



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

9-21-87

THE FOLLOWING MATERIAL IS BEING ADDED TO THE
PUBLIC FILE OF CLOSED MUR 2313

87040554222

GCC 4133

87 AUG 10 P 3:30

FEDERAL ELECTION COMMISSION



The California Health Federation, Inc.
FEDERACION DE SAUD DE CALIFORNIA
925 L STREET, SUITE 1401
SACRAMENTO, CA 95814

EXPLANATION	AMOUNT
Civil penalty	3,000.00

11-57 659
1210
5289

NT three thousand and 10/100

DOLLARS

CHECK AMOUNT

TO THE ORDER OF	ACCTS. PAYABLE	DISC.	OTHER	CHECK NUMBER	CHECK AMOUNT
87 Federal Election Commission			3000.00	5289	\$ 3,000.00



FIRST INTERSTATE BANK of California # 659
TENTH & K STREETS SACRAMENTO, CA 95806-1228

Fred E. Din

⑈005289⑈ ⑆121000578⑆659225371⑈ 11

GCC 4133

MEMORANDUM

TO: Debra A. Reed
FROM: *Cecilia Lischer*
Judy Smith

TO: *Cecilia Lischer*
Judy Smith
FROM: Debra A. Reed

CHECK NO. 5289 (a copy of which is attached) RELATING
TO MUR 2313 (Beilly) AND NAME The California Health Federation
WAS RECEIVED ON 8/10/87. 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. Linsinger* DATE 8/10/87

Jaramillo, Guzzetta & Ronaldi

Attorneys and Counselors at Law

635 NORTH FIRST STREET, SOUTH SUITE
SAN JOSE, CALIFORNIA 95112

(408) 287-9300

SAFEGUARD

1543

11-24/487
1210

7-31 1987

PAY

Five Hundred and No/100

Dollars \$ 500.00

Federal Election Commission

TRUST ACCOUNT

TO
THE ORDER
OF



WELLS FARGO BANK

Hedding & The Alameda Office
San Jose, CA 95126

Robert P. Jaramillo

MUR 2313

FRIENDS of CALIF. HEALTH Federation

001543 12:000248:0467 031217

CCC # 4113

MEMORANDUM

TO: DEBRA A. TRIMIEW

TO: CECILIA LIEBER

FROM: CECILIA LIEBER

FROM: DEBRA A. TRIMIEW

CHECK NO. 1543

{ A COPY OF WHICH IS ATTACHED } RELATING TO

MUR 2313 (Rally) AND NAME Friends of California Health Federation
and Anna Batello, as treasurer

WAS RECEIVED ON 8/7/87

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 8/10/87

87 AUG 7

RECEIVED
GENERAL

6CC#4113
RECEIVED AT THE FEC

87 AUG 7 10:55

Jaramillo & Guzzetta
Attorneys and Commissioners at Law

ROBERT P. JARAMILLO
RUDY D. GUZZETTA

A PROFESSIONAL ASSOCIATION
638 NORTH FIRST STREET, SOUTH SUITE
SAN JOSE, CALIFORNIA 95112
(408) 287-9300

OF COUNSEL
HOWARD M. MAY

July 31, 1987

Lawrence M. Noble
Acting General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2313
Friends of the California Health Federation
and Anna Botello, as treasurer

Dear Mr. Noble:

Pursuant to your letter of July 22, 1987, enclosed
please find our draft in the amount of \$500.00.

If you have any questions, or require further
information please feel free to contact my office.

Very truly yours,

Robert P. Jaramillo
Robert P. Jaramillo

RPJ/dm

encl.

87 AUG 7 12:25

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

87040554225

Jaramillo & Guzzetta
Attorneys and Counsellors at Law

A PROFESSIONAL ASSOCIATION

635 NORTH FIRST STREET, SOUTH SUITE

SAN JOSE, CALIFORNIA 95112

5
0
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1
0
2
8



Lawrence M. Noble
Acting General Counsel
Federal Election Commission
Washington, D.C. 20463

37 AUG 7 48:55

EC





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2313

DATE FILMED 10/21/87 CAMERA NO. 3

CAMERAMAN AS

8704060002

PUBLIC RECORD INDEX MUR 2313

1. MEMO, 22 Oct 86, John D. Gibson (Reports Analysis Division) to Charles N. Steele (General Counsel), subj: Referral of the Friends of the California Health Federation, w/atch (RAD, Referral Package).
2. First General Counsel's Report, 15 Dec 86
3. MEMO, 18 Dec 86, Office of CMS Secretary (OCS) to Office of General Counsel (OGC) subj: objection to RAD Ref 86L-24
4. Certification of Commission vote, dtd 7 Jan 87
5. Ltr. 13 Jan 87, Scott E. Thomas (Chman, FEC) to California Rural Health Federation Inc., w/encl (G.C.'s Factual and Legal Analysis)
6. Ltr. 13 Jan 87, Scott E. Thomas to Anna Botello (Treas. Friends of the California Health Federation) w/encl. (G.C.'s Factual and Legal Analysis).
7. Ltr, 2 Feb 87, John Fredenburg (Counsel to Cal. Health Federation, Inc.) to FEC.
8. Ltr, 17 Feb 87, John Fredenburg to FEC.
9. Ltr, 18 FEB 87, Robert P. Jaramillo (Counsel, Friends of Cal. Health Federation and Anna Botello, as Treasurer) to FEC.
10. Ltr, 27 Feb 87, Lois C. Lerner (Assoc. Gen. Counsel) to Robert P. Jaramillo, subj: Request for extension of time
11. Ltr, 10 Mar 87, Robert P. Jaramillo to FEC
12. General Counsel's Report, 10 Apr 87
13. Certification of Commission Action, dtd 15 Apr 87
14. Ltr, 17 Apr 87, Lawrence M. Noble to J. Fredenburg
15. General Counsel's Report, 1 May 87.
16. Certification of Cmsr Action, dtd 13 May 87.
17. Ltr, 14 May 87, L.M. Noble to R. Jaramillo.
18. Ltr. 14 May 87, J. Fredenburg to FEC.
19. General Counsel's Report, 27 May 87.
20. Certification of Cmsr. ACtion, dtd 2 Jun 87.

8704060003

21. Ltr. 4 Jun 87, L.M. Noble to J. Fredenburg w/atch (executed conciliation agreement with California Health Federation, Inc.).
22. Ltr. 8 Jun 87, R. Jaramillo to FEC.
23. General Counsel's Report, 15 Jul 87.
24. Certification of Cmsr. Action, dtd 21 Jul 87.
25. Ltr, 22 Jul 87, L.M. Noble to R. Jaramillo w/atch (executed conciliation agreement with Friends of the California Health Federation and Anna Botello, as Treasurer).
26. Closing ltr, 22 Jul 87, L.M. Noble to J. Fredenburg.

END

NOTE: In preparing its file for the public record, O.G.C. routinely removes those documents in which it perceives little or no public interest, and those documents, or portions thereof, which are exempt from disclosure under the Freedom of Information Act.

87040660004



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

22 October 1986

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

FROM: JOHN D. GIBSON
ASSISTANT STAFF DIRECTOR
REPORTS ANALYSIS DIVISION

SUBJECT: REFERRAL OF THE FRIENDS OF THE CALIFORNIA
HEALTH FEDERATION

8704060005

This is a referral of the Friends of the California Health Federation ("FCHF") for receiving \$12,700.18 in funds from its apparent connected organization (or an incorporated entity) during calendar year 1985. Of this total, only \$3,000 has been refunded. According to the RAD Review and Referral Procedures for Unauthorized Committees (Standard 5), since FCHF failed to refund the impermissible funds within thirty (30) days of receipt, this matter requires further examination by your office.

For your information, although it appears that California Rural Health Federation, Inc. is the connected organization, FCHF stated in a response to a Request for Additional Information concerning administrative expenses "...there is not a connected organization that pays the committee's expenses."

If you have any questions regarding this matter, please contact Anthony Raymond at 376-2480.

Attachment

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 22 October 1986

ANALYST: Anthony Raymond

I. COMMITTEE: Friends of the California Health Federation (C00131292)
John Rinaldi, Treasurer
375 North Fulton, Suite A
Fresno, CA 93701

II. RELEVANT STATUTE: 2 U.S.C. §441b(a)
11 CFR 114.5(b)

III. BACKGROUND:

Receipt of Funds from an Apparent Connected Organization

The Friends of the California Health Federation ("FCHF") disclosed receipts totalling \$12,700.18 on the 1985 Mid-Year Report from an apparent unregistered entity, the Federation de Salud de California ("FSC") (Attachment 2). Upon verification that the FSC was not listed as a corporation by the California Secretary of State's Office, a Request for Additional Information ("RFAI") was sent on May 21, 1986, questioning the permissibility of the source of the \$12,700.18 in receipts (Attachment 3). Since FCHF did not respond, a Second Notice was mailed to FCHF on June 12, 1986 (Attachment 4).

On June 23, 1986, Anna Botello, FCHF's assistant treasurer responded in a letter by stating that the funds from FSC were permissible (Attachment 5). However, on July 11, 1986, Anna Botello filed an amendment to the 1985 Year End Report which disclosed a \$3,000 partial refund on Schedule B to FSC on December 6, 1985 (Attachment 6).

Upon further research of documents filed several years ago from FCHF, the Reports Analysis Division ("RAD") analyst discovered that FSC appeared to be the Spanish name for FCHF's connected organization. It was the English name (FCHF) that the organization was incorporated under on April 5, 1973 (Attachment 7).

On July 23, 1986, an RFAI for the 1985 Mid-Year Report was sent to FCHF requesting a complete refund be made to FSC (Attachment 8).

8704060000

FRIENDS OF THE CALIFORNIA HEALTH FEDERATION
REPORTS ANALYSIS OGC REFERRAL
PAGE 2

Anna Botello called on July 29, 1986 in response to the RFAI. Ms. Botello stated that \$3,000 had been returned to FSC as reported in the July 11, 1986 amendment, but that FCHF had no funds left to refund the balance of \$9,700.18. The RAD analyst told Ms. Botello to respond by enclosing a copy of the partial refund check and to disclose the amount not yet refunded as an outstanding debt (Attachment 9).

On August 14, 1986, a Second Notice was sent to FCHF for failing to submit a written response (Attachment 10).

On September 2, 1986, a letter from Robert Jaramillo, apparently the counsel for FCHF, wrote to say he was informed by Mr. Rinaldi that FCHF is no longer an active committee with no balance remaining in its bank account (Attachment 11).

On September 5, 1986, the RAD analyst left a message for Mr. Jaramillo to call him. On September 9, 1986, Mr. Jaramillo returned the call. Mr. Jaramillo said that he only represented a Mr. Vic Querta^{*/}, who was executive director of FSC in 1985. Mr. Jaramillo stated that Mr. Rinaldi, the currently-listed treasurer, is now in a private practice and has not been with FSC for a couple of years. He said FCHF had referred the RFAIs to Mr. Querta, who in turn forwarded them on to him (Attachment 12).

As of this date, no further responses have been received.

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

^{*/} The exact spelling of this individual's name cannot be ascertained.

FEDERAL ELECTION COMMISSION
COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) (85-86)

DATE 17SEP86
PAGE 1

NON-PARTY RELATED

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
FRIENDS OF THE CALIFORNIA HEALTH FEDERATION CONNECTED ORGANIZATION: HEALTH FED'N INC; CALIFORNIA RURAL				NON-PARTY QUALIFIED		ID #C00131292
1985	MID-YEAR REPORT	12,955	9,210	1JAN85 -30JUN85	8	85FEC/384/1282
	MID-YEAR REPORT - AMENDMENT	-	-	1JAN85 -30JUN85	2	86FEC/418/0953
	MID-YEAR REPORT - AMENDMENT	12,955	9,210	1JAN85 -30JUN85	10	86FEC/424/3628
	MID-YEAR REPORT - AMENDMENT	-	-	1JAN85 -30JUN85	2	86FEC/429/4028
	REQUEST FOR ADDITIONAL INFORMATION			1JAN85 -30JUN85	3	86FEC/415/0297
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1JAN85 -30JUN85	9	86FEC/416/4192
	REQUEST FOR ADDITIONAL INFORMATION			1JAN85 -30JUN85	3	86FEC/424/3374
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1JAN85 -30JUN85	4	86FEC/427/2538
	YEAR-END	200	6,257	1JUL85 -31DEC85	10	86FEC/397/5356
	YEAR-END - AMENDMENT	200	6,257	1JUL85 -31DEC85	9	86FEC/419/4531
	YEAR-END - AMENDMENT	200	6,257	1JUL85 -31DEC85	6	86FEC/424/3622
	REQUEST FOR ADDITIONAL INFORMATION			1JUL85 -31DEC85	3	86FEC/415/0183
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1JUL85 -31DEC85	1	86FEC/416/4201
1986	NOTICE OF FAILURE TO FILE			1APR86 -30JUN86	1	86FEC/426/3478
	TERMINATION REPORT	0	478	1JAN86 -31MAR86	4	86FEC/406/5429
	TERMINATION REPORT - AMENDMENT	-	-	1JAN86 -31MAR86	1	86FEC/418/2189
	TERMINATION REPORT - AMENDMENT	0	478	1JAN86 -31MAR86	8	86FEC/424/3638
	REQUEST FOR ADDITIONAL INFORMATION			1JAN86 -31MAR86	2	86FEC/415/0301
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1JAN86 -31MAR86	1	86FEC/416/4202
TOTAL		13,155	0 15,945	0	87	TOTAL PAGES

All reports have been reviewed.

Ending cash-on-hand as of March 31, 1986 : \$-0-

Outstanding debts owed to the committee as of March 31, 1986: \$-0-

Outstanding debts owed by the committee as of March 31, 1986: \$-0-

SCHEDULE A

ITEMIZED RECEIPTS

Page 1 of 2 for 1985 MID-YEAR REPORT
 LINE NUMBER _____
 (Use separate schedule(s) for each category of the Detailed Summary Page)

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

Name of Committee (in Full)

FRIENDS OF CALIFORNIA HEALTH FEDERATION

A. Full Name, Mailing Address and ZIP Code Federation de Salud de California 375 N. Fulton Fresno, CA 93701	Name of Employer Occupation <u>Health Advocate</u> Aggregate Year-to-Date - \$	Date (month, day, year) 1-17-85	Amount of Each Receipt This Period 2,700.18
Receipt For ☐ Primary ☐ General ☐ Other (specify)			

B. Full Name, Mailing Address and ZIP Code Federation de Salud de California 375 N. Fulton Fresno, California 93701	Name of Employer Occupation <u>Health Advocate</u> Aggregate Year-to-Date - \$	Date (month, day, year) 2-6-85	Amount of Each Receipt This Period 6,667.00
Receipt For ☐ Primary ☐ General ☐ Other (specify)			

C. Full Name, Mailing Address and ZIP Code Federation de Salud de California 375 N. Fulton Fresno, California 93701	Name of Employer Occupation <u>Health Advocate</u> Aggregate Year-to-Date - \$	Date (month, day, year) 2-7-85	Amount of Each Receipt This Period 3,333.00
Receipt For ☐ Primary ☐ General ☐ Other (specify)			

D. Full Name, Mailing Address and ZIP Code Maria De Jesus Lujano 4715 E. Terrace Ave. Fresno, California 93703	Name of Employer Occupation <u>Bookkeeper</u> Aggregate Year-to-Date - \$	Date (month, day, year) 3-29-85	Amount of Each Receipt This Period 50.00
Receipt For ☐ Primary ☐ General ☐ Other (specify)			

E. Full Name, Mailing Address and ZIP Code Hilario Lujano 4715 E. Terrace Ave. Fresno, California 93703	Name of Employer Occupation <u>Accountant</u> Aggregate Year-to-Date - \$	Date (month, day, year) 3-29-85	Amount of Each Receipt This Period 100.00
Receipt For ☐ Primary ☐ General ☐ Other (specify)			

F. Full Name, Mailing Address and ZIP Code Josephine Negrete 3518 N. Fordham Fresno, California 93721	Name of Employer Occupation <u>Homemaker</u> Aggregate Year-to-Date - \$	Date (month, day, year) 6-10-85	Amount of Each Receipt This Period 15.00
Receipt For ☐ Primary ☐ General ☐ Other (specify)			

G. Full Name, Mailing Address and ZIP Code Salvador Quintero 4805 E. Washington #E Fresno, California 93727	Name of Employer Occupation <u>Insurance Management</u> Aggregate Year-to-Date - \$	Date (month, day, year) 6-10-85	Amount of Each Receipt This Period 30.00
Receipt For ☐ Primary ☐ General ☐ Other (specify)			

SUBTOTAL of Receipts This Page (optional)

12,895.18

TOTAL This Period (last page this line number only)



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20543

HQ-2

MAY 21 1985

John Rinaldi, Treasurer
Friends of the California
Health Federation
375 North Fulton, Suite A
Fresno, CA 93701

Identification Number: C00131292

Reference: Mid-Year Report (1/1/85-6/30/85)

Dear Mr. Rinaldi:

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

-Schedule A of your report (pertinent portion(s) attached) discloses a contribution(s) 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.

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-Your report discloses no payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, telephone service, office equipment and supplies. Any such payments to a person aggregating in excess of \$200 in a calendar year must be disclosed on Schedule B, supporting Line 19 of the Detailed Summary Page. (2 U.S.C. §434(b)(5)) In addition, if expenses have been incurred but not paid in a reporting period, the activity should be disclosed as a debt on Schedule D, if the obligation is \$500 or more, or outstanding for sixty (60) days or more. 11 CFR 104.11.

If these expenses are being paid by a connected organization, your Statement of Organization must be amended to reflect this relationship. 2 U.S.C. §433(b)(2).

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR 104.13, and the limitations and prohibitions of 2 U.S.C. §§461a and 461b.

Please provide clarification regarding administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the Act and Commission regulations.

-Please provide the name of each vendor for the independent expenditure(s) disclosed on Schedule E. Should these disbursements actually represent contributions to political committees, please amend your report to itemize these disbursements on Schedule B and adjust the Detailed Summary Page accordingly.

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,



Anthony Raymond
Senior Reports Analyst
Reports Analysis Division

95734150229



FEDERAL ELECTION COMMISSION

WASHINGTON DC 20541

HQ-3

June 12, 1986

John Rinaldi, Treasurer
 Friends of the California
 Health Federation
 375 North Fulton, Suite A
 Fresno, CA 93701

Identification Number: C00131292

Reference: Mid-Year (1/1/85-6/30/85), Year End (7/1/85-12/31/85)
 and Termination (1/1/86-3/31/86) Reports

Dear Mr. Rinaldi:

This letter is to inform you that as of June 11, 1986, the Commission has not received your response to our requests for additional information dated May 21, 1986. Those notices requested information essential to full public disclosure of your Federal election financial activity and to ensure compliance with provisions of the Federal Election Campaign Act (the Act). Copies of our original requests are enclosed.

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

If you should have any questions related to this matter, please contact Anthony Raymond on our toll-free number (800) 424-9530 or our local number (202) 376-2480.

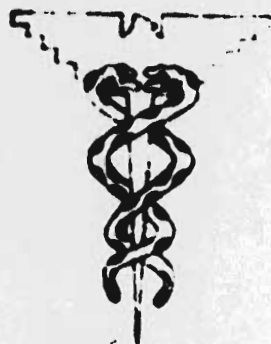
Sincerely,

John D. Gibson
 Assistant Staff Director
 Reports Analysis Division

Enclosure

86034164193

26 JUN 23 12:11

FRIENDS OF THE CALIFORNIA
RURAL HEALTH FEDERATIONXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXX

June 18, 1986

Anthony Raymond
Senior Reports Analyst
Reports Analysis Division
Federal Elections Commission
Washington, DC 20463

ID#C00131292

RE: Mid Year Report (1/1/85-6/30/85) and
Termination Report (1/1/86-3/31/86)

Dear Mr. Raymond:

To answer your questions in reference to
contributions received, all contributions
from the Federacion De Salud De California
are permissible.] TR

At the time of termination and during the
duration of the committee, all services
were provided on a volunteer basis, therefore
incurred no administrative costs to the
committee. Also there is not a connected
organization that pays the committees' expenses.

Should you have any questions, please do
not hesitate to contact me at (209) 233-5747.
Again, thank you for extending the filing date
to more than the fifteen days.

Sincerely,

Anna Botello,
Assistant Treasurer

cc: Ventura Huerta,
Treasurer

375 N. Fulton, Fresno, California 93701

3634180953
8704055001

1985 YEAR END AMENDMENT

SCHEDULE B

ITEMIZED DISBURSEMENTS

Use spaces established
for each category of the
Detailed Summary PagePAGE 6
FOR LINE NUMBER 8

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

NAME OF COMMITTEE (in Full)

FRIENDS OF THE CALIFORNIA HEALTH FEDERATION

A. Full Name, Mailing Address and ZIP Code Federacion De Salud De California 375 N. Fulton, Ste. A Fresno, Ca 93701	Purpose of Disbursement refund of contribution Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year) 12/6/85	Amount of Each Disbursement This Period 3,000.00
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
C. Full Name, Mailing Address and ZIP Code 24th Congressional District Beverly Hilton Hotel 9876 Wilshire Boulevard Beverly Hills, Ca 900095099	Purpose of Disbursement check refunded to Friends of the CHP Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year) 12/1/85	Amount of Each Disbursement This Period (250.00)
D. Full Name, Mailing Address and ZIP Code Friends of Art Torres 6141 Clara Street Bel Garden, Ca 90201 8742667	Purpose of Disbursement check refunded to Friends of the CHP Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year) 12/1/85	Amount of Each Disbursement This Period (100.00)
E. Full Name, Mailing Address and ZIP Code Democratic Congressional Campaign P.O. Box 57090 Washington, DC 20037	Purpose of Disbursement check refunded Friends of the Disbursement for: ☐ Primary ☒ General ☐ Other (specify)	Date (month, day, year) 12/1/85	Amount of Each Disbursement This Period (100.00)
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period

SUBTOTAL of Disbursements This Page (optional)

TOTAL This Period (last page this line number only)

2,550.00

96734194536



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

10-2

JUL 23 1985

John Rinaldi, Treasurer
Friends of the California
Health Federation
375 North Fulton, Suite A
Fresno, CA 93701

Identification Number: C00131292

Reference: Mid-Year Report (1/1/85-6/30/85)

Dear Mr. Rinaldi:

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 report discloses an apparent contribution(s) from a corporation(s) (pertinent portion attached). You are advised that a contribution from a corporation is prohibited by the Act, unless made from a separate segregated fund established by the corporation. (2 U.S.C. §441b(a)) If you have received a corporate contribution(s), the Commission recommends that you refund the full amount 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 immediately in writing and provide a photocopy of your check for the refund or transfer-out. In addition, the disbursement should be disclosed on a supporting Schedule B for Line 26 or 27 of your next report.

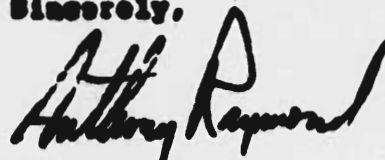
If the contribution(s) in question was incorrectly reported and/or you have additional information, you may wish to submit documentation for the public record.

Although the Commission may take further legal steps concerning the acceptance of a prohibited contribution, prompt action by your committee to refund or transfer-out the amount will be taken into consideration.

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) 426-9539. My local number is (202) 376-2480.

Sincerely,



Anthony Raymond
Senior Reports Analyst
Reports Analysis Division

957042:3377

1985 MID-YEAR
REPORT

SCHEDULE A

ITEMIZED RECEIPTS

4. Information on the form is to be used for the purpose of the program of the California Health Federation. It is not to be used for any other purpose. The information on this form is to be used for the purpose of the program of the California Health Federation. It is not to be used for any other purpose.			
Form of California Health Federation			
A. Full Name, Mailing Address and ZIP Code Federation de Salud de California 375 N. Fulton Fresno, CA 93701	Order of Appointment Health Advocate Appointed Year to Date - 9	Date Appointed 1-17-85	Amount of Fee 2,700.00
B. Full Name, Mailing Address and ZIP Code Federation de Salud de California 375 N. Fulton Fresno, California 93701	Order of Appointment Health Advocate Appointed Year to Date - 9	Date Appointed 2-6-85	Amount of Fee 6,667.00
C. Full Name, Mailing Address and ZIP Code Federation de Salud de California 375 N. Fulton Fresno, California 93701	Order of Appointment Health Advocate Appointed Year to Date - 9	Date Appointed 2-7-85	Amount of Fee 3,333.00
D. Full Name, Mailing Address and ZIP Code Federation de Salud de California 375 N. Fulton Fresno, California 93701	Order of Appointment Health Advocate Appointed Year to Date - 9	Date Appointed 2-29-85	Amount of Fee 10.00
E. Full Name, Mailing Address and ZIP Code Federation de Salud de California 375 N. Fulton Fresno, California 93701	Order of Appointment Health Advocate Appointed Year to Date - 9	Date Appointed 2-29-85	Amount of Fee 10.00
F. Full Name, Mailing Address and ZIP Code Federation de Salud de California 375 N. Fulton Fresno, California 93701	Order of Appointment Health Advocate Appointed Year to Date - 9	Date Appointed 6-13-85	Amount of Fee 10.00
G. Full Name, Mailing Address and ZIP Code Salvador Quintero 4011 E. Washington St. Fresno, California 93727	Order of Appointment Insurance Specialist Appointed Year to Date - 9	Date Appointed 6-10-85	Amount of Fee 10.00
TOTAL			

ANALYST: Tony Raymond

CONVERSATION WITH: Anna Botello, Assistant Treasurer

COMMITTEE: Friends of the California Health Federation

DATE: July 29, 1986

SUBJECT(S): Phone response to a Request for Additional Information

Anna Botello, assistant treasurer for the Friends of the California Health Federation, called today in response to my RFAI. Ms. Botello stated that she had previously disclosed a partial refund to the connected organization, but that the committee has no funds left to make a complete refund.

I told Ms. Botello that the entire amount must eventually be returned to the connected organization. I instructed her, however, to keep filing reports and to disclose the outstanding balance owed to the connected organization as a debt on Schedule D. I also asked Ms. Botello to send in a copy of the check of the partial refund in response to the RFAI.

She said that she would respond soon.

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FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20543

HQ-3

August 14, 1986

John Rinaldi, Treasurer
 Friends of the California
 Health Federation
 375 North Fulton, Suite A
 Fresno, CA 93701

Identification Number: C00131292

Reference: Mid-Year Report (1/1/85-6/30/85)

Dear Mr. Rinaldi:

This letter is to inform you that as of August 13, 1986, the Commission has not received your response to our request for additional information, dated July 23, 1986. That notice requested information essential to full public disclosure of your Federal election financial activity and to ensure compliance with provisions of the Federal Election Campaign Act (the Act). A copy of our original request is enclosed.

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

If you should have any questions related to this matter, please contact Anthony D. Raymond on our toll-free number (800) 424-9530 or our local number (202) 376-2480.

Sincerely,

John D. Gibson
 John D. Gibson
 Assistant Staff Director
 Reports Analysis Division

Enclosure

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/

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Jeramilla & Sappetta

Stamps and Numbers of the

[REDACTED]

THE UNIVERSITY OF CHICAGO PRESS, CHICAGO, ILLINOIS

DAVID JONES CALIFORNIA UNION

UNITED STATES DEPARTMENT OF JUSTICE

ROBERT P. JARABLO
RAY D. GIBNEY

OF COURSE
RENEWED IN MAY

August 20, 1986

**Federal Election Commission
ATTN: Anthony Raymond
Washington, D. C. 20463**

Re: Friends of the California Health Federation
I. D. Number: C00131292

Dear Mr. Raymond:

I have been retained to respond to your letter of July 23, 1986. I have talked to Mr. Rinaldi and he advises me that Friends of the California Health Federation is no longer an active Political Action Committee. It is my understanding that the committee is defunct and that there is no remaining balance in the bank account of the aforementioned organization.

Please advise me of how you wish to handle this matter.

Very truly yours,

Robert J. Jaramillo
Robert J. Jaramillo

RJP/bds

ANALYST: Tony Raymond

CONVERSATION WITH: Robert Jaramillo, counsel to the former director of the Federacion De Salud De California
COMMITTEE: Friends of the California Health Federation

DATE: September 5 and 9, 1986

SUBJECT(S): Response to Second Notice

9/5/86 -- I left a message for Mr. Jaramillo to call me.

9/9/86 -- Mr. Jaramillo returned my call. I explained to Mr. Jaramillo that we had received his response but that it was inadequate. The attorney told me that he was not the counsel for the committee nor its connected organization, but actually counsel for a Mr. Vic Querta(?), who was the executive director for the Federacion De Salud De California in 1985. Mr. Jaramillo explained that he had received my letters by way of Mr. Querta who had received the letters from Friends of the California Health Federation.

I asked Mr. Jaramillo if he knew Mr. Rinaldi, treasurer for the committee. The attorney said that he knew Mr. Rinaldi and that Mr. Rinaldi is currently part of a private practice and has not been with Federacion De Salud De California for a couple of years.

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SENSITIVE

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

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL BY OGC
TO THE COMMISSION _____

RAD Referral 86L-24
STAFF MEMBER: Reilly

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

RESPONDENTS' NAMES: Friends of the California Health Federation
and Anna Botello, as treasurer
California Rural Health Federation Inc.

RELEVANT STATUTE: 2 U.S.C. § 441b(a)

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

GENERATION OF THE MATTER

The Reports Analysis Division ("RAD") referred the Friends of the California Health Federation and its treasurer ("the Committee") to the Office of the General Counsel on October 23, 1986. The basis of the attached referral is the Committee's acceptance of \$12,700.18 in apparent corporate funds.

FACTUAL BASIS AND LEGAL ANALYSIS

A. The Facts

Based on the review of the Committee's 1985 Mid Year Report, RAD noted the Committee's receipt of \$12,700.18 from the Federation de Salud de California. After ascertaining that this entity was not listed as a California corporation, RAD sent the Committee a request for additional information ("RFAI") on May 21, 1986. Following a lack of a response from the Committee, a second notice was sent on June 12, 1986.

The Committee responded on June 23, 1986 through Anna Botello, its assistant treasurer. Ms. Botello stated that the

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funds received by the Committee were permissible under the Act. It was subsequently determined, however, that the Federation de Salud de California is a corporation registered under its English name of California Rural Health Federation Inc. ("the Corporation").^{1/} RAD then sent an additional RFAI for the 1985 Mid-Year Report requesting the Committee to refund the corporate funds. Ms. Botello orally responded to this request on July 29, 1986, explaining that the Committee had partially refunded \$3,000 of this amount, but that the Committee lacked funds to make further refunds.^{2/} RAD sent the Committee a second notice on August 14, 1986, after no written response was received. On September 2, 1986, RAD received a letter from an attorney, Robert Jaramillo, who stated the Committee's treasurer of record, John Rinaldi, had informed him that the Committee was without funds and considered itself to be no longer active. In a subsequent

^{1/} Although it appears the Corporation is a connected organization of the Committee, the Committee has stated "... there is not a connected organization that pays the Committee's expenses." RAD referral at 9.

^{2/} This refund first appeared on the Committee's 1985 Year End Report as three \$1,000 refunds made to three health centers on December 6, 1985. Following the RFAI, on July 11, 1986, the Committee amended this report, indicating a \$3,000 refund made to the Corporation and eliminating references to the previously noted refunds to the health centers. Because one of the health centers is listed at the same address as the Corporation, and because the Committee's reports do not appear to indicate it received contributions from these three health centers, it appears the Committee initially reported the refund as to the health centers composing the Corporation's membership and then clarified this refund as made to the Corporation. The attached questions seek to determine if this is the case.

telephone conversation, counsel asserted he does not represent the Committee, but only the Committee's former executive director, Mr. Vic Querta. Counsel stated, however, that Mr. Rinaldi had not been associated with the Committee for some time.

B. The Law

Pursuant to 2 U.S.C. § 441b(a), no corporation may make a contribution or expenditure in connection with a federal election. Additionally, this section prohibits a political committee from accepting a corporate contribution.

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Pursuant to 2 U.S.C. § 432(a) every political committee shall have a treasurer, and no contributions or expenditures shall be accepted or made on behalf of a political committee during any period in which the office of treasurer is vacant. The Commission's Regulations permit a committee to designate on its statement of organization an assistant treasurer who shall assume the duties and responsibilities of the treasurer in the event of a temporary or permanent vacancy in the office or in the event the treasurer is unavailable. 11 C.F.R. § 102.7(a). Additionally, the Act requires a political committee to file a statement of organization with the Commission, and to amend this statement of organization within 10 days of a change of any information contained on it. 2 U.S.C. § 433(c).

C. Application of the Law to the Facts

In the instant case, the Committee accepted \$12,700.18 from the Corporation. Therefore, this Office recommends that the

Commission open a MUR and find reason to believe the California Rural Health Federation, Inc. and the Friends of the California Health Federation and its treasurer violated 2 U.S.C. § 441b(a).

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Additionally, responses indicate that the Committee's treasurer of record, John Rinaldi, is no longer associated with the Committee. A review of the Committee's reports since the filing of the 1983 July Quarterly Report reveal that they have been signed by Ms. Botello as either treasurer or assistant treasurer. The Committee's amended statement of organization, filed in November, 1981, indicates Ms. Botello is assistant treasurer. Thus, it appears that Ms. Botello, the assistant treasurer, has assumed the duties and responsibilities of treasurer as permitted by 11 C.F.R. § 102.7(a). The Committee, however, has not amended its statement of organization to reflect that Mr. Rinaldi is no longer its treasurer, as required by 2 U.S.C. § 433(c). Therefore, this Office recommends that the Commission find reason to believe the Committee and its treasurer violated 2 U.S.C. § 433(c).

RECOMMENDATIONS

1. Open a MUR.
2. Find reason to believe the California Rural Health Federation Inc. violated 2 U.S.C. § 441b(a).
3. Find reason to believe the Friends of the California Health Federation and Anna Botello, as treasurer, violated 2 U.S.C. § 441b(a).

4. Find reason to believe the Friends of the California Health Federation and Anna Botello, as treasurer, violated 2 U.S.C. § 433(c).
5. Approve the attached letters, questions, and factual and legal analyses.

Charles N. Steele
General Counsel

12/15/86
Date

BY:

Lawrence M. Noble
Deputy General Counsel

Attachments

1. RAD Referral
2. Factual and Legal Analyses (2)
3. Proposed Letters (2)
4. Questions

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Attachment(s) 1, 2, 3, 4

to First General Counsel's Report

have been removed from this
position in Public Record File.

See Index Item(s) 1, 5, 6



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/CHERYL A. FLEMING *CAF*

DATE: DECEMBER 18, 1986

SUBJECT: OBJECTION TO RAD Ref 86L-24:
FIRST GENERAL COUNSEL'S REPORT
SIGNED DECEMBER 15, 1986

The above-captioned document was circulated to the Commission on Tuesday, December 16, 1986 at 11:00 A.M.

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

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

This matter will be placed on the Executive Session agenda for Tuesday, January 6, 1986.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Friends of the California Health)
Federation and Anna Botello, as)
treasurer)
California Rural Health)
Federation, Inc.)

RAD Referral 86L-24

(MUR 2813)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of January 6, 1987, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions with respect to RAD Referral 86L-24:

1. Open a Matter Under Review.
2. Find reason to believe the California Rural Health Federation, Inc. violated 2 U.S.C. § 441b(a).
3. Find reason to believe the Friends of the California Health Federation and Anna Botello, as treasurer, violated 2 U.S.C. § 441b(a).

(continued)

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Federal Election Commission
Certification for RAD Referral 86L-24
January 6, 1987

Page 2

4. Find reason to believe the Friends of the California Health Federation and Anna Botello, as treasurer, violated 2 U.S.C. § 433(c).
5. Approve the letters, questions, and factual and legal analyses attached to the General Counsel's report dated December 15, 1986.

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

Attest:

January 7, 1987
Date

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

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 13, 1987

California Rural Health
Federation Inc.
375 North Fulton Street
Suite A
Fresno, California 93701

Re: MUR 2313
The California Rural Health
Federation Inc.

Dear Sir:

On January 6, 1987, the Federal Election Commission determined that there is reason to believe the California Rural Health Federation Inc. violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Corporation. 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. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against the Corporation, 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 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 Patty Reilly, the attorney 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

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 2313
STAFF MEMBER & TELEPHONE NO:
Patty Reilly, (202) 376-8200

RESPONDENT: California Rural Health Federation Inc.

SUMMARY OF ALLEGATIONS

It is alleged the California Rural Health Federation, Inc. ("the Corporation") made a prohibited corporate contribution to the Friends of the California Health Federation ("the Committee") in violation of 2 U.S.C. § 441b(a).

FACTUAL BASIS AND LEGAL ANALYSIS

A. The Facts

Based on the review of the Committee's 1985 Mid Year Report, the Commission's Reports Analysis Division ("RAD") noted the Committee's receipt of \$12,700.18 from the Federation de Salud de California. After ascertaining that this entity was not listed as a California corporation, RAD sent the Committee a request for additional information ("RFAI") on May 21, 1986. When no response was received from the Committee, a second notice was sent on June 12, 1986.

The Committee responded on June 23, 1986 through Anna Botello, its assistant treasurer. Ms. Botello stated that the funds received by the Committee were permissible under the Act. It was determined, however, that the Federation de Salud de California is a corporation registered under its English name of

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California Rural Health Federation Inc.^{1/} RAD then sent an additional RFAI for the 1985 Mid-Year Report requesting the Committee to refund the corporate funds. Ms. Botello orally responded to this request on July 29, 1986, explaining that the Committee had partially refunded \$3,000 of this amount, but that the Committee lacked funds to make further refunds.^{2/} RAD sent the Committee a second notice on August 14, 1986, after no written response was received. On September 2, 1986 RAD received a letter from an attorney, Robert Jaramillo, who stated the Committee's treasurer of record, John Rinaldi, had informed him that the Committee was without funds and considered itself no longer to be active. In a subsequent telephone conversation, counsel asserted he does not represent the Committee, but only the Committee's former executive director, Mr. Vic Querta. Counsel stated, however, that Mr. Rinaldi had not been associated with the Committee for some time.

B. The Law

Pursuant to 2 U.S.C. § 441b(a), no corporation may make a contribution or expenditure in connection with a federal

^{1/} Although it appears the Corporation is a connected organization of the Committee, the Committee stated in a June 18, 1986 letter to RAD that ". . . there is not a connected organization that pays the committee's expenses."

^{2/} This refund first appeared on the Committee's 1985 Year End Report as three \$1,000 refunds made to three health centers on December 6, 1985. Following the RFAI, on July 11, 1986, the Committee amended this report, indicating a \$3,000 refund made to the Corporation and eliminating references to the previously noted refunds made to the health centers.

election. Additionally, this section prohibits a political committee from accepting a corporate contribution.

C. Application of the Law to the Facts

In the instant case, the Corporation contributed \$12,700.18 to the Committee. Therefore, this Office recommends that the Commission find that there is reason to believe the California Rural Health Federation, Inc. violated 2 U.S.C. § 441b(a).

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 13, 1987

Anna Botello, Treasurer
Friends of the California
Health Federation
375 North Fulton Street
Suite A
Fresno, California 93701

Re: MUR 2313
Friends of the California
Health Federation and
Anna Botello, as treasurer

Dear Ms. Bottelo:

On January 6, 1987, the Federal Election Commission determined that there is reason to believe the Friends of the California Health Federation and you, as treasurer, violated 2 U.S.C. §§ 441b(a) and 433(c), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's 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 regarding the possible violations of 2 U.S.C. §§ 441b(a) and 433(c). 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, along with your answers to the enclosed questions and request, within fifteen days of your receipt of this letter. Statements should be submitted under oath.

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 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 Patty Reilly, the attorney 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
Questions

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 2313

STAFF MEMBER & TELEPHONE NO:

Patty Reilly, (202) 376-8200

RESPONDENTS: Friends of the California Health Federation and
Anna Bottelo, as treasurer

SUMMARY OF ALLEGATIONS

It is alleged the Friends of the California Health Federation and Anna Bottelo, as treasurer, ("the Committee") violated 2 U.S.C. § 441b(a) by accepting a prohibited corporate contribution from the California Rural Health Federation, Inc. ("the Corporation"). Additionally, the Committee allegedly failed to amend its statement of organization in a timely manner to indicate a change in treasurer in violation of 2 U.S.C. § 423(c).

FACTUAL BASIS AND LEGAL ANALYSIS

A. The Facts

Based on the review of the Committee's 1985 Mid-Year Report, the Commission's Reports Analysis Division ("RAD") noted the Committee's receipt of \$12,700.18 from the Federation de Salud de California. After ascertaining that this entity was not listed as a California corporation, RAD sent the Committee as request for additional information ("RFAI") on May 21, 1986. When no response was received from the Committee, a second notice was sent on June 12, 1986.

The Committee responded on June 23, 1986 through Anna Botello, its assistant treasurer. Ms. Botello stated that the

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funds received by the Committee were permissible under the Act. It was subsequently determined, however, that the Federation de Salud de California is a corporation registered under its English name of California Rural Health Federation Inc.^{1/} RAD then sent an additional RFAI for the 1985 Mid-Year Report requesting the Committee to refund the corporate funds. Ms. Botello orally responded to this request on July 29, 1986, explaining that the Committee had partially refunded \$3,000 of this amount, but that the Committee lacked funds to make further refunds.^{2/} RAD sent the Committee a second notice on August 14, 1986, after no written response was received. On September 2, 1986 RAD received a letter from an attorney, Robert Jaramillo, who stated the Committee's treasurer of record, John Rinaldi, had informed him that the Committee was without funds and considered itself no longer to be active. In a subsequent telephone conversation, counsel asserted he does not represent the Committee, but only the Committee's former executive director, Mr. Vic Querta. Counsel stated, however, that Mr. Rinaldi had not been associated with the Committee for some time.

^{1/} Although it appears the Corporation is a connected organization of the Committee, the Committee stated in a June 18, 1986 letter to RAD that ". . . there is not a connected organization that pays the committee's expenses."

^{2/} This refund first appeared on the Committee's 1985 Year End Report as three \$1,000 refunds made to three health centers on December 6, 1985. Following the RFAI, on July 11, 1986, the Committee amended this report, indicating a \$3,000 refund made to the Corporation and eliminating references to the previously noted refunds made to the health centers.

B. The Law

Pursuant to 2 U.S.C. § 441b(a), no corporation may make a contribution or expenditure in connection with a federal election. Additionally, this section prohibits a political committee from accepting a corporate contribution.

Pursuant to 2 U.S.C. § 432(a) every political committee shall have a treasurer, and no contributions or expenditures shall be accepted or made on behalf of a political committee during any period in which the office of treasurer is vacant. The Commission's Regulations permit a committee to designate on its statement of organization an assistant treasurer who shall assume the duties and responsibilities of the treasurer in the event of a temporary or permanent vacancy in the office or in the event the treasurer is unavailable. 11 C.F.R. § 102.7(a). Additionally, the Act requires a political committee to file a statement of organization with the Commission, and to amend this statement of organization within 10 days of a change of any information contained on it. 2 U.S.C. § 433(c).

C. Application of the Law to the Facts

In the instant case, the Committee accepted \$12,700.18 from the Corporation. Therefore, this Office recommends that the Commission open a MUR and find that there is reason to believe the Friends of the California Rural Health Federation and its

treasurer violated 2 U.S.C. § 441b(a).

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Additionally, responses indicate that the Committee's treasurer of record, John Rinaldi, is no longer associated with the Committee. A review of the Committee's reports since the filing of the 1983 July Quarterly Report reveal that they have been signed by Ms. Botello as either treasurer or assistant treasurer. The Committee's amended statement of organization, filed in November, 1981, indicates Ms. Botello holds the position of assistant treasurer. Thus, it appears that Ms. Botello, the former assistant treasurer, has assumed the duties and responsibilities of treasurer, as permitted by 11 C.F.R. § 102.7(a). The Committee, however, has not amended its statement of organization to reflect that Mr. Rinaldi is no longer its treasurer, as required by 2 U.S.C. § 433(c). Therefore, this Office recommends that the Commission find reason to believe the Committee and Ms. Botello, as treasurer, violated 2 U.S.C. §433(c).

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In the Matter of

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)
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MUR 2313

Interrogatories and Request for Documents To: The Friends of the
California Health Federation and Anna Botello, as treasurer

1. The statement of organization of the Friends of the California Health Federation ("the Committee") on file at the Federal Election Commission indicates that the Committee's treasurer is John Rinaldi. The Commission has received information that Mr. Rinaldi is no longer with the Committee. Please state:
 - a) if Mr. Rinaldi still acts as the Committee's treasurer, and if not, when he ceased this activity;
 - b) the person who currently acts as the Committee's treasurer;
2. The General Counsel's factual and legal analysis at footnote 1 notes that the Committee initially reported on its 1985 Year End Report three \$1,000 refunds to three health associations, and then amended this report to indicate a refund made to "Federation De Salud De California" ("the Corporation"). Please explain this amendment, specifically stating whether the refund made to the Corporation is the same refunds as noted on the original report.

The Commission further requests copies of all refund checks (front and back) noted in your response to question two.

87040660045

BOGH AND FREDENBURG
ATTORNEYS AT LAW
2617 "K" STREET, SUITE 8
SACRAMENTO, CALIFORNIA 95816
(916) 448-2644

January 28, 1987

MR. SCOTT E. THOMAS, Chairman
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2313
CALIFORNIA HEALTH FEDERATION, INC.

Dear Mr. Thomas:

This office represents the California Health Federation, Inc. (Federation). Enclosed is a signed Statement of Designation of Counsel.

On January 20, 1987 the Federation received your letter, along with the General Counsel's Factual and Legal Analysis.

The Federation wishes to pursue pre-probable cause conciliation. Based on a preliminary review, it appears that the General Counsel's factual and legal conclusions are essentially correct.

We are conducting a review of the financial records. When we have completed this review, we will provide you with a written statement of facts which should give us a common ground from which to reach conciliation. We should have this statement to you in about two weeks.

We hope to be able to promptly resolve this problem.

Yours truly,


JOHN FREDENBURG

JMF:sn
Enc.

07 FEB 2 11:53

FFB 3 P12:45

GENERAL COUNSEL

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2313

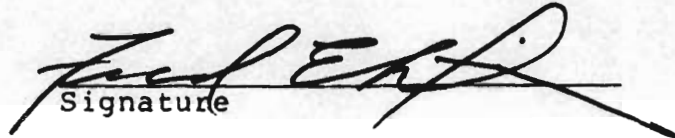
NAME OF COUNSEL: JOHN M. FREDENBURG

ADDRESS: 2617 "K" Street, Suite #8
Sacramento, CA 95816

TELEPHONE: (916) 448-2644

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.

1/27/87
Date


Signature

RESPONDENT'S NAME: FRED DIAZ, Executive Director

ADDRESS: CALIFORNIA HEALTH FEDERATION
925 "L" Street, Suite #1404
Sacramento, CA 95814

HOME PHONE: (916)

BUSINESS PHONE: (916) 447-7821

87040560045

BCC # 2745

Re: Rly

BOGH AND FREDENBURG
ATTORNEYS AT LAW
2617 "K" STREET, SUITE 8
SACRAMENTO, CALIFORNIA 95816
(916) 448-2644

87 FEB 24 AM: 46

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

February 17, 1987

MR. SCOTT E. THOMAS, Chairman
FEDERAL ELECTION COMMISSION
Washington, D.C. 20463

Re: CALIFORNIA HEALTH FEDERATION, INC.
MUR 2313

Dear Mr. Thomas:

In a letter dated January 13, 1987 you notified the California Health Federation, Inc. (Federation) that there was reason to believe that the Federation made corporate contributions to a political action committee in violation of 2 U.S.C. §441.2(b). On January 28, 1987 I wrote to you requesting pre-probable cause conciliation.

The purpose of this letter is to provide you with a Statement of Facts as can best be determined by the Federation. This Statement is in the nature of an offer of proof; hopefully this will provide us with a common factual basis to reach conciliation. This Statement expresses the view that the General Counsel's initial factual and legal analysis is essentially correct.

ORGANIZATION OF THE FEDERATION

The Federation is a California non-profit, public benefit (non-stock), corporation organized pursuant to Cal. Corp. Code §5110 et seq. The Federation is a tax-exempt, non-private foundation, charitable organization pursuant to I.R.S. §501(c)(3) and Cal. Rev. & Tax Code §23701d.

Members of the Federation are organizations that operate primary care health clinics, Cal. Health & Safety Code §1200 et seq.; these clinics serve primarily members of low income families. The member clinics--all of which are organized as non-profit, public benefit corporations--receive substantial financial support through state and Federal public health grants.

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MR. SCOTT E. THOMAS, Chairman
FEDERAL ELECTION COMMISSION
February 17, 1987
Page Two

The principal activities of the Federation are to:

1. Act as a trade association for the member clinics. Much of this activity involves coordinating state and federal funding sources;
2. Provide technical assistance to primary care clinics;
3. Administer joint purchasing activities on behalf of the members; and
4. Administer Federal and state social service grants. Currently, the grants consist of a Federal grant to study the health effect of pesticides on pregnancy in farmworkers, a state grant to assist adoptions of minority children, and a state grant to provide technical assistance to primary care clinics.

Day-to-day management of the Federation is entrusted to an Executive Director. Prior to November, 1985 the Executive Director was Mr. Ventura P. Huerta. In November, 1985 there was a major change in management; Mr. Huerta was replaced as Executive Director by Mr. Fred Diaz. Additionally, the structure and activities of the Federation's Board of Directors was changed. These changes were intended to give the Board greater supervision and control of the Federation's activities.

The Federation's annual operating budget is approximately \$500,000. (A current financial statement is enclosed.)

ORGANIZATION OF THE PAC

The Friends of the California Health Federation (Committee) is apparently an unincorporated political action committee. The Committee was organized in June, 1980 by Mr. Huerta and Mr. John Rinaldi. At the time Mr. Huerta was the Federation's Executive Director and Mr. Rinaldi was the attorney for the Federation.

MR. SCOTT E. THOMAS, Chairman
FEDERAL ELECTION COMMISSION
February 17, 1987
Page Three

In November, 1985--at the time that the management of the Federation changed--Mr. Huerta refused to relinquish control of the Committee to the Federation. By this time, the Committee did not have any substantial funds, and therefore, the Federation did not pursue recovery of control of the Committee. Because of this dispute, however, the Federation does not have access to the Committee's financial records other than the public records of the Federal Election Commission.

FINANCIAL TRANSACTIONS

The Federation's general ledger shows the following payments from the Federation to the Committee in 1985:

Date	Check No.	Amount
Jan. 85	3792	\$5,000
Jan. 85	3826	6,667
Feb. 85	3856	3,333

Each of the payments was authorized by Mr. Huerta. At that time, the Board of Directors did not closely supervise the Federation's financial transactions. There is no mention of these transactions in the minutes of the the Board meetings. Similarly, payments from the Committee were also apparently controlled by Mr. Huerta without supervision by the Board of Directors.

As we can best determine, at the time, the Federation's staff operated under two mistaken beliefs:

1. The staff apparently believed that the Federation was organized as a traditional trade association, with a tax-exempt status pursuant to I.R.S. §501(c)(6); and
2. Such trade associations could make contributions to political action committees.

MR. SCOTT E. THOMAS, Chairman
FEDERAL ELECTION COMMISSION
February 17, 1987
Page Four

Although incorrect, these are reasonable mistakes. In California, most trade associations are organized as non-profit, mutual benefit, corporations and are tax-exempt organizations pursuant to §501(c)(6). Additionally, California trade associations routinely make corporate contributions to state political action committees. In California, corporate contributions to state political campaigns are legal, and the Federation staff apparently did not understand the difference between state and Federal law.

There is no record of any payment from the Committee to the Federation. The Federation has only reviewed its financial records for such payments since January, 1985.

It also appears that there were similar, although smaller payments from the Federation to the Committee between 1981 and 1984. The Federation's financial records are in haphazard shape for these additional years, and we have not independently confirmed these payments. The Committee's disclosure reports, however, list the following payments:

Year	Amount
1981	\$ 400
1982	140
1983	1,625
1984	3,000

The 1985 Committee's Federal disclosure reports list a total of \$7,850 of contributions from the Committee to political candidates. It appears that only \$500 went to any Federal elections. The 1985 report also lists a \$2,000 contribution to "Gary Hart". We do not know whether this is the United States Senator or a California state senator of the same name.

FACTS IN MITIGATION

The following factors in mitigation should be considered in reaching a conciliation settlement:

1. There was no attempt by the Committee or the Federation to hide the sources of the funds. It appears that neither the Federation nor the Committee knew that corporate contributions to Federal campaigns were improper.

MR. SCOTT E. THOMAS, Chairman
FEDERAL ELECTION COMMISSION
February 17, 1987
Page Five

2. The Committee engaged in a minimum of Federal activity. The bulk of the contributions from the Committee was to candidates for state elections. In 1985, the total political contributions by the Committee were about \$7,850. There was, however, only one contribution to a Federal election and that was for only \$500. It is unclear why--as is customary in California--separate Federal and state committees were not organized. With separate committees, the total amount of the improper corporate contributions would have been only \$500.

3. The Committee does not have the any assets to repay the Federation. Additionally, the Federation does not have the financial ability to pay any substantial penalties. The Federation is working its way out of severe financial problems. The enclosed financial statement shows that it is having difficulty meeting current obligations. For example, on December 31, 1986 the Federation had less than two weeks of expenses in cash on hand. Additionally, the Federation has been forced to borrow \$35,000 to meet operating expenses.

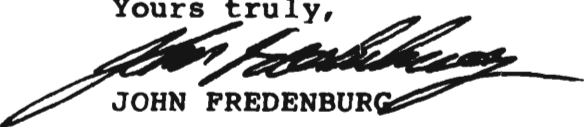
4. The Federation has changed its procedures to prevent recurrence of improper contributions in the future. The staff is now subject to stringent budget and expenditure controls. Additionally, the Federation's staff, Board of Directors and members will receive training on appropriate political activities under Federal and state election, tax, and grant laws.

The Federation requests that any settlement offer by the Commission not include a financial penalty.

As mentioned above, this letter is intended only as an offer of proof for purpose of settlement. It is not intended for any other use in any proceeding before the Federal Election Commission or any other administrative or judicial proceeding.

If I can provide you with any additional information, please give me a call.

Yours truly,


JOHN FREDENBURG

JMF:sn
Enc.

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NORBERT E. OWENS
ACCOUNTANCY CORPORATION
3171 Riverside Boulevard
Sacramento, California 95818

2313 MKK

February 6, 1987

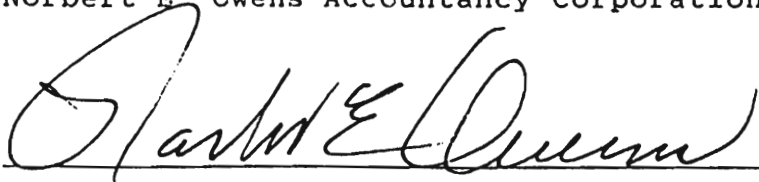
To the Board of Directors
CALIFORNIA HEALTH FEDERATION

We have compiled the accompanying balance sheet of the CALIFORNIA HEALTH FEDERATION as of December 31, 1986 and the related statement of revenue and expenses for the period then ended, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly do not express an opinion or any other form of assurance on them. However, we did become aware of a departure from generally accepted accounting principles that is described in the following paragraph.

A statement of changes in financial position for the period ended December 31, 1986 has not been presented. Generally accepted accounting principles require that such a statement be presented when financial statements purport to present financial position and results of operations.

Norbert E. Owens Accountancy Corporation



37040660051

CALIFORNIA HEALTH FEDERATION

BALANCE SHEET

As of December 31, 1986

(UNAUDITED)

ASSETS

CURRENT ASSETS:

Cash on Hand	\$	100.00
Cash in Bank		19,612.35
Contracts Receivable		104,233.32
Dues Receivable		12,835.00
Admin Fees Receivable		14,400.00
Other Receivables		6,000.00
Employee Advances		400.00
Deposits		4,327.00

Total Current Assets

\$ 161,907.67

FIXED ASSETS:

Furniture & Fixtures	\$	11,765.00
Accumulated Depreciation		(9,482.00)

	\$	2,283.00
Maintenance Equipment	\$	21,771.79
Accumulated Depreciation		(18,997.00)

		2,774.79

Total Fixed Assets

5,057.79

Total Assets

\$ 166,965.46

=====

See Accompanying Notes and Accountant's Report.

CALIFORNIA HEALTH FEDERATION
BALANCE SHEET
As of December 31, 1986

(UNAUDITED)

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES:

Accounts Payable	\$	19,494.66
Payable to S.U.I. Fund		35,805.79
Payroll Taxes Payable		737.29
Unearned Contract Revenue		88,110.60

Total Current Liabilities

\$ 144,148.34

Total Liabilities

\$ 144,148.34

FUND BALANCE:

Investment in Fixed Assets	\$	5,057.79
Unrestricted Fund Balance	\$	(8,434.39)
Prior Year Contract Adj		6,306.05
Excess (Deficit) of Revenue Over Expenses		19,887.67

Fund Balance

17,759.33

Total Fund Balance

22,817.12

Total Liabilities and Fund Balance

\$ 166,965.46
=====

See Accompanying Notes and Accountant's Report.

CALIFORNIA HEALTH FEDERATION
BALANCE SHEET - SUPPORT SCHEDULE
As of December 31, 1986

(UNAUDITED)

Cash in Bank		
Cash - Checking	\$	19,552.45
Cash - Other		59.90

Total Cash in Bank	\$	19,612.35
		=====
 Payroll Taxes Payable		
S.D.I. Payable	\$	0.02
F.I.C.A. Payable		637.27
State Withholding Tax Payable		100.00

Total Payroll Taxes Payable	\$	737.29
		=====

See Accompanying Notes and Accountant's Report.

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CALIFORNIA HEALTH FEDERATION
STATEMENT OF REVENUE AND EXPENSES
For the Period Ended December 31, 1986

(UNAUDITED)

	1 Month Ended Dec. 31, 1986				6 Months Ended Dec. 31, 1986			
	Budget	Variance	Pct		Budget	Variance	Pct	
REVENUE:								
Contract Income	\$ 32,413.89	\$ 31,074.00	\$ 1,339.89	4	\$ 111,529.83	\$ 186,444.00	\$ (74,914.17)	(40)
Dues Income	0.00	10,685.50	(10,685.50)	(100)	51,524.48	64,113.00	(12,588.52)	(20)
Uncollectible Dues	0.00	(1,068.58)	1,068.58	(100)	0.00	(6,411.48)	6,411.48	(100)
Administrative Fees	18,945.04	17,598.33	1,346.71	8	76,102.87	105,589.98	(29,487.11)	(28)
Registration Fees	220.00	375.00	(155.00)	(41)	12,805.00	2,250.00	10,555.00	469
Conferences - Federal Fund	0.00	1,666.67	(1,666.67)	(100)	25,000.00	10,000.02	14,999.98	150
Other	794.95	0.00	794.95	0	3,548.68	0.00	3,548.68	0
Total Revenue	\$ 52,373.88	\$ 60,330.92	\$ (7,957.04)	(13)	\$ 280,510.86	\$ 361,985.52	\$ (81,474.66)	(23)
EXPENSES:								
Salaries	\$ 23,597.24	\$ 29,337.08	\$ (5,739.84)	(20)	\$ 131,105.49	\$ 176,022.48	\$ (44,916.99)	(26)
Employer Payroll Taxes	1,515.13	2,933.75	(1,418.62)	(48)	8,130.62	17,602.50	(9,471.88)	(54)
Employee Benefits	1,859.66	1,960.08	(100.42)	(5)	10,699.62	11,760.48	(1,060.86)	(9)
Accounting Consultants	1,425.50	0.00	1,425.50	0	3,238.18	0.00	3,238.18	0
Advocacy Consultants	0.00	1,750.00	(1,750.00)	(100)	8,290.56	10,500.00	(2,209.44)	(21)
Legal Consultants	1,202.16	1,200.00	2.16	0	3,217.07	7,200.00	(3,982.93)	(55)
Program Consultants	0.00	6,333.33	(6,333.33)	(100)	4,180.00	37,999.98	(33,819.98)	(89)
Conference Expenses	177.39	2,875.00	(2,697.61)	(94)	19,794.53	17,250.00	2,544.53	15
Conference - Travel	0.00	0.00	0.00	0	79.12	0.00	79.12	0
Conference - Per Diem	0.00	0.00	0.00	0	120.00	0.00	120.00	0
Conference - Reg. Fees	0.00	0.00	0.00	0	110.00	0.00	110.00	0
Advertising	718.86	100.00	618.86	619	4,882.02	600.00	4,282.02	714
Automobile Expenses	200.00	98.33	101.67	103	317.44	589.98	(272.54)	(46)
Board Meeting	425.46	166.67	258.79	155	1,159.94	1,000.02	159.92	16
Computer Costs	71.39	416.67	(345.28)	(83)	71.39	2,500.02	(2,428.63)	(97)
Equipment Purchases	0.00	0.00	0.00	0	6,030.18	0.00	6,030.18	0
Equipment Rental	883.80	1,285.00	(401.20)	(31)	6,386.99	7,710.00	(1,323.01)	(17)
Interest	62.60	0.00	62.60	0	62.60	0.00	62.60	0
Interest - Banks	0.00	0.00	0.00	0	377.90	0.00	377.90	0
Licenses and Dues	150.00	0.00	150.00	0	709.00	0.00	709.00	0
Meetings	0.00	125.00	(125.00)	(100)	0.00	750.00	(750.00)	(100)
Other Expenses	337.00	25.00	312.00	999	337.02	150.00	187.02	125
Postage	210.75	241.67	(30.92)	(13)	1,273.75	1,450.02	(176.27)	(12)
Printing	425.97	441.67	(15.70)	(4)	5,620.74	2,650.02	2,970.72	112
Rent	3,572.45	3,541.67	30.78	1	23,996.70	21,250.02	2,746.68	13
Subscriptions	10.00	0.00	10.00	0	59.00	0.00	59.00	0
Supplies	580.38	633.33	(52.95)	(8)	2,584.07	3,799.98	(1,215.91)	(32)
Taxes	0.00	0.00	0.00	0	203.95	0.00	203.95	0
Telephone	1,338.31	1,000.00	338.31	34	8,233.86	6,000.00	2,233.86	37
Travel	588.86	2,533.33	(1,944.47)	(77)	7,395.56	15,199.98	(7,804.42)	(51)
Penalties & Fines	1,952.11	0.00	1,952.11	0	1,955.89	0.00	1,955.89	0
S.U.I. Fund Loan Payment	0.00	3,333.33	(3,333.33)	(100)	0.00	3,999.98	(19,999.98)	(100)
Total Expenses	\$ 41,305.02	\$ 60,330.91	\$ (19,025.89)	(32)	\$ 260,623.19	\$ 361,985.46	\$ (101,362.27)	(28)
Excess (Deficit)								
of Revenue Over Expenses	\$ 11,068.86	\$ 0.01	\$ 11,068.85	999	\$ 19,887.67	\$ 0.06	\$ 19,887.61	999

See Accompanying Notes and Accountant's Report.

CALIFORNIA HEALTH FEDERATION
BENEFIT ADMINISTRATION
STATEMENT OF REVENUE AND EXPENSES
For the Period Ended December 31, 1986

(UNAUDITED)

	1 Month Ended Dec. 31, 1986				6 Months Ended Dec. 31, 1986			
	Budget	Variance	Pct		Budget	Variance	Pct	
REVENUE:								
Administrative Fees	\$ 5,745.04	\$ 3,000.00	\$ 2,745.04	92	\$ 22,592.87	\$ 18,000.00	\$ 4,592.87	26
Total Revenue	\$ 5,745.04	\$ 3,000.00	\$ 2,745.04	92	\$ 22,592.87	\$ 18,000.00	\$ 4,592.87	26
EXPENSES:								
Salaries	\$ 1,527.51	\$ 1,733.33	(205.82)	(12)	\$ 9,435.50	\$ 10,399.98	(964.48)	(9)
Employer Payroll Taxes	0.00	173.33	(173.33)	(100)	0.00	1,039.98	(1,039.98)	(100)
Employee Benefits	0.00	104.00	(104.00)	(100)	0.00	624.00	(624.00)	(100)
Rent	0.00	791.67	(791.67)	(100)	0.00	4,750.02	(4,750.02)	(100)
Total Expenses	\$ 1,527.51	\$ 2,802.33	(1,274.82)	(45)	\$ 9,435.50	\$ 16,813.98	(7,378.48)	(44)
Excess (Deficit) of Revenue Over Expenses	\$ 4,217.53	\$ 197.67	\$ 4,019.86	999	\$ 13,157.37	\$ 1,186.02	\$ 11,971.35	999

See Accompanying Notes and Accountant's Report.

CALIFORNIA HEALTH FEDERATION
LAB SERVICES
STATEMENT OF REVENUE AND EXPENSES
For the Period Ended December 31, 1986

(UNAUDITED)

	1 Month Ended				6 Months Ended			
	Dec. 31, 1986	Budget	Variance	Pct	Dec. 31, 1986	Budget	Variance	Pct
REVENUE:								
Administrative Fees	\$ 13,200.00	\$ 10,000.00	\$ 3,200.00	32	\$ 38,350.00	\$ 60,000.00	\$ (21,650.00)	(36)
Other	0.00	0.00	0.00	0	398.00	0.00	398.00	0
Total Revenue	\$ 13,200.00	\$ 10,000.00	\$ 3,200.00	32	\$ 38,748.00	\$ 60,000.00	\$ (21,252.00)	(35)
EXPENSES:								
Salaries	\$ 1,868.47	\$ 2,233.33	\$ (364.86)	(16)	\$ 11,099.94	\$ 13,399.98	\$ (2,300.04)	(17)
Employer Payroll Taxes	0.00	223.33	(223.33)	(100)	0.00	1,339.98	(1,339.98)	(100)
Employee Benefits	0.00	134.00	(134.00)	(100)	0.00	804.00	(804.00)	(100)
Program Consultants	0.00	4,166.67	(4,166.67)	(100)	0.00	25,000.02	(25,000.02)	(100)
Rent	0.00	791.67	(791.67)	(100)	0.00	4,750.02	(4,750.02)	(100)
Total Expenses	\$ 1,868.47	\$ 7,549.00	\$ (5,680.53)	(75)	\$ 11,099.94	\$ 45,294.00	\$ (34,194.06)	(75)
Excess (Deficit) of Revenue Over Expenses	\$ 11,331.53	\$ 2,451.00	\$ 8,880.53	362	\$ 27,648.06	\$ 14,706.00	\$ 12,942.06	88

CALIFORNIA HEALTH FEDERATION
PESTICIDE PROGRAM
STATEMENT OF REVENUE AND EXPENSES
For the Period Ended December 31, 1986

(UNAUDITED)

	1 Month Ended				6 Months Ended			
	Dec. 31, 1986	Budget	Variance	Pct	Dec. 31, 1986	Budget	Variance	Pct
REVENUE:								
Contract Income	\$ 5,692.56	\$ 11,827.00	\$ (6,134.44)	(52)	\$ 33,756.54	\$ 70,962.00	\$ (37,205.46)	(52)
Total Revenue	\$ 5,692.56	\$ 11,827.00	\$ (6,134.44)	(52)	\$ 33,756.54	\$ 70,962.00	\$ (37,205.46)	(52)
EXPENSES:								
Salaries	\$ 5,204.06	\$ 8,241.67	\$ (3,037.61)	(37)	\$ 28,653.07	\$ 49,450.02	\$ (20,796.95)	(42)
Employer Payroll Taxes	0.00	824.17	(824.17)	(100)	0.00	4,945.02	(4,945.02)	(100)
Employee Benefits	0.00	494.50	(494.50)	(100)	0.00	2,967.00	(2,967.00)	(100)
Program Consultants	0.00	333.33	(333.33)	(100)	180.00	1,999.98	(1,819.98)	(91)
Computer Costs	0.00	416.67	(416.67)	(100)	0.00	2,500.02	(2,500.02)	(100)
Postage	0.00	0.00	0.00	0	10.75	0.00	10.75	0
Printing	0.00	0.00	0.00	0	1,538.17	0.00	1,538.17	0
Rent	0.00	216.67	(216.67)	(100)	0.00	1,300.02	(1,300.02)	(100)
Supplies	0.00	200.00	(200.00)	(100)	79.91	1,200.00	(1,120.09)	(93)
Telephone	0.00	300.00	(300.00)	(100)	0.00	1,800.00	(1,800.00)	(100)
Travel	0.00	800.00	(800.00)	(100)	381.76	4,800.00	(4,418.24)	(92)
Total Expenses	\$ 5,204.06	\$ 11,827.01	\$ (6,622.95)	(56)	\$ 30,843.66	\$ 70,962.06	\$ (40,118.40)	(57)
Excess (Deficit)								
of Revenue Over Expenses	\$ 488.50	\$ (0.01)	\$ 488.51	(999)	\$ 2,912.88	\$ (0.06)	\$ 2,912.94	(999)

See Accompanying Notes and Accountant's Report.

870406003

CALIFORNIA HEALTH FEDERATION
FOR LOS NINOS
STATEMENT OF REVENUE AND EXPENSES
For the Period Ended December 31, 1986

(UNAUDITED)

	1 Month Ended				6 Months Ended			
	Dec. 31, 1986	Budget	Variance	Pct	Dec. 31, 1986	Budget	Variance	Pct
REVENUE:								
Contract Income	\$ 6,346.33	\$ 6,154.67	\$ 191.66	3	\$ 31,731.65	\$ 36,928.02	\$ (5,196.37)	(14)
Total Revenue	\$ 6,346.33	\$ 6,154.67	\$ 191.66	3	\$ 31,731.65	\$ 36,928.02	\$ (5,196.37)	(14)
EXPENSES:								
Salaries	\$ 5,132.49	\$ 5,241.67	\$ (109.18)	(2)	\$ 28,006.01	\$ 31,450.02	\$ (3,444.01)	(11)
Employer Payroll Taxes	0.00	524.17	(524.17)	(100)	0.00	3,145.02	(3,145.02)	(100)
Employee Benefits	0.00	314.50	(314.50)	(100)	0.00	1,887.00	(1,887.00)	(100)
Conference - Travel	0.00	0.00	0.00	0	79.12	0.00	79.12	0
Conference - Per Diem	0.00	0.00	0.00	0	120.00	0.00	120.00	0
Conference - Reg. Fees	0.00	0.00	0.00	0	110.00	0.00	110.00	0
Advertising	718.86	100.00	618.86	619	4,509.94	600.00	3,909.94	652
Licenses and Dues	0.00	0.00	0.00	0	20.00	0.00	20.00	0
Other Expenses	0.00	25.00	(25.00)	(100)	0.00	150.00	(150.00)	(100)
Postage	10.75	50.00	(39.25)	(78)	104.75	300.00	(195.25)	(65)
Printing	218.67	83.33	135.34	162	2,237.68	499.98	1,737.70	348
Rent	0.00	333.33	(333.33)	(100)	200.00	1,999.98	(1,799.98)	(90)
Supplies	57.66	100.00	(42.34)	(42)	369.79	600.00	(230.21)	(38)
Telephone	0.00	141.67	(141.67)	(100)	0.00	850.02	(850.02)	(100)
Travel	376.50	333.33	43.17	13	840.93	1,999.98	(1,159.05)	(58)
Total Expenses	\$ 6,514.93	\$ 7,247.00	\$ (732.07)	(10)	\$ 36,598.22	\$ 43,482.00	\$ (6,883.78)	(16)
Excess (Deficit)								
of Revenue Over Expenses	\$ (168.60)	\$ (1,092.33)	\$ 923.73	(85)	\$ (4,866.57)	\$ (6,553.98)	\$ 1,687.41	(26)

See Accompanying Notes and Accountant's Report.

CALIFORNIA HEALTH FEDERATION
TECHNICAL ASSISTANCE AB 1517
STATEMENT OF REVENUES AND EXPENSES
For the Period Ended December 31, 1986

(UNAUDITED)

	1 Month Ended				6 Months Ended			
	Dec. 31, 1986	Budget	Variance	Pct	Dec. 31, 1986	Budget	Variance	Pct
REVENUE:								
Contract Income	\$ 9,375.00	\$ 5,660.67	\$ 3,714.33	66	\$ 35,041.64	\$ 33,964.02	\$ 1,077.62	3
Administrative Fees	0.00	1,218.33	(1,218.33)	(100)	15,160.00	7,309.98	7,850.02	107
Total Revenue	\$ 9,375.00	\$ 6,879.00	\$ 2,496.00	36	\$ 50,201.64	\$ 41,274.00	\$ 8,927.64	22
EXPENSES:								
Salaries	\$ 4,414.62	\$ 4,838.33	(423.71)	(9)	\$ 24,262.76	\$ 29,029.98	(4,767.22)	(16)
Employer Payroll Taxes	0.00	483.83	(483.83)	(100)	0.00	2,902.98	(2,902.98)	(100)
Employee Benefits	0.00	290.17	(290.17)	(100)	0.00	1,741.02	(1,741.02)	(100)
Conference Expenses	0.00	416.67	(416.67)	(100)	0.00	2,500.02	(2,500.02)	(100)
Postage	0.00	50.00	(50.00)	(100)	0.00	300.00	(300.00)	(100)
Printing	0.00	166.67	(166.67)	(100)	0.00	1,000.02	(1,000.02)	(100)
Rent	0.00	208.33	(208.33)	(100)	0.00	1,249.98	(1,249.98)	(100)
Supplies	0.00	66.67	(66.67)	(100)	118.18	400.02	(281.84)	(70)
Telephone	0.00	116.67	(116.67)	(100)	0.00	700.02	(700.02)	(100)
Travel	0.00	241.67	(241.67)	(100)	0.00	1,450.02	(1,450.02)	(100)
Total Expenses	\$ 4,414.62	\$ 6,879.01	(2,464.39)	(36)	\$ 24,380.94	\$ 41,274.06	(16,893.12)	(41)
Excess (Deficit)								
of Revenue Over Expenses	\$ 4,960.38	\$ (0.01)	\$ 4,960.39	(999)	\$ 25,820.70	\$ (0.06)	\$ 25,820.76	(999)

CALIFORNIA HEALTH FEDERATION
ADVOCACY AND EDUCATION
STATEMENT OF REVENUE AND EXPENSES
For the Period Ended December 31, 1986

(UNAUDITED)

	1 Month Ended Dec. 31, 1986				6 Months Ended Dec. 31, 1986			
	Budget	Variance	Pct		Budget	Variance	Pct	
REVENUE:								
Contract Income	\$ 11,000.00	\$ 5,348.33	\$ 5,651.67	106	\$ 11,000.00	\$ 32,089.98	\$ (21,089.98) (66)	
Total Revenue	\$ 11,000.00	\$ 5,348.33	\$ 5,651.67	106	\$ 11,000.00	\$ 32,089.98	\$ (21,089.98) (66)	
EXPENSES:								
Salaries	\$ 1,645.84	\$ 2,125.00	\$ (479.16) (23)	\$ 8,733.36	\$ 12,750.00	\$ (4,016.64) (32)		
Employer Payroll Taxes	0.00	212.50	(212.50)(100)	0.00	1,275.00	(1,275.00)(100)		
Employee Benefits	0.00	127.50	(127.50)(100)	0.00	765.00	(765.00)(100)		
Legal Consultants	0.00	1,200.00	(1,200.00)(100)	0.00	7,200.00	(7,200.00)(100)		
Advertising	0.00	0.00	0.00 0	272.08	0.00	272.08 0		
Other Expenses	0.00	333.33	(333.33)(100)	0.00	1,999.98	(1,999.98)(100)		
Postage	0.00	50.00	(50.00)(100)	0.00	300.00	(300.00)(100)		
Printing	66.00	108.33	(42.33) (39)	224.24	649.98	(425.74) (66)		
Rent	0.00	400.00	(400.00)(100)	0.00	2,400.00	(2,400.00)(100)		
Subscriptions	10.00	0.00	10.00 0	25.00	0.00	25.00 0		
Supplies	6.25	100.00	(93.75) (94)	6.25	600.00	(593.75) (99)		
Telephone	0.00	200.00	(200.00)(100)	0.00	1,200.00	(1,200.00)(100)		
Travel	0.00	491.67	(491.67)(100)	0.00	2,950.02	(2,950.02)(100)		
Total Expenses	\$ 1,728.09	\$ 5,348.33	\$ (3,620.24) (68)	\$ 9,260.93	\$ 32,089.98	\$ (22,829.05) (71)		
Excess (Deficit) of Revenue Over Expenses	\$ 9,271.91	\$ 0.00	\$ 9,271.91 0	\$ 1,739.07	\$ 0.00	\$ 1,739.07 0		

CALIFORNIA HEALTH FEDERATION
MED, SURG. AND PHARM
STATEMENT OF REVENUE AND EXPENSES
For the Period Ended December 31, 1986

(UNAUDITED)

	1 Month Ended Dec. 31, 1986				6 Months Ended Dec. 31, 1986			
	Budget	Variance	Pct		Budget	Variance	Pct	
REVENUE:								
Contract Income	\$ 0.00	\$ 2,083.33	(2,083.33)(100)	\$ 0.00	\$ 12,499.98	(12,499.98)(100)		
Administrative Fees	0.00	3,380.00	(3,380.00)(100)	0.00	20,280.00	(20,280.00)(100)		
Total Revenue	\$ 0.00	\$ 5,463.33	(5,463.33)(100)	\$ 0.00	\$ 32,779.98	(32,779.98)(100)		
EXPENSES:								
Salaries	\$ 0.00	\$ 1,333.33	(1,333.33)(100)	\$ 0.00	\$ 7,999.98	(7,999.98)(100)		
Employer Payroll Taxes	0.00	133.33	(133.33)(100)	0.00	799.98	(799.98)(100)		
Employee Benefits	0.00	80.00	(80.00)(100)	0.00	480.00	(480.00)(100)		
Program Consultants	0.00	1,833.33	(1,833.33)(100)	4,000.00	10,999.98	(6,999.98)(64)		
Travel	0.00	0.00	0.00 0	743.00	0.00	743.00 0		
Total Expenses	\$ 0.00	\$ 3,379.99	(3,379.99)(100)	\$ 4,743.00	\$ 20,279.94	(15,536.94)(77)		
Excess (Deficit) of Revenue Over Expenses	\$ 0.00	\$ 2,083.34	(2,083.34)(100)	\$ (4,743.00)	\$ 12,500.04	(17,243.04)(138)		

CALIFORNIA HEALTH FEDERATION
ADMINISTRATION
STATEMENT OF REVENUE AND EXPENSES
For the Period Ended December 31, 1986

(UNAUDITED)

	1 Month Ended				6 Months Ended			
	Dec. 31, 1986	Budget	Variance	Pct	Dec. 31, 1986	Budget	Variance	Pct
REVENUE:								
Dues Income	\$ 0.00	\$ 10,685.50	\$ (10,685.50)	(100)	\$ 51,524.48	\$ 64,113.00	\$ (12,588.52)	(20)
Uncollectible Dues	0.00	(1,068.58)	1,068.58	(100)	0.00	(6,411.48)	6,411.48	(100)
Registration Fees	220.00	375.00	(155.00)	(41)	12,805.00	2,250.00	10,555.00	469
Conferences - Federal Fund	0.00	1,666.67	(1,666.67)	(100)	25,000.00	10,000.02	14,999.98	150
Other	794.95	0.00	794.95	0	3,150.68	0.00	3,150.68	0
Total Revenue	\$ 1,014.95	\$ 11,658.59	\$ (10,643.64)	(91)	\$ 92,480.16	\$ 69,951.54	\$ 22,528.62	32
EXPENSES:								
Salaries	\$ 3,804.25	\$ 3,590.42	\$ 213.83	6	\$ 20,914.85	\$ 21,542.52	\$ (627.67)	(3)
Employer Payroll Taxes	1,515.13	359.08	1,156.05	322	8,130.62	2,154.48	5,976.14	277
Employee Benefits	1,859.66	415.42	1,444.24	348	10,699.62	2,492.52	8,207.10	329
Accounting Consultants	1,425.50	0.00	1,425.50	0	3,238.18	0.00	3,238.18	0
Advocacy Consultants	0.00	1,750.00	(1,750.00)	(100)	8,290.56	10,500.00	(2,209.44)	(21)
Legal Consultants	1,202.16	0.00	1,202.16	0	3,217.07	0.00	3,217.07	0
Conference Expenses	177.39	2,458.33	(2,280.94)	(93)	19,794.53	14,749.98	5,044.55	34
Advertising	0.00	0.00	0.00	0	100.00	0.00	100.00	0
Automobile Expenses	200.00	98.33	101.67	103	317.44	589.98	(272.54)	(46)
Board Meeting	425.46	166.67	258.79	155	1,159.94	1,000.02	159.92	16
Computer Costs	71.39	0.00	71.39	0	71.39	0.00	71.39	0
Equipment Purchases	0.00	0.00	0.00	0	6,030.18	0.00	6,030.18	0
Equipment Rental	883.80	1,285.00	(401.20)	(31)	6,386.99	7,710.00	(1,323.01)	(17)
Interest	62.60	0.00	62.60	0	62.60	0.00	62.60	0
Interest - Banks	0.00	0.00	0.00	0	377.90	0.00	377.90	0
Licenses and Dues	150.00	0.00	150.00	0	689.00	0.00	689.00	0
Meetings	0.00	125.00	(125.00)	(100)	0.00	750.00	(750.00)	(100)
Other Expenses	337.00	(333.33)	670.33	(201)	337.02	(1,999.98)	2,337.00	(117)
Postage	200.00	91.67	108.33	118	1,158.25	550.02	608.23	111
Printing	141.30	83.33	57.97	70	1,620.65	499.98	1,120.67	224
Rent	3,572.45	800.00	2,772.45	347	23,796.70	4,800.00	18,996.70	396
Subscriptions	0.00	0.00	0.00	0	34.00	0.00	34.00	0
Supplies	516.47	166.67	349.80	210	2,009.94	1,000.02	1,009.92	101
Taxes	0.00	0.00	0.00	0	203.95	0.00	203.95	0
Telephone	1,338.31	241.67	1,096.64	454	8,233.86	1,450.02	6,783.84	468
Travel	212.36	666.67	(454.31)	(68)	5,429.87	4,000.02	1,429.85	36
Penalties & Fines	1,952.11	0.00	1,952.11	0	1,955.89	0.00	1,955.89	0
S.U.I. Fund Loan Payment	0.00	3,333.33	(3,333.33)	(100)	0.00	19,999.98	(19,999.98)	(100)
Total Expenses	\$ 20,047.34	\$ 15,298.26	\$ 4,749.08	31	\$ 134,261.00	\$ 91,789.56	\$ 42,471.44	46
Excess (Deficit)								
of Revenue Over Expenses	\$ (19,032.39)	\$ (3,639.67)	\$ (15,392.72)	423	\$ (41,780.84)	\$ (21,838.02)	\$ (19,942.82)	91

See Accompanying Notes and Accountant's Report.

CALIFORNIA HEALTH FEDERATION
NOTES TO FINANCIAL STATEMENT
As of December 31, 1986

(UNAUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

- A. The organization prepares its financial statements on an accrual basis utilizing principles of fund accounting. This statement reports the financial condition of the general fund.
- B. Property and equipment acquired with grant supported funds is expensed in the current period. Property which is owned by the organization is transferred annually to the fixed asset account. Fixed assets are recorded at cost utilizing straight line depreciation over varying lives. Depreciation is expensed annually.
- C. The California Health Federation, Inc. is a private non-profit corporation organized under the laws of the State of California. Accordingly, no provision has been made in these statements for income taxes.

2. DEPOSITS HELD:

The following deposits are held on behalf of the California Health Federation, Inc.,

PIC Realty Inc.	\$ 3377.00
Thomas Bartlett CPA	500.00
Northwest Leasing	450.00

3. GRANTS AND CONTRACTS RECEIVABLE:

The organization receives funding from federal and state grants and contracts. Upon award of a grant or contract the entire amount is recorded as a receivable and unearned grant revenue. Revenue is considered earned when the period's costs or allocations are invoiced.

CONTINUED

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CALIFORNIA HEALTH FEDERATION
NOTES TO FINANCIAL STATEMENT
As of December 31, 1986

(UNAUDITED)

4. PAYABLE TO SUI FUND:

The Payable to the SUI Fund is a current liability due to an affiliated fund.

5. LONG TERM OBLIGATIONS:

The organization has entered into the following long-term lease obligations:

Description	Commencing Date	Monthly Payment	Period
Building Lease-Sacramento	12/01/85	\$ 3,377.00	36 months
Office Lease-Fresno	01/01/86	175.00	36 months
Telephone System	08/01/85	340.75	72 months
Automobile	12/27/85	282.23	60 months
Copier	05/28/86	450.00	36 months

6. FUND BALANCE:

The following adjustments were made to the Investment in Fixed Assets account.

Beginning Balance of Investment
in Fixed Assets July 1, 1986 \$ 12,159.79

ADJUSTMENTS:

Delete lease obligations
from long-term debt \$ 40,982.00

Delete net basis of leased
equipment from fixed assets (48,084.00)

Total Adjustments (7,102.00)

Ending Balance of Investment
in Fixed Assets July 1, 1986 \$ 5,057.79
=====

COA 2775
Rally

Jaramillo & Guzzetta

Attorneys and Counsellors at Law

ROBERT P. JARAMILLO
RUDY D. GUZZETTA

A PROFESSIONAL ASSOCIATION
638 NORTH FIRST STREET, SOUTH SUITE
SAN JOSE, CALIFORNIA 95112
(408) 287-9300

OF COUNSEL
HOWARD M. MAY

February 18, 1987

Scott G. Thomas
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2313
Friends of the California Health Federation
and Anna Botello, as Treasurer

Dear Mr. Thomas:

I have recently received your letter dated January 13, 1987 regarding the aforementioned matter. I have been asked by Mr. Ventura Huerta former Executive Director of California Rural Health Federation, Inc. to respond to General Counsels allegations. In this regard I am in the process of contacting numerous individuals associated with the PAC during the periods in question. My understanding is that since the P.A.C. disbanded various individuals may have information and or documentation that would require my evaluation prior to preparing a response. Mr. Huerta is now Executive Director of Sequoia Community Health Clinic in Fresno and the California Rural Health Federation has moved its offices to Sacramento. Many of the individuals involved in the PAC have moved on to different cities and different jobs. In light of the difficulty in contacting "key" witnesses it is my request that I be given additional time to respond to Counsel allegations.

At the present date Mr. Huerta has asked that I respond on behalf of Anna Botello and Friends of the California Health Federation. Thank you for your anticipated cooperation in this matter.

Very truly yours,

Robert P. Jaramillo
Robert P. Jaramillo

RPJ/ds

cc: Ventura Huerta

RECEIVED
FEB 25 11:33

87 FEB 25 9:10

RECEIVED
GENERAL COUNSEL

9



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 27, 1987

Robert P. Jaramillo, Esquire
Jaramillo & Guzzetta
635 North First Street
South Suite
San Jose, California 95112

Re: MUR 2313
Friends of the California
Health Federation and
Anna Botello, as treasurer

Dear Mr. Jaramillo:

The Office of the General Counsel is in receipt of your recent letter requesting an extension of time to respond in the above-captioned matter. After considering the circumstances as detailed in your request, this Office will grant a twenty-day extension. Accordingly, your response is due no later than March 10, 1987.

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

Sincerely,

Charles N. Steele
General Counsel

By: 
Lois C. Lerner
Associate General Counsel

CCC# 2907

RECEIVED 11 FEB

07 MAR 16 09:39

Jaramillo & Guzzetta
Attorneys and Counsellors at Law

ROBERT P. JARAMILLO
RUDY D. GUZZETTA

A PROFESSIONAL ASSOCIATION
638 NORTH FIRST STREET, SOUTH SUITE
SAN JOSE, CALIFORNIA 95112
(408) 287-9300

OF COUNSEL
HOWARD M. MAY

March 10, 1987

Patty Reilly, Esq.
Federal Election Commission
Washington D.C. 20463

Scott G. Thomas, Chairman
Federal Election Commission
Washington D.C. 20463

Re: MUR 2313
Friends of the California Health Federation and
Anna Botello, A Treasurer

Dear Mr. Thomas and Ms. Reilly:

I have been retained by Anna Botello and Ventura Huerta to respond to allegations that Friends of the California Health Federation has violated 2 U.S.C. Section 411b(a) and has also violated 2 U.S.C. Section 433 (c).

Background

The California Health Federation (aka Federation de Salud de California) is a California non profit corporation whose membership is comprised of more than twenty rural health clinics all of whom are also non-profit corporations. The "Federation" was formed since many of these rural health facilities had mutual legislative interests and similar administrative, fiscal and personnel problems. The political action committee "friends of the California Health Federation" was initially constituted to support state wide candidates and state wide initiatives. In fact a review of the committees reports show that almost all of the money used as contributions went to state candidates and state issues. I have enclosed a copy of a letter written by an attorney John M. Fredenburg addressing the issue of contribution by the clinics to state wide initiatives. In addition I have enclosed a sample copy of solicitation letter outlining a need to support "state legislator's and a copy of the California Health Federation minutes of August 18, 1984 discussing contribution of funds to Political campaigns in California.

07 MAR 16 11:41

RECEIVED
FEDERAL ELECTION COMMISSION
GENERAL COUNSEL

8704060058

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Patty Reilly, Esq.
Scott G. Thomas, Chairman
Federal Election Commission
March 10, 1987
Page Two

It is my opinion in reviewing the aforementioned documentation and the P.A.C. reports of contribution's that the political committee was receiving contributions for state issues and elections. I acknowledge that the polirical committee did make the following contributions affecting federal campaigns;

Contribution to	Amount
6/19/85 Gary Hart	\$2,000.00
2/18/86 Al Cranston	\$200.00
2/24/86 Hartnett for Congress	\$108.89
3/13/86 Hartnett for Congress	\$141.00

However, the overwhelming majority of all contributions by the polirical committee was to state candidates and state wide issues.

Although funds were made from the Federation to the committee the funds were solicited from its membership compromised of other non-profit corporation. I have enclosed copy's of the check that were refunded by the Friends of the California Rural Health Federation. These checks #215, #216, and #217 were the funds Anna Botello refered to as refunds to California Rural De Salud. In fact the Family Health Foundation of Alviso, Sequoia Community Health Foundation and San Ysidro Health Clinic are all non profit corporations that are members of the California Health Federation. Ms. Botello advises me that in preparing the report of refunds she was confused as to whether the report should list the members since the initial contribution came from the Federation after receipt of contributions from the aforementioned clinics.

At the present date the political action committee has terminated activities and advised the State of California of its termination. I have enclosed Anna Botellos notice to the State of California of the P.A.C.'s termination Ms. Botello was of the belief that a similar notice of termination had been sent to the Federal Election Committee. The committees final report indicates a -0- account balance and the committee has not received any contributions since its last report.

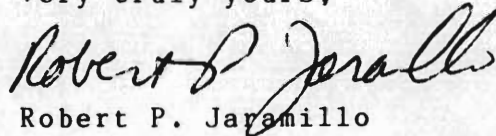
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Patty Reilly, Esq.
Scott G. Thomas, Chairman
Federal Election Commission
March 10, 1987
Page Three

Although Mr. Rinaldi was initially the treasurer of the Political Committee he has not been acting as treasurer since July 1983. Ms. Botello became the acting treasurer and acknowledges that she did not amend the statement of organization as required by 2 U.S.C. Section 433 (c). My clients are interested in pursuing pre-probable cause conciliation if those procedures are still available. I of course would be willing to provide the Federal Election Committee with any other information they require in this matter.

Very truly yours,


Robert P. Jaramillo

RPJ/ds

cc: Ventura Huerta
Anna Botello

87040660070

FRIENDS OF THE CALIFORNIA
RURAL HEALTH FEDERATION

P. O. BOX 11143
FRESNO, CA 93771

0405112

216

December 6 1985 ^{11-24/192}₁₂₁₀

Pay to the order of Family Health Foundation of Alviso \$1,000.00

*****ONE THOUSAND DOLLARS ONLY***** Dollars

FRESNO MAIN OFFICE
Wells Fargo Bank
1208 VAN NESS AVE., FRESNO, CA 93721

[Signature]

refund

⑈000216⑈ ⑆121000248⑆0192 049377⑈

⑈0000100000⑈

FRIENDS OF THE CALIFORNIA
RURAL HEALTH FEDERATION

P. O. BOX 11143
FRESNO, CA 93771

217

December 6 1985 ^{11-24/192}₁₂₁₀

Pay to the order of SEQUOIA COMMUNITY HEALTH FOUNDATION \$1,000.00

*****ONE THOUSAND DOLLARS ONLY***** Dollars

FRESNO MAIN OFFICE
Wells Fargo Bank
1208 VAN NESS AVE., FRESNO, CA 93721

[Signature]

refund

⑈000217⑈ ⑆121000248⑆0192 049377⑈

⑈0000100000⑈

FRIENDS OF THE CALIFORNIA
RURAL HEALTH FEDERATION

P. O. BOX 11143
FRESNO, CA 93771

215

December 6 1985 ^{11-24/192}₁₂₁₀

Pay to the order of San Ysidro Health Clinic \$1,000.00

*****ONE THOUSAND DOLLARS ONLY***** Dollars

FRESNO MAIN OFFICE
Wells Fargo Bank
1208 VAN NESS AVE., FRESNO, CA 93721

02-05-85 11 0000090082 330106055

[Signature]

⑈

refund

⑈000215⑈ ⑆121000248⑆0192 049377⑈

⑈0000100000⑈



Form 418
1985

STATEMENT OF TERMINATION

This form must be completed by Candidates or Recipient Committees that wish to terminate pursuant to Government Code Section 84214.

A OFFICIAL USE ONLY

(Type or Print in Ink)

CANDIDATE:

NAME OF CANDIDATE:				OFFICE SOUGHT OR HELD (INCLUDE LOCATION AND DISTRICT NUMBER IF APPLICABLE)			
RESIDENTIAL ADDRESS:	NO. AND STREET	CITY	STATE	ZIP CODE	AREA CODE	PHONE NUMBER	
BUSINESS ADDRESS:	NO. AND STREET	CITY	STATE	ZIP CODE	AREA CODE	PHONE NUMBER	

VERIFICATION

I declare under penalty of perjury that I have ceased to receive contributions and make expenditures, do not anticipate receiving contributions or making expenditures in the future, have eliminated or have declared that I have no intention or ability to discharge all debts, loans received and other obligations, have no surplus funds, and have filed all campaign statements required by the Political Reform Act disclosing all reportable transactions.

Executed on _____ at _____ by _____
(DATE) (CITY AND STATE) (SIGNATURE OF CANDIDATE OR OFFICERHOLDER)

COMMITTEE:

NAME OF COMMITTEE:						I.D. NUMBER	
FRIENDS OF CALIFORNIA HEALTH FEDERATION						801528	
ADDRESS OF COMMITTEE:	NO. AND STREET	CITY	STATE	ZIP CODE	AREA CODE	PHONE NUMBER	
P.O. BOX 11143		Fresno, California	93771		209/233-5747		
NAME OF TREASURER:							
Anna Botello, Assistant Treasurer							
PERMANENT ADDRESS OF TREASURER:	NO. AND STREET	CITY	STATE	ZIP CODE	AREA CODE	PHONE NUMBER	
Same as above							

VERIFICATION

I declare under penalty of perjury that this committee has ceased to receive contributions and make expenditures, does not anticipate receiving contributions or making expenditures in the future, has eliminated or has declared that it has no intention or ability to discharge all debts, loans received and other obligations, has no surplus funds, and has filed all campaign statements required by the Political Reform Act disclosing all reportable transactions.

Executed on 3/31/86 at Fresno, California by Anna Botello
(DATE) (CITY AND STATE) (SIGNATURE OF TREASURER)

NOTE: Additional filing obligations will be incurred if a candidate or committee begins raising or spending funds or receives the forgiveness of a loan.

11

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 2313

STAFF MEMBER & TELEPHONE NO:

Patty Reilly, (202) 376-8200

RESPONDENTS: Friends of the California Health Federation and
Anna Bottelo, as treasurer

SUMMARY OF ALLEGATIONS

It is alleged the Friends of the California Health Federation and Anna Bottelo, as treasurer, ("the Committee") violated 2 U.S.C. § 441b(a) by accepting a prohibited corporate contribution from the California Rural Health Federation, Inc. ("the Corporation"). Additionally, the Committee allegedly failed to amend its statement of organization in a timely manner to indicate a change in treasurer in violation of 2 U.S.C. § 423(c).

FACTUAL BASIS AND LEGAL ANALYSIS

A. The Facts

Based on the review of the Committee's 1985 Mid-Year Report, the Commission's Reports Analysis Division ("RAD") noted the Committee's receipt of \$12,700.18 from the Federation de Salud de California. After ascertaining that this entity was not listed as a California corporation, RAD sent the Committee as request for additional information ("RFAI") on May 21, 1986. When no response was received from the Committee, a second notice was sent on June 12, 1986.

The Committee responded on June 23, 1986 through Anna Botello, its assistant treasurer. Ms. Botello stated that the

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funds received by the Committee were permissible under the Act. It was subsequently determined, however, that the Federation de Salud de California is a corporation registered under its English name of California Rural Health Federation Inc.^{1/} RAD then sent an additional RFAI for the 1985 Mid-Year Report requesting the Committee to refund the corporate funds. Ms. Botello orally responded to this request on July 29, 1986, explaining that the Committee had partially refunded \$3,000 of this amount, but that the Committee lacked funds to make further refunds.^{2/} RAD sent the Committee a second notice on August 14, 1986, after no written response was received. On September 2, 1986 RAD received a letter from an attorney, Robert Jaramillo, who stated the Committee's treasurer of record, John Rinaldi, had informed him that the Committee was without funds and considered itself no longer to be active. In a subsequent telephone conversation, counsel asserted he does not represent the Committee, but only the Committee's former executive director, Mr. Vic Querta. Counsel stated, however, that Mr. Rinaldi had not been associated with the Committee for some time.

^{1/} Although it appears the Corporation is a connected organization of the Committee, the Committee stated in a June 18, 1986 letter to RAD that ". . . there is not a connected organization that pays the committee's expenses."

^{2/} This refund first appeared on the Committee's 1985 Year End Report as three \$1,000 refunds made to three health centers on December 6, 1985. Following the RFAI, on July 11, 1986, the Committee amended this report, indicating a \$3,000 refund made to the Corporation and eliminating references to the previously noted refunds made to the health centers.

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PAY TO THE ORDER OF
GREAT AMERICAN
SAVINGS BANK
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CENTER
11-11-75

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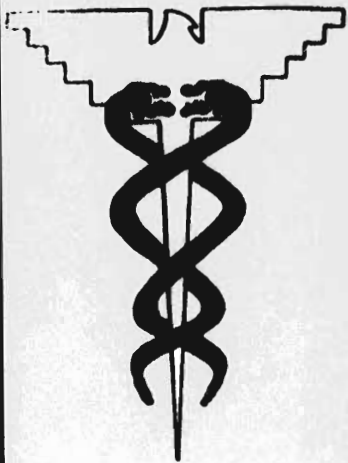
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SAN FRANCISCO, CALIF.
PAY ANY BANK
CROCKER
NATIONAL BANK
SAN FRANCISCO, CALIF.
FOR DEPOSIT ONLY
FUNDATION FOR HEALTH
CROCKER NATIONAL BANK
PAY TO THE ORDER OF
SECURIA
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ANY BANK
SAN FRANCISCO, CA.

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PAY ANY BANK, P.E.G.
BANK OF AMERICA, NT & SA
SAN FRANCISCO, CA. 1105



**FRIENDS OF THE CALIFORNIA
RURAL HEALTH FEDERATION**

6830 E. Ashlan
Clovis, California 93612



March 18, 1984

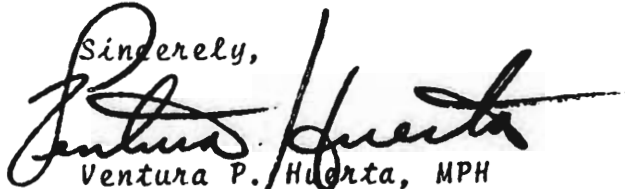
DEAR FEDERATION MEMBERS AND FRIENDS:

Our political action committee funds are depleted. I realize that in these hard times requests for donations are not well received by any of us. However, the work must go on and it is more important than ever we support the state legislators who will be supporting us in the critical months ahead.

I am asking for your assistance in the form of a donation of \$100.00 or more, to allow the "Friends of California Rural Health" to continue their effort on your behalf.

Thank you for your assistance.

Sincerely,


Ventura P. Huerta, MPH

/jr

note:
mailed to Mr. Huert
some

87040560070

JOHN M. FREDENBURG
ATTORNEY AT LAW
720 FOURTEENTH STREET
SACRAMENTO, CALIFORNIA 95814
(916) 441-2644

August 21, 1984

RECEIVED

AUG 21 1984

R. EUGENE LOKEY
CALIFORNIA PLANNERS & CONSULTANTS
1029 "K" Street, Suite 48
Sacramento, CA 95814

California Planners
& Consultants, Inc.

Re: Grass Roots Lobbying

Dear Gene:

ISSUE

The question that you presented, on behalf of the California Health Federation, is whether a community clinic, organized as a public benefit, non-profit, public foundation, receiving federal or state grant funds, may make expenditures in support of or in opposition to a California initiative measure.

CONCLUSION

Clinics may make expenditures in support of or in opposition to an initiative measure so long as the total lobbying expenditures are not a "substantial portion" of total exempt purpose expenditures. Such expenditures, however, are not reimbursable expenses under federal and state grants, and clinics, therefore, should be careful to properly account for lobbying expenditures. Additionally, if the contribution is made to a political action committee or other organization that contributes or participates in campaigns for election of candidates to political offices, the contribution should be restricted so that it may only be used for advocacy concerning the initiative measure.

DISCUSSION

Federal Taxes:

Federal tax law prohibits Section 501(c)(3) exemptions for organizations that:

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R. EUGENE LOKEY
CALIFORNIA PLANNERS & CONSULTANTS
August 21, 1984
Page Two

1. Participate directly or indirectly in political campaigns on behalf of candidates for office;
2. Whose principal objective is the enactment or defeat of legislation; or
3. Engage in substantial attempts to influence legislation.

The definition of "attempts to influence legislation", includes both communications with legislative or executive officials (traditional lobbying) or communications with the general public (grass roots lobbying). Attempts to influence the vote on an initiative measure is considered "grass roots lobbying."

Therefore, the question for purposes of federal tax exemption is the definition of "substantial." Federal law provides that an exempt organization may elect to be treated under one of two definitions. The first definition is a case by case determination of the vague "substantial" standards. The second option is that an exempt organization may elect to be judged under a specific dollar standard. (Generally, most organizations should elect to use the specific standards and this election must be affirmatively made on Form 5768 prior to the close of the tax year.)

The specific dollar standard limits total lobbying expenditures, and within these totals also limits grass roots lobbying expenditures. The total allowable lobbying expenditures are shown in the following chart:

<u>TOTAL EXEMPT PURPOSE EXPENDITURES</u>	<u>ALLOWABLE LOBBYING EXPENDITURE</u>
Less than \$500,000	20% of exempt purpose expenditures.
\$500,000 - \$1,000,000	\$100,000, plus 15% of the excess of exempt purpose expenditures over \$500,000.

R. EUGENE LOKEY
CALIFORNIA PLANNERS & CONSULTANTS
August 21, 1984
Page Three

\$1,000,000 - \$1,500,000

\$175,000 plus 10% of
the excess of exempt
purpose expenditures
over \$1,000,000.

Over \$1,500,000

\$225,000 plus 5% of
the excess of exempt
purpose expenditures
over \$1,500,000

(Exempt purpose expenditures is roughly defined as
total charitable operating and non-operating
expenditures minus fund raising costs.)

Grass roots lobbying is limited to 25% of the total
lobbying expenditure. Therefore, as an example, a
clinic with exempt annual expenditures of \$500,000
could spend up to \$25,000 on grass roots lobbying; a
clinic with annual exempt expenditures of \$1,000,000
could spend up to \$43,800 on grass roots lobbying.

There are two penalties for violating these expenditure
limits. The first is a 25% excess tax on excess
amounts spent on lobbying or grass roots lobbying. The
second is a loss of exempt status if the organization
normally, i.e. for more than 4 years, exceeds the
limits by more than 150%.

State Taxes:

California state tax law is nearly identical to the
federal limitations on lobbying expenditures by exempt
organizations. The same election and specific dollar
limitations as used by the federal law are followed by
California law. The major substantial difference is
that under California law the only penalty for
violating these limits is the possible loss of the
exempt status.

Federal Grants:

Office of Management and Budget Circular A-122 [Fed.
Reg. Vol. 49, page 18260 (April 27, 1984) and Fed. Reg.
Vol. 49, page 19588 (May 8, 1984) effectively prohibit
the use of Federal grant funds for grass roots lobbying

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R. EUGENE LOKEY
CALIFORNIA PLANNERS & CONSULTANTS
August 21, 1984
Page Four

activities. Most Federal grants also seek to control the expenditure of grant program related income such as patient revenues. Therefore, the prohibition of lobbying with Federal grant funds is also likely to be applied to grant program related income. The Federal standards, however, do not prohibit lobbying with other funds. Therefore, if the clinic has other, non-federal grant program related income, equal to or in excess to the lobbying expenditure, plus other non-reimbursable costs, there should be no question that only non-federally controlled funds were used for lobbying activities. (The new accounting standards established by Circular A-122 should be reviewed by all organizations that engage in a substantial amount of lobbying activities.)

State Grants:

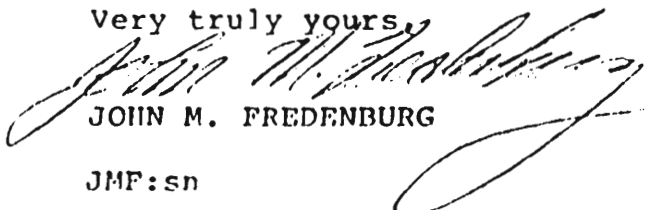
Although the California state grant rules are not as explicit as the Federal standards, the conservative approach is to assume that standards identical to the rigid federal standards apply to the state grants. (The problem of stating the state rules explicitly is that each grant agreement tends to use slightly different language.)

Contribution Payment:

The channel or method of making a lobbying expenditure or contribution does not effect the substantive standards. Therefore, it is immaterial whether the expenditure is made in services or monies. It is immaterial whether the contribution is made to a political action committee restricted to the initiative measure or to a general political action committee. However, if the contribution is made to an organization that also participates in campaigns for political offices, the clinic's contribution should be explicitly restricted so that it may only be used for purposes of the initiative campaign. A cover letter with the check is sufficient to so restrict the contribution.

If I can be of any further help, please give me a call.

Very truly yours,


JOHN M. FREDENBURG

JMF:sn

11

It was also pointed out that associate members are eligible to participate in all programs of the Federation, but are not entitled to voting rights. Discussion. (See motion #13)

Legislative Report

Mr. Loreda reported the legislative committee met on 8/17/84 and are planning to also meet during the beginning of the annual conference in San Jose. The reason for that meeting is that the committee would like to present a workplan for the adoption by the board.

Mr. Lokey gave an update on what took place at the legislative committee meeting, and on Federation supporting legislation, including other information on bills that the committee felt would be of interest to the Federation as a whole. Attachment C: see Summary of items dealt with by the legislative committee;

Attachment D: A four page letter submitted to the state department of health services on behalf of the Federation, arguing about their interpretation of the primary care grants (1317) program, in terms of its continuation.

Propositions 40/41

Mr. Lokey reported on how Proposition 40 revised the amount of funds and who may contribute such funds to political campaigns in California.

He also talked about Proposition 41 which mandates that in California expenditures for welfare can not exceed 10% above the national average, and applies such rule to all programs under Part 3, commencing with Section 11000 of the Welfare and Institutions Code, (AFDC, Family planning, Medi-Cal for e.g.) with some specific exemptions.

Mr. Lokey said the issue was whether a community clinic, organized as a public benefit, non-profit, public foundation, receiving federal or state grant funds, may make expenditure in support of, or in opposition to a California initiative measure. Discussion. (See motion #14)

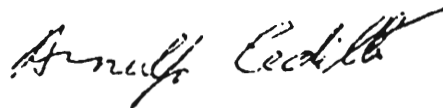
The upcoming dates for the legislative committee meetings are as follows:

October 10, 1984 2-7pm working session in San Jose.

November 30th in Sacramento from 10-4pm.

January 11th from 10-3pm in Fresno.

There being no further business the meeting adjourned at 1:20pm



Arnulfo Cedillo, President

/jr

Motions & Results continued.

Pg. 13

Motion #14 Deharo/Juarez "To assess individual member clinics a fee of \$25 per exam room, including operatory assessment to stop Proposition 41. And that Mr. Lokey will get legal opinion from John Fredenberg to see if centers can use center revenue on a statewide proposition since it is not a partisan issue." Carried.

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//

CONFIDENTIAL

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
California Health) MUR 2313
Federation, Inc.)

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On January 6, 1987, the Commission found reason to believe the California Health Federation, Inc. ("the Corporation") violated 2 U.S.C. § 441b(a). Underlying the Commission's determination were the reports of the Friends of the California Health Federation and Anna Botello, as treasurer ("the Committee") indicating receipt of \$12,700.18 in prohibited contributions from the Corporation. Responding to the Commission's reason to believe notification, the Corporation does not dispute the Commission's determination. Rather, it requests pre-probable cause conciliation. As developed below, this Office recommends that the Commission grant this request.

II. LEGAL ANALYSIS

Pursuant to 2 U.S.C. § 441b(a), no corporation may make a contribution or expenditure in connection with a federal election. The Reports Analysis Division ("RAD") identified \$12,700.18 in contributions made by the Corporation to the Committee.

The Corporation's response states that it is a non-stock corporation providing trade association services, technical assistance, joint purchasing activities and grant administration to its member health clinics. It admits making the contributions

to the Committee, and has adjusted the prohibited amount to \$15,000.* / Additionally, the Corporation voluntarily provides that the Committee's reports between 1981 and 1984 include other contributions totalling \$5,165 from the Corporation. The Corporation states its records for this period are in "haphazard shape ... and we have not independently confirmed these payments." Response at 4. A review of these reports by this Office reveals this amount as \$5,438.90. Therefore, the Corporation appears to have made a total of \$20,438.90 in prohibited corporate contributions.

III. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

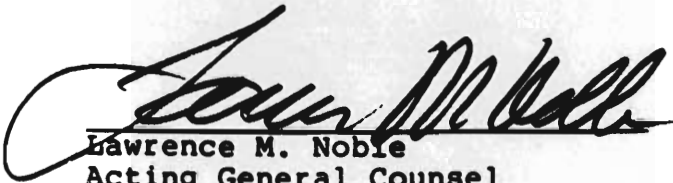
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RECOMMENDATIONS

1. Enter into conciliation prior to a finding of probable cause to believe with California Health Federation, Inc.
2. Approve the attached letter and conciliation agreement.

Date

4/10/87


Lawrence M. Noble
Acting General Counsel

Attachments

1. Respondent's Submissions
2. Proposed Conciliation Agreement
3. Proposed Letter to Respondent

87040660087

Attachment(s) 1. Respondents Submissions
to General Counsel's Report
have been removed from this
position in Public Record File.
See Index Item(s) 7, 8

Attachment(s) 243
to General Counsel's Report
have been removed from this
position in Public Record File.
See Index Item(s) 16

87040660088

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
California Health
Federation, Inc.

)
)
)
)

MUR 2313

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on April 15, 1987, the Commission decided by a vote of 6-0 to take the following actions in MUR 2313:

1. Enter into conciliation prior to a finding of probable cause to believe with California Health Federation, Inc., as recommended in the General Counsel's Report signed April 10, 1987.
2. Approve the letter and conciliation agreement, as recommended in the General Counsel's Report signed April 10, 1987.

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

Attest:

4-15-87

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Fri., 4-10-87, 3:39
Circulated on 48 hour tally basis: Mon., 4-13-87, 11:00
Deadline for vote: Wed., 4-15-87, 11:00



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 17, 1987

John Fredenburg, Esquire
Bogh & Fredenburg
2617 K Street
Suite 8
Sacramento, California 95816

RE: MUR 2313
California Health
Federation, Inc.

Dear Mr. Fredenburg:

On January 6, 1987, the Commission found reason to believe that the California Health Federation, Inc. violated 2 U.S.C. § 441b(a). At your request, the Commission determined on April 15, 1987, 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 client agrees with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible. If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
Acting General Counsel

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2313
Friends of the California)
Health Federation)
and Anna Botello,)
as treasurer)

EXHIBIT
MAY 1 4:55

RECEIVED
MAY 1 1987

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On January 6, 1987, the Commission found reason to believe the Friends of the California Health Federation and Anna Botello, as treasurer, ("the Committee") violated 2 U.S.C. § 441b(a) and 433(c). Underlying the Commission's determination were the Committee's reports indicating receipt of \$12,700.18 in prohibited contributions from the California Health Federation, Inc. ("the Corporation"). Additionally, the Committee's reports indicated that its treasurer of record was no longer filing reports with the Commission, yet the Committee had failed to amend its statement of organization to reflect a change in treasurer. Responding to the Commission's reason to believe notification, the Committee does not dispute the Commission's findings. Rather, it requests pre-probable cause conciliation. As developed below, this Office recommends that the Commission grant this request.

II. LEGAL ANALYSIS

Pursuant to 2 U.S.C. § 441b(a), no corporation may make, and no political committee may knowingly accept, a contribution in connection with a federal election.

The Committee's response states it is a political committee initially constituted for state election activity and that the

Committee has made only four contributions to federal candidates. Additionally, the Committee notes that it has filed a termination notice with the State of California, and has also sought termination as a reporting committee with the Commission in light of its zero cash on hand figure. Committee Response at 2.

Additional information regarding the contributions in question has been received from the Corporation in its request for pre-probable cause conciliation.^{1/} The Corporation has adjusted the amount of these prohibited contributions to \$15,000.^{2/} Additionally, the Corporation has voluntarily provided the Commission with information that the Committee had received other corporate contributions from the Corporation between 1981 and 1984. A review of the Committee's reports revealed additional contributions totalling \$5,438.90 from the Corporation. Thus, the Committee accepted a total of \$20,438.90 in prohibited contributions.

III. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

^{1/} The Commission granted the Corporation's request for pre-probable cause conciliation on April 15, 1987

^{2/} The Committee's 1985 Mid-Year Report listed 3 contributions from the Corporation: \$2,700.18 on 1/17/85; \$6,667 on 2/6/85; and \$3,333 on 2/7/85. The Corporation states that its ledger notes the amount of the first contribution as \$5,000, thus raising the total amount of prohibited contributions to \$15,000.

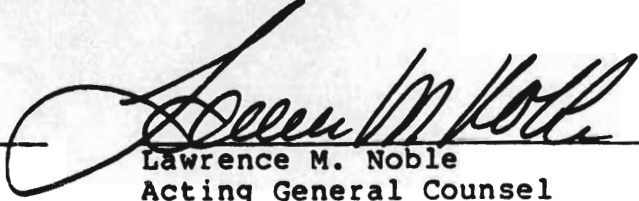
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IV. RECOMMENDATIONS

1. Enter into conciliation prior to a finding of probable cause to believe with the Friends of the California Health Federation and Anna Botello, as treasurer.
2. Approve the attached letter and conciliation agreement.

97040560093
Date

5/1/87


Lawrence M. Noble
Acting General Counsel

Attachments

1. Conciliation Request
2. Proposed Conciliation Agreement
3. Proposed Letter

Attachment(s) 1, 2, 3
to 5-1-87 G.C. Rpt

have been removed from this
position in Public Record File.

See Index Item(s) 11, 17

87040660094

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Friends of the California Health) MUR 2313
Federation and Anna Botello,)
as treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session of May 12,
1987, do hereby certify that the Commission decided by a
vote of 6-0 to take the following actions in MUR 2313:

1. Enter into conciliation prior to a finding
of probable cause to believe with the
Friends of California Health Federation
and Anna Botello, as treasurer.
2. Approve the letter and conciliation
agreement attached to the General
Counsel's report dated May 1, 1987,
subject to amendment of the agreement
by reduction of the civil penalty to
Three Thousand Dollars (\$3,000.00).

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

Attest:

5-13-87

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 14, 1987

Robert P. Jaramillo, Esquire
635 First Street, South Suite
San Jose, California 94112

Re: MUR 2313
Friends of the California
Health Federation and Anna
Botello, as treasurer

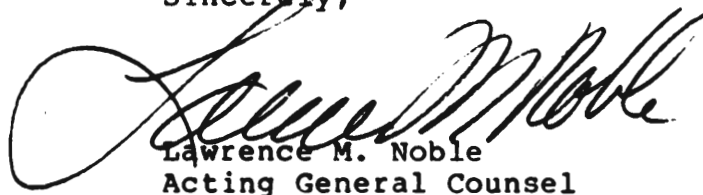
Dear Mr. Jaramillo:

On January 6, 1987, the Federal Election Commission found reason to believe that your clients violated 2 U.S.C. §§ 441b(a) and 433(c). At your request, on May 12, 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.

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 Patty Reilly, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,


Lawrence M. Noble
Acting General Counsel

Enclosure
Conciliation Agreement

6CC 3402

RECEIVED AT THE FEC

BOGH AND FREDENBURG
ATTORNEYS AT LAW
2617 "K" STREET, SUITE 8
SACRAMENTO, CALIFORNIA 95816
(916) 448-2544

87 MAY 19 11:45

May 14, 1987

87 MAY 19 2:48

RECEIVED
GENERAL COUNSEL

MS. PATTY REILLY
Federal Election Commission
Washington, D.C. 20463

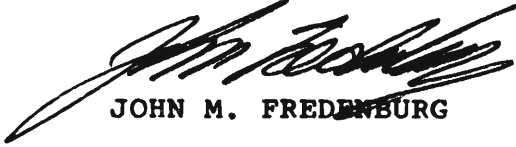
Re: CALIFORNIA HEALTH FEDERATION
Your No. MUR 2313

Dear Ms. Reilly:

Enclosed is the signed "Conciliation Agreement." It is anticipated that the \$3,000 fine will be paid by the end of July, 1987.

Thank you for your cooperation and help.

Yours truly,



JOHN M. FREDENBURG

JMF:sn
Enc.

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2313
California Health Federation, Inc.)

27 MAY 28
A 0:52

GENERAL COUNSEL'S REPORT

Attached for Commission approval is a conciliation agreement signed by John Fredenburg, Esquire, on behalf of his client, the California Health Federation, Inc. ("the Corporation").

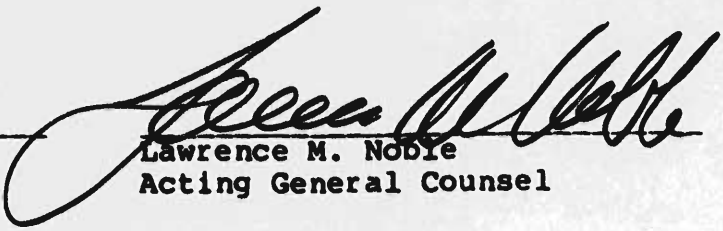
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RECOMMENDATIONS

1. Approve the attached proposed conciliation agreement submitted by the California Health Federation, Inc.
2. Close the file as to this respondent.

Date

5/27/87


Lawrence M. Noble
Acting General Counsel

Attachments

1. Counterproposal
2. Proposed letter
3. Initial Response

87040560099

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
California Health Federation, Inc.) MUR 2313

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 1, 1987, the Commission decided by a vote of 6-0 to take the following actions in MUR 2313:

1. Approve the proposed conciliation agreement submitted by the California Health Federation, Inc., as recommended in the General Counsel's Report signed May 27, 1987.
2. Close the file as to this respondent.

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

Attest:

6/2/87

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary:	Thurs.,	5-28-87,	9:52
Circulated on 48 hour tally basis:	Thurs.,	5-28-87,	4:00
Deadline for vote:	Mon.,	6-1-87,	4:00



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 4, 1987

John Fredenburg, Esquire
Bogh & Fredenburg
2617 K Street, Suite B
Sacramento, California 95816

Re: MUR 2313
California Health
Federation, Inc.

Dear Mr. Fredenburg:

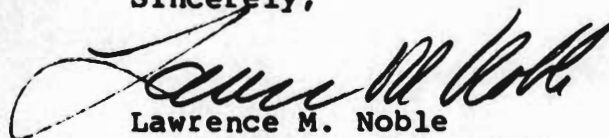
On June 1, 1987, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to your client. This matter will become a part of the public record within 30 days after it has been closed with respect to all other respondents involved. 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.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note your civil penalty is due thirty days from the date the Commission signed this agreement. If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,


Lawrence M. Noble
Acting General Counsel

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
California Health) MUR 2313
Federation, Inc.)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe the California Health Federation, Inc. ("Respondent") violated 2 U.S.C. § 441b(a), by making prohibited corporate contributions in connection with a federal election.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

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

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

III. Respondent enters voluntarily into this agreement with the Commission.

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

1. Respondent, the California Health Federation, Inc., ("the Corporation") is a California non-profit, public benefit corporation.

2. Between 1981 and 1985, Respondent made approximately \$20,438.90 in contributions to the Friends of the California Health Federation ("the Committee"), a political committee registered with the Federal Election Commission.
3. Pursuant to 2 U.S.C. § 441b(a), corporations are prohibited from making contributions in connection with a federal election.

V. Respondent contributed approximately \$20,438.90 in prohibited corporate contributions to the Committee in violation of 2 U.S.C. § 441b(a).

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Three Thousand Dollars (\$3,000) pursuant to 2 U.S.C. § 437g(a)(5)(A).

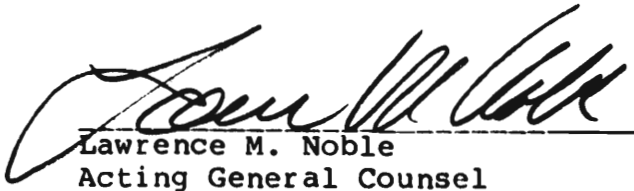
VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute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

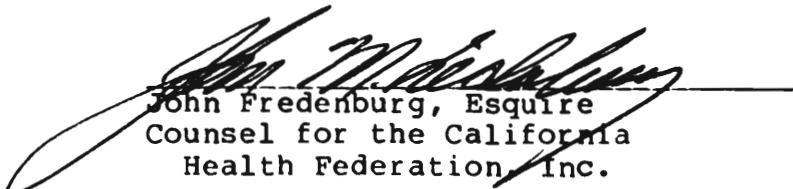
X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be valid.

FOR THE COMMISSION:


Lawrence M. Noble
Acting General Counsel

6/4/87
Date

FOR THE RESPONDENT:


John Fredenburg, Esquire
Counsel for the California
Health Federation, Inc.

May 14, 1987
Date

666 3595
666 3595
RECEIVED AT THE FED

87 JUN 12 AM: 48

Jaramillo & Guzzetta

Attorneys and Counsellors at Law

A PROFESSIONAL ASSOCIATION

635 NORTH FIRST STREET, SOUTH SUITE

SAN JOSE, CALIFORNIA 95112

(408) 287-9300

ROBERT P. JARAMILLO
RUDY D. GUZZETTA

OF COUNSEL
HOWARD M. MAY

June 8, 1987

Lawrence M. Noble
Federal Election Commission
Washington, D.C. 20463

87 JUN 12 P 3: 27

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

Re: MUR 2313
Friends of the California Health Federation
and Anna Botello, as treasurer

Dear Mr. Noble:

Enclosed please find the executed Conciliation Agreement regarding the aforementioned P.A.C.. I have advised Patty Reily that this P.A.C. is no longer active and Anna Botello as treasurer of the organization is requesting a payment schedule of \$500.00 per month commencing August 1, 1987; payments to continue until the \$3,000.00 is paid in full.

It is also my understanding that there is no particular form regarding the amendment of the statement of organization naming Anna Botello as treasurer. The Friends of the California Health Federation by this letter is requesting that their statement of organization be amended to include the name of Anna Botello as treasurer.

Please confirm your position as regards the requested payment schedule.

Very truly yours,

Robert P. Jaramillo
Robert P. Jaramillo

RPJ/dm

encl.

3704060103

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Friends of the California) MUR 2313
Health Federation and Anna)
Botello, as treasurer)

87 JUL 15 4:31 PM

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached for Commission approval is a conciliation agreement signed by Anna Botello, as treasurer, on behalf of the Friends of the California Health Federation.

Therefore, this Office

recommends that the Commission approve this agreement and close the file in this matter.

II. RECOMMENDATIONS

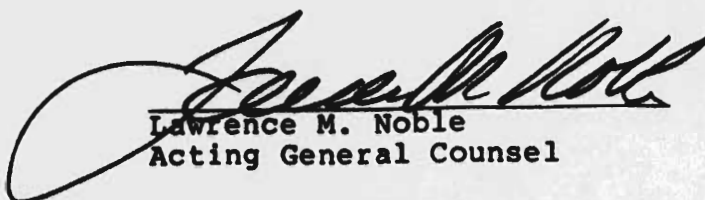
1. Approve the proposed conciliation agreement of the Friends of the California Health Federation and Anna Botello, as treasurer.
2. Approve the attached letter.

8704060105

3. Close the file in this matter.

Date

7/15/87


Lawrence M. Noble
Acting General Counsel

Attachments

1. Cover Letter
2. Conciliation Agreement
3. Proposed Letter

87040660107

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Friends of the California
Health Federation and Anna
Botello, as treasurer

MUR 2313

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 20, 1987, the Commission decided by a vote of 6-0 to take the following actions in MUR 2313:

1. Approve the proposed conciliation agreement of the Friends of the California Health Federation and Anna Botello, as treasurer, as recommended in the General Counsel's Report signed July 15, 1987.
2. Approve the letter, as recommended in the General Counsel's Report signed July 15, 1987.
3. Close the file in this matter.

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

Attest:

7-21-87

Date

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

Received in the Office of Commission Secretary: Wed., 7-16-87, 3:31
Circulated on 48 hour tally basis: Thurs., 7-16-87, 11:00
Deadline for vote: Mon., 7-20-87, 11:00

jrm



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 22, 1987

Robert P. Jaramillo, Esquire
635 North First Street, South Suite
San Jose, California 94112

RE: MUR 2313
Friends of the California
Health Federation and Anna
Botello, as treasurer

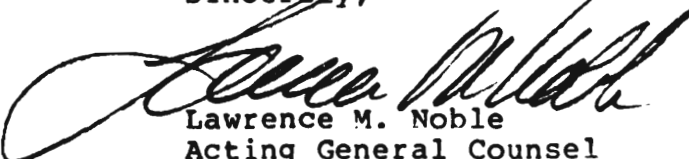
Dear Mr. Jaramillo:

On July 20, 1987, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients behalf in settlement of violations of 2 U.S.C. §§ 441b(a) and 433(c), provisions of the Federal Election Campaign Act of 1971, as amended. Additionally, on this date the Commission approved your request for an extended civil penalty payment schedule. 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. Please note the first \$500 payment towards your \$3,000 civil penalty is due on August 1, 1987, with \$500 monthly payments continuing until January 1, 1988. If you have any questions, please contact Patty Reilly, the attorney assigned to this matter at (202) 376-8200.

Sincerely,


Lawrence M. Noble
Acting General Counsel

Enclosure
Conciliation Agreement

25

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Friends of California Health) MUR 2313
Federation and Anna Botello, as)
treasurer)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that the Friends of the California Health Federation and Anna Botello, as treasurer, ("Respondents") violated 2 U.S.C. §§ 441b(a) and 433(c).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C.

§ 437g(a)(4)(A)(i).

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

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

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

1. Respondent, the Friends of the California Health Federation, is a political committee within the meaning of 2 U.S.C. § 431(4).

2. Respondent, Anna Botello, is the treasurer of the Friends of the California Health Federation.

3. Respondents accepted approximately \$20,438.90 in corporate funds from the California Health Federation, Inc.

4. Respondents failed to amend their statement of organization on file with the Commission to indicate that in July 1983 Ms. Botello became the treasurer of the Committee.

5. Pursuant to 2 U.S.C. § 441b(a), no political committee may knowingly accept corporate contributions in connection with a federal election.

6. Pursuant to 433(a), every political committee must file a statement of organization with the Commission. This statement must be amended within 10 days of a change of any information contained on it. 2 U.S.C. § 433(c).

V.1. Respondents accepted prohibited corporate contributions totalling approximately \$20,438.90 from the California Health Federation, Inc., in violation of 2 U.S.C. § 441b(a).

2. Respondents failed to amend their statement of organization within 10 days from the date of a change in treasurer, in violation of 2 U.S.C. § 433(c).

VI.1. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Three Thousand dollars (\$3,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

2. Respondents will amend their statement of organization to include the name of Anna Botello as treasurer.

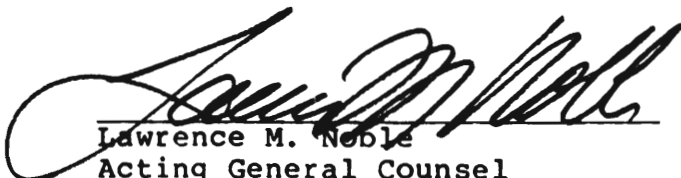
VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute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

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

IX. Respondents shall have until no later than January 1, 1988 (with payments of \$500 due on the first day of each month) 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.

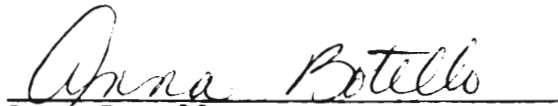
FOR THE COMMISSION:


Lawrence M. Noble
Acting General Counsel

Date

7/24/87

FOR THE RESPONDENTS:


Anna Botello
Treasurer

Date

May 27, 1987



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 22, 1987

John Fredenburg, Esquire
Bogh & Fredenburg
2617 K Street
Suite 8
Sacramento, CA 95816

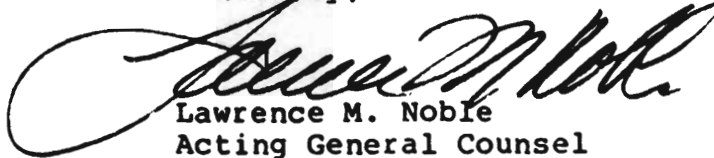
RE: MUR 2313
California Health Federation,
Inc.

Dear Mr. Fredenburg:

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 Patty Reilly, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,


Lawrence M. Noble
Acting General Counsel



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

THIS IS THE END OF MUR # 2313

DATE FILMED 10/21/87 CAMERA NO. 3

CAMERAMAN AS

87040560114



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

M12-21-87

THE FOLLOWING MATERIAL IS BEING ADDED TO THE
PUBLIC FILE OF CLOSED MUR 2313.

23040670200

Jaramillo, Guzzetta & Rinaldi
 Attorneys and Counselors at Law
 635 NORTH FIRST STREET, SOUTH SUITE
 SAN JOSE, CALIFORNIA 95112
 (408) 287-9300

1546 11-24/467 1210 A

9/10 1987

PAY Five Hundred and no/100 Dollars \$ 500.00

TO THE ORDER OF Federal Election Commission TRUST ACCOUNT

103A
123A

WELLS FARGO BANK (Headquarters & The Alameda Office)
 San Jose, CA 95126

Robert P. Jurell

MUR 2313

⑈001546⑈ ⑆121000248⑆0462103121⑈

MEMORANDUM

TO: DEBRA A. TRIMIEW TO: CECILIA LIEBER

FROM: CECILIA LIEBER FROM: DEBRA A. TRIMIEW

CHECK NO. 1546 { A COPY OF WHICH IS ATTACHED } RELATING TO

MUR 2313 AND NAME Friends of California Health Federation
(Reilly) and Anna Botello, as Treasurer

WAS RECEIVED ON 9/15/87. 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 9/16/87

CCC# 4371

RECEIVED
 FEDERAL ELECTION COMMISSION
 OFFICE OF GENERAL COUNSEL
 87 SEP 15 AM 10:50

CC#4371
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

87 SEP 14 PM 12:30

Jaramillo & Guzzetta

Attorneys and Counsellors at Law

A PROFESSIONAL ASSOCIATION

638 NORTH FIRST STREET, SOUTH SUITE

SAN JOSE, CALIFORNIA 95112

(408) 287-9300

ROBERT P. JARAMILLO
RUDY D. GUZZETTA

OF COUNSEL
HOWARD M. MAY

September 11, 1987

Federal Election Commission
Washington, D.C. 20463

Re: MUR 2313
Friends of the California Health Federation and
Anna Botello, as Treasurer

Dear Commissioner:

Enclosed please find \$500.00 payment towards the civil
penalty in the aforementioned matter.

Very truly yours,

Robert P. Jaramillo

Robert P. Jaramillo

RPJ/dm

encl.

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 SEP 15 AM 10:50

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