta	2527 N Blithorp St		Ralph Acosta
D 6 \$300	Marj Anne Hunter	2313 South St		Marj Anne Hunter
D 7 \$300	JOHN MYERS	51 E 11th St		John Myers
D 8 \$4500	Barry Washington	5843 ROBINSON ST.		Barry Washington
D 9				
D 10				
D 11				
D 12 \$2000	JOHN MYERS	56 E 11th St		John Myers

By my signature below, I certify that I have received the amount of money listed in return for services in connection with the November 6th General Election.

<u>NUMBER</u>	<u>NAME</u>	<u>ADDRESS</u>	<u>AMOUNT</u>	<u>SIGNATURE</u>
D1	LENNY Stern	62-11 Ave with Ceres NY NY	250	Lenny Stern
	Ronald C. Kelly	2536 W. Longmead	50.00	Ronald C. Kelly
	Sultan Ahmed	1345 W. Colman St	50 W	Sultan Ahmed
	Fazal Ahmed	1852 Gough St.	50	Fazal Ahmed
	John L. Thomas	2800 W. Lehigh Ave	50	John L. Thomas
	Joseph P. Carley	660 Boon St	\$40	Joseph P. Carley
	Sultan Ahmed	1345 W. Colman St	30 W	Sultan Ahmed

8 8 0 4 0 7 0 5 2 7 7

By my signature below, I certify that I have received the amount of money listed in return for services in connection with the November 6th General Election.

<u>NUMBER</u>	<u>NAME</u>	<u>ADDRESS</u>	<u>AMOUNT</u>	<u>SIGNATURE</u>
\$1	ISAAC JOHNSTONE	8208 Forest ave	\$50.00	Isaac Johnstone
\$2	HENRY L. BLACKWELL JR.	40 W PHIL GLEN ST	\$50.00	Henry L. Blackwell Jr.
\$3	William Allen	512 S. 54th ST	\$50.00	William Allen
\$4	Charles Howard	6021 Woodward ave	\$50.00	Charles Howard
\$5	CHARLES THOMPSON	5783 JEFFERSON	50.00	Charles Thompson

By my signature below, I certify that I have received the amount of money listed in return for services in connection with the November 6th General Election.

SIGNATURE

SA 1	Fareed Ahmed	1852 George's Ca.	30.00	Fareed Ahmed
SA 7	Van L. Thomas	2800 W Lehigh	30.00	Van L. Thomas
SA 3	Fareed Ahmed	1852 George's Ca.	25.00	Fareed Ahmed
SA 4	Sultan Ahmed	1345 W Colwyn St	25.00	Sultan Ahmed
SA 5				

~~88040705279~~

By my signature below, I certify that I have received the amount of money listed in return for services in connection with the November 6th General Election.

NUMBER	NAME	ADDRESS	AMOUNT	SIGNATURE
F 1	BASIL MERENDA	1905 S. HOLLYWOOD ST	\$ 3,385	Basil Merenda
F 2	JOHN MYERS	51 E HIGHT ST	100	John Myers
F 3	Wanda Williams	1900 Fittenhause Sq.	\$ 125	Wanda Williams
F 4	HERBERT D. BERRY	1011 E RITTENHOUSE	\$ 422.50	Herbert H. W. Berry
F 5	Frank Kelly	1535 E. 7th Pl	\$ 900.00	Frank Kelly
F 6	John K. Thomas	2800 N Lehigh Ave	\$ 25.00	John K. Thomas
F 7	John O. Sly	210 N Hobart St	\$ 46.75	John O. Sly
F 8	Tracy Pryor	1429 W. NORRIS	\$ 3,350.	Tracy Pryor
	JOHN MYERS	51 E HIGHT ST	350	John Myers

By my signature below, I certify that I have received the amount of money listed in return for services in connection with the November 6th General Election.

NUMBER

NAME _____

ADDRESS

AMOUNT

SIGNATURE

Nanda Williams

1700 Littenhouse Sq.

1025

Wanda Williams

8 8 0 4 0 7 0 5 2 8 1

By my signature below, I certify that I have received the amount of money listed in return for services in connection with the November 6th General Election.

<u>NUMBER</u>	<u>NAME</u>	<u>ADDRESS</u>	<u>AMOUNT</u>	<u>SIGNATURE</u>
P1	Maime Shamard-dei	512. Ogden St.	500.00	Maime Shamard-dei
P2	Tony Pryor	1429 Morris	500.00	Tony Pryor
P3	Basil Menden	1905 S. Hollywood St.	\$500.00	Basil Menden
P4	Nehubt W. Bay	1011 E. RITTENHOUSE ST	500.00	NEED DEBRARY

88040705282

By my signature below, I certify that I have received the amount of money listed in return for services in connection with the November 6th General Election.

<u>NUMBER</u>	<u>NAME</u>	<u>ADDRESS</u>	<u>AMOUNT</u>	<u>SIGNATURE</u>
W 21	173-26 P 249 Pete J. Fenn	5832 W 41ST	1000	Pete J. Fenn 44th
W 22	1172-44-3956 Harry May	2041 South Alden St	1000	Harry May 46th
W 23	1990106008 Ann Moss	2315 W. Cumberland St.	1000	Ann Moss 16th
W 24	7244-17 Harry May	2041 South Alden St	1000	Harry May 16th
W 25	7244-3070 Harry May	2041 South Alden St	1000	Harry May 16th

By my signature below, I certify that I have received the amount of money listed in return for services in connection with the November 6th General Election.

NUMBER	NAME	ADDRESS	AMOUNT	SIGNATURE
	165-24-8221			
W 4	John Mucka	1321 N 26th	1000.00	John Mucka 29th
W 12	Sherman Mitchell-Turner	7240 Cornelius St.	1,000.00	Sherman Turner 5th
W 13	Don Howard	542 N 12th	1000.00	Don Howard 14th
W 14	Reginald Hanna	2307 Cathlamet	1000.00	50th
W 15	Freeman Henderson	4075 Haverford	1,000.00	6th
W 16	Robert Clark	3847 Poplar St	1,000.00	24th
W 17	Oliver Adams	201 E Pine St	1,000.00	59th
W 18	Shirley Gregory	5803 N. 12th St	1,000.00	49th
W 19	Joseph C. Coleman	427 W. Wynd St (19)	1,000.00	22nd
W 20	Robert J. Turner	5832 W. H. T. St	1,000.00	3rd

By my signature below, I certify that I have received the amount of money listed in return for services in connection with the November 6th General Election.

<u>NUMBER</u>	<u>NAME</u>	<u>ADDRESS</u>	<u>AMOUNT</u>	<u>SIGNATURE</u>
	Margaret Porten	1407 Van Klee	\$540	Margaret Porten
	Joseph Orlant	8420 Lange St.		
	JAMES R LLOYD JR.	2805 MAXWELL ST PHILA. PA. 19136	500 \$500	JR. Lloyd
	Norman Laudenslager	3066 50th St Phila. 19159	\$500	Norman Laudenslager
	J. M. Dolan	1241 C St SE DC	600	J. M. Dolan

88040705285

By my signature below, I certify that I have received the amount of money listed in return for services in connection with the November 6th General Election.

NUMBER	NAME	ADDRESS	AMOUNT	SIGNATURE
W 1	210-38-3518 MARK RUBINSTEIN	421 S. 44th St Apt 2 Phila PA 19104	1,000	Mark Rubit. 27th
W 2	228-24-0998 James M. Linnell	5730 Pimlico St.	1,000	James M. Linnell 51
W 3	213-20-7518 Edgar C Campbell	230 N 59 St	1,000	Edgar C Campbell 4
W 4	205-20-8143 Virginia M. Thomas	3511 N. Lyndhurst St.	1,000	Virginia M. Thomas 11th
W 5	Phillip C Rollins	441-W. Coulter St	1,000	Phillip C Rollins
W 6	165-14-4144 Carl Waase	2327 N 10th St	1,000	Carl Waase 37th
W 7	264-34-2724 Ruth B. Harper	1427 N. Erie Ave.	1,000	Ruth B. Harper 13
W 8	193-40-2691 Mammy (Lynn)	3200 W Garden St	1,000	Mammy (Lynn) 28
W 9	180-18-2660 Robert Trip III	22nd & Diamond	1,000	Robert Trip III 32
W 10	Walter Miller	1825 W. Cabot St		Walter Miller

88040705286



**SPECIALTY
CONSULTANTS
INCORPORATED**

7623 Ridge Avenue • Philadelphia, PA 19188 • (815) 488-9555

SOLD TO
and
SHIP TO
unless
otherwise
indicated
below

PA Democratic Election Campaign '84
311 South Broad Street
Philadelphia, PA 19102

Ship to

PA Democratic Election Campaign '84
311 South Broad Street
Philadelphia, PA 19102
Attn: Mr. John Glasheen

ACKNOWLEDGMENT

Order number: A4336

Date received: 9-12-84

Customer order: A4336

Approx. ship date: A.S.A.P.

or

☐ Deadline use date: RUSH! RUSH!

Ship via: U.P.S.

☐ Prepaid

☐ Collect

☐ Inside Delivery

Sold by:

QUANTITY ORDERED SHIPPED		ITEM NO.	DESCRIPTION	PRICE	AMOUNT
10,000		502	Bumper Stickers WHITE BUMPER STICKER WITH BLUE IMPRINT		\$ 750.00
				Plus tax Plus Shipping charges	
				Deposit	

Since careful inspection at the factory often results in some imprinted pieces being discarded, it is understood that an underrun or overrun of not more than 10% to be billed pro rata is acceptable by the customer. Quoted prices do not include shipping charges or any applicable taxes. All claims must be made within 10 days after receipt of shipment. No returns can be made without our permission.

CUSTOMER'S ADVERTISING IMPRINT

SPECIAL INSTRUCTIONS

IMPRINT AS FOLLOWS:

VOTE DEMOCRAT '84

Thank you...

This order will be given prompt and careful attention.

Please check all specifications and phone us immediately if there are any errors.

Since these goods will be specially manufactured or assembled for you, this order is not subject to cancellation or reduction. We will make every effort to ship the exact quantity ordered and have it delivered by the date desired. We sincerely hope you will be pleased with our service and look forward to serving you again very soon.

THIS IS AN ACKNOWLEDGMENT - NOT AN INVOICE

NBC

7623 Ridge Avenue • Philadelphia, PA 19128 • (215) 482-9555

SOLD TO

PRINT FIRM NAME

ADDRESS.

CITY.

STATE

ZIP CODE

TYPE OF BUSINESS.

SHIP VIA _____

ADDITIONAL SHIPPING OR HANDLING INSTRUCTIONS

DATE OF ORDER

CUSTOMER'S ORDER NO.

SHIP ON OR ABOUT

☐ FOR IMMEDIATE USE ☐ FOR USE ON OR ABOUT

BASIS OF SALE:

☐ OPEN ACCOUNT ☐ NEW ☐ OLD

SUBMIT CREDIT INFORMATION ON REVERSE SIDE FOR NEW ACCOUNTS

☐ PAID IN FULL

MAKE ALL CHECKS PAYABLE ONLY TO COMPANY

☐ C.O.D. — LESS DEPOSIT OF \$

IF ANY EXTRA CHARGES ARE NECESSARY, MAKE SURE THEY ARE
CLEARLY STATED ON ORDER TO AVOID DELAY IN PROCESSING

TOTAL AMOUNT OF ORDER — F. O. B. FACTORY ►

THIS ORDER IS SUBJECT TO CONDITIONS PRINTED ON REVERSE SIDE HEREOF:

PRINT BUYER'S NAME

✓ SIGNATURE

TITLE Physical Data

PLEASE PRINT AD COPY BELOW:

Keep it short for best appearance and effectiveness

SPECIAL INSTRUCTIONS

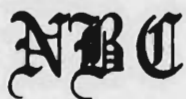
CUSTOMER'S STATIONERY MUST ALWAYS ACCOMPANY ORDER TO AVOID ERRORS IN PRINTING. ARRANGEMENT OF COPY AND SIZE AND STYLE OF TYPE IS LEFT TO DISCRETION OF FACTORY UNLESS OTHERWISE STATED ON THIS ORDER. PROOFS ON SPECIAL REQUEST ONLY. SPECIFY COLOR ONLY IF CHOICE IS AVAILABLE.

Vote Democratic '84

AD COPY AND INSTRUCTIONS CORRECT

✓ BUYER'S INITIALS

A 1301



**SPECIALTY
CONSULTANTS
INCORPORATED**

7623 Ridge Avenue • Philadelphia, PA 19128 • (815) 482-9555

SOLD TO
and
SHIP TO
unless
otherwise
indicated
below

PA Democratic Election Campaign '84
311 South Broad Street
Phila., PA 19102

Ship to

PA Democratic Election Campaign '84
311 South Broad Street
Phila., PA 19102
Attn: Mr. John Glasheen

ACKNOWLEDGMENT

Order number: **A4337**

A4337

Date received: **9-12-84**

9-12-84

Customer order: **A4337**

Approx. ship date: **A.S.A.P.**

or

☐ Deadline use date: **RUSH! RUSH!**

Ship via: **U.P.S.**

☐ Prepaid

☐ Collect

☐ Inside Delivery

Sold by

QUANTITY ORDERED SHIPPED		ITEM NO.	DESCRIPTION	PRICE	AMOUNT
10,000			1 3/16" Metal Litho Buttons	\$.59/ea.	590.00
2			Plate Charges	45.00/ea.	90.00
				Plus tax Plus Shipping charges	
				Deposit	

Since careful inspection at the factory often results in some imprinted pieces being discarded, it is understood that an underrun or overrun of not more than 10% to be billed pro rata is acceptable by the customer. Quoted prices do not include shipping charges or any applicable taxes. All claims must be made within 10 days after receipt of shipment. No returns can be made without our permission.

CUSTOMER'S ADVERTISING IMPRINT

SPECIAL INSTRUCTIONS

IMPRINT PER ATTACHED SAMPLE.

Thank you...

This order will be given prompt and careful attention.

Please check all specifications and phone us immediately if there are any errors.

Since these goods will be specially manufactured or assembled for you, this order is not subject to cancellation or reduction. We will make every effort to ship the exact quantity ordered and have it delivered by the date desired. We sincerely hope you will be pleased with our service and look forward to serving you again very soon.

THIS IS AN ACKNOWLEDGMENT - NOT AN INVOICE



**SPECIALTY
CONSULTANTS
INCORPORATED**

7623 Ridge Avenue • Philadelphia, PA 19128 • (215) 482-9555

SOLD TO
and
SHIP TO
unless
otherwise
indicated
below

PA. Democratic Election Campaign '84
311 South Broad Street
Phila., PA 19102

Ship to

PA Democratic Election Campaign '84
311 South Broad Street
Phila., PA 19102
Attn: Mr. John Glasheen

ACKNOWLEDGMENT

Order number: A4335

Date received: 9-12-84

Customer order: A4335

Approx. ship date: A.S.A.P.

or

☐ Deadline use date: RUSH! RUSH!

Ship via: U.P.S.

☐ Prepaid

☐ Collect

☐ Inside Delivery

Sold by:

QUANTITY ORDERED SHIPPED		ITEM NO.	DESCRIPTION	PRICE	AMOUNT
10,000		502	Bumper Stickers (2 color imprint) WHITE BACKGROUND / RED S BLUE IMPRINT		\$ 850.00
				Plus tax Plus Shipping charges	
				Deposit	

Since careful inspection at the factory often results in some imprinted pieces being discarded, it is understood that an underrun or overrun of not more than 10% to be billed pro rata is acceptable by the customer. Quoted prices do not include shipping charges or any applicable taxes. All claims must be made within 10 days after receipt of shipment. No returns can be made without our permission.

CUSTOMER'S ADVERTISING IMPRINT

SPECIAL INSTRUCTIONS

IMPRINT PER ATTACHED SAMPLE.

Thank you...

This order will be given prompt and careful attention.

Please check all specifications and phone us immediately if there are any errors.

Since these goods will be specially manufactured or assembled for you, this order is not subject to cancellation or reduction. We will make every effort to ship the exact quantity ordered and have it delivered by the date desired. We sincerely hope you will be pleased with our service and look forward to serving you again very soon.

THIS IS AN ACKNOWLEDGMENT - NOT AN INVOICE



SPECIALTY
CONSULTANTS
INCORPORATED

7623 Ridge Avenue • Philadelphia, PA 19128 • (215) 482-9555

PA Democratic Election Campaign '84

SOLD TO ~~PA Democratic Election Campaign '84~~
PRINT FIRM NAME ~~PA Democratic Election Campaign '84~~
ADDRESS 311 S BROAD ST
CITY Phila STATE PA ZIP CODE 19102
TYPE OF BUSINESS

SHIP VIA
ADDITIONAL SHIPPING OR HANDLING INSTRUCTIONS

DATE OF ORDER 9-12-84
CUSTOMER'S ORDER NO. A4335
SHIP ON OR ABOUT A4335
☐ FOR IMMEDIATE USE ☐ FOR USE ON OR ABOUT
BASIS OF SALE:
☐ OPEN ACCOUNT ☒ NEW ☐ OLD
SUBMIT CREDIT INFORMATION ON REVERSE SIDE FOR NEW ACCOUNTS
☐ PAID IN FULL
MAKE ALL CHECKS PAYABLE ONLY TO COMPANY
☐ C.O.D. — LESS DEPOSIT OF \$

QUANTITY	UNIT PRICE	DESCRIPTION	PRICE	AMOUNT
10,000	46 C/line	White Bk'd Metal Litho Button Red & Blue Imprint	5.9/each	590.00
10,000	502	White Red & Blue Bumper Stickers		850.00
0		SALES TAX		

IF ANY EXTRA CHARGES ARE NECESSARY, MAKE SURE THEY ARE
CLEARLY STATED ON ORDER TO AVOID DELAY IN PROCESSING

TOTAL AMOUNT OF ORDER — F.O.B. FACTORY ▶

THIS ORDER IS SUBJECT TO CONDITIONS PRINTED ON REVERSE SIDE HEREOF:

PRINT BUYER'S NAME

✓ SIGNATURE

John Glaser

TITLE

Political Director

PLEASE PRINT AD COPY BELOW

Keep it short for best appearance and effectiveness

SPECIAL INSTRUCTIONS

CUSTOMER'S STATIONERY MUST ALWAYS ACCOMPANY ORDER TO AVOID ERRORS IN PRINTING. ARRANGEMENT OF COPY AND SIZE AND STYLE OF TYPE IS LEFT TO
DISCRETION OF FACTORY UNLESS OTHERWISE STATED ON THIS ORDER. PROOFS ON SPECIAL REQUEST ONLY. SPECIFY COLOR ONLY IF CHOICE IS AVAILABLE

Per Samples

AD COPY AND INSTRUCTIONS CORRECT

✓ BUYER'S INITIALS

A 4335

RECEIVED AT THE FEC
HAND DELIVERED
87 JUN 30 AM 11:10

WASHINGTON
NEW YORK
LOS ANGELES

MORGAN, LEWIS & BOCKIUS

COUNSELORS AT LAW
2000 ONE LOGAN SQUARE
PHILADELPHIA, PENNSYLVANIA 19103
TELEPHONE: (215) 963-8000
CABLE ADDRESS: MORLEBOCK
TELEX: 83-1315

MIAMI
HARRISBURG
LONDON

GREGORY M. HARVEY
DIAL DIRECT (215) 963-5427

June 29, 1987

VIA FEDERAL EXPRESS

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

Attention: Anthony L. Marshall, Esquire

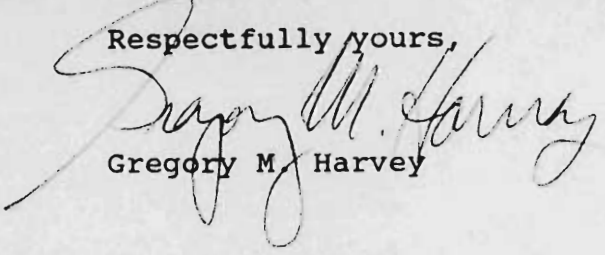
Re: MUR 2309

Dear Mr. Marshall:

Enclosed is the original Response of Goode for
Mayor Committee and Donald Redcross, Sr., Its Treasurer.

We anticipate submitting separately the affidavit
of Mr. Redcross in support of this Response.

Respectfully yours,


Gregory M. Harvey

GMH:pg

enclosures

cc: Mr. Donald Redcross, Sr.
(with enclosures)

88040705292

BEFORE THE
FEDERAL ELECTION COMMISSION

MUR 2309

RESPONSE OF GOODE FOR MAYOR COMMITTEE AND
DONALD REDCROSS, SR., ITS TREASURER

SUMMARY OF RESPONSE

Goode for Mayor Committee intended to contribute to a State-registered campaign fund of the Pennsylvania Democratic State Committee. A check of Goode for Mayor Committee in the amount of \$4,000 was deposited into a Federally-registered campaign account without the knowledge and contrary to the explicit understanding of the Treasurer of Goode for Mayor Committee. In that Goode for Mayor Committee is entirely innocent of any wrongdoing, the Commission's remedial action should be directed to the Pennsylvania Democratic State Committee.

FACTUAL DEFENSE

1. Goode for Mayor Committee is duly registered under the Pennsylvania Election Code as a candidate committee authorized by Mayor W. Wilson Goode; Goode for Mayor Committee complies in all respects with Pennsylvania law, which prohibits corporate and labor union general fund contributions, and which permits contributions in excess of \$1,000 (Pennsylvania law having no limitations on the size of contributions made by check).

2. In late 1984, Goode for Mayor Committee was requested by the Pennsylvania Democratic State Committee to

88040705293

make a contribution in the amount of \$4,000 for use in connection with Pennsylvania state and local elections. Goode for Mayor Committee agreed to make such a contribution and did so by check (the cancelled check and related papers are believed to be in warehouse storage but have not yet been located).

3. Mr. Redcross, Treasurer of the Goode for Mayor Committee, reasonably relied upon the representations of the Pennsylvania State Democratic Committee that the contribution which had been requested was a contribution to a fund governed by State law.

4. Mr. Redcross has subsequently been informed from time to time that the contribution was erroneously credited to a Federal campaign account and that the Pennsylvania Democratic State Committee would take appropriate remedial action.

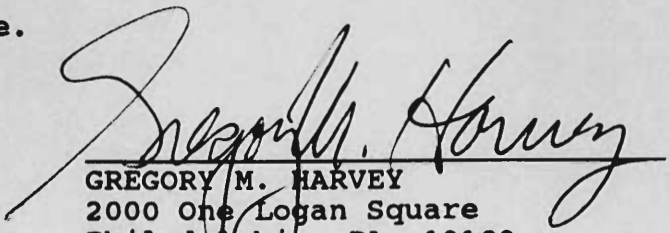
5. Like many campaign committees regulated by the Pennsylvania Election Code, the Goode for Mayor Committee receives significant contributions which are in excess of \$1,000, and it would be impossible for the Goode for Mayor Committee to register and report pursuant to 2 U.S.C. §§ 433 and 434 for the time period since November 5, 1984.

CONCLUSION

Goode for Mayor Committee and its Treasurer reasonably relied upon representations that the contribution at issue would not trigger the registration and reporting

requirements of 2 U.S.C. §§ 433 and 434. This proceeding arises solely because the Pennsylvania State Democratic Committee erroneously placed the contribution into a federal account. No further action should be taken against Goode for Mayor Committee and any remedial action which the Commission determines to require should be required of the Pennsylvania Democratic State Committee.

Dated: June 29, 1987


GREGORY M. HARVEY
2000 One Logan Square
Philadelphia, PA 19103
(215) 963-5427

Of Counsel:

MORGAN, LEWIS & BOCKIUS

Attorney for Respondents Goode
for Mayor Committee and Its
Treasurer Donald Redcross, Sr.

666 3758

RECEIVED AT THE FEC
HAND DELIVERED
87 JUN 30 AM: 10

MORGAN, LEWIS & BOCKIUS

WASHINGTON
NEW YORK
LOS ANGELES

COUNSELORS AT LAW
2000 ONE LOGAN SQUARE
PHILADELPHIA, PENNSYLVANIA 19103
TELEPHONE: (215) 963-8000
CABLE ADDRESS: MORLEBOCK
TELEX: 83-1315

MIAMI
HARRISBURG
LONDON

GREGORY M. HARVEY
DIAL DIRECT (215) 963-5427

June 29, 1987

VIA FEDERAL EXPRESS

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

Attention: Anthony L. Marshall, Esquire

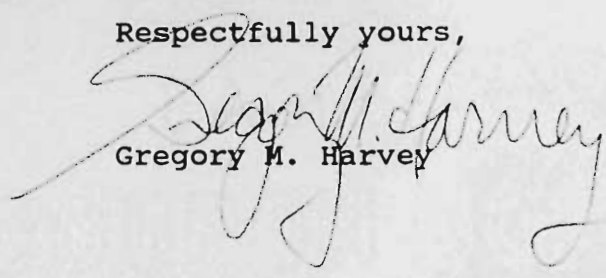
Re: MUR 2309

Dear Mr. Marshall:

Enclosed is the original Response of Fumo for
Senate Committee and James F. Kenney, Its Treasurer.

We anticipate submitting separately the affidavit
of Mr. Kenney in support of this Response.

Respectfully yours,


Gregory M. Harvey

GMH:pg

enclosures

cc: Mr. James F. Kenney
(with enclosures)

87 JUN 30 12:41

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

88040705296

BEFORE THE
FEDERAL ELECTION COMMISSION

MUR 2309

RESPONSE OF FUMO FOR SENATE COMMITTEE
AND JAMES F. KENNEY, ITS TREASURER

SUMMARY OF RESPONSE

Fumo for Senate Committee intended to contribute to a State-registered campaign fund of the Pennsylvania Democratic State Committee. A check of Fumo for Senate Committee payable to "PA. General Election Campaign Fund 84" in the amount of \$2500 was deposited into a Federally-registered campaign account without the knowledge and contrary to the explicit understanding of the Treasurer of Fumo for Senate Committee. In that the Fumo for Senate Committee is entirely innocent of any wrongdoing, the Commission's remedial action should be directed to the Pennsylvania Democratic State Committee.

FACTUAL DEFENSE

1. Fumo for Senate Committee is duly registered under the Pennsylvania Election Code as a candidate committee authorized by State Senator Vincent J. Fumo; Fumo for Senate Committee complies in all respects with Pennsylvania law, which prohibits corporate and labor union general fund contributions, and which permits contributions in excess of \$1,000 (Pennsylvania law having no limitations on the size of contributions made by check).

2. In October 1984, Fumo for Senate Committee was

88040705297

requested by the Pennsylvania Democratic State Committee to make a contribution in the amount of \$2,500 for use in connection with Pennsylvania state and local elections, including the November 1984 election in which State Senator Vincent J. Fumo was the candidate of the Democratic Party for re-election; Fumo for Senate Committee agreed to make such a contribution.

3. On October 30, 1984, James F. Kenney, Treasurer of Fumo for Senate Committee (sometimes referred to herein as "Mr. Kenney") prepared check No. 2301 on the Fumo for Senate checking account at The Fidelity Bank, Philadelphia, Pennsylvania, in the amount of \$2,500, made payable to "Victory for Democrats Committee."

4. In the course of causing delivery of check No. 2301, Mr. Kenney sought assurances that "Victory for Democrats Committee" was a state-registered committee and not a Federally-registered committee.

5. Mr. Kenney sought the assurances referred to in the preceding paragraph because of his knowledge that Fumo for Senate Committee, as a state-registered committee which was not registered pursuant to U.S.C. §§ 433 and 434, could not make a contribution in excess of \$1,000 to a Federally-registered Committee without triggering the registration and reporting the requirements of 2 U.S.C. §§ 433 and 434.

6. Mr. Kenney was informed that "Victory for Democrats Committee" was Federally-registered, contrary to

what had been implied earlier to Mr. Kenney; accordingly, Mr. Kenney requested that check No. 2301 not be negotiated and Mr. Kenney requested the name of a state-registered committee to which the contribution might instead be directed.

7. Mr. Kenney was informed that a committee titled "Pa. General Election Campaign Fund 84" was a fund of the Pennsylvania Democratic State Committee which fund was operated pursuant to the Pennsylvania Election Code and not subject to registration or reporting under 2 U.S.C. §§ 433 and 434; Mr. Kenney accordingly marked his records to show that check No. 2301 was "VOID" and prepared and signed check no. 2325, dated 11-5-84, in the amount of \$2,500 (a copy of both sides of check No. 2325 is attached hereto).

8. Mr. Kenney, on behalf of Fumo for Senate Committee, reasonably relied upon the representations of the Pennsylvania State Democratic Committee that a contribution to "Pa. General Election Fund 84" was a contribution to a fund governed by State law.

9. Mr. Kenney has been informed from time to time that the proceeds of check No. 2325 were erroneously credited to a Federal campaign account and that the Pennsylvania Democratic State Committee would take appropriate remedial action.

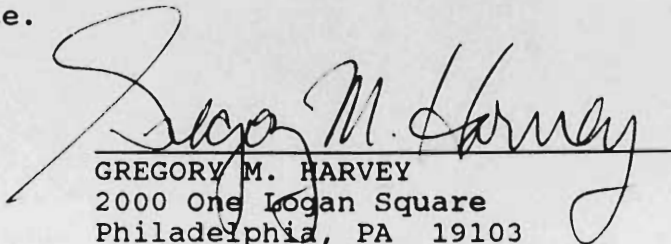
10. Like many campaign committees regulated by the Pennsylvania Election Code, the Fumo for Senate Committee receives significant contributions which are in excess of

\$1,000, and it would be impossible for the Fumo for Senate Committee to register and report pursuant to 2 U.S.C. §§ 433 and 434 for the time period since November 5, 1984.

CONCLUSION

Fumo for Senate Committee and Its Treasurer reasonably relied upon explicit representations that the contribution at issue would not trigger the registration and reporting requirements of 2 U.S.C. §§ 433 and 434. This proceeding arises solely because the Pennsylvania State Democratic Committee erroneously placed the proceeds of the Fumo for Senate Committee check into a federal account. No further action should be taken against Fumo for Senate Committee and any remedial action which the Commission determines to require should be required of the Pennsylvania State Democratic Committee.

Dated: June 29, 1987


GREGORY M. HARVEY
2000 One Logan Square
Philadelphia, PA 19103
(215) 963-5427

Of Counsel:

MORGAN, LEWIS & BOCKIUS

Attorney for Respondents Fumo
for Senate Committee and Its
Treasurer James F. Kenney

FUMO FOR SENATE 8 0 4 0 7 0 5 3 0 1

2325

1208 TASKER ST.
PHILADELPHIA, PA. 19146

11-5 184 3671

PAY TO THE ORDER OF PA. General Election Campaign Fund 84 \$ 2500.00
Two Thousand Five Hundred 00/100 DOLLARS



THE FIDELITY BANK
PHILADELPHIA, PENNSYLVANIA

FOR James F. Kenney \$0000250000

#0023256# ⑆031000503⑆ 496 222 ⑆

PNB
NO 86 07
PAY ANY BANK
3
BLACK
PHILA
PENIA

NO86097 Es

5 DOLLAR SAVINGS BANK

PAY ANY

OLIVER OFFICE

BANK PAGE 6

For Deposit Only
#0908055438
QR

QCC#3813
RECEIVED AT THE FEC

WASHINGTON
NEW YORK
LOS ANGELES

MORGAN, LEWIS & BOCKIUS

COUNSELORS AT LAW
2000 ONE LOGAN SQUARE
PHILADELPHIA, PENNSYLVANIA 19103
TELEPHONE: (215) 963-8000
CABLE ADDRESS: MORLEBOCK
TELEX: 83-1315

87 JUL 6 AM 11:57
MIAMI
HARRISBURG
LONDON

GREGORY M. HARVEY
DIAL DIRECT (215) 963-5427

July 1, 1987

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

Attention: Anthony L. Marshall, Esquire

Re: MUR 2309

Dear Mr. Marshall:

Enclosed are duplicate copies of the two Responses transmitted by our letter of June 29, 1987.

The enclosed duplicate copy of the Response of Fumo for Senate Committee and James F. Kenney, Its Treasurer, now includes the Affidavit of Mr. Kenney, sworn to on June 30, 1987.

The duplicate copy of the Response of Goode for Mayor Committee and Donald Redcross, Sr., Its Treasurer, now includes the Affidavit of Donald Redcross, Sr., sworn to on June 30, 1987.

Respectfully yours,

Gregory M. Harvey
Gregory M. Harvey

GMH/cfn

Enclosures

87 JUL 6 P 3:40

COMMUNICATIONS SECTION

88040705303

**BEFORE THE
FEDERAL ELECTION COMMISSION**

MUR 2309

**RESPONSE OF FUMO FOR SENATE COMMITTEE
AND JAMES F. KENNEY, ITS TREASURER**

SUMMARY OF RESPONSE

Fumo for Senate Committee intended to contribute to a State-registered campaign fund of the Pennsylvania Democratic State Committee. A check of Fumo for Senate Committee payable to "PA. General Election Campaign Fund 84" in the amount of \$2500 was deposited into a Federally-registered campaign account without the knowledge and contrary to the explicit understanding of the Treasurer of Fumo for Senate Committee. In that the Fumo for Senate Committee is entirely innocent of any wrongdoing, the Commission's remedial action should be directed to the Pennsylvania Democratic State Committee.

FACTUAL DEFENSE

1. Fumo for Senate Committee is duly registered under the Pennsylvania Election Code as a candidate committee authorized by State Senator Vincent J. Fumo; Fumo for Senate Committee complies in all respects with Pennsylvania law, which prohibits corporate and labor union general fund contributions, and which permits contributions in excess of \$1,000 (Pennsylvania law having no limitations on the size of contributions made by check).

2. In October 1984, Fumo for Senate Committee was

88040705304

requested by the Pennsylvania Democratic State Committee to make a contribution in the amount of \$2,500 for use in connection with Pennsylvania state and local elections, including the November 1984 election in which State Senator Vincent J. Fumo was the candidate of the Democratic Party for re-election; Fumo for Senate Committee agreed to make such a contribution.

3. On October 30, 1984, James F. Kenney, Treasurer of Fumo for Senate Committee (sometimes referred to herein as "Mr. Kenney") prepared check No. 2301 on the Fumo for Senate checking account at The Fidelity Bank, Philadelphia, Pennsylvania, in the amount of \$2,500, made payable to "Victory for Democrats Committee."

4. In the course of causing delivery of check No. 2301, Mr. Kenney sought assurances that "Victory for Democrats Committee" was a state-registered committee and not a Federally-registered committee.

5. Mr. Kenney sought the assurances referred to in the preceding paragraph because of his knowledge that Fumo for Senate Committee, as a state-registered committee which was not registered pursuant to U.S.C. §§ 433 and 434, could not make a contribution in excess of \$1,000 to a Federally-registered Committee without triggering the registration and reporting the requirements of 2 U.S.C. §§ 433 and 434.

6. Mr. Kenney was informed that "Victory for Democrats Committee" was Federally-registered, contrary to

what had been implied earlier to Mr. Kenney; accordingly, Mr. Kenney requested that check No. 2301 not be negotiated and Mr. Kenney requested the name of a state-registered committee to which the contribution might instead be directed.

7. Mr. Kenney was informed that a committee titled "Pa. General Election Campaign Fund 84" was a fund of the Pennsylvania Democratic State Committee which fund was operated pursuant to the Pennsylvania Election Code and not subject to registration or reporting under 2 U.S.C. §§ 433 and 434; Mr. Kenney accordingly marked his records to show that check No. 2301 was "VOID" and prepared and signed check no. 2325, dated 11-5-84, in the amount of \$2,500 (a copy of both sides of check No. 2325 is attached hereto).

8. Mr. Kenney, on behalf of Fumo for Senate Committee, reasonably relied upon the representations of the Pennsylvania State Democratic Committee that a contribution to "Pa. General Election Fund 84" was a contribution to a fund governed by State law.

9. Mr. Kenney has been informed from time to time that the proceeds of check No. 2325 were erroneously credited to a Federal campaign account and that the Pennsylvania Democratic State Committee would take appropriate remedial action.

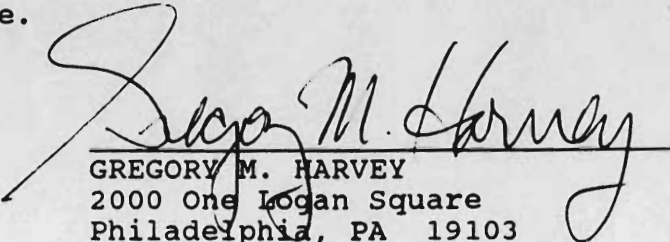
10. Like many campaign committees regulated by the Pennsylvania Election Code, the Fumo for Senate Committee receives significant contributions which are in excess of

\$1,000, and it would be impossible for the Fumo for Senate Committee to register and report pursuant to 2 U.S.C. §§ 433 and 434 for the time period since November 5, 1984.

CONCLUSION

Fumo for Senate Committee and Its Treasurer reasonably relied upon explicit representations that the contribution at issue would not trigger the registration and reporting requirements of 2 U.S.C. §§ 433 and 434. This proceeding arises solely because the Pennsylvania State Democratic Committee erroneously placed the proceeds of the Fumo for Senate Committee check into a federal account. No further action should be taken against Fumo for Senate Committee and any remedial action which the Commission determines to require should be required of the Pennsylvania State Democratic Committee.

Dated: June 29, 1987


GREGORY M. HARVEY
2000 One Logan Square
Philadelphia, PA 19103
(215) 963-5427

Of Counsel:

MORGAN, LEWIS & BOCKIUS

Attorney for Respondents Fumo
for Senate Committee and Its
Treasurer James F. Kenney

8804070530Z

FUMO FOR SENATE 8 8 0 4 0 7 0 5 3 0 8

2325

1206 TASKER ST.
PHILADELPHIA, PA. 19146

11-5 1084 320 71

PAY TO THE ORDER OF *PA. General Election Campaign Fund 84* \$ *2500.00*
Two Thousand Five Hundred 00/100 DOLLARS



THE FIDELITY BANK
PHILADELPHIA, PENNSYLVANIA

FOR *James F. Kline* \$0000250000

#0023256# 103100050310 496 222

830406N JK
APR 68-74

NO86-097 b3
[REDACTED]
[REDACTED]

DOLLAR SAVINGS BANK
 ANY - 04
 8-7438
 BANK PEG
 8-7438
 PA
 OLIVER OFFICE

For Deposit Only
#0908055438
AL

COMMONWEALTH OF PENNSYLVANIA:

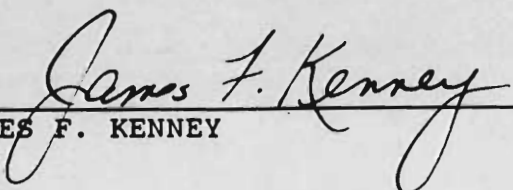
COUNTY OF PHILADELPHIA

:ss.

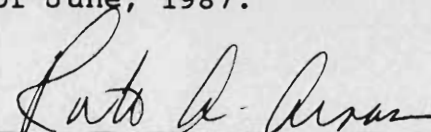
:

AFFIDAVIT

James F. Kenney, being first duly sworn according to law, deposes and says that he is the Treasurer of Fumo for Senate Committee, that he is authorized to make this Affidavit in support of the Response of Fumo for Senate Committee in MUR 2309, and that the facts set forth in the numbered paragraphs of that Response and the Exhibit thereto are true and correct to the best of his knowledge, information and belief.


JAMES F. KENNEY

Sworn to and subscribed
before me this 30th day
of June, 1987:

 [SEAL]
Notary Public

My Commission Expires:

RUTH A. ARNAO
Notary Public, Phila., Phila. Co.
My Commission Expires July 9, 1990

BEFORE THE
FEDERAL ELECTION COMMISSION

MUR 2309

RESPONSE OF GOODE FOR MAYOR COMMITTEE AND
DONALD REDCROSS, SR., ITS TREASURER

SUMMARY OF RESPONSE

Goode for Mayor Committee intended to contribute to a State-registered campaign fund of the Pennsylvania Democratic State Committee. A check of Goode for Mayor Committee in the amount of \$4,000 was deposited into a Federally-registered campaign account without the knowledge and contrary to the explicit understanding of the Treasurer of Goode for Mayor Committee. In that Goode for Mayor Committee is entirely innocent of any wrongdoing, the Commission's remedial action should be directed to the Pennsylvania Democratic State Committee.

FACTUAL DEFENSE

1. Goode for Mayor Committee is duly registered under the Pennsylvania Election Code as a candidate committee authorized by Mayor W. Wilson Goode; Goode for Mayor Committee complies in all respects with Pennsylvania law, which prohibits corporate and labor union general fund contributions, and which permits contributions in excess of \$1,000 (Pennsylvania law having no limitations on the size of contributions made by check).

2. In late 1984, Goode for Mayor Committee was requested by the Pennsylvania Democratic State Committee to

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make a contribution in the amount of \$4,000 for use in connection with Pennsylvania state and local elections. Goode for Mayor Committee agreed to make such a contribution and did so by check (the cancelled check and related papers are believed to be in warehouse storage but have not yet been located).

3. Mr. Redcross, Treasurer of the Goode for Mayor Committee, reasonably relied upon the representations of the Pennsylvania State Democratic Committee that the contribution which had been requested was a contribution to a fund governed by State law.

4. Mr. Redcross has subsequently been informed from time to time that the contribution was erroneously credited to a Federal campaign account and that the Pennsylvania Democratic State Committee would take appropriate remedial action.

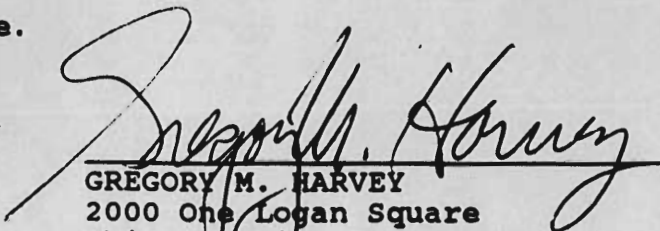
5. Like many campaign committees regulated by the Pennsylvania Election Code, the Goode for Mayor Committee receives significant contributions which are in excess of \$1,000, and it would be impossible for the Goode for Mayor Committee to register and report pursuant to 2 U.S.C. §§ 433 and 434 for the time period since November 5, 1984.

CONCLUSION

Goode for Mayor Committee and its Treasurer reasonably relied upon representations that the contribution at issue would not trigger the registration and reporting

requirements of 2 U.S.C. §§ 433 and 434. This proceeding arises solely because the Pennsylvania State Democratic Committee erroneously placed the contribution into a federal account. No further action should be taken against Goode for Mayor Committee and any remedial action which the Commission determines to require should be required of the Pennsylvania Democratic State Committee.

Dated: June 29, 1987


GREGORY M. HARVEY
2000 One Logan Square
Philadelphia, PA 19103
(215) 963-5427

Of Counsel:

MORGAN, LEWIS & BOCKIUS

Attorney for Respondents Goode
for Mayor Committee and Its
Treasurer Donald Redcross, Sr.

COMMONWEALTH OF PENNSYLVANIA:

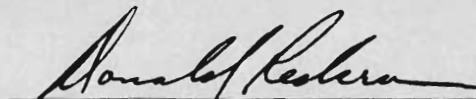
COUNTY OF PHILADELPHIA

: ss.

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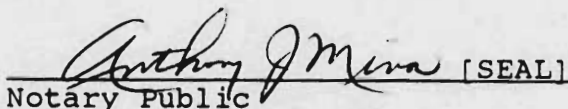
AFFIDAVIT

Donald Redcross, Sr., being first duly sworn according to law, deposes and says that he is the Treasurer of Goode for Mayor Committee, that he is authorized to make this Affidavit in support of the Response of Goode for Mayor Committee in MUR 2309, and that the facts set forth in the numbered paragraphs of that Response and the Exhibit thereto are true and correct to the best of his knowledge, information and belief.



DONALD REDCROSS, SR.

Sworn to and subscribed
before me this 30th day
of June, 1987:

 [SEAL]
Notary Public

My Commission Expires:

ANTHONY J. MINA, NOTARY PUBLIC
PHILADELPHIA, PHILADELPHIA COUNTY
MY COMMISSION EXPIRES DEC. 17, 1988
Member, Pennsylvania Association of Notaries

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A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
 1110 VERMONT AVENUE, N.W. • WASHINGTON, D.C. 20005 • (202) 887-9030

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July 7, 1987

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RECEIVED
GENERAL COUNSEL

Lawrence M. Noble
 Acting General Counsel
 Federal Election Commission
 999 E Street, N.W.
 Washington, D.C. 20463

Re: MUR 2309 - Pennsylvania Democratic State Committee and
 Lawrence J. Yatch, as Treasurer

Attention: Susan Beard

Dear Mr. Noble:

Pursuant to a telephone conversation with Susan Beard of your office, this letter requests a meeting to discuss the possibility of seeking pre-probable cause conciliation in the above-referenced Matter Under Review.

The Pennsylvania Democratic State Committee and Lawrence J. Yatch, as Treasurer ("Respondents"), filed a response to the Commission's Reason to Believe findings in MUR 2309 on June 22, 1987. Respondents believe that this response demonstrated both factually and legally that a substantial number of the issues raised in the Commission's Reason to Believe finding were not violations of the Federal Election Campaign Act of 1971, as amended, or have been addressed in a manner which obviates the need for further enforcement action by the agency. The remaining issues may be appropriate for conciliation with the Commission.

The Respondents note, however, that the Commission defines "conciliation" as "an attempt to correct or prevent a violation of the Act," implying that a request for conciliation requires an admission of violation. While Respondents recognize that pre-probable cause conciliation could result in a substantial savings of effort and expense for all parties, they are reluctant to request such conciliation without an understanding governing the issues appropriate for conciliation.

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Lawrence M. Noble
July 7, 1987
Page 2

Respondents request a meeting, therefore, to discuss the feasibility of pre-probable cause conciliation in this case.

If you have any questions, please contact the undersigned.

Very truly yours,



Judith L. Corley
Counsel to the Pennsylvania
Democratic State Committee
and Lawrence J. Yatch,
as Treasurer

cc: L. Yatch

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POTOMAC AIR LODGE 1976
INTERNATIONAL ASSOCIATION of MACHINISTS
and AEROSPACE WORKERS
(412) 262-4280

7/21/87 2309

July 21, 1987

Susan Beard
Federal Election Commission
Office of the General Counsel

Dear Susan,

As per your request and our conversation of July 21, this letter to clarify what took place on October 27, 1984. Our P.A.C., which is a State P.A.C., issued check #101 on October 27, 1984 to the Pennsylvania Democratic State Committee. This \$5000 check was to have been deposited in their State account, but mistakenly was deposited in their Federal account.

I trust this will satisfy the Commission of it's needs to close this file.

Sincerely,

Anthony Como

Anthony Como
Treasurer
Potomac Machinists P.A.C.

jr

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GENERAL COUNSEL

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August 12, 1987

Lawrence M. Noble
Acting General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

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OFFICE OF THE
GENERAL COUNSEL

Re: MUR 2309 - Pennsylvania Democratic State Committee
and Lawrence J. Yatch, as Treasurer

Dear Mr. Noble:

The Pennsylvania Democratic State Committee and Lawrence J. Yatch, as Treasurer ("Respondents"), request through counsel pre-probable cause conciliation in the above-referenced Matter Under Review.

As stated in my letter of July 7, 1987, Respondents believe that their response to the Commission's reason to believe ("RTB") findings demonstrates both factually and legally that a substantial number of the issues raised in the RTB findings were not violations of the Federal Election Campaign Act of 1971, as amended ("FECA"), or have been addressed in a manner which obviates the need for further enforcement action by the Agency. Respondents believe any remaining issues can best be resolved through the pre-probable cause conciliation process.

In considering this request for pre-probable cause conciliation, Respondents would like to submit the following information.

GOTV Activities

The response submitted by Respondents to the Commission's RTB findings makes it clear that the vast majority of the State Party's activities in connection with its 1984 get-out-the-vote ("GOTV") drive were well within the exemptions for party activity provided in the FECA and the Federal Election Commission ("FEC") regulations. These exemptions include, among others, those for slate cards, volunteer campaign materials, and voter registration and GOTV drives on behalf of the presidential and vice presidential candidates. 2 U.S.C. §§ 431(8)(B)(v), (x) and (xii) and §§ 431(9)(B)(iv), (viii) and (ix); 11 C.F.R. §§ 100.7(b)(9), (15) and (17), and §§ 100.8(b)(10), (16) and (18).

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Lawrence M. Noble
August 12, 1987
Page 2

The one exception to these exempt activities appears to be the expenditures by the Party for radio advertising. In its RTB findings, the Commission cited an expenditure of \$1,973.70 to WAMO, and an expenditure of \$340.00 to United Broadcasting Company (WJCY), both radio stations in Pittsburgh. In their response, Respondents stated that the advertisements "may have mentioned the Mondale-Ferraro campaign."

Respondents did not find in their files or records any scripts for these broadcasts, nor any other indication of the content of the advertisements. Respondents recalled only that the radio ads were targeted to black neighborhoods in Pittsburgh with the purpose of encouraging Democratic voters in those neighborhoods to go out to vote. The response that the ads "may" have mentioned the Mondale-Ferraro ticket was based simply on the fact that the bulk of the Party's GOTV activity centered on the presidential/vice presidential race and it was reasonable to assume that the radio advertisements also referred to that race.

In my meeting with Susan Beard and George Rishel on July 24, I answered several questions concerning the Party's GOTV activities that I would now like to confirm in writing:

- The phone banks conducted by the State Party were conducted solely by volunteers on behalf of the Party. The phone banks were designed and organized by regular employees of the Party. I have attached to this letter an affidavit from Lawrence J. Yatch, Treasurer of the Party at that time, which so states.
- The "consulting fees" paid to Lisa Gelb and Ed Slaughter were salary payments for services rendered to the Party for organizing volunteers and voters in connection with get-out-the-vote activities of the Party.
- Document 4, a listing of receipts for payments in Philadelphia for election day services, represents payments to various individuals for poll watcher certificates, transportation of voters to the polls, door-knocking campaigns, distribution of slate cards and flyers, refreshments for election day volunteers, etc. None of the payments were made to individuals for phone bank services.

Contributions from Unregistered Organizations

Respondents have previously noted that the contributions received from unregistered entities and cited by the Commission

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Lawrence M. Noble
August 12, 1987
Page 3

in its RTB findings (Fumo for Senate, Goode for Mayor and Potomac Machinists PAC) were made to the State Party for use in connection with Pennsylvania state and local elections, but were erroneously placed into the Party's federal account. While Respondents continue to believe that the funds donated were lawful under federal law and, therefore, could have been accepted into the Party's federal account, the Party recognizes that the funds were not donated by the unregistered entities for that purpose. The Party, therefore, has transferred an amount equal to each of the original donations from its federal account to its nonfederal account. These transfers are shown on the Party's 1987 mid-year report, filed with the FEC on July 31, 1987.

As a result of these transfers, Respondents believe they have remedied the acceptance of contributions from the unregistered entities and have removed any obligation on these nonfederal entities to register with the Federal Election Commission as political committees.

Contributions to Federal Candidates from Nonfederal Account

As discussed in Respondents' answer to the Commission's Interrogatory No. 6, the contributions from the Party's nonfederal account to the Edgar and Wachob campaigns resulted when funds raised for federal purposes were improperly placed into the Party's nonfederal account. When it was discovered that the contributions had been made from the nonfederal account, the Party sought advice from the FEC as to how to remedy the situation. The Party was told to obtain refunds of the contributions from the federal candidates and to place the refunds into the nonfederal account. The Party was also advised that to remedy the incorrect deposit of federal funds into its nonfederal account, it should transfer a similar amount from its nonfederal account to its federal account. The Party did this, and reissued the checks to the federal candidates from its federal account. It is unclear why the Party subsequently showed a debt owing from its federal account to its nonfederal account in connection with these contributions. This should not have been required, given the fact that the transfer of the funds from the nonfederal account to the federal account was simply a correction of previously misdeposited funds.

Respondents recognize that a technical reading of the FEC regulations would prohibit a transfer of funds between a committee's nonfederal account and federal account. Here, however, there was no true transfer of funds from the nonfederal account to the federal account. Rather, the transfer of funds, made on the advice of the FEC, involved

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Lawrence M. Noble
August 12, 1987
Page 4

simply the correction of an administrative error by the Party. Respondents believe that a strict reading of the regulations is not appropriate in these circumstances. By requiring the Committee to forfeit funds that had been raised for its federal account because of a simple administrative error, the Commission would be in effect penalizing the Party twice: denying it the use of the funds raised for federal purposes; and requiring it to raise additional federal funds to reissue the contributions refunded by the federal candidates. As I am sure you are aware, raising federally lawful funds during the period immediately preceding an election is difficult enough without having to, in effect, raise the same funds twice.

Respondents have no explanation as to why the contribution to the Mondale-Ferraro Victory Fund was made from the Party's nonfederal account. As a result, the Party has continuously shown the contribution as an obligation owed by the federal account to the nonfederal account. This obligation has been repaid, by a transfer from the federal account to the nonfederal account, as shown on the 1987 mid-year report, filed with the Commission on July 31.

Joint Fundraising Activities

The State Party has filed an amendment to its 1984 FEC reports to disclose on a Memo Schedule A the Party's share of the gross proceeds from the joint fundraiser with the Democratic National Committee ("DNC") as contributions from the original contributors where those contributions aggregated in excess of \$200.

As noted in the Commission's RTB findings and in the Party's response to these findings, the Party's records for the joint fundraiser, and, thus, its FEC reports, were incomplete. As a result, the Party had not itemized contributors of the joint fundraising proceeds received by the Party whose contributions aggregated in excess of \$200. The Party has obtained this information from the FEC reports filed by the DNC in connection with the joint fundraiser. The fundraiser consisted of thousands of small parties conducted in the homes of volunteers around the country. Under the joint fundraising agreement, each participating state party received 95% of each contribution from contributors from their state. Thus, the proceeds transferred to the Pennsylvania State Party from the DNC consisted of 95% of each contribution from a Pennsylvania contributor. The DNC itemized on its FEC reports 100% of each contribution aggregating in excess of \$200. Respondents took 95% of each Pennsylvania contribution reported by the DNC and itemized it in their amendment. (Because of the nature of the

Lawrence M. Noble
August 12, 1987
Page 5

joint fundraiser, the majority of the contributions aggregated \$200 or less and were not itemized.)

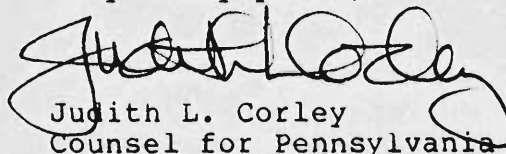
Respondents believe that these amendments meet the obligation of the State Party to disclose information on itemized contributors from the joint fundraiser.

The State Party notes again, for the Commission's consideration of this pre-probable cause conciliation request, that under Pennsylvania state law, contributions from corporations and labor organizations are prohibited. Funds received both into the nonfederal account of the Party and received by nonfederal committees contributing to the Party, therefore, were in large part lawful funds under federal law.

Finally, the State Party undertook a review of its policies and procedures and has identified those areas in need of improvement. The State Party has taken steps to avoid any recurrence of prior problems, including the education of its employees in the rules and regulations under which the Party operates for federal election purposes; the retention of a law firm (Perkins Coie) and an accounting firm (KMPG - Peat Marwick Main & Co.), each with experience in election law matters, to assist in establishing new systems and procedures, and to prepare and review FEC reports; the consolidation of accounts in Harrisburg, and the establishment of designated staff to be responsible for deposits to and disbursements from these accounts.

For all the above reasons, Respondents believe that pre-probable cause conciliation is appropriate to resolve MUR 2309. If you have any questions, or need additional information, please do not hesitate to contact the undersigned.

Very truly yours,



Judith L. Corley
Counsel for Pennsylvania
Democratic State Committee and
Lawrence J. Yatch, as Treasurer

BEFORE THE FEDERAL ELECTION COMMISSION

MUR 2309

Respondents: Pennsylvania Democratic State Committee
Lawrence J. Yatch, as Treasurer

AFFIDAVIT OF LAWRENCE J. YATCH

STATE OF PENNSYLVANIA)
) ss.
COUNTY OF ALLEGHENY)

I, Lawrence J. Yatch, being duly sworn according to law,
hereby depose and state as follows:

1. I have personal knowledge of the facts set forth
herein and if called to testify in this matter, I would testify
as set forth herein.

2. I am Chairman of the Pennsylvania Democratic State
Committee (hereinafter referred to as the "Party" or the "State
Party"). In 1984, I was Treasurer of the same committee.

3. In 1984, the Party conducted voter registration and
get-out-the vote drives to encourage voters to register and go
to the polls on election day to vote for Democratic candidates.

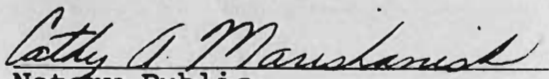
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4. As part of its voter drive, the Party used phone banks to identify potential Democratic Party voters.

5. The phone banks were designed and organized by regular employees of the State Party and were staffed by volunteer party workers.


Lawrence J. Yatch

Subscribed and sworn to before me this 11th day
of August, 1987.


Notary Public

NOTARY PUBLIC
CATHY A. MARISKANISH
EXPIRES OCTOBER 17, 1987

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BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

Pennsylvania Democratic State
Committee and Frank McDonnell,
as treasurer^{1/}

MUR 2309

Goode for Mayor Committee and
Donald Redcross, as treasurer

Potomac Machinists PAC and
Anthony Como, as treasurer

Fumo for Senate Committee and
James F. Kenney, as treasurer^{2/}

EXECUTIVE SESSION

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GENERAL COUNSEL'S REPORT

I. BACKGROUND

A. Pennsylvania Democratic State Committee

On April 24, 1987, the Commission found reason to believe that the Pennsylvania Democratic State Committee and Lawrence J. Yatch, as treasurer, violated 11 C.F.R. § 102.5(a)(1), by depositing \$11,500 into its federal account from other accounts

^{1/} In the course of reviewing the amended reports that were filed by the Pennsylvania Democratic State Committee ("PDSC"), this Office determined that the PDSC filed an amendment to its Statement of Organization on February 1, 1987. That amendment named Frank McDonnell as the treasurer of the PDSC. This change occurred after the referral but prior to the reason to believe findings. Accordingly, this Office has included recommendations that no further action be taken against Lawrence J. Yatch, the former treasurer of PDSC, and that reason to believe be found against Frank McDonnell, as treasurer, for violations of 2 U.S.C. §§ 432(c)(1), (2) and (3), 432(d), 434(b)(3)(A), 434(b)(4), and 11 C.F.R. §§ 102.5(a)(1) and 102.17(c)(8)(i)(B). This is consistent with the Commission's action in MURs 2327 and 2448. The notification letter conforms to the one approved recently in MUR 2448.

^{2/} When the Commission found reason to believe against the Fumo for Senate Committee, the identity of the treasurer was not known; as a result, reason to believe was found against the treasurer as treasurer. This Office has determined that James F. Kenney is the treasurer of the Fumo for Senate Committee and, thus, his name has been substituted.

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(those of three unregistered committees) maintained for the purpose of financing non-federal election activity, by contributing \$7,000 to federal political committees using funds from its non-federal account, and by transferring funds from the non-federal to the federal account. On that date, the Commission also found reason to believe that the PDSC violated 2 U.S.C. § 434(b)(4) by not reporting disbursements that were made on behalf of candidates for Federal office. The PDSC claimed that the disbursements were not allocable since they were to get-out-the-vote ("GOTV"). On that date, the Commission also found reason to believe that PDSC violated 2 U.S.C. § 432(c)(1), (2), and (3) and 432(d) because it failed to maintain records of contributors from a joint fundraiser with the Democratic National Committee ("DNC"). Finally, on that date, the Commission also found reason to believe that the PDSC violated 2 U.S.C. § 434(b)(3)(A) and 11 C.F.R. § 102.17(c)(8)(i)(B), by failing to itemize receipts from the joint fundraiser with the DNC which were more than \$200 in aggregate. The Commission's findings were based on an audit of the PDSC which was conducted pursuant to 2 U.S.C. § 438(b).

On June 22, 1987, the Commission received a response to the Commission's reason to believe findings from counsel for the PDSC. Attachment 1. On July 7, 1987, counsel requested a meeting with representatives of this Office. Attachment 1 at page 72. The meeting was held on July 23, 1987. On August 13, 1987, the Commission received a request for pre-probable cause conciliation. Attachment 1 at page 74.

B. Goode for Mayor Committee

On April 24, 1987, the Commission found reason to believe that the Goode for Mayor Committee and Donald Redcross, as treasurer, violated 2 U.S.C. §§ 433 and 434, by failing to register with and report to the Commission.

On November 7, 1984, the Goode Committee contributed \$4,000 to the PDSC which was deposited into the PDSC's federal account. In response to the interim audit report, the PDSC provided a letter from the Goode Committee. The Goode Committee stated that as of November 5, 1984, its treasury contained \$13,748.64. Of that amount, \$13,710.12 represented federally permissible funds, and the balance reflected deposits of vendor refunds. On June 30, 1987, the Commission received a response from the Goode Committee. Attachment 1 at page 81. It was supplemented by an affidavit received by this Office on July 6, 1987. Attachment 1 at page 85.

C. Potomac Machinists PAC

On April 24, 1987, the Commission found reason to believe that the Potomac Machinists PAC and Anthony Como, as treasurer, violated 2 U.S.C. §§ 433 and 434, by failing to register with and report to the Commission.

On October 16, 1984, the Potomac PAC made a \$5,000 contribution to the PDSC, which was deposited into the PDSC's federal account. The auditors obtained a letter from the Potomac PAC stating that this contribution originated from the registered Machinists Non-Partisan Political League's federal account. The Reports Analysis Division questioned the Potomac PAC before the

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audit of the PDSC. The Potomac PAC informed RAD that it is not a federal PAC and that it does "not wish to become one."

On July 23, 1987, the Commission received a response from the Potomac PAC. Attachment 1 at Page 86.

D. Fumo for Senate Committee

On April 24, 1987, the Commission found reason to believe that the Fumo for Senate Committee and its treasurer, violated 2 U.S.C. §§ 433 and 434, by failing to register with and report to the Commission.

On November 5, 1984, the Fumo Committee made a \$2,500 contribution to the PDSC which was deposited into the PDSC's federal account. On June 30, 1987, the Commission received a response from the Fumo Committee. Attachment 1 at page 87. This response was supplemented by an affidavit received by this Office on July 6, 1987. Attachment 1 at page 94.

II. ANALYSIS

The responses received by this Office affects the legal analysis that was presented in the First General Counsel's Report of April 22, 1987.

A. Pennsylvania Democratic State Committee

1. Violations on which reason to believe was found by the Commission.

The response of the PDSC as well as those of the other Respondents indicates a violation of 11 C.F.R. § 102.5(a)(1) with respect to the contributions from the three unregistered committees. See, Attachment 1 at page 2. According to the Respondents, the contributions were intended for the state

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account, but were deposited into the federal account due to an administrative error. Between April and June of 1987, funds were transferred to the state account to correct this error. The transfer occurred approximately 30 months after the funds were originally accepted.

The PDSC also discussed the \$7,000 it contributed to federal candidates from its state accounts. The \$7,000 consisted of three contributions. As far as the \$2,000 contribution from the non-federal account to the Victory Fund Mondale/Ferraro is concerned, the PDSC has been reporting it as a debt to its non-federal account on its Schedule D. This debt was retired between April and June of 1987, approximately 31 months after the debt was incurred. The PDSC stated in its response dated August 12, 1987, that it has no explanation as to why this contribution was made from a non-federal account.

With regard to the contributions to the Edgar and Wachob campaigns, the PDSC stated that funds that had been raised for the federal account were inadvertently deposited into the state account. Attachment 1 at page 28. "About the same time a decision was made by the Party to support the Edgar and Wachob campaigns. Because it was necessary to act quickly, with the election only a few days away, and because the funds in the non-federal account had been contributed for federal purposes, the contributions were made from the nonfederal account without the knowledge of the Treasurer." Id. To correct this situation the PDSC received refunds from the Edgar and Wachob campaigns and

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deposited them into the non-federal account. Then the PDSC stated that it transferred the \$6,000 it had erroneously deposited into the non-federal account to the federal account. Finally, the PDSC stated that it reissued the contributions from the federal account. The PDSC claims that these steps were taken on the advice of the auditors. In its response dated August 12, 1987, the PDSC stated that it was "unclear" why it filed reports listing a debt from its federal account to its non-federal account.

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Regarding the joint fundraiser with the DNC, the PDSC has filed amended 1984 reports that itemize those contributions aggregated in excess of \$200. There were 19 contributions totalling \$6,948.30. This amended report was filed with the Commission on August 11, 1987, approximately 30 months after this information should have been filed. The PDSC still has not been able to obtain from the DNC a complete accounting for all of the contributions received as a result of the joint fundraiser. The information filed by the PDSC on August 11, 1987, was obtained from reports filed with the Commission by the DNC.

Finally, as far as the \$127,399.55 in get-out-the-vote expenses are concerned, the response adequately demonstrates that nearly all of the expenses were not allocable to specific candidates. The bulk of these funds were spent in three areas. The PDSC spent approximately \$55,780.89 on election day activities, including transporting voters to the polls, door

knocking campaigns, and obtaining poll watcher certificates. Approximately \$24,270.83 was spent on printing buttons, pamphlets, slate cards, bumper stickers, and other campaign materials. The PDSC stated in its response that these materials were designed to advocate the election of the Democratic slate with an emphasis on the Mondale/Ferraro ticket. See 2 U.S.C. § 431(9)(B)(viii). Finally, approximately \$40,014.03 was spent on travel expenses to organize the voter registration and GOTV campaign. PDSC also stated that it disbursed \$1,000 to the Philadelphia AFL-CIO Register and Vote Committee for a phone bank and \$4,020 to six individuals for consulting services. According to the response, two expenses for radio ads, however, were apparently made on behalf of the Mondale/Ferraro campaign. The expenses for those ads total \$2,313.70. Since these expenses were for general public political advertising, they do not come within the exemption for the state party's GOTV activity at 2 U.S.C. § 431(9)(B)(ix) and should have been reported as disbursements on behalf of Mondale/Ferraro pursuant to 2 U.S.C. § 434(b)(4).

2. Additional Violation

The Act provides that notwithstanding any other provisions of law with respect to limitations on expenditures or contributions, a national committee of a political party may make certain limited expenditures in connection with the general election campaign of any candidate for President who is affiliated with that party. 2 U.S.C. § 441a(d)(2). The Act does not provide a similar expenditure authority with respect to any

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candidate for President for state party committees. See, 2 U.S.C. § 441a(d). Commission regulations, however, state that a national party committee may make such expenditures through any designated agent, including state and subordinate party committees. 11 C.F.R. § 110.7(a)(4). National and state party committees may not make independent expenditures on behalf of Federal candidates affiliated with the party. 11 C.F.R. § 110.7(a)(5) and § 110.7(b)(4).

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The Act and regulations exclude from the definition of contribution and expenditure disbursements by state and subordinate party committees for GOTV activities on behalf of their presidential candidates. See, e.g., 2 U.S.C. § 431(9)(B)(ix); 11 C.F.R. § 100.8(b)(18). Disbursements for radio advertisements and other similar types of general public political advertising, however, do not qualify for these exemptions. Id. The Act further provides that no political committee shall knowingly make any expenditure in violation of 2 U.S.C. § 441a, and that no officer or employee of a political committee shall knowingly make any expenditure on behalf of a candidate in violation of any limitation imposed on contributions and expenditures under Section 441a. 2 U.S.C. § 441a(f).

As noted above, the PDSC reported as operating expenses disbursements of \$2,313.70, for radio advertising on behalf of the Mondale/Ferraro campaign. Since these expenditures were for radio advertisements on behalf of a presidential candidate, they do not qualify for any of the exemptions to the definitions of

"contribution" and "expenditure" that apply to state party committees. Thus, it appears that these expenditures were in violation of 2 U.S.C. § 441a(f).^{2/}

Accordingly, this Office recommends that the Commission find reason to believe that the Pennsylvania Democratic State Committee and Frank McDonnell, as treasurer, violated 2 U.S.C. § 441a(f).

B. Goode for Mayor Committee, Potomac Machinists PAC, and Fumo for Senate Committee

Each of the three unregistered committee respondents stated in their responses that the funds had been contributed for state election purposes and that the contributions had been deposited in the PDSC's federal account without their knowledge or permission. The PDSC has also acknowledged that the funds were erroneously deposited in its federal account. It transferred amounts equals to these funds to its non-federal account in 1987. As a result of the PDSC's error and mitigation, the three unregistered committee's should not be required to register and report as political committees.

Accordingly, this Office is recommending that the Commission take no further action against the Goode for Mayor Committee and Donald Redcross, as treasurer; the Potomac Machinists PAC and Anthony Como, as treasurer; and the Fumo for Senate Committee and James F. Kenney, as treasurer.

^{2/} This analysis and recommendation is consistent with that on the same issue in the General Counsel's Report dated August 12, 1987, in MUR 2335 involving the Connecticut Democratic State Central Committee.

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III. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

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IV. RECOMMENDATIONS

1. Take no further action against the Goode for Mayor Committee and Donald Redcross, as treasurer; the Potomac Machinists PAC and Anthony Como, as treasurer; and the Fumo for Senate Committee and James F. Kenney, as treasurer, and close the file as it pertains to these respondents.
2. Take no further action and close the file as it pertains to Lawrence J. Yatch, as treasurer.
3. Find reason to believe that Frank McDonnell, as treasurer, violated the following:
 - a. 2 U.S.C. § 432(c)(1), (2) and (3)
 - b. 2 U.S.C. § 432(d)
 - c. 2 U.S.C. § 434(b)(3)(A)
 - d. 2 U.S.C. § 434(b)(4)
 - e. 11 C.F.R. § 102.5(a)(1)
 - f. 11 C.F.R. § 102.17(c)(8)(i)(B)

4. Find reason to believe that the Pennsylvania Democratic State Committee and Frank McDonnell, as treasurer, violated 2 U.S.C. § 441a(f).
5. Enter into conciliation with the Pennsylvania Democratic State Committee and Frank McDonnell, as treasurer, prior to a finding of probable cause to believe.
6. Approve the attached proposed conciliation agreement, factual and legal analysis and letters.

Date

9/25/87

Lawrence M. Noble
Acting General Counsel

88040705336

Attachments:

1. Responses and Request for Conciliation
2. Letters to Respondents (4) and Factual and Legal Analysis(1)
3. Proposed Conciliation Agreement



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
ACTING GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/SUSAN GREENLEE S.G.

DATE: September 30, 1987

SUBJECT: OBJECTION TO MUR 2309- General Counsel's Report
signed September 25, 1987

The above-captioned document was circulated to the Commission on Monday, September 28, 1987 at 11:00 A.M.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens	_____
Commissioner Elliott	_____
Commissioner Josefiak	_____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Thomas	_____X_____

This matter will be placed on the Executive Session agenda for October 6, 1987.

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

88040705337

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Pennsylvania Democratic State)
Committee and Frank McDonnell,)
as treasurer)
)
Goode for Mayor Committee and)
Donald Redcross, as) MUR 2309
treasurer)
)
Potomac Machinists PAC and)
Anthony Como, as treasurer)
)
Fumo for Senate Committee and)
James F. Kennedy, as)
treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session of October 8,
1987, do hereby certify that the Commission took the follow-
ing actions in MUR 2309:

1. Decided by a vote of 5-1 to direct the
Office of General Counsel to revise the
proposed conciliation agreement to more
clearly detail the facts as discussed
during the Commission meeting.

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

(continued)

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2. Decided by a vote of 6-0 to -

- a) Take no further action against the Goode for Mayor Committee and Donald Redcross, as treasurer, the Potomac Machinists PAC and Anthony Como, as treasurer; and the Fumo for Senate Committee and James F. Kenney, as treasurer, and close the file as it pertains to these respondents.
- b) Take no further action and close the file as it pertains to Lawrence J. Yatch, as treasurer.
- c) Find reason to believe that Frank McDonnell, as treasurer, violated the following:
1. 2 U.S.C. § 432(c)(1), (2), and (3)
 2. 2 U.S.C. § 432(d)
 3. 2 U.S.C. § 434(b)(3)(A)
 4. 2 U.S.C. § 434(b)(4)
 5. 11 C.F.R. § 102.5(a)(1)
 6. 11 C.F.R. § 102.17(c)(8)(i)(B)
- d) Find reason to believe that the Pennsylvania Democratic State Committee and Frank McDonnell, as treasurer, violated 2 U.S.C. § 441a(f).
- e) Enter into conciliation with the Pennsylvania Democratic State Committee and Frank McDonnell, as treasurer, prior to a finding of probable cause to believe.

(continued)

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- f) Approve the proposed conciliation agreement attached to the General Counsel's report dated September 25, 1987, subject to the amendments discussed this date.
- g) Send the factual and legal analysis attached to the General Counsel's report dated September 25, 1987.
- h) Approve the letters attached to the General Counsel's report dated September 25, subject to the amendments agreed upon during the meeting discussion.

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

Attest:

10-8-87

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

88040705340



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

13 October 1987

Gregory M. Harvey
Morgan, Lewis & Bockius
2000 One Logan Square
Philadelphia, PA 19103

RE: MUR 2309
Goode for Mayor Committee and
Donald Redcross, as treasurer

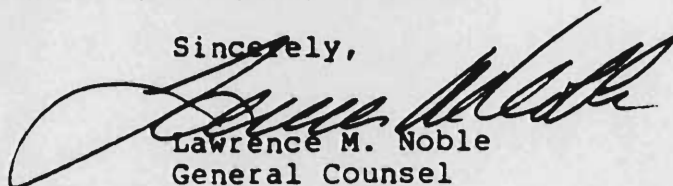
Dear Mr. Harvey:

On May 5, 1987, your clients, the Goode for Mayor Committee and Donald Redcross, as treasurer, were notified that the Federal Election Commission found reason to believe that they had violated 2 U.S.C. §§ 433 and 434. On June 30, 1987, on their behalf, you submitted a response to the Commission's reason to believe findings in this matter.

After considering the circumstances of the matter, the Commission determined on October 6, 1987, to take no further action against the Goode for Mayor Committee and Donald Redcross, as treasurer, and closed its file as it pertains to the Goode for Mayor Committee and Donald Redcross, as treasurer. The file will be made part of the public record within 30 days after the matter has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

If you have any questions, please contact Susan Beard, the attorney, assigned to this matter, at (202) 376-8200.

Sincerely,


Lawrence M. Noble
General Counsel

88040705341



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

13 October 1987

Gregory M. Harvey
Morgan, Lewis & Bockius
2000 One Logan Square
Philadelphia, PA 19103

RE: MUR 2309
Fumo for Senate Committee and
James F. Kenney, as treasurer

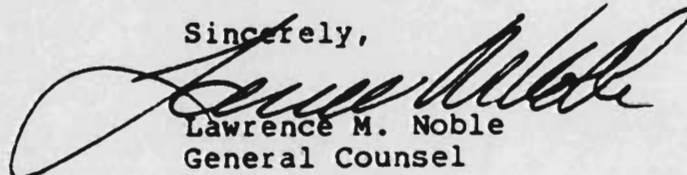
Dear Mr. Harvey:

On May 5, 1987, your clients, Fumo for Senate Committee and James F. Kenney, as treasurer, were notified that the Federal Election Commission found reason to believe that they had violated 2 U.S.C. §§ 433 and 434. On June 30, 1987, on their behalf, you submitted a response to the Commission's reason to believe findings in this matter.

After considering the circumstances of the matter, the Commission determined on October 6, 1987, to take no further action against the Fumo for Senate Committee and James F. Kenney, as treasurer, and closed its file as it pertains to the Fumo for Senate Committee and James F. Kenney, as treasurer. The file will be made part of the public record within 30 days after the matter has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

If you have any questions, please contact Susan Beard, the attorney, assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

13 October 1987

Anthony Como
U.S. Air
Hanger #3
I.A.M.
Pittsburgh International Airport
Pittsburgh, PA 15231

RE: MUR 2309
Potomac Machinists PAC and
Anthony Como, as treasurer

Dear Mr. Como:

On May 5, 1987, you were notified that the Federal Election Commission found reason to believe that the Potomac Machinists PAC and you, as treasurer, had violated 2 U.S.C. §§ 433 and 434. On July 23, 1987, you submitted a response to the Commission's reason to believe findings in this matter.

After considering the circumstances of the matter, the Commission determined on October 6, 1987, to take no further action against the Potomac Machinists PAC and you, as treasurer, and closed its file as it pertains to the Potomac Machinists PAC and you, as treasurer. The file will be made part of the public record within 30 days after the matter has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

If you have any questions, please contact Susan Beard, the attorney, assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

MUR 2309

Pennsylvania Democratic State
Committee and Frank McDonnell,
as treasurer

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 19, 1987, the Commission decided by a vote of 6-0 to approve the revised conciliation agreement, factual and legal analysis and letter, as recommended in the General Counsel's memorandum to the Commission dated October 14, 1987.

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

Attest:

10-19-87

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Wed., 10-14-87, 5:13
Circulated on 48 hour tally basis: Thurs., 10-15-87, 11:00
Deadline for vote: Mon., 10-19-87, 11:00



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

23 October 1987

Judith L. Corley
Perkins Coie
1110 Vermont Ave., N.W.
Washington, D.C. 20005

RE: MUR 2309
Pennsylvania Democratic State
Committee and Frank McDonnell,
as treasurer

Dear Ms. Corley:

On May 5, 1987, the Federal Election Commission found reason to believe that the Pennsylvania Democratic State Committee and Lawrence J. Yatch, as treasurer, violated 2 U.S.C. §§ 432(c)(1), (2) and (3), 432(d), 434(b)(3)(A) and 434(b)(4), and 11 C.F.R. §§ 102.5(a)(1) and 102.17(c)(8)(i)(B). On October 6, 1987, the Commission determined to take no further action against Lawrence J. Yatch, since he is not the current treasurer of record. Accordingly, as your client has been substituted as treasurer, on October 6, 1987, the Commission found that there is reason to believe that Frank McDonnell, in his capacity as treasurer of the Pennsylvania Democratic State Committee, violated 2 U.S.C. §§ 432(c)(1), (2) and (3), 432(d), 434(b)(3)(A), and 434(b)(4) and 11 C.F.R. §§ 102.5(a)(1) and 102.17(c)(8)(i)(B). Finally, on October 6, 1987, the Commission found that there is reason to believe that the Pennsylvania Democratic State Committee and Frank McDonnell, as treasurer, violated 2 U.S.C. § 441a(f). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

At your request, on October 6, 1987, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

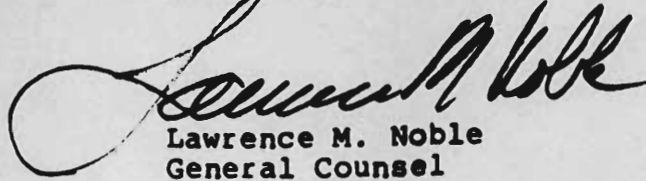
Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If your clients agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior 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.

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Letter to Judith L. Corley
Page 2

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 Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosures
Conciliation Agreement
Factual and Legal Analysis

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PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
1110 VERMONT AVENUE, N.W. • WASHINGTON, D.C. 20005 • (202) 887-9030

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

87 NOV 19 PM 4:59

November 19, 1987

Lawrence M. Noble
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2309 - Pennsylvania Democratic State Committee
and Frank J. McDonnell, as Treasurer

Attention: Susan Beard

Dear Mr. Noble:

The Pennsylvania Democratic State Committee ("State Party") and Frank J. McDonnell, as Treasurer ("Respondents"), submit through counsel this response to the Federal Election Commission's Reason to Believe finding and proposed Conciliation Agreement enclosed in your letter of 23 October 1987.

It is not clear to Respondents from your letter and proposed Conciliation Agreement the extent to which the FEC has taken into consideration certain mitigating facts and circumstances related to the activities described in MUR 2309. Respondents believe that, when considered in light of those facts and circumstances, the issues raised in MUR 2309 represent insubstantial violations of the Federal Election Campaign Act, all of which have been corrected by the State Party. Respondents submit the following information and revised Conciliation Agreement for the Commission's consideration. Respondents also request a meeting to discuss the matter in further detail.

Reason to Believe Finding

In the RTB finding enclosed with your October 23, 1987 letter, the FEC states, "[T]he PDSC reported as operating expenses disbursements for \$2,313.70, for radio advertising on behalf of the Mondale/Ferraro campaign." In the proposed Conciliation Agreement, the Commission states "Respondents expended \$2,313.70 on radio advertising on behalf of the

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Mondale/Ferraro presidential campaign" These statements contradict the sworn representations of Respondents that while this radio advertising "may have mentioned the Mondale/Ferraro campaign," there are no firm records which demonstrate that this was, in fact, the case. Respondents based their supposition simply on the fact that the majority of the State Party's other get-out-the-vote activity was centered on the Presidential campaign.

Attorneys for the FEC have pointed out that several of the invoices related to the radio advertising use the term "Mondale/Ferraro" on their face. During the 1984 elections, party workers frequently referred to the State Party's general election federal activity as "Mondale/Ferraro" to distinguish it from the Party's nonfederal activity. While the choice of terms may now appear less than fortuitous, the choice was logical at the time.

Respondents acknowledge that they have no definitive evidence to contradict the language of the Commission's RTB finding or proposed Conciliation Agreement, but request that it be modified to reflect the less than certain nature of the facts. This can be accomplished by rewording the RTB finding in the following manner:

In the instant case, the PDSC reported as operating expenditures disbursements for \$2,313.70 for radio advertising. The advertising may have mentioned the Mondale/Ferraro campaign. Since expenditures for radio advertisements on behalf of a presidential candidate do not qualify for any of the exemptions to the definitions of "contribution" and "expenditure" that apply to state party committees, it appears that these expenditures may have been in violation of 2 U.S.C. §§ 431(8)(B)(xii) and 431(9)(B)(ix).

Respondents' revised Conciliation Agreement (Paragraph IV-8 and V-3) contains similar modified language. As a result of these modifications, the first sentence of Paragraph IV-12 has been deleted.

Contributions from Unregistered Committees

In Paragraphs IV-3, IV-4 and IV-5 of the proposed Conciliation Agreement, the FEC notes the three contributions received by the State Party from unregistered committees. In Paragraph V-1, the Commission concludes that "Respondents deposited contributions totaling \$11,500 from unregistered organizations into its federal account in violation of 11 C.F.R. § 102.5(a)(1)."

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Section 102.5(a)(1) of the Commission's regulations sets out the requirements for a political committee that wishes to finance both federal and nonfederal activity. This regulation states that such committees may establish separate federal and nonfederal accounts into which "only funds subject to the limitations of the Act shall be deposited." There is no evidence that the State Party has violated this regulation. Under Pennsylvania state law, political committees are prohibited from accepting contributions from corporate or labor organization treasury funds. Thus, the State Party has not accepted any contributions from prohibited sources under 2 U.S.C. § 441b. Further, none of the three unregistered committees exceeded the contribution limits established by 2 U.S.C. § 441a(a), i.e., \$5,000 per calendar year.

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Rather, as stated in the FEC's RTB finding, a contribution of over \$1,000 from an unregistered entity "trigger[s] the registration and reporting requirements of the Act." These registration and reporting requirements, however, are imposed on the unregistered entities making the contribution, not on the State Party. There is no provision of the FEC regulations which prohibits the acceptance of a contribution of up to \$5,000 from an unregistered committee. The making of such a contribution simply turns the unregistered entity into a political committee, required to register and report under the FECA. Thus, the State Party did not violate the Commission's regulations by accepting contributions in excess of \$1,000 from unregistered entities. Clearly, if these entities had registered, they could have given up to the \$5,000 limit. Even if the FEC takes the position that a political committee may not accept over \$1,000 from an unregistered entity, the violation in question would only be \$8,500, not \$11,500 as stated in the proposed Conciliation Agreement.

In the facts of this case, after having accepted the lawful contributions from the unregistered entities, the State Party discovered that these entities did not wish to incur a registration and reporting obligation under the federal law. To accommodate the wishes of the unregistered entities, the State Party transferred amounts equal to the original contributions to its nonfederal account and thereby relieved the unregistered entities of the obligation to register. If there is any violation, it is that the State Party received into its federal account funds that were not intended for federal elections.

The revised Conciliation Agreement has been modified accordingly.

Federal Contributions from Nonfederal Account

In paragraph V-2, the Commission states that Respondents violated 11 C.F.R. § 102.5(a)(1) by making contributions to federal committees out of its nonfederal account. This regulation requires that contributions to federal candidates and committees be made from a committee's federal account. In the case of the contribution to the Victory Fund Mondale/Ferraro, Respondents have no explanation as to why the contribution was made from the nonfederal account. The Party did continuously show the contribution as an obligation owed by the federal account to the nonfederal account on its FEC reports. This obligation has been repaid, by a transfer from the federal account to the nonfederal account.

The other two contributions to federal candidates cited by the Commission, however, were made as a result of an accounting error by the State Party. As described in detail in the State Party's response to the Commission's interrogatories dated June 22, 1987 and its request for pre-probable cause conciliation, dated August 12, 1987, the State Party mistakenly placed federal contributions into its nonfederal account. These federal dollars were then contributed to two federal candidates. When the Party discovered its error, the Party consulted with the Federal Election Commission, obtained refunds from the federal candidates, placed an amount equal to the original federal contributions into the federal account, and reissued the contributions from the appropriate account. This transaction was, as noted by the Commission, completely disclosed on the State Party's FEC reports.

Although the funds were erroneously deposited into and initially disbursed from a nonfederal account, the contributions to the federal candidates were, in fact, made from funds intended to influence federal elections, *i.e.*, contributions made subject to the prohibitions and limitations of the FECA. Respondents recognize that a technical reading of the FEC regulations would prohibit the subsequent transfer of funds between the nonfederal and federal accounts. As stated in its letter requesting pre-probable cause conciliation, Respondents believe that this reading of the regulations is inappropriate in these circumstances. The State Party would, in effect, be penalized for making a simple administrative error. There was no true transfer of funds from the nonfederal account to the federal account; the transaction involved simply the correction of an administrative error by the Party.

Respondents believe, therefore, that in the case of these two contributions, the Act was not violated. Respondents' revised Conciliation Agreement contains appropriate language reflecting this conclusion.

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Joint Fundraiser

In paragraphs V-4 and V-5, the Commission contends that Respondents failed to maintain records of contributors from a joint fundraiser and failed to itemize receipts from the joint fundraiser in excess of \$200. In making this finding, the Commission has failed to acknowledge the following mitigating factor: The State Party had no records to maintain in connection with the joint fundraiser because the records were not provided to the State Party by the fundraising representative, the Democratic National Committee. This situation was not within the control of the State Party, and the Party should not be penalized for failing to maintain records that it did not receive. In fact, Respondents did maintain those limited records that it did receive from the Democratic National Committee, and those records were reviewed by the Commission's auditors.

Because the State Party did not receive adequate records, it was impossible for the State Party to itemize those receipts which exceeded \$200 in the aggregate. Without the necessary information, the State Party was powerless to comply with the itemization requirement. Contributions which aggregated over \$200 were on the public record in the reports filed by the Democratic National Committee.

In any event, the State Party's obligation to itemize has now been met, and the public record accurately reflects, for anyone who might be interested three years after the fact, the contributions in excess of \$200 to the State Party in connection with the joint fundraiser.

The proposed Conciliation Agreement has been modified accordingly.

Civil Penalty

Respondents believe, based on the foregoing, that the civil penalty proposed by the Commission in paragraph VI of the proposed Conciliation Agreement is excessive and that \$1,500 is a more appropriate civil penalty given the limited nature and extent of the violations involved in this matter.

Finally, Respondents direct the Commission's attention to the following additional mitigating factors. In the case at hand, the violations involved are insubstantial. Where necessary, they have been completely corrected. The activities of the State Party did not involve receiving or making contributions from prohibited sources or in excess of contribution limits. Rather, the violations involved common

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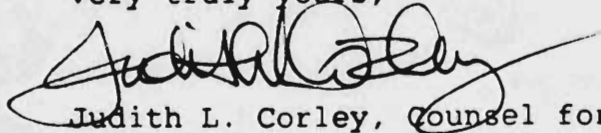
problems experienced by many committees as a result of confusion over the requirements of the FECA.

The violations described in paragraph V of the Conciliation Agreement are not substantial even when taken together, and none of the violations alone, especially in light of the corrective action taken by the State Party, would likely have resulted in a compliance action at all.

The Commission must also recognize the major effort undertaken by Respondents to improve their future performance under the FECA. Committee staff have been educated in the requirements of the federal law as it applies to a state party committee and especially as it applies to a party committee maintaining both federal and nonfederal accounts. The State Party has retained both a law firm and an accounting firm with expertise in the federal campaign laws to assist them in complying with the laws in its future activities. These actions are important as evidence of the Party's good faith and responsible approach to its compliance with the FECA. When taken together with the cooperation of the Committee in attempting to bring its past actions to conformity with the campaign laws, these actions should help to mitigate any penalties imposed by the Commission.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,


Judith L. Corley, Counsel for
Pennsylvania Democratic State
Committee and Frank J. McDonnell,
as Treasurer



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

MEMORANDUM TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN *JM*

DATE: MARCH 30, 1988

SUBJECT: OBJECTION TO MUR 2309 - General Counsel's Report
Signed March 23, 1988

The above-captioned document was circulated to the
Commission on Thursday, March 24, 1988 at 4:00 P.M.

Objections have been received from the Commissioners
as indicated by the name(s) checked:

Commissioner Aikens	_____
Commissioner Elliott	_____
Commissioner Josefiak	_____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Thomas	_____ X _____

This matter will be placed on the Executive Session
agenda for April 5, 1988.

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

88040705353

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Pennsylvania Democratic)
State Committee and Frank J.)
McDonnell, as treasurer)

MUR 2309

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On February 8, 1988, the Commission approved a revised conciliation agreement in this matter. On February 29, 1988, the Respondents rejected the Commission's revised conciliation agreement and made a counteroffer. Attachment 1. Because this matter has been in pre-probable cause conciliation since October of 1987, and because the Commission has already made two offers, this Office would normally recommend rejecting the Respondents' counteroffer and proceeding to the next stage of enforcement. This Office notes, however, that in the instant case the remaining points of disagreement are relatively narrow. Therefore, this Office recommends that the Commission reject the Respondents' counteroffer and make a final offer to Respondents, and state in the letter to Respondents' counsel that the pre-probable cause negotiations will be considered terminated unless the Respondents accept this offer without change within seven days of its receipt.

II. ANALYSIS

The Office of the General Counsel proposes making several revisions to the conciliation agreement that was approved by the Commission on February 8, 1988.

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SECRETARIAT

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SENSITIVE
EXECUTIVE SESSION

APR 05 1988

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A. Get-Out-The-Vote Expenditures

Paragraph IV 8 should be substantially revised in order to place the violation in its proper context. The revised paragraph describes the factual background in detail. This paragraph originally read as follows:

8. In October of 1984, Respondents expended \$2,313.70 on radio advertising which on the billing for the advertisements listed the "product" as being "Mondale/Ferraro." Respondents contend that the scripts of these radio advertisements, which would establish whether or not the advertisements may have mentioned the Mondale-Ferraro campaign, are no longer available. Respondents did not report these expenditures as allocable to any candidate.

The revised paragraph IV 8 reads as follows:

8. The examination and audit of the Respondents' records by the Commission found more than 100 expenditures totalling \$127,399.55, which concerned get-out-the-vote expenses and disbursements, which needed additional documentation. In response to the findings in this matter, Respondents were able to provide the additional documentation on \$125,085.85 of the get-out-the-vote expenses and disbursements. With respect to the remaining \$2,313.70 in get-out-the-vote expenses and disbursements, Respondents provided several billings which stated that the funds purchased radio advertisements. The billing for the advertisements listed the "product" as being "Mondale/Ferraro." Respondents contend that the scripts of these radio advertisements, which would establish whether or not the advertisements may have mentioned the Mondale/Ferraro campaign, are no longer available. Respondents acknowledge that these radio advertisements may have mentioned the Mondale/Ferraro campaign. Respondents did not report the \$2,313.70 in expenditures for radio advertisements as allocable to any candidate.

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These changes more fully explain the factual background and recognize the Respondents' efforts to provide the necessary documentation. These changes are proposed to address the Respondents' continuing objections with respect to this violation.

In this regard, Respondents' contentions are also added to paragraph V 3. The revised paragraph reads as follows (the proposed new language is underlined):

3. Respondents disbursed \$2,313.70 for radio advertisements on behalf of the Mondale/Ferraro campaign in violation of 2 U.S.C. § 441a(f). Respondents also failed to report these disbursements as made on behalf of any candidate in violation of 2 U.S.C. § 434(b)(4). Respondents contend that they are unable to establish whether any of the expenditures were made for radio advertisements on behalf of the Mondale/Ferraro campaign and, therefore, that they did not "knowingly" violate these statutes. Respondents acknowledge that these expenditures may have been made on behalf of the Mondale/Ferraro campaign.

B. Contributions from the Non-federal Account to Federal Committees and Transfers between the Non-federal and Federal Accounts.

Respondents have contended that contributions made to the Edgar for Congress Committee and the Wachob for Congress Committee from the Respondents' non-federal account were the result of an administrative error. Although this Office and the Audit Division do not necessarily agree that this violation occurred solely for this reason, this Office is willing to add Respondents' contention to paragraph V 2 in order to reach an agreement. The revised paragraph V 2 would read as follows (the proposed new language is underlined):

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2. Respondents made contributions to the Edgar for Congress Committee, the Wachob for Congress Committee and the Victory Fund Mondale/Ferraro, all of which are federal political committees, from a non-federal account in violation of 11 C.F.R. § 102.5(a)(1). Respondents contend that the use of a non-federal account with respect to the contributions to the Edgar for Congress Committee and the Wachob for Congress Committee was due to an administrative error.

C. Joint Fundraiser

Respondents contend that the DNC, the fundraising representative for a joint fundraiser held with Respondents, never provided Respondents with the information needed under the Act. This Office does not object to adding Respondents' contentions to paragraph V 4. The revised paragraph V 4 reads as follows (the proposed new language is underlined):

4. Respondents failed to maintain records of contributors from a joint fundraiser in violation of 2 U.S.C. § 432(c)(1), (2) and (3). Respondents contend that they did not receive the records from the fundraising representative.

D. Civil Penalty

Respondents in their current counteroffer proposed a \$3,500 civil penalty. The Commission's most recent conciliation agreement proposed a \$5,000 civil penalty. This Office recommends that the Commission propose a \$4,000 civil penalty. This civil penalty is still substantial and represents half of the civil penalty originally proposed by the Commission. A reduced civil penalty is justified in consideration of the Respondents' efforts to mitigate the violations and the difficulty at this juncture of resolving the Respondents' factual

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contentions. Paragraph VI of the proposed conciliation agreement reflects this change.

III. RECOMMENDATIONS

1. Reject the counteroffer of the Pennsylvania Democratic State Committee and Frank McDonnell, as treasurer.
2. Approve the attached conciliation agreement and letter.

Lawrence M. Noble
General Counsel

Date 3/23/88

BY:

Lois G. Lerner
Lois G. Lerner
Associate General Counsel

Attachments

1. Respondents' counteroffer
2. Proposed counterproposal and letter

Staff Person: Susan Beard

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Pennsylvania Democratic State) MUR 2309
Committee and Frank J.)
McDonnell, as treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of April 5, 1988, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 2309:

1. Reject the counteroffer of the Pennsylvania Democratic State Committee and Frank McDonnell, as treasurer.
2. Approve the conciliation agreement and letter attached to the General Counsel's report dated March 23, 1988, subject to amendment of the agreement at Paragraph V-3 as discussed during the meeting.

Commissioners Aikens, Elliott, Josefiak, McGarry, and Thomas voted affirmatively for the decision; Commissioner McDonald was not present during the consideration of this matter.

Attest:

4/7/88
Date

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

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CCC#9214

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
1110 VERMONT AVENUE, N.W. • WASHINGTON, D.C. 20005 • (202) 887-9030

May 4, 1988

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
88 MAY -6 PM 2:54

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

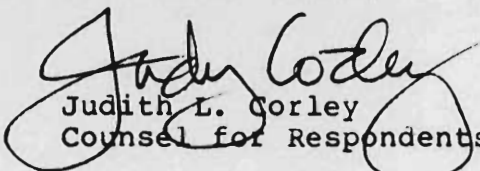
Re: MUR 2309 - Pennsylvania Democratic State Committee and
Frank J. McDonnell, as Treasurer

Dear Susan:

Enclosed are the executed conciliation agreement in the
above-referenced MUR and a check for \$4,000, representing
payment of the civil penalty.

If you have any questions, please let me know.

Very truly yours,


Judith L. Corley
Counsel for Respondents

88040705360

PENNSYLVANIA DEMOCRAT
STATE COMMITTEE
FEDERAL ACCOUNT
510 NORTH THIRD STREET
HARRISBURG, PA. 17101

151

PAY
TO THE
ORDER OF

Federal Election Commission

4/29 1988 60-154(5)
313
\$ 4,000 ⁷⁰/₁₀₀
⁷⁰/₁₀₀ DOLLARS

Four thousand			
MUR	2309		

THIS CHECK IS DELIVERED FOR PAYMENT ON THE ACCOUNTS LISTED

⑈000151⑈ ⑆031301545⑆ ⑆61433805⑆

MEMORANDUM

TO: DEBRA A. TRIMIEW

TO: CECILIA LIEBER

FROM: CECILIA LIEBER

FROM: DEBRA A. TRIMIEW

CHECK NO. 151 { A COPY OF WHICH IS ATTACHED } RELATING TO

MUR 2309 AND NAME Pennsylvania Democratic State Cmte.
(Beard)

WAS RECEIVED ON 5/6/88. PLEASE INDICATE THE ACCOUNT INTO
WHICH IT SHOULD BE DEPOSITED:

/ ✓ / BUDGET CLEARING ACCOUNT { 95F3875.16 }
/ / CIVIL PENALTIES ACCOUNT { 95-1099.160 }
/ / OTHER _____

SIGNATURE Debra A. Trimiew DATE 5/9/88

6CC#9015
RECEIVED COMMISSION
FEDERAL ELECTION COMMISSION
MAY - 6 PM 2:54

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION COMMISSION
SECTION

88 MAY 12 AM 10:03

In the Matter of)
)
Pennsylvania Democratic State) MUR 2309
Committee and Frank J.)
McDonnell, as treasurer)

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by Frank J. McDonnell, the treasurer of the Pennsylvania Democratic State Committee.

The attached agreement contains no changes from the agreement approved by the Commission on April 5, 1988. A check for the amount of the civil penalty has been received. See Attachments 1 and 2.

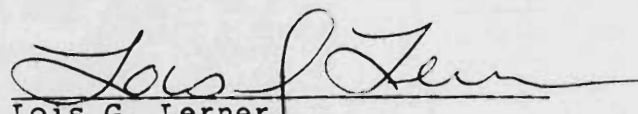
II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with the Pennsylvania Democratic State Committee and Frank J. McDonnell, as treasurer.
2. Close the file.
3. Approve the attached letters.

Lawrence M. Noble
General Counsel

5/11/88
Date

BY:


Lois G. Lerner
Associate General Counsel

Attachments

1. Conciliation Agreement
2. Photocopy of civil penalty check
3. Letters to Respondents

Staff Person: Susan Beard

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Pennsylvania Democratic State
Committee and Frank J.
McDonnell, as treasurer

MUR 2309

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal
Election Commission, do hereby certify that on May 16,
1988, the Commission decided by a vote of 5-0 to take
the following actions in MUR 2309:

1. Accept the conciliation agreement with the
Pennsylvania Democratic State Committee
and Frank J. McDonnell, as treasurer, as
recommended in the General Counsel's report
signed May 11, 1988.
2. Close the file.
3. Approve the letters, as recommended in the
General Counsel's report signed May 11, 1988.

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

Attest:

5-17-88

Date

Mary W. Emmons
for Marjorie W. Emmons

Secretary of the Commission

Received in the Office of Commission Secretary:	Thurs.,	5-12-88,	10:00
Circulated on 48 hour tally basis:	Thurs.,	5-12-88,	4:00
Deadline for vote:	Mon.,	5-16-88,	4:00



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 19, 1988

Judith L. Corley
Perkins Coie
1110 Vermont Avenue, N.W.
Washington, D.C. 20005

RE: MUR 2309
Pennsylvania Democratic State
Committee and Frank J.
McDonnell, as treasurer

Dear Ms. Corley:

On May 16, 1988, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your clients' behalf in settlement of a violation of this matter. Accordingly, the file has been closed in this matter. This matter will become a part of the public record within 30 days. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

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

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

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Committee, is a political committee within the meaning of 2 U.S.C. § 431(4).

2. Respondent, Frank McDonnell, is the treasurer of the Pennsylvania Democratic State Committee. During the period of the activities at issue in this Matter Under Review, Lawrence J. Yatch was the treasurer of the Pennsylvania Democratic State Committee.

3. In November of 1984, Respondents accepted a \$4,000 contribution from the Goode for Mayor Committee which was intended for state election use but deposited the contribution into its federal account. Funds representing the amount of this contribution were transferred from the federal to the non-federal account between April and June of 1987.

4. In October of 1984, Respondents accepted a \$5,000 contribution from the Potomac Machinists PAC which was intended for state election use but deposited the contribution into its federal account. Funds representing the amount of this contribution were transferred from the federal to the non-federal account between April and June of 1987.

5. In November of 1984, Respondents accepted a \$2,500 contribution from the Fumo for Senate Committee which was intended for state election use but deposited the contribution into its federal account. Funds representing the amount of this contribution were transferred from the federal to the non-federal account between April and June of 1987.

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6. In November of 1984, Respondents contributed \$3,000 to the Edgar for Congress Committee and \$2,000 to the Wachob for Congress Committee from the non-federal account. Refunds were obtained from the two committees and deposits of \$3,000 on May 8, 1985, and \$2,000 on May 22, 1985, were made into the Respondents' non-federal account. Respondents transferred \$3,000 on May 14, 1985, and \$3,000 on May 22, 1985, from the non-federal account to the federal account. Respondents contributed \$2,000 to the Wachob for Congress Committee on May 16, 1985, and \$3,000 to the Edgar for Congress Committee on May 22, 1985, from the federal account. Respondents contend that an inadvertent deposit of federal contributions into the non-federal account occurred and that the transfers which occurred on May 14 and 22, 1985, were to correct the deposit of federal contributions into the non-federal account.

7. In October of 1984, Respondents contributed \$2,000 to the Victory Fund Mondale/Ferraro from its non-federal account. Funds representing the amount of this contribution were transferred from the federal to the non-federal account between April and June of 1987.

8. The examination and audit of the Respondents' records by the Commission found more than 100 expenditures totalling \$127,399.55, which concerned get-out-the-vote expenses and disbursements, which needed additional documentation. In response to the findings in this matter, Respondents were able to provide the additional documentation on \$125,085.85 of the get-

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out-the-vote expenses and disbursements. With respect to the remaining \$2,313.70 in get-out-the-vote expenses and disbursements, Respondents provided several billings which stated that the funds purchased radio advertisements. The billing for the advertisements listed the "product" as being "Mondale/Ferraro." Respondents contend that the scripts of these radio advertisements, which would establish whether or not the advertisements may have mentioned the Mondale/Ferraro campaign, are no longer available. Respondents acknowledge that these radio advertisements may have mentioned the Mondale/Ferraro campaign. Respondents did not report the \$2,313.70 in expenditures for radio advertisements as allocable to any candidate.

9. In October of 1984, Respondents participated in a joint fundraiser in which the Democratic National Committee acted as fundraising representative. Respondents did not keep a complete accounting of all contributions received, including the name and address of contributors who contributed at least \$50, as well as the date and amount of contribution, and the name, address, and employer of individuals who contributed more than \$200, in aggregate, as well as the date and amount of contribution. Respondents also did not itemize those contributions for which they had the required information. Respondents filed an itemization with the Commission in August of 1987. Respondents contend that they did not receive a complete accounting from the fundraising representative; and that, as a

result, Respondents were unable to maintain records and itemize contributions as required.

10. Section 102.5(a) provides that only funds intended for a federal account shall be deposited into a federal account. It also provides that all disbursements, contributions, expenditures and transfers by a political committee in connection with a federal election must be made from a federal account.

11. Section 434(b)(4) of Title 2 states that each report filed with the Commission must include the amount of disbursements in the following categories: contributions to other political committees, independent expenditures, coordinated expenditures, and any other disbursements.

12. Section 441a(f) of Title 2 states that a political committee shall not knowingly make an expenditure or contribution in violation of the provisions of that section. Section 441a(d) of Title 2 provides that national committees of a political party may make certain limited expenditures in connection with the general election campaign of any candidate for President; however, this expenditure authority does not apply to state party committees. Pursuant to Sections 431(8)(B)(xii) and 431(9)(B)(ix) the payment by a state committee of the costs of get-out-the-vote activities conducted on behalf of nominees for President and Vice President are not within the definition of "contribution" or "expenditure;" however, such payments cannot be in connection with any broadcasting or any type of general public communication or political advertising.

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13. Section 432(c) of Title 2 provides for the keeping of accounts of all contributions received by a political committee, the name and address of any person who contributes in excess of \$50, and the identification of any person who makes a contribution or contributions aggregating more than \$200 during a calendar year.

14. Section 434(b)(3)(A) of Title 2 states that reports must include the identification of each person who makes a contribution or contributions to the reporting committee which have an aggregate amount in excess of \$200 within the calendar year, together with the date and amount of each contribution. Section 102.17(c)(8)(i)(B) states that in joint fundraisers, each participating political committee shall report its share of net proceeds received as a transfer-in from the fundraising representative, and it shall also file a memo Schedule A itemizing its share of gross receipts as contributions from original contributors.

V. 1. Respondents deposited contributions totalling \$11,500 from three unregistered organizations into its federal account in violation of 11 C.F.R. § 102.5(a).

2. Respondents made contributions to the Edgar for Congress Committee, the Wachob for Congress Committee and the Victory Fund Mondale/Ferraro, all of which are federal political committees, from a non-federal account in violation of 11 C.F.R. § 102.5(a)(1). Respondents contend that the use of a non-federal account with respect to the contributions to the Edgar for

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Congress Committee and the Wachob for Congress Committee was due to an administrative error.

3. Respondents disbursed \$2,313.70 for radio advertisements on behalf of the Mondale/Ferraro campaign in violation of 2 U.S.C. § 441a(f). Respondents also failed to report these disbursements as made on behalf of any candidate in violation of 2 U.S.C. § 434(b)(4). Respondents contend that they are unable to establish whether any of the expenditures were made for radio advertisements on behalf of the Mondale/Ferraro campaign and that the violations of these statutes were not knowing and willful. Respondents acknowledge that these expenditures may have been made on behalf of the Mondale/Ferraro campaign.

4. Respondents failed to maintain records of contributors from a joint fundraiser in violation of 2 U.S.C. § 432(c)(1), (2) and (3). Respondents contend that they did not receive the records from the fundraising representative.

5. Respondents failed to timely itemize receipts from a joint fundraiser which exceeded \$200, in aggregate, in violation of 2 U.S.C. § 434(b)(3)(A) and 11 C.F.R. § 102.17(c)(8)(i)(B).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Four Thousand Dollars (\$4,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this

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agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

IX. Respondents shall have no more than 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.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

BY:

Lois G. Lerner
Lois G. Lerner
Associate General Counsel

5/18/88
Date

FOR THE RESPONDENTS:

Frank J. McLaughlin
(Name)
(Position)
Treasurer

April 27, 1988
Date

38040705372



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 19, 1988

Gregory M. Harvey
Morgan, Lewis & Bockius
2000 One Logan Square
Philadelphia, PA 19103

RE: MUR 2309
Goode for Mayor Committee
and Donald Redcross, as
treasurer

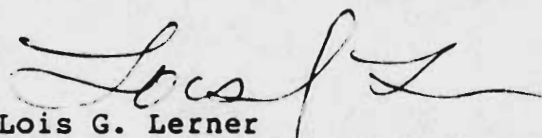
Dear Mr. Harvey:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Susan Beard, attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 19, 1988

Anthony Como
U.S. Air
Hanger #3
I.A.M.
Pittsburgh International Airport
Pittsburgh, PA 15231

RE: MUR 2309
Potomac Machinists PAC
and Anthony Como, as
treasurer

Dear Mr. Como:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Susan Beard, attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in cursive script, appearing to read "Lois G. Lerner", is written over the typed name.

BY: Lois G. Lerner
Associate General Counsel

88040705374



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 19, 1988

Gregory M. Harvey
Morgan, Lewis & Bockius
2000 One Logan Square
Philadelphia, PA 19103

RE: MUR 2309
Rumo for Senate Committee
and James F. Kenney, as
treasurer

Dear Mr. Harvey:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Susan Beard, attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in cursive script, likely belonging to Lois G. Lerner, is written over the typed name.

BY: Lois G. Lerner
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2309

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2309

DATE FILMED 6/15/88 CAMERA NO.

CAMERAMAN K.A.U.

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