



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2485

DATE FILMED 8/26/80 CAMERA NO. 2

CAMERAMAN K.A.U.

88040713258



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 22, 1987

MEMORANDUM

TO: LAWRENCE M. NOBLE
ACTING GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

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

SUBJECT: QUARTERLY FILERS (UNAUTHORIZED COMMITTEES) WHICH
FAILED TO FILE THE 1986 12 DAY PRE-GENERAL REPORT
BY ELECTION DAY

Unlike the mandatory reporting requirement placed upon monthly filers, 2 U.S.C. §434(a)(4)(A)(ii) requires quarterly filers to submit 12 Day Pre-General Reports only if the committees make contributions to or expenditures on behalf of federal candidates involved in the general election. All unauthorized committees were sent prior notification regarding the pre- and post-general filing requirements on September 29, 1986 (Attachment 50).

The Party/Non-Party Branch conducted a thorough examination to identify quarterly filers disclosing contributions or expenditures between October 1 and October 15, 1986. The research revealed committees that submitted:

- a) 12 Day Pre-General Reports in an untimely manner;
- b) 30 Day Post-General Reports indicating that 12 Day Pre-General Reports should have been filed; and
- c) Year End Reports indicating that 12 Day Pre-General Reports should have been filed.

ATTACHMENT 1

98040713259

For your information, the pertinent supporting documentation on each committee has been arranged in alphabetical order. Statistics on all C indices only reflect activity through December 31, 1986. Any reports disclosing activity in 1987 have not been reviewed.

The following committees were previously referred either to your office or to the Audit Division for a possible 2. U.S.C. §438(b) audit.

(1)

(2)

(3)

(4)

(5)

(6)

If you have any questions, please contact Lisa J. Stolaruk at 376-2480.

Attachments

8 8 0 4 0 7 1 3 2 6 0

88040713261

C00183087

Hill & Knowlton Incorporated Political
Action Committee (HILLPAC)

87MF-104

88040713262

**HILL & KNOWLTON INCORPORATED POLITICAL ACTION
COMMITTEE (HILLPAC)**

(Attachments 19a - 19g)

8 8 0 4 0 7 1 3 2 6 3

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

DATE 1MAY87
PAGE 1

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
HILL & KNOWLTON INCORPORATED POLITICAL ACTION COMMITTEE(HILLPAC)(FKA GRAY & CO PAC-GRAYPAC NON-PARTY QUALIFIED						ID #C00183087
CONNECTED ORGANIZATION: GRAY & CO PUBLIC COMM INTERNAT'L INC						
1985	APRIL QUARTERLY	6,040	6,421	1JAN85 -31MAR85	7	85FEC/370/4966
	JULY QUARTERLY	8,235	8,467	1APR85 -30JUN85	10	85FEC/383/3219
	YEAR-END	14,503	15,294	1JUL85 -31DEC85	10	86FEC/397/1621
1986	STATEMENT OF ORGANIZATION - AMENDMENT			22OCT86	2	86FEC/440/4266
	APRIL QUARTERLY	4,506	4,510	1JAN86 -31MAR86	5	86FEC/406/5407
	JULY QUARTERLY	7,351	6,216	1APR86 -30JUN86	8	86FEC/419/3538
	OCTOBER QUARTERLY	8,946	8,989	1JUL86 -30SEP86	8	86FEC/435/4616
	PRE-GENERAL	1,050	1,050	1OCT86 -15OCT86	6	87FEC/462/3113
	POST-GENERAL	1,700	1,250	16OCT86 -24NOV86	6	86FEC/452/2850
	POST-GENERAL - AMENDMENT	1,700	1,250	16OCT86 -24NOV86	5	87FEC/461/0325
	NOTICE OF FAILURE TO FILE			24NOV86	1	86FEC/452/1472
	REQUEST FOR ADDITIONAL INFORMATION			16OCT86 -24NOV86	1	87FEC/459/5054
	REQUEST FOR ADDITIONAL INFORMATION 2ND			16OCT86 -24NOV86	1	87FEC/461/3980
	YEAR-END	2,065	850	24NOV86 -31DEC86	7	87FEC/459/3135
1987	MISCELLANEOUS REPORT			15APR87 TO FEC	7	87FEC/465/5171
TOTAL		54,396	0	53,047	0	84 TOTAL PAGES

All reports have been reviewed except the 1986 12 Day Pre-General Report.
Ending cash-on-hand as of 12/31/86: \$3,336
Outstanding debts owed by the committee as of 12/31/86: \$0

ANALYST: Ed Ryan

CONVERSATION WITH: JoAnn Murchison

COMMITTEE: HILLPAC(C00183087)

DATE: March 2, 1987

SUBJECT(S): Gap in coverage dates and possible 12 Day Pre-General Election Report non-filer.

Ms. Murchison called after receiving an RFAI for not including activity from 10/1/86 through 10/15/86 on their 30 Day Post General Election Report(30G). I told her the proper coverage dates were 10/1/86 through 11/24/86 for committees(cmtes) that did not file a 12 Day Pre-General Election Report(12G). I went on to say that cmtes who contributed to federal candidates, made independent expenditures or coordinated expenditures on behalf of federal candidates had to file a 12G report. She said they had a couple of contributions to federal candidates during this period and she would get a report to us as soon as possible.

38040713254

HILL KNOWLTON

MAR 9 12:07
WASHINGTON, D.C.

March 3, 1987

VIA CERTIFIED MAIL

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

Re: Hill and Knowlton Political Action Committee (HILLPAC)
(FKA Gray and Company Political Action Committee, GRAYPAC)

Identification Number: C00183087

Dear Mr. Ryan:

Per our conversation on March 2, 1987 enclosed please find a copy of the 10/1/86 through 10/15/86 Report of Receipts and Disbursements for Gray and Company Political Action Committee (GRAYPAC), now known as Hill and Knowlton Political Action Committee (HILLPAC).

I hope this will bring our records up to date. If you need further information or have any questions, please do not hesitate to call.

Sincerely,


JoAnn Mulchison

/Enclosure

88040713265

MAR 9 12:07

Survey 1990

Name of Committee or Party

Gray & Company Public Communications
International, Inc. Political Action
Committee (Gray PAC)

Address Number and Street

3255 Green Street, NW

City, State and ZIP Code

Washington, D.C. 20007

☐ Check here if address is different than previously reported

Identification Number

C 00123082

☐ This committee is reporting for the first time during the reporting period

Type of Report Check appropriate section

☐ April 15 Quarterly Report ☐ October 15 Quarterly Report☐ July 15 Quarterly Report ☐ January 31 Year End Report☐ July 31 Mid Year Report (Non-election Year Only)☐ Monthly Report for☐ Twelfth day report preceding

election on 11/15/90 in the State of

☐ Thirtieth day report following the General Election

on 11/15/90 in the State of

☐ Termination Report

Is this Report an Amendment?

☐ YES☒ NO

ELECTORAL

11/15/90

COLUMBIA

COLUMBIA

583.95

1,671.35

1,000.00

21,834.01

1,671.35

22,457.96

1,000.00

20,706.61

1,671.35

1,671.35

0.00

0.00

Total Due

11/15/90

Gregg, CO. Public Comm. To Run Political Action Comm.

10/01/66		10/15/66	
COLUMN A Total This Period		COLUMN B Calendar Year-To-Date	
1050 -		21,754.01	11(b)
1050 -		21,754.01	11(b)
1050 -		21,754.01	11(b)
1050 -		21,754.01	11(b)
			12
			13
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			31
			32

I. RECEIPTS

11 CONTRIBUTIONS (other than loans) FROM

(a) Individuals or Persons Other Than Political Committees

(b) Political Party Committees

(c) On or for Political Committees

(d) TOTAL CONTRIBUTIONS (other than loans) (add 11(a), 11(b) and 11(c))

12 TRANSFERS FROM AFFILIATED OTHER PARTY COMMITTEES

13 ALL LOANS RECEIVED

14 ALL REPAYMENTS RECEIVED

15 ALL OTHER RECEIPTS (including interest, dividends, etc.)

16 - ALL OTHER CONTRIBUTIONS MADE TO FEDERAL CANDIDATES

AND OTHER POLITICAL COMMITTEES

(a) CONTRIBUTIONS (including interest, dividends, etc.)

17 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

18 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

19 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

20 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

21 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

22 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

23 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

24 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

25 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

26 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

27 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

28 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

29 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

30 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

31 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

32 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

33 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

34 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

35 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

36 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

37 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

38 - ALL OTHER CONTRIBUTIONS (including interest, dividends, etc.)

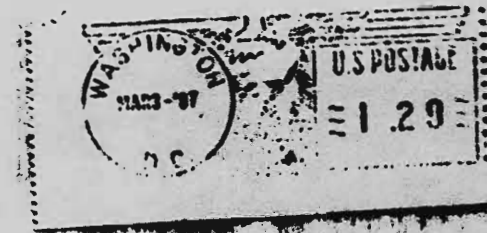
21

NAME OF COMMITTEE (in Full)

Gray Company Public Communications International Political Action Committee.

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Cash Disbursement This Period
People for MRAZELO 319 3rd Street, S.E. #203 Washington, D.C. 20003	Campaign Distribution Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	10/6/86	300.00 <i>EXP</i>
Friends of LUTEN c/o Hannah Margitich 501 Sisters Lane - 1207 Alexandria, VA 22314	Campaign Distribution Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	10/7/86	50.00 <i>EXP</i>
Re-elect Congressman Morrison 25 Church Street New Haven, Conn 06502-0293	Campaign Distribution Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	11/14/86	250.00 <i>EXP</i>
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	

8 7 8 3 4 6 7 3 2 0 9



HILL AND KNOWLTON

Hill and Knowlton, Inc.
Washington Harbour
901 31st Street, N.W.
Washington, D.C. 20007
202-333-7400

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

CERTIFIED

P 084 524 111

MAIL

Attachment 67 MAR 9 P12:

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

FIRST GENERAL COUNSEL'S REPORT

RAD REFERRALS: 87NF-86-134
STAFF MEMBER: George F. Rishel

SOURCE OF MUR:

INTERNALLY GENERATED

RESPONDENTS:

88040713270

Hill & Knowlton Incorporated Political Action
Committee and J. Pate Felts, as treasurer

88040713271

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RELEVANT STATUTE: 2 U.S.C. § 434(a)(4)(A)(ii)

INTERNAL REPORTS

CHECKED: Referral Materials

FEDERAL AGENCIES

CHECKED: None

I. GENERATION OF MATTER

The Report Analysis Division ("RAD") referred the above-listed 49 committees to the Office of the General Counsel on May 22, 1987. The basis of the attached referrals is their failure to either file a 12-day Pre-Election Report or file such report in a timely fashion.

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that for unauthorized committees filing quarterly, such committees shall file a Pre-Election Report before any election in which the committee makes a contribution to or expenditure on behalf of a candidate in such election. Such report shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) such election and shall be complete as of the 20th day before the election. 2 U.S.C. § 434(a)(4)(A)(ii).

The 1986 Pre-Election Report for the 1986 General Election was due on October 23, 1986, complete as of October 15, 1986. Quarterly

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filers were notified on September 29, 1986, of the requirement for filing the Pre-Election Report.

The following committees filed a 12-Day Pre-Election Report, but did not file it in a timely fashion:

<u>Committee</u>	<u>Date Filed</u>	<u>Pre-Election Activity</u>
------------------	-------------------	------------------------------

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0.000

The following committees filed a 1986 Post-General Report that disclosed activity indicating a 12-Day Pre-Election Report should have been filed:

<u>Committee</u>	<u>Date Filed</u> ^{1/}	<u>Pre-Election Activity</u>
------------------	---------------------------------	------------------------------

^{1/} The date filed is that on which the Post-General Election Report was filed. The number of days late is that for the filing of the 12-Day Pre-Election Report. In some cases, the Post-General Election Report was filed after December 4, 1986. The late filings of such reports, however, were not included as a basis for these referrals. Therefore, no recommendations have been made with respect to the late filing of any Post-General Election Report.

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b7c

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0.013

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8804

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The following committees filed a Year End Report disclosing activity indicating that 12-Day Pre-Election Report should have been filed:

COMMITTEE

Date Filed^{4/}

Pre-Election Activity

and their treasurers violated 2 U.S.C. § 434(a) (4) (A) (ii).

III. RECOMMENDATIONS

1. Open Matters Under Review with respect to the following committees and find reason to believe the following committees and their treasurers violated 2 U.S.C. § 434(a) (4) (A) (ii):

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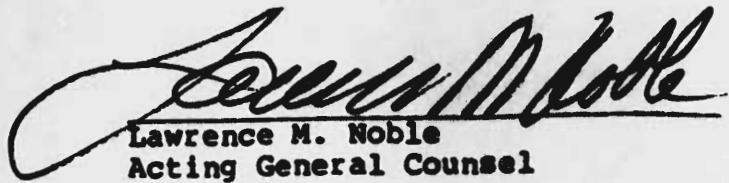
88040713278

Hill & Knowlton Incorporated Political Action Committee and
J. Pate Felts, as treasurer

2. Approve and send the attached letters and factual and legal analyses to the respective committees listed in recommendation 1.

3.

6/10/87
Date


Lawrence M. Noble
Acting General Counsel

Attachments

1. Referral Materials
2. Letters and Factual and Legal Analyses (48)

88040713279

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

RAD Ref.'s
87NF-86
THROUGH
87NF-134

89040713280

Hill & Knowlton Incorporated Political Action
Committee and J. Pate Felts, as treasurer

n

(continued)

Federal Election Commission
Certification for RAD Ref.'s 87NF-86
through 87NF-134
June 15, 1987

Page 2

88040713281

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11

CERTIFICATION

I. Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 15, 1987, the Commission decided by a vote of 6-0 to take the following actions in RAD Ref.'s 87NF-86 through 87NF-134:

1. Open Matters Under Review with respect to the following committees and find reason to believe the following committees and their treasurers violated 2 U.S.C. § 434(a)(4)(A)(ii):

(continued)

Federal Election Commission
Certification for RAD Ref.'s 87NP-86
through 87NP-134
June 15, 1987

Page 4

88040713283

Hill & Knowlton Incorporated Political Action Committee and
J. Pate Felts, as treasurer

Federal Election Commission
Certification for RAD Ref.'s 87NF-86
through 87NF-134
June 15, 1987

Page 5

88040713284

Federal Election Commission
Certification for RAD Ref.'s 87NF-86
through 87NF-134
June 15, 1987

Page 6

2. Approve and send the letters and factual and legal analyses to the respective committees listed in recommendation 1.
- 3.

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

Attest:

6-16-87

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary: Thurs., 6-11-87, 12:34
Circulated on 48 hour tally basis: Thurs., 6-11-87, 4:00
Deadline for vote: Mon., 6-15-87, 4:00

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8



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 29, 1987

**J. Pate Felts, Treasurer
Hill & Knowlton Inc. Political
Action Committee
3255 Grace Street, N.W.
Washington, D.C. 20007**

**RE: MUR 2485
Hill & Knowlton Inc. Political
Action Committee and J. Pate
Felts, as treasurer**

Dear Mr. Felts:

On June 15, 1987, the Federal Election Commission found that there is reason to believe Hill & Knowlton Inc. Political Action Committee ("Committee") and you, as treasurer, violated 2 U.S.C. § 434(a)(4)(A)(ii), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office, within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information demonstrating that no further action should be taken against the 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 the 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 the 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.

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Further, the Commission will not entertain requests for pre-probable cause conciliation 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 the General Counsel will not ordinarily 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 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 Sandra Dunham, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,



Scott E. Thomas
Chairman

Enclosures

Factual and Legal Analysis
Procedures
Designation of Counsel Form

83040713287

3819
87 JUL 6 12:49

CHAMEIDES & GOLDSTEIN

1818 H STREET, N.W.
WASHINGTON, D. C. 20006

(202) 223-8480

TELECOPIER (202) 223-8488
TELEX RCA 248383

July 2, 1987

87 JUL 6 3:40

RECEIVED
JUL 6 1987
FEDERAL ELECTION COMMISSION

Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Hill & Knowlton, Inc. Political Action Committee - MUR 2485

Dear Sirs:

We are counsel for Hill & Knowlton, Inc. Political Action Committee and J. Pate Felts, Treasurer. This letter constitutes a response to the Commission's notice dated June 29, 1987 (MUR 2485). A Statement of Designation of Counsel by the respondents is enclosed.

The notice alleges that the Committee did not file its 1986 12-Day Pre-Election Report until March 3, 1987, which would have been 131 days late. This allegation appears to us to be without foundation.

The Committee's Pre-Election Report was duly filed as of October 17, 1986. In February, 1987, the Reports Analysis Division of the Commission raised certain questions regarding the filing of the Committee's reports. In particular, the Division notified the Committee of a gap in reporting for the period 10/1/86 to 10/15/86. No such gap existed, however, and the Committee promptly responded by letter dated March 3, 1987, forwarding a copy of its previously-filed report for the subject period. Nothing further was heard regarding this matter until the Commission's notice was received.

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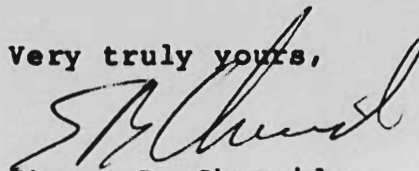
Federal Election Commission
July 1, 1987
Page 2

In view of the foregoing, and the Committee's prior response, the subject notice is inexplicable. We further point out that contrary to the allegation in the Commission's June 29 notice, there was no report filed on March 3, 1987. Instead, March 3rd was the date of the Committee's letter reply to the earlier inquiry about the supposed gap.

Copies of all pertinent correspondence, including the Pre-Election Report, are enclosed.

If further information is required, please contact the undersigned. Under the circumstances, we consider no violation occurred. Should the Office of the General Counsel be inclined, for a reason not apparent to us, to disagree, we request a pre-probable cause conciliation.

Very truly yours,



Steven B. Chameides

Enclosures


88040713289

STATEMENT OF DESIGNATION OF COUNSELMUR 2485NAME OF COUNSEL: Steven B. ChameidesADDRESS: 1819 H Street, N.W.Suite 660Washington, D.C. 20006TELEPHONE: (202) 223-6450

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.

Hill & Knowlton Political Action Committee
J. Pate Felts, Treasurer

6-30-87
Date


Signature

RESPONDENT'S NAME: Hill & Knowlton, Inc. Political Action CommitteeADDRESS: J. Pate Felts, Treasurer901 31st Street, N.W.Washington, D.C. 20007HOME PHONE: --BUSINESS PHONE: (202) 944-5107

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HILL AND KNOWLTON

Hill and Knowlton, Inc.
Washington Harbour
901 31st Street, N.W.
Washington, D.C. 20007
202-333-7400

March 3, 1987

VIA CERTIFIED MAIL

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

Re: Hill and Knowlton Political Action Committee (HILLPAC)
(FKA Gray and Company Political Action Committee, GRAYPAC)

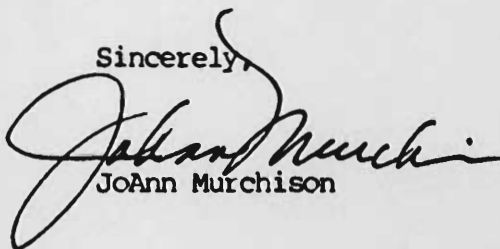
Identification Number: C00183087

Dear Mr. Ryan:

Per our conversation on March 2, 1987 enclosed please find a copy of the 10/1/86 through 10/15/86 Report of Receipts and Disbursements for Gray and Company Political Action Committee (GRAYPAC), now known as Hill and Knowlton Political Action Committee (HILLPAC).

I hope this will bring our records up to date. If you need further information or have any questions, please do not hesitate to call.

Sincerely,


JoAnn Murchison

/Enclosure

38040713291

(Summary Page)

1. Name of Committee (In Full)
**Gray & Company Public Communications
International, Inc. Political Action -
Committee (Gray PAC)**

Address (Number and Street)

3255 Grace Street, NW

City, State and ZIP Code

Washington, D.C. 20007

☐ Check here if address is different than previously reported.

2. FEC Identification Number

C 00183087

3. ☐ This committee qualified as a multicandidate committee during this Reporting Period on _____ (Date)

4. TYPE OF REPORT (Check appropriate boxes)

(a) ☐ April 15 Quarterly Report ☐ October 15 Quarterly Report

☐ July 15 Quarterly Report ☐ January 31 Year End Report

☐ July 31 Mid Year Report (Non-Election Year Only)

☐ Monthly Report for _____

☐ Twelfth day report preceding _____ (Type of Election)

election on _____ in the State of _____

☐ Thirtieth day report following the General Election

on _____ in the State of _____

☐ Termination Report

(b) Is this Report an Amendment?

☐ YES ☒ NO

SUMMARY

5. Covering Period **October 1** through **October 15, 1986**

6. (a) Cash on hand January 1, 1986 _____

(b) Cash on Hand at Close of Reporting Period _____

(c) Total Receipts (from Line 18) _____

(d) Subtotal (add Lines 6(b) and 6(c) for Column A and
Lines 6(a) and 6(c) for Column B)

7. Total Disbursements (from Line 28) _____

8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d)) _____

9. Debts and Obligations Owed TO The Committee
(Itemize all on Schedule C or Schedule D)

10. Debts and Obligations Owed BY the Committee
(Itemize all on Schedule C or Schedule D)

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

John Port. Peltz
Type or Print Name of Treasurer

SIGNATURE OF TREASURER

10/17/86
Date

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this report to the penalties of 2 U.S.C. 1437c

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used.

For further information contact:

Federal Election Commission
999 E Street, NW
Washington, DC 20543
Tel: (202) 692-4242
Local 2: 376-3120

FEC FORM 3X (3-80)

29213292

**DECLARED SUMMARY PAGE
of Receipts and Disbursements
(Page 2, FEC FORM 3X)**

Name of Committee or Club: Gray+CO. Public Comm Intern Political Action Comm.

Period Covering the Period

From 10/01/86

To 10/15/86

	COLUMN A Total This Period	COLUMN B Calendar Year-To-Date	
I. RECEIPTS			
11. CONTRIBUTIONS (other than loans) FROM:			
(a) Individuals/Persons Other Than Political Committees.	1050 -	21,786 -	11(a)
(Memo Entry Unitemized \$ _____)			
(b) Political Party Committees.			11(b)
(c) Other Political Committees.			11(c)
(d) TOTAL CONTRIBUTIONS (other than loans) (add 11(a), 11(b) and 11(c))	1050 -	21,786 -	11(d)
12. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES.			12
13. ALL LOANS RECEIVED.			13
14. LOAN REPAYMENTS RECEIVED.			14
15. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)			15
16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES			16
17. OTHER RECEIPTS (Dividends, Interest, etc.)	- 0 -	68.01	17
18. TOTAL RECEIPTS (Add 11(d), 12, 13, 14, 15, 16 and 17)	1,050 -	21,854.01	18
II. DISBURSEMENTS			
19. OPERATING EXPENDITURES.	- 0 -	34.71	19
20. TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES.			20
21. CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	1,050 -	20,751.90	21
22. INDEPENDENT EXPENDITURES (Use Schedule E)			22
23. DEDICATED EXPENDITURES MADE BY PARTY COMMITTEES (P.U.S.C. § 441 e(1)) (Use Schedule F)			23
24. LOAN REPAYMENTS MADE.			24
25. LOANS MADE.			25
26. REFUNDS OF CONTRIBUTIONS TO			
(a) Individuals/Persons Other Than Political Committees.			26(a)
(b) Political Party Committees.			26(b)
(c) Other Political Committees.			26(c)
(d) TOTAL CONTRIBUTION REFUNDS (Add 26(a), 26(b) and 26(c))			26(d)
27. OTHER DISBURSEMENTS.			27
28. TOTAL DISBURSEMENTS (add lines 19, 20, 21, 22, 23, 24, 25, 26(d) and 27)	1,050.00	20,786.61	28
III. NET CONTRIBUTIONS AND NET OPERATING EXPENDITURES			
29. TOTAL CONTRIBUTIONS (other than loans) from Line 11(d)	1,050.00	21,786.00	29
30. TOTAL CONTRIBUTION REFUNDS from Line 26(d)			30
31. NET CONTRIBUTIONS (other than loans) (Subtract Line 30 from Line 29)	1,050.00	21,786.00	31
32. TOTAL OPERATING EXPENDITURES from Line 19	- 0 -	34.71	32
33. OFFSETS TO OPERATING EXPENDITURES from Line 15			33
34. NET OPERATING EXPENDITURES (Subtract Line 33 from Line 32)	- 0 -	34.71	34

SCHEDULE A

ITEMIZED RECEIPTS

List separate schedules for each category of the Detailed Summary Page

PAGE 1 OF 1
FOR LINE NUMBER 11(a)

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

NAME OF COMMITTEE (in Full)

Gray Company Public Communications International Political Action Committee

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Roger Lindberg 2287 Hollywood Station Falls Church, VA 22043	Gray Company	10/6/86 10/8/86	600 - 450 -
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation Executive	Aggregate Year-to-Date > \$ 1300	
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	

TOTAL of Receipts This Page (optional)

TOTAL This Period (last page this line number only)

1300

1300

88040713294

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

NAME OF COMMITTEE (in Full)

Gray + Company Public Communications International Political Action Committee.

<p>A. Full Name, Mailing Address and ZIP Code People for Mrazela 319 3rd Street, S.E. #203 Washington, D.C. 20003</p>	<p>Purpose of Disbursement Campaign Distribution Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year) 10/6/86</p>	<p>Amount of Each Disbursement This Period 300.00</p>
<p>B. Full Name, Mailing Address and ZIP Code Friends of Lukens 410 Haman Margaretich 501 Skaters Lane - 1207 Alexandria, VA 22314</p>	<p>Purpose of Disbursement Campaign Distribution Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year) 10/7/86</p>	<p>Amount of Each Disbursement This Period 500.00</p>
<p>C. Full Name, Mailing Address and ZIP Code Re-elect Congressman Morrison 85 Church Street New Haven, Conn 06502-0303</p>	<p>Purpose of Disbursement Campaign Distribution Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year) 10/14/86</p>	<p>Amount of Each Disbursement This Period 250.00</p>
<p>D. Full Name, Mailing Address and ZIP Code</p>	<p>Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Disbursement This Period</p>
<p>E. Full Name, Mailing Address and ZIP Code</p>	<p>Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Disbursement This Period</p>
<p>F. Full Name, Mailing Address and ZIP Code</p>	<p>Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Disbursement This Period</p>
<p>G. Full Name, Mailing Address and ZIP Code</p>	<p>Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Disbursement This Period</p>
<p>H. Full Name, Mailing Address and ZIP Code</p>	<p>Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Disbursement This Period</p>
<p>I. Full Name, Mailing Address and ZIP Code</p>	<p>Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Disbursement This Period</p>

SUBTOTAL of Disbursements This Page (optional)

1000

TOTAL This Period (last page this line number only)

1000

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-3

February 26, 1987

J. Pate Felts, Treasurer
Hill PAC (FKA Gray and Company Public
Communications Int'l., Inc. PAC)
3255 Grace Street, NW
Washington, DC 20007

Identification Number: C00183087

Reference: 30 Day Post-General Report (10/16/86-11/24/86)

Dear Mr. Felts:

On February 4, 1987 you were notified that a review of the above-referenced report(s) raised questions as to specific contributions and/or expenditures, and the reporting of certain information required by the Federal Election Campaign Act.

Your February 17, 1987 response is incomplete because you have not provided all the requested information. For this response to be considered adequate, the following information is still required.

-There should not be a gap in the coverage dates for your reports. An amended 30 Day Post-General Report is necessary to disclose the activity from 10/1/86 through 10/15/86.

If this information is not received by the Commission 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 Edward Ryan 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

88040713296

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	
Hill & Knowlton, Inc. Political)	MUR 2485
Action Committee and Ronna)	
Freiberg, its treasurer)	
)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On June 15, 1987, the Commission found reason to believe that Hill & Knowlton, Inc. Political Action Committee and J. Pate Felts, as treasurer,^{1/} violated 2 U.S.C. § 434(a) by failing to file its 1986 12-Day Pre-Election Report in a timely manner. By letter dated July 2, 1987, respondents requested to settle this matter prior to a finding of probable cause to believe (Attachment 1).

II. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

^{1/} On June 29, 1987, HILLPAC filed an amended Statement of Organization indicating Ronna Freiberg would be assuming the position of treasurer as of July 1, 1987.

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III. RECOMMENDATIONS

1. Enter into conciliation with Hill & Knowlton, Inc. Political Action Committee and Ronna Freiberg, its treasurer, prior to a finding of probable cause to believe.
2. Approve the attached proposed conciliation agreement and letter.

Date

8/3/57

Lawrence M. Noble

Acting General Counsel

Attachments

1. Request for conciliation
2. Proposed agreement and letter

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Hill & Knowlton, Inc. Political)
Action Committee and Ronna)
Freiberg, as treasurer)

MUR 2485

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 6, 1987, the Commission decided by a vote of 5-0 to take the following actions in MUR 2485:

1. Enter into conciliation with Hill & Knowlton, Inc. Political Action Committee and Ronna Freiberg, as treasurer, prior to a finding of probable cause to believe.
2. Approve the proposed conciliation agreement and letter, as recommended in the General Counsel's Report signed August 3, 1987.

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

Attest:

8-7-87

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Tues., 8-4-87, 10:16
Circulated on 48 hour tally basis: Tues., 8-4-87, 4:00
Deadline for vote: Thur., 8-6-87, 4:00

jw



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 10, 1987

Steven B. Chameides, Esquire
Chameides & Goldstein
1819 H Street, N.W.
Suite 660
Washington, D.C. 20006

RE: MUR 2485
Hill & Knowlton, Inc.
Political Action Committee
and Ronna Freiberg, its
treasurer

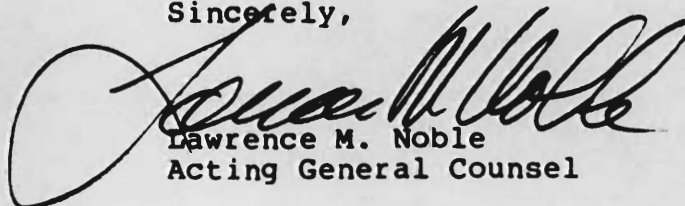
Dear Mr. Chameides:

On June 15, 1987, the Federal Election Commission found reason to believe that Hill & Knowlton, Inc. Political Action Committee and Ronna Freiberg, its treasurer violated 2 U.S.C. § 434(a)(4)(A)(ii). At your request, on August 6, 1987, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If your clients agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

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 Sandra Dunham, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
Acting General Counsel

Enclosure
Conciliation Agreement

880407133000



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 8, 1987

Steven B. Chameides, Esquire
Chameides & Goldstein
1819 H Street, N.W.
Suite 660
Washington, D.C. 20006

RE: MUR 2485
Hill & Knowlton, Inc.
Political Action
Committee and Ronna
Freiberg, its treasurer

Dear Mr. Chameides:

On August 10, 1987, you were notified that, at the request of your client, the Federal Election Commission determined to enter into negotiations directed toward reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. On that same date, you were sent a conciliation agreement offered by the Commission in settlement of this matter.

Please note that conciliation negotiations entered into prior to a finding of probable cause to believe are limited to a maximum of 30 days. To date, you have not responded in writing to the proposed agreement. The 30-day period for negotiations will soon expire. Unless we receive a written response from you within 5 days, this Office will consider these negotiations terminated and will proceed to the next stage of the enforcement process.

Should you have any questions, please contact Sandra Dunham, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

A handwritten signature in cursive script, reading "Lawrence M. Noble".

Lawrence M. Noble
Acting General Counsel

88040713301

QCC# 4746

CHAMEIDES & GOLDSTEIN

1818 H STREET, N.W.
WASHINGTON, D. C. 20006

(202) 223-6480

TELECOPIER (202) 223-6488
TELEX RCA 248363

RECEIVED
COMMISSION
FEDERAL ELECTION
OFFICE OF GENERAL COUNSEL
07 SEP 10 PM 1:50

VIA HAND DELIVERY

September 10, 1987

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

Hill & Knowlton, Inc. Political Action Committee - MUR 2485

Dear Mr. Noble:

This is to confirm my discussion with Sandra Dunham on August 13 wherein the proposed settlement tendered by your office was declined. As I explained then, Hill & Knowlton Political Action Committee (Hill Pac) considers that it filed the report in issue in a timely manner. Its records indicate that the report was so filed and cognizant personnel would so testify.

Hill Pac considers that its administration and compliance procedures are of the highest level, and is proud of its record. It is not prepared to blemish this record by conceding error when it firmly believes none occurred.

It is unfortunate that the Commission's records are not consistent with Hill Pac's, but we hardly see this isolated circumstance as warranting the punitive settlement offered. We are prepared to enter into conciliation negotiations with a view to assuring the Commission of Hill Pac's continued awareness of its responsibilities and commitment to future compliance with applicable law and regulations.

Very truly yours,


Steven B. Chameides

88040713302



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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SECRETARIAT

87 DEC -2 PM 12:26

SENSITIVE

December 1, 1987

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble *LMN*
General Counsel

SUBJECT: MUR 2485

Attached for the Commission's review is a brief stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. A copy of this brief and a letter notifying the Respondents of the General Counsel's intent to recommend to the Commission a finding of probable cause to believe was mailed on December 1, 1987. Following receipt of the Respondents' reply to this notice, this Office will make a further report to the Commission.

Attachments

1. Brief
2. Letter to Respondent

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 1, 1987

Steven B. Chameides, Esquire
Chameides & Goldstein
1819 H Street, N.W.
Washington, D.C. 20006

RE: MUR 2485
Hill & Knowlton, Inc.
Political Action
Committee and
Ronna Freiberg,
as treasurer

Dear Mr. Chameides:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on June 15, 1987, found reason to believe that your clients, Hill & Knowlton, Inc. Political Action Committee and Ronna Freiberg, as treasurer, violated 2 U.S.C. § 434(a)(4)(A)(ii), and instituted an investigation in this matter.

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

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

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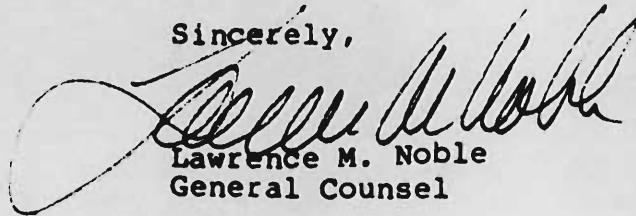
Letter to Steven B. Chameides, Esquire
Page 2

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Sandra Dunham, the staff member assigned to handle this matter, at (202) 376-8200.

Sincerely,

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

Lawrence M. Noble
General Counsel

Enclosure
Brief

38040713305

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Hill & Knowlton, Inc. Political) MUR 2485
Action Committee and Ronna)
Freiberg, as treasurer)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On June 15, 1987, the Commission found reason to believe that Hill & Knowlton, Inc. Political Action Committee ("HILLPAC") and J. Pate Felts, as treasurer,^{1/} violated 2 U.S.C. § 434(a)(4)(A)(ii), by failing to file its 1986 Pre-General Election Report in a timely manner.

The Pre-Election Report for the 1986 General Election was due on October 23, 1986, and complete as of October 15, 1986. Quarterly filers were notified on September 29, 1986, of the requirement for filing the Pre-Election Report. HILLPAC filed a 1986 Pre-General Election Report on March 3, 1987, 131 days late.

II. ANALYSIS

2 U.S.C. § 434(a)(4)(A)(ii) states that unauthorized committees which file quarterly shall file a Pre-Election Report before any election in which the committee makes a contribution to or expenditure on behalf of a candidate in such election. Such report shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15th day

^{1/} On June 29, 1987 HILLPAC filed amended Statement of Organization indicating Ronna Freiberg would be assuming the position of treasurer on July 1, 1987.

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before) such election and which shall be complete as of the 20th day before the election.

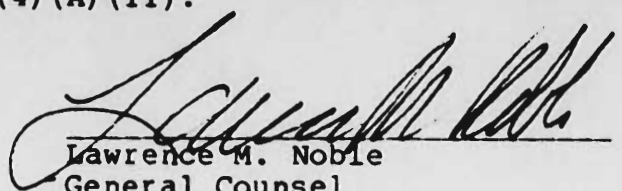
HILLPAC contends through counsel that the report was filed on time. HILLPAC has not produced any documentation that it filed the report on the date it alleges to have filed the report. If the respondent does not produce a certified-mail receipt, the controlling date of the filing of the report is the date it was actually recorded at the Commission. Therefore, HILLPAC's 1986 Pre-General Election Report was filed 131 days late in violation of 2 U.S.C. § 434(a)(4)(A)(ii) as evidenced by the date of receipt at the Commission.

III. GENERAL COUNSEL'S RECOMMENDATION(S)

1. Find probable cause to believe that Hill & Knowlton, Inc. Political Action Committee and Ronna Freiberg, as treasurer, violated 2 U.S.C. § 434(a)(4)(A)(ii).

Date

11/30/87


Lawrence M. Noble
General Counsel

88040713307

QCC#4917

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

87 DEC -9 AM 10:45

CHAMEIDES & GOLDSTEIN

1819 H STREET, N.W.
WASHINGTON, D. C. 20006

(202) 223-6480

TELECOPIER (202) 223-6488
TELEX RCA 248383

December 7, 1987


Lawrence M. Noble
General Counsel
Federal Elections Commissions
Washington, D.C. 20463

Re: MUR 2485
Hill and Knowlton PAC

Dear Mr. Noble:

Your notice dated December 1, 1987 was received today. We will submit a brief within fifteen days of our receipt of your notice, or no later than December 22, 1987.

Sincerely,



Steven B. Chameides

cc: Ronna Freiberg, Hill PAC

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 DEC -9 PM 11:59

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BEFORE THE FEDERAL ELECTION COMMISSION

In The Matter Of)

HILL & KNOWLTON, INC.,)
 Political Action Committee)
 & Ronna Freiberg, as)
 Treasurer)

MUR 2485

RECEIVED
 FEDERAL ELECTION COMMISSION
 OFFICE OF GENERAL COUNSEL
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**RESPONSE OF RESPONDENTS HILL & KNOWLTON, INC.
POLITICAL ACTION COMMITTEE & RONNA FREIBERG AS TREASURER**

Hill & Knowlton, Inc. Political Action Committee ("HillPac") timely filed its 1986 Pre-General Election Report (the "Report") and did not violate 2 U.S.C. §434(a)(4)(A)(ii).

BACKGROUND

In February 1987, HillPac was contacted by Mr. Edward Ryan of the Federal Election Commission (the "Commission") to determine whether HillPac, formerly known as Gray & Company Political Action Committee ("GrayPac"), had filed the 1986 Pre-Election Report due on October 23, 1986. The inquiry was received by J. Pate Felts, then Treasurer. Mr. Felts was not aware of any late or missing filings. To make certain, Mr. Felts directed his assistant, JoAnn Murchison, to check HillPac's file and respond to the inquiry. See Exhibit A, Affidavit of J. Pate Felts.

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Ms. Murchison checked HillPac's ^{1/} file and promptly located a copy of the Report, which had been timely prepared, signed and sent to the Commission on October 17, 1987. On March 2, 1987, Ms. Murchison telephoned Mr. Ryan and advised him that she had found the Report in HillPac's file and could confirm that the Report had been previously filed. Mr. Ryan requested that Ms. Murchison send another copy, by certified mail, to him. On March 3, 1987, Ms. Murchison made a photocopy of the Report and sent it, by certified mail, to Mr. Ryan. See Exhibit B, Affidavit of Joann Murchison.

In what appeared to be a follow-up of Mr. Ryan's inquiry, HillPac also received about this time a letter dated February 26, 1987, from John D. Gibson, Assistant Staff Director, Reports Analysis Division of the Commission. This letter, a copy of which is attached as Exhibit C, stated that there was a gap in reporting for the period of October 1-15, 1986. HillPac, having timely filed its Report, having confirmed to Mr. Ryan that the report had been filed, and having just sent a duplicate copy pursuant to Mr. Ryan's request considered the issue closed. See Exhibit B. The Commission's inquiry was handled in the normal course of business and prior to notification to the contrary four months later HillPac had no reason to believe that there was any problem.

By letter dated June 29, 1987, (annexed as Exhibit D), Scott

^{1/} All references herein to HillPac include GrayPac, the name of which was changed to HillPac upon the merger of Gray and Company into Hill and Knowlton, Inc. on October 22, 1986.

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E. Thomas, Chairman of the Commission, advised HillPac that the Commission had found reason to believe HillPac had violated 2 U.S.C. § 434(a)(4)(A)(ii). As Mr. Felts states in his affidavit (Exhibit A), he was astounded to learn that the Report was deemed by the Commission to have been filed as of March 3, 1987, the date that the duplicate copy had been sent to Mr. Ryan. HillPac's counsel promptly responded by letter, dated July 2, 1987, advising the Commission that HillPac's Report had been duly filed as of October 17, 1986 and that a copy of the previously-filed Report had been sent to the Commission on March 3, 1987. (See Exhibit E, letter dated July 2, 1987.)

On August 10, 1987, the Commission sent HillPac's counsel a Conciliation Agreement requiring an admission of violation and payment of a penalty by HillPac. On August 13, 1987, HillPac's counsel advised Sandra Dunham of the Office of the General Counsel of the Commission that the proffered Conciliation Agreement was declined because of its punitive nature.

On December 7, 1987, HillPac was advised that the Office of General Counsel of the Commission was prepared to recommend that the Commission find probable cause to believe that a violation had occurred. By this Response, HillPac replies to the contention of the Office of the General Counsel, and shows that there is no probable cause to find a violation.

Factual Analysis

HillPac, and its predecessor GrayPac, consider that its administrative and compliance procedures are of the highest level. The administrative and filing procedures outlined below have been uniformly adhered to by HillPac and its predecessor GrayPac in all filings with the Commission and other agencies which require regular filings.

The subject Report was personally prepared by Lisa Cherry during the week of October 12, 1986. Mrs. Cherry, a certified public accountant, was a controller for both Hill & Knowlton, Inc. ("Hill and Knowlton") and its predecessor Gray & Company Public Communications International, Inc. ("Gray and Company"). (Gray and Company was merged with and into Hill and Knowlton on October 22, 1986, at which time GrayPac's name was changed to HillPac.) Mrs. Cherry prepared the Report in her handwriting to ensure timely filing of the Report by saving preparation time. When the Report was completed, she presented it to J. Pate Felts, Treasurer of GrayPac, for his review and signature. On October 17, 1987, after Mr. Felts signed the Report, Mrs. Cherry photocopied the Report and personally took it to the mailroom to have the proper postage affixed and to verify that it was included in the outgoing mail. This is standard operating procedure for all time-sensitive reports filed by HillPac and its predecessor GrayPac. See Exhibit F, Affidavit of Lisa Cherry.

The Report was signed, dated and posted October 17, 1987,

well within the timeframe for timely first class mail delivery. Mrs. Cherry was unaware of any requirement for registered or certified mail. Since HillPac and its predecessor GrayPac had experienced no prior problems with utilization of first class mail delivery to file governmental reports, she assumed that the Report would be timely filed with the Commission. Subsequently, Mrs. Cherry was shocked to learn that the Commission raised a question concerning the timely filing of the Report. She checked HillPac's records and verified that a copy of the Report which she had prepared for Mr. Felts' signature was in fact in the files as expected and in accordance with HillPac's normal procedure. See Exhibit F.

Both HillPac, and its predecessor GrayPac, had established procedures to ensure the timely filing of time-sensitive materials. These same procedures were also utilized by Mr. Felts and Mrs. Cherry, both of whom are certified public accountants, to ensure the timely dispatch and filing of time-sensitive reports for the many other filings made by a public corporation with substantial operations. These procedures were and are based upon special personal handling by the report preparer.

At Hill & Knowlton, Kenneth M. Cowan, an employee of Hill & Knowlton since 1973, is responsible for all mail dispatch. Mr. Cowan had this responsibility in October 1986 when the subject Report was mailed. The normal procedure for outgoing mail is as follows: mail is collected several times each day at intra-office collection points and then processed in the mailroom, where

appropriate postage is affixed with a postage meter. Mail is then placed in a "U.S. Mail" canvas mail collection bag which Mr. Cowan then takes to the official Postal Service collection box which is located on the ground floor of the building in which he is located. Within Hill & Knowlton, this collection bag is held on a mail bag rack expressly made to hold collection bags in an open position, so mail can be easily be inserted into the bag. See Exhibit G, Affidavit of Kenneth M. Cowan.

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However, time-sensitive mail of particular importance is taken directly to the Hill & Knowlton mailroom rather than being left at inter-office collection points. As Mrs. Cherry's affidavit indicates, she regularly takes time-sensitive documents to the mailroom to ensure timely mailing. In the instance of the Report, this procedure was followed by Mrs. Cherry, who personally took the Report to the mailroom. See Exhibit F. Mr. Cowan's affidavit indicates that Mr. Felts and Mrs. Cherry would often bring time-sensitive items directly to the mailroom to ensure they were posted. See Exhibit G; also see Exhibit A, ¶4. When these items of time-sensitive importance are brought directly to the mailroom, they are placed in a designated spot on the mail processing table where the postage meter is located. Mr. Cowan then affixes the postage to these items awaiting immediate processing and places the time-sensitive mail in the "U.S. Mail" collection bag which is, on a daily basis, then personally deposited by Mr. Cowan in the collection box or left intact, in the collection bag, for pickup by the postal

collection worker. Until the Commission raised a question about receipt of the Report, Mr. Cowan states that there has never been a problem with a lost bag or missing piece of mail. See Exhibit G.

Thus, based on these uniformly high quality administrative and compliance procedures, HillPac was astonished to learn that the Commission had not received the Report in a timely fashion. Upon being advised by the Commission that the Report was "missing" HillPac immediately sent a duplicate copy of the Report it had previously filed. HillPac was shocked to learn later that the Commission was charging it with a violation, as HillPac and its predecessor GrayPac had timely filed all prior reports. Based on both the extensive evidence of filing and the uniformly high practices for the filing of all reports, there was neither an actual violation nor a disregard for the importance of compliance. In fact, as a result of just the allegation that HillPac's filing was not timely, HillPac has instituted a policy requiring that all time-sensitive Commission filings are to be sent certified mail. See Exhibit H, Affidavit of Ronna Freiberg.

Furthermore, the Report does not reflect any significant or unusual contributions or expenditures and is within the letter and spirit of the law. HillPac's refusal to enter into the Conciliation Agreement proffered by the Commission was based on the belief that the Report had been timely filed but somehow "lost" in the mail or during the filing process. In this regard, it may be significant that the change in name from GrayPac to

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HillPac occurred at about this same time and that this may have contributed to a filing error.

Accordingly, HillPac and its predecessor GrayPac seek exoneration from the Commission's claim that the Report was filed late. HillPac, in fact filed its report no later than the 12th day before the 1986 General Election and the Report was complete as of the 20th day before the election.

Under the Standards Adopted in Prior Decisions
No Action Should be Taken Against HillPac

The General Counsel's brief, states, "If the Respondent does not produce a certified-mail receipt, the controlling date of the filing of the report is the date it was actually recorded at the Commission." On such basis alone, the General Counsel asserts HillPac was in violation of the reporting requirements. This stated position is not in accord with prior decisions by the Commission concerning the circumstances presented here.

Examination of recent Commission decisions has identified three prior matters that bear closely on the instant case. In all three, late filing was alleged, but no action taken when there was evidence of action to comply with the filing requirements. These three prior decisions are summarized below.

1. MUR 2318: Bustamante For Congress Committee
and R. Laurence Macon, Its Treasurer

A strikingly similar set of circumstance to those at issue

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here was considered by the Commission in MUR 2318, Bustamante for Congress Committee and R. Laurence Macon, as Treasurer. The Commission had determined that there was reason to believe that the Bustamante had violated 2 U.S.C. §434(a)(2)(A)(i) by failing to file its 1986 Pre-General Report. Bustamante claimed it had filed the 1986 Pre-General Report and there had been no violation of the Federal Election Code. In particular, Bustamante claimed the Report had been timely filed, but lost in the mail. As here, a duplicate of the report had been sent to the Commission when Bustamante was notified that the report was missing. Affidavits from persons involved in the filing reflected that all reports had been timely filed and detailed the standard procedure for the filing of all reports.

On the basis of the submissions, the Commission in a 6-0 vote determined to take no further action and to close its file.

2. MUR 1907: Norfolk Southern Corporation
Tax Eligible Good Government Fund
and Frank A. Lockett, its Treasurer

In MUR 1907, Norfolk Southern Corporation Tax Eligible Good Government Fund and Frank A. Lockett as Treasurer ("Norfolk"), the Commission found reason to believe that Norfolk violated 2 U.S.C. §434(a)(4)(B) by failing to file its 1984 Pre-General Election Report no later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) the general election. Respondent Norfolk contended that the Report was mailed via first class mail on the day on which it was

signed, October 20, 1984, and that the treasurer had "no idea why the report was not received by the Commission until November 7, 1984" This was Norfolk's first late filing.

The General Counsel's report dated April 5, 1985 recommended that the Commission take no further action and closed the file on the basis of the Treasurer's representations regarding timely filing. The Commission in a 6-0 vote determined to take no further action and to close its file.

3. MUR 2052: National Black Conservative
Republican Campaign Committee and
Clay Claiborne, as Treasurer

In MUR 2052, National Black Conservative Republican Campaign Committee and Clay Claiborne as Treasurer ("NBCRCC") the Commission advised NBCRCC that it had violated 2 U.S.C. §434(a)(4)(A)(iv) by failing to file the 1983 Year-End Report of Receipts and Disbursements by Election Day November 6, 1984. NBCRCC was notified on January 7, 1984 that the 1983 Year-End Report was due on January 31, 1984. One year later, on January 22, 1985, the Commission sent NBCRCC a Non-Filer Notice for the 1983 Year-End Report. The Treasurer of NBCRCC called a Commission Analyst on February 6, 1985, and stated that he thought that the Report had been filed. He was advised that there was no record of this report having been filed and he then asked if the Commission could send him some reporting forms. On February 11, 1985, NBCRCC sent a letter stating that it was

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waiting for the forms and that its accountant would fulfill the request for the omitted report. The Commission received the report on February 21, 1985, with a notation on the summary page that it was an amended report.

In the case of NBCRCC the General Counsel's report dated November 4, 1985 found that the report was filed 386 days late. NBCRCC had minimal total receipts and disbursements for the year 1983. The General Counsel's report advised that the Commission take no further action in this matter and close the file, based on the fact that the Committee had no financial activity during the period covered by the 1983 Year-End Report, and that the Committee complied with the Commission's Non-Filer Notice. On November 7, 1985, in a 6-0 vote, the Commission decided to take no further action against NBCRCC and to close the file.

HillPac's Actions Are Indistinguishable
From Those Exonerated in Prior Decisions

The Commission's prior decisions establish that alleged deficiencies are to be exonerated where the circumstances indicate intent to comply with the filing requirements and there is extrinsic evidence of at least attempted compliance. HillPac submits that its actions warrant exoneration from the violation the Commission is considering.

Of the prior decisions, Bustamante is most similar to the alleged HillPac violation charged by the Commission. Bustamante was charged with failing to file its 1986 Pre-General Election Report in a timely manner, by October 23, 1986. Bustamante

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firmly believed that it had filed the report and accordingly accordingly submitted affidavits in support thereof. Bustamante showed no actual violation or intent to violate the Federal Election Campaign Act, which is also the case with HillPac. Both Bustamante and HillPac had timely filed all prior reports. As with Bustamante, HillPac and its predecessor GrayPac have acted in good faith and attempted at all stages to comply with the spirit and letter of the Federal Election Campaign Act.

Like Bustamante, HillPac also has produced evidence substantiating its contention that the Report was in fact filed on the date claimed. In Bustamante, the Commission found this standard of proof to be sufficient to show that Respondent filed the Report. In Bustamante, the Commission did not require the production of a certified mail receipt to show that the Report was timely filed. The Commission, by a 6-0 vote, did not determine that the controlling date of the filing of the report was the date that it was actually recorded at the Commission.

In Norfolk where the late filing of a 12-day Pre-General Election Report was addressed, the Commission, in another 6-0 vote, decided to take no further action and close the file. Norfolk, like Bustamante and HillPac, utilized first class mail to file its Pre-General Election Report. Like HillPac and Bustamante, Norfolk had no idea why the report had not been timely received.

NBCRCC was 386 days late in filing its 1983 Year-End Report. Upon notification, NBCRCC did comply with the

Commission's Non-Filer Notice; NBCRCC had no financial activity during the period covered by the report. By a vote of 6-0, the Commission took no action against NBCRCC even though it appeared there had been a late filing exceeding one year. NBCRCC like HillPac, Bustamante, and Norfolk had no intent to violate the law. But what distinguishes NBCRCC from HillPac, Norfolk and Bustamante, is that in NBCRCC there was no substantial evidence that there had been a prior timely filing of the original report. Yet even in such circumstances, the Commission determined to take no action.

In each of these cases, the common thread is that the respondent had no intent whatever to violate the letter or spirit of the Federal Election Code. As the supporting affidavits show, HillPac acted responsibly in carrying out its obligations under the Federal Election Campaign Act and the Commission's regulations. HillPac has continued to take its obligations seriously: as shown in the annexed affidavit of Ronna Freiberg, currently Treasurer of HillPac (Exhibit H), to preclude questions that may arise in the future regarding the timeliness of filing: all HillPac reports are henceforth to be sent by certified mail to the Commission even though there is no express requirement to do so. HillPac urges that the Commission take the same action as in the Bustamante, Norfolk and NBCRCC cases: determine to take no further action in the matter and to close the file.

Conclusion

At every stage, HillPac has voluntarily complied with the Federal Election Code. At all times, HillPac's knowledgeable and capable personnel have acted responsibly to discharge obligations under the Federal Election Campaign Act. The personnel charged with responsibility for compliance, and specifically for the filing of the Report, were Certified Public Accountants, experienced and knowledgeable about the importance of time-sensitive filings.

HillPac's position that it filed the Report at issue in a timely manner has been consistent. HillPac filed the Report on October 17, 1987, and provided a duplicate copy of the Report to the Commission, at its request, on March 3, 1987. The documentary and narrative evidence supports HillPac's contention that the Report was timely filed.

Previous Matters under Review considered by the Commission have dealt with similar situations where no further action was recommended and the files were closed. HillPac should not be subjected to disparate treatment.

As the facts plainly establish, HillPac has been cooperative and open with the Commission at every stage. HillPac has had no intent to violate the Federal Election Campaign Act or the Commission's regulations, and has acted, at all times, in a responsible manner. Accordingly, no civil penalty is warranted

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and there should be no further action in this matter.

Dated: December 22, 1987

Respectfully submitted,



Steven B. Chameides,

CHAMEIDES & GOLDSTEIN
1819 H Street, N.W.
Washington, D.C. 20006
(202) 223-6450

Attorneys for Respondents

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EXHIBIT A

880407133224

AFFIDAVIT OF J. PATE FELTS

DISTRICT OF COLUMBIA)
)
CITY OF WASHINGTON) ss.:

J. Pate Felts, being duly sworn, deposes and says that:

1. I am a certified public accountant, and former Treasurer of the Gray and Company Political Action Committee ("GrayPac"), now known as the Hill and Knowlton Political Action Committee ("HillPac").

2. I make this affidavit in connection with the inquiry of the Federal Election Commission into the filing of the 1986 Pre-Election report, (the "report"), due October 23, 1986.

3. The report was prepared under my supervision by my then assistant, Lisa Cherry. I signed it on October 17, 1986, and directed Ms. Cherry to cause it to be filed in a timely manner.

4. As a certified public accountant, and as Chief Financial Officer of Gray and Company Public Communications International, Inc., a public corporation, I was then constantly dealing with periodic reporting requirements and was very cognizant of the importance of timely reporting. It was and is part of our policy for the handling of reports for which there is an impending filing deadline that the person responsible for the report would personally cause it to be posted so as to avoid any delay that might arise from placing the report in the intra-office system for pick-up and posting. In the case of the report, Lisa Cherry

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was the person who had the responsibility for ensuring that the report was in fact posted.

5. Lisa Cherry was one of my principal assistants and has always been very reliable and dependable. As a certified public accountant herself, she too is well aware of the importance of timely filing. I have no reason to doubt that the subject report was timely filed by her.

6. In early 1987, I received an inquiry from Mr. Edward Ryan of the Federal Election Commission. The inquiry concerned GrayPac's (by then HillPac) 1986 Pre-Election Report. I asked my then assistant, JoAnn Murchison, to investigate. I advised Ms. Murchison that she should check our files because I was not aware of any late or omitted filing.

7. Subsequently, Ms. Murchison advised me that a copy of the report was in HillPac's files, and that the copy was dated October 17, 1987 and bore my signature, and that it had obviously been filed in a timely manner consistent with our practice. She also advised me that Mr. Ryan had asked that a copy be sent certified mail to him, that she had done so and the matter was closed.

8. I was astounded to learn later that the Federal Election Commission asserted our 1986 Pre-Election report was deemed filed as of the date that the duplicate copy was sent to Mr. Ryan. At all times during my tenure, GrayPac, its successor HillPac and I have acted in good faith to adhere to all the requirements of the Federal Election Commission. All other reports have been timely filed in accordance with the spirit and letter of the Federal Election Code.


J. PATE FELTS

Subscribed and sworn to before
me this 17th day of December, 1987.


NOTARY PUBLIC
My Commission Expires: May 31, 1992

EXHIBIT B

88040713328

AFFIDAVIT OF JOANN MURCHISON

DISTRICT OF COLUMBIA)
) ss.:
CITY OF WASHINGTON)

JoAnn Murchison, being duly sworn, deposes and says that:

1. I formerly was an assistant to J. Pate Felts, former Treasurer of Hill and Knowlton Political Action Committee ("HillPac").

2. I make this affidavit in connection with the allegations by the staff of the Federal Election Commission that HillPac failed to file a Pre-General Election Report (the "report") for the period October 1 - October 15, 1986.

3. In January 1987, I was asked by Mr. Felts to respond to an inquiry from Edward Ryan of the Federal Election Commission about a HillPac report. The item in question was the report for October 1 - 15, 1986, which Mr. Ryan said was missing from HillPac's file at the Federal Election Commission.

4. I checked HillPac's file and promptly located a copy of the report, which had been signed by Mr. Felts. At the time of the filing of the report, HillPac was known as Gray and Company Political Action Committee ("GrayPac"). The copy of the report was in HillPac's files in proper chronological order with other filed reports. The report was in the handwriting of Lisa Cherry, who then prepared such reports and from whom I had later taken over responsibilities to assist Mr. Felts in the administration

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of HillPac.

5. On March 2, 1987, I telephoned Mr. Ryan and advised him of my findings and that the report had been previously filed. He instructed me to send another copy by certified mail to him.

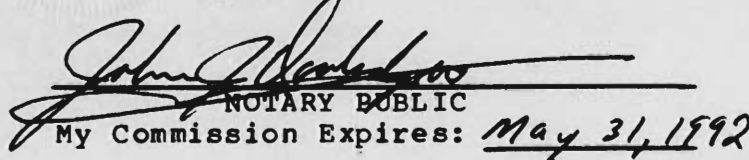
6. Pursuant to Mr. Ryan's request, on March 3, 1987, I made another copy of the report and forwarded it to Mr. Ryan by certified mail. A copy of my cover letter, with the attached, is annexed hereto as Exhibit A.

7. As I stated in my cover letter dated March 3, 1987 to Mr. Ryan, I was then forwarding a copy of the report we had previously filed. At no time did I consider that I was filing the report for the first time.

8. I resigned from Hill and Knowlton on September 30, 1987 to pursue other opportunities. I have since reviewed the files of HillPac to confirm my recollection of the foregoing matters and state the same to be true and correct to the best of my personal knowledge.


JOANN MURCHISON

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


NOTARY PUBLIC
My Commission Expires: May 31, 1992

HILL AND KNOWLTON

Hill and Knowlton, Inc.
Washington Harbour
901 31st Street, N.W.
Washington, D.C. 20007
202-333-7400

March 3, 1987

VIA CERTIFIED MAIL

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

Re: Hill and Knowlton Political Action Committee (HILLPAC)
(FKA Gray and Company Political Action Committee, GRAYPAC)

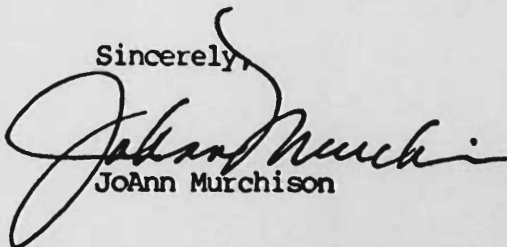
Identification Number: C00183087

Dear Mr. Ryan:

Per our conversation on March 2, 1987 enclosed please find a copy of the 10/1/86 through 10/15/86 Report of Receipts and Disbursements for Gray and Company Political Action Committee (GRAYPAC), now known as Hill and Knowlton Political Action Committee (HILLPAC).

I hope this will bring our records up to date. If you need further information or have any questions, please do not hesitate to call.

Sincerely,


JoAnn Murchison

/Enclosure

(Summary Page)

1. Name of Committee (In Full)

Gray & Company Public Communications
International, Inc. Political Action
Committee (Gray PAC)

Address (Number and Street)

3255 Grace Street, NW

City, State and ZIP Code

Washington, D.C. 20007

☐ Check here if address is different than previously reported.

2. FEC Identification Number

C 00183087

3. ☐ This committee qualified as a multicandidate committee during this Reporting Period on _____ (Date)

4. TYPE OF REPORT (Check appropriate boxes)

- (a) ☐ April 15 Quarterly Report ☐ October 15 Quarterly Report
☐ July 15 Quarterly Report ☐ January 31 Year End Report
☐ July 31 Mid Year Report (Non-Election Year Only)
☐ Monthly Report for _____
☐ Twelfth day report preceding _____ (Type of Election)
election on _____ in the State of _____
☐ Thirtieth day report following the General Election
on _____ in the State of _____
☐ Termination Report

(b) Is this Report an Amendment?

☐ YES ☒ NO

SUMMARY

5. Covering Period October 1 through October 15, 1986

6. (a) Cash on hand January 1, 1986

(b) Cash on hand at Close of Reporting Period

(c) Total Receipts (from Line 18)

(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)

7. Total Disbursements (from Line 23)

8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))

9. Debts and Obligations Owed TO The Committee (Itemize all on Schedule C or Schedule D)

10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C or Schedule D)

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

John P. Peltz
Type or Print Name of Treasurer

SIGNATURE OF TREASURER

10/11/86
Date

For further information contact:

Federal Election Commission
999 E Street, NW
Washington, D.C. 20543
Tel. (202) 692-0500
Local 2-663120

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this report to the penalties of 2 U.S.C. § 437c

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used.

FEC FORM 3X (3-80)

R 8 0 4 0 7 1 3 3 3 2

Name of Committee or Ballot
Gray, CO. Public Comm Intern Political Action Comm.

Report Covering the Period
From **10/01/86** To **10/15/86**

	COLUMN A Total This Period	COLUMN B Calendar Year-To-Date	
I. RECEIPTS			
11. CONTRIBUTIONS (other than loans) FROM:			
(a) Individuals/Persons Other Than Political Committees	1050 -	21,786 -	11(a)
(Memo Entry Unitized \$ _____)			
(b) Political Party Committees			11(b)
(c) Other Political Committees			11(c)
(d) TOTAL CONTRIBUTIONS (other than loans) (add 11(a), 11(b) and 11(c))	1050 -	21,786 -	11(d)
12. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES			12
13. ALL LOANS RECEIVED			13
14. LOAN REPAYMENTS RECEIVED			14
15. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)			15
16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES			16
AND OTHER POLITICAL COMMITTEES			
17. OTHER RECEIPTS (Dividends, Interest, etc.)	- 0 -	68.01	17
18. TOTAL RECEIPTS (Add 11(d), 12, 13, 14, 15, 16 and 17)	1,050 -	21,854.01	18
II. DISBURSEMENTS			
19. OPERATING EXPENDITURES	- 0 -	34.71	19
20. TRANSFERS TO AFFILIATED OTHER PARTY COMMITTEES			20
21. CONTRIBUTIONS TO FEDERAL CANDIDATES AND	1,050 -	21,786.00	21
OTHER POLITICAL COMMITTEES			
22. CONTRIBUTION EXPENDITURES (See Schedule E)			22
23. CONTRIBUTION EXPENDITURES MADE BY PARTY COMMITTEES			23
(U.S.C. 5441 a(d)) (Use Schedule F)			
24. LOAN REPAYMENTS MADE			24
25. LOANS MADE			25
26. REFUNDS OF CONTRIBUTIONS TO			
(a) Individuals/Persons Other Than Political Committees			26(a)
(b) Political Party Committees			26(b)
(c) Other Political Committees			26(c)
(d) TOTAL CONTRIBUTION REFUNDS (Add 26(a), 26(b) and 26(c))			26(d)
27. OTHER DISBURSEMENTS			27
28. TOTAL DISBURSEMENTS (add lines 19, 20, 21, 22, 23, 24, 25, 26(d) and 27)	1,050.00	20,766.61	28
III. NET CONTRIBUTIONS AND NET OPERATING EXPENDITURES			
29. TOTAL CONTRIBUTIONS (other than loans) from Line 11(d)	1,050.00	21,786.00	29
30. TOTAL CONTRIBUTION REFUNDS from Line 26(d)			30
31. NET CONTRIBUTIONS (other than loans) (Subtract Line 30 from Line 29)	1,050.00	21,786.00	31
32. TOTAL OPERATING EXPENDITURES from Line 19	- 0 -	34.71	32
33. OFFSETS TO OPERATING EXPENDITURES from Line 15			33
34. NET OPERATING EXPENDITURES (Subtract Line 33 from Line 32)	- 0 -	34.71	34

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

NAME OF COMMITTEE (in Full)

Gray + Company Public Communications International Political Action Committee.

<p>A. Full Name, Mailing Address and ZIP Code People for Mrazela 319 3rd Street, S.E. #203 Washington, D.C. 20003</p>	<p>Purpose of Disbursement Campaign Distribution Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year) 10/6/86</p>	<p>Amount of Each Disbursement This Period 300.00</p>
<p>B. Full Name, Mailing Address and ZIP Code Friends of Lukens 410 Hamam Margaretich 501 Slaters Lane - 1207 Alexandria, VA 22314</p>	<p>Purpose of Disbursement Campaign Distribution Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year) 10/7/86</p>	<p>Amount of Each Disbursement This Period 500.00</p>
<p>C. Full Name, Mailing Address and ZIP Code Re-elect Congressman Morrison 85 Church Street New Haven, Conn 06502-0303</p>	<p>Purpose of Disbursement Campaign Distribution Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year) 10/14/86</p>	<p>Amount of Each Disbursement This Period 250.00</p>
<p>D. Full Name, Mailing Address and ZIP Code</p>	<p>Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Disbursement This Period</p>
<p>E. Full Name, Mailing Address and ZIP Code</p>	<p>Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Disbursement This Period</p>
<p>F. Full Name, Mailing Address and ZIP Code</p>	<p>Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Disbursement This Period</p>
<p>G. Full Name, Mailing Address and ZIP Code</p>	<p>Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Disbursement This Period</p>
<p>H. Full Name, Mailing Address and ZIP Code</p>	<p>Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Disbursement This Period</p>
<p>I. Full Name, Mailing Address and ZIP Code</p>	<p>Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Disbursement This Period</p>

TOTAL of Disbursements This Page (optional)

1600

TOTAL This Period (last page this line number only)

1600

SCHEDULE A

ITEMIZED RECEIPTS

See instructions for each category of the Detailed Summary Page

PAGE 1 OF 1
FOR LINE NUMBER 11(a)

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

NAME OF COMMITTEE (in Full)

Gray Company Public Communications International Political Action Committee

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Roger Lindberg 2257 Hollywood Station Falls Church, VA 22043	Gray Company	10/6/86 10/8/86	600- 450-
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation Executive	Aggregate Year-to-Date > \$ 1300	
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	

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TOTAL of Receipts This Page (optional)

TOTAL This Period (last page this line number only)

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EXHIBIT C



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-3

February 26, 1987

J. Pate Felts, Treasurer
Hill PAC (FKA Gray and Company Public
Communications Int'l., Inc. PAC)
3255 Grace Street, NW
Washington, DC 20007

Identification Number: C00183087

Reference: 30 Day Post-General Report (10/16/86-11/24/86)

Dear Mr. Felts:

On February 4, 1987 you were notified that a review of the above-referenced report(s) raised questions as to specific contributions and/or expenditures, and the reporting of certain information required by the Federal Election Campaign Act.

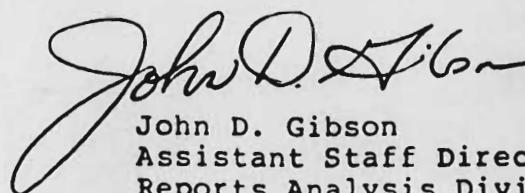
Your February 17, 1987 response is incomplete because you have not provided all the requested information. For this response to be considered adequate, the following information is still required.

-There should not be a gap in the coverage dates for your reports. An amended 30 Day Post-General Report is necessary to disclose the activity from 10/1/86 through 10/15/86.

If this information is not received by the Commission 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 Edward Ryan 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

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EXHIBIT D



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20543

June 29, 1987

J. Pate Felts, Treasurer
Hill & Knowlton Inc. Political
Action Committee
3255 Grace Street, N.W.
Washington, D.C. 20007

RE: MUR 2485
Hill & Knowlton Inc. Political
Action Committee and J. Pate
Felts, as treasurer

Dear Mr. Felts:

On June 15, 1987, the Federal Election Commission found that there is reason to believe Hill & Knowlton Inc. Political Action Committee ("Committee") and you, as treasurer, violated 2 U.S.C. § 434(a)(4)(A)(ii), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office, within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information demonstrating that no further action should be taken against the 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 the 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 the 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.

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Further, the Commission will not entertain requests for pre-probable cause conciliation 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 the General Counsel will not ordinarily 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 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 Sandra Dunham, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,



Scott E. Thomas
Chairman

Enclosures

Factual and Legal Analysis
Procedures
Designation of Counsel Form

88040713340

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Hill and Knowlton, Inc.
Political Action Committee
and J. Pate Felts, as treasurer

MUR:2485

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1

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that for unauthorized committees filing quarterly, such committees shall file a Pre-Election Report before any election in which the committee makes a contribution to or expenditure on behalf of a candidate in such election. Such report shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) such election and which shall be complete as of the 20th day before the election. 2 U.S.C. § 434(a)(4)(A)(ii).

The 1986 Pre-Election Report for the 1986 General Election was due on October 23, 1986, and complete as of October 15, 1986. Quarterly filers were notified on September 29, 1986, of the requirement for filing the Pre-Election Report. The committee filed a 12-Day Pre-Election Report on March 3, 1987, (which was 131 days late). Accordingly, the committee and its treasurer failed to file the 12-Day Pre-Election Report in a timely fashion in violation of 2 U.S.C. § 434(a)(4)(A)(ii).

EXHIBIT E

88040713342

MEIDES & GOLDSTON
1818 H STREET, N.W.
WASHINGTON, D. C. 20006

(202) 223-6450

TELECOPIER (202) 223-6458
TELEX RCA 248383

FEC

July 2, 1987

Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Hill & Knowlton, Inc. Political Action Committee - MUR 2485

Dear Sirs:

We are counsel for Hill & Knowlton, Inc. Political Action Committee and J. Pate Felts, Treasurer. This letter constitutes a response to the Commission's notice dated June 29, 1987 (MUR 2485). A Statement of Designation of Counsel by the respondents is enclosed.

The notice alleges that the Committee did not file its 1986 12-Day Pre-Election Report until March 3, 1987, which would have been 131 days late. This allegation appears to us to be without foundation.

The Committee's Pre-Election Report was duly filed as of October 17, 1986. In February, 1987, the Reports Analysis Division of the Commission raised certain questions regarding the filing of the Committee's reports. In particular, the Division notified the Committee of a gap in reporting for the period 10/1/86 to 10/15/86. No such gap existed, however, and the Committee promptly responded by letter dated March 3, 1987, forwarding a copy of its previously-filed report for the subject period. Nothing further was heard regarding this matter until the Commission's notice was received.

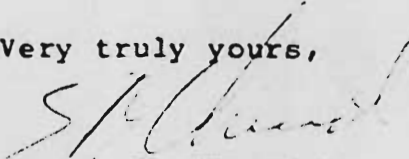
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In view of the foregoing, and the Committee's prior response, the subject notice is inexplicable. We further point out that contrary to the allegation in the Commission's June 29 notice, there was no report filed on March 3, 1987. Instead, March 3rd was the date of the Committee's letter reply to the earlier inquiry about the supposed gap.

Copies of all pertinent correspondence, including the Pre-Election Report, are enclosed.

If further information is required, please contact the undersigned. Under the circumstances, we consider no violation occurred. Should the Office of the General Counsel be inclined, for a reason not apparent to us, to disagree, we request a pre-probable cause conciliation.

Very truly yours,



Steven B. Chameides

Enclosures

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EXHIBIT F

88040713345

AFFIDAVIT OF LISA CHERRY

DISTRICT OF COLUMBIA)
)
CITY OF WASHINGTON) ss.:

Lisa Cherry, being duly sworn, deposes and says that:

1. I am a certified public accountant, and am currently employed by Hill & Knowlton, Inc. as a controller.

2. I make this affidavit in connection with the inquiry by the staff of the Federal Elections Commission into the filing of a certain report by Hill and Knowlton Political Action Committee ("HillPac").

3. In October 1986, I was controller of Gray and Company Public Communications International, Inc. ("Gray"), and assistant to J. Pate Felts, then Treasurer of the Gray and Company Political Action Committee ("GrayPac"). On October 22, 1986, Gray was merged with and into Hill and Knowlton, and the name of GrayPac was changed to HillPac.

4. I personally prepared the 1986 Pre-Election Report (the "report") during the week of October 12, 1986. The report is in my handwriting. I recall that I prepared the report in handwriting because it was short and doing it in that manner would ensure timely filing of the report by saving preparation time.

5. Upon completion of the report, I presented it to Mr. Felts for his review and signature. After he signed the report, I photocopied the report and personally took the report to the mail room to have the proper postage affixed and to verify that it was included in the outgoing mail.

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6. I can state without qualification that I posted the report in a timely manner. As a certified public accountant and controller for a public company, I was and am constantly meeting reporting deadlines for returns and filings on tax, corporate, securities, and human resource matters. I was and am also very much aware of the importance of timely filing with the Federal Elections Commission. All reports for which I have had responsibility have always been timely filed. There has been, at no time, any attempt to violate the Federal Election Code and, in fact, all other reports have been timely filed.

7. When a return or report was or is due, I personally ensure that it is posted in a timely manner. To do this, I do not rely upon the intra-office collection system for mail pick-up, but personally take the return or report to the Company's mail room. There, I have the proper postage affixed and ensure that the report or return is placed in the outgoing "U.S. mail" collection bag located in the mail room. I also verify with Kenneth Cowan, the mail room supervisor, that the outgoing mail will be dispatched and picked up by a postal carrier that day so that it will be timely postmarked.

8. I followed the procedure set forth in Paragraph 7 with respect to the 1986 pre-election report. Our filing was dated October 17, 1986 and was posted the same date. Since the report was not due until October 23, 1986, there was ample time for timely delivery. As with our other reports to the Federal Election Commission, I used first class mail because I was not aware of any requirement for registered or certified mail. Until

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this filing, we had experienced no problems with utilization of regular first class mail. I have since learned that we could have had an additional two days for filing if the report had been posted by certified mail, but this additional period should in no way have been necessary given the six days we had until the deadline on October 23.

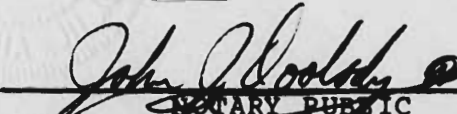
9. Following the dispatch of the report, I placed a copy of the report as filed in GrayPac's records.

10. I was shocked to learn later that the Federal Election Commission raised a question concerning the timely filing of the pre-election report. I have since checked our records and verified that the copy of the 1986 pre-election report I prepared for Mr. Felts' signature was in fact in our files as expected and in accordance with our normal procedure. At all times, GrayPac and its successor HillPac and I have acted in good faith and attempted to comply with the spirit and letter of the Federal Election Code.



LISA CHERRY

Subscribed and sworn to before
me this 16th day of December, 1987.



NOTARY PUBLIC
My Commission Expires: May 31, 1992

EXHIBIT G

88040713349

AFFIDAVIT OF KENNETH M. COWAN

DISTRICT OF COLUMBIA)
)
CITY OF WASHINGTON) ss.:

1. I am employed by Hill and Knowlton, Inc., as production and mail supervisor in the Washington office.

2. I have worked for Hill and Knowlton since about 1973. From 1981 to 1986, I was employed by Gray and Company Public Communications International, Inc., and rejoined Hill and Knowlton when it acquired by merger Gray and Company on October 1986.

3. At Gray and Company, my duties included, as they do now, mail collection and posting. I had such responsibilities in October 1986.

4. In October 1986, Gray and Company occupied offices in both the Flow Mill and Power House buildings at Potomac and Grace Streets. The mailroom was located on the third floor of the Power House building.

5. The procedure for mail dispatch was as follows: several times a day, a collection would be made of mail placed at inter-office collection points. All mail would be processed in the mailroom, where appropriate postage would be affixed by use of a postage meter. The mail would then be placed in a "U.S. Mail" canvas mail collection bag pending my bringing it to the

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official Postal Service collection box located on the ground floor of the Flow Mill building. The collection bag was held on a mail bag rack expressly made to hold collection bags in an open position so mail could be easily inserted into the bag.

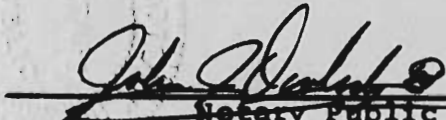
6. On a regular basis, some individuals would bring outgoing mail of special importance directly to the mailroom. This normally consisted of items that were time-sensitive because of deadlines. J. Pate Felts, then Chief Financial Officer, and ^{fr} Lisa Che~~rry~~^{rry}, a controller in the accounting department who was an assistant to Mr. Felts, were individuals who personally brought such items to the mailroom.

7. When individual items of important outgoing mail were brought directly to the mailroom, there was a designated place on the mail processing table where the postage meter was located to leave such items for the affixing of postage. I would cause the postage to be affixed to all items then awaiting processing immediately before taking the outgoing mail to be deposited in the Postal Service collection box. All mail was taken to the Postal Service collection box in the "U.S. Mail" collection bag and personally deposited by me in the collection box or left intact for pick-up by the postal collection worker.

8. At no time during my tenure has there been a problem with a lost or missing bag of mail, or has there been any piece of mail lost between the mailroom and the Postal Service collection box or pick-up.


Kenneth M. Cowan

Subscribed and sworn to before
me this 15 day of December, 1987.


Notary Public
My Commission Expires: May 31, 1992

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EXHIBIT H

AFFIDAVIT OF RONNA FREIBERG

DISTRICT OF COLUMBIA)
)
CITY OF WASHINGTON) ss.:

Ronna Freiberg, being duly sworn, deposes and says that:

1. I am a Senior Vice President with Hill and Knowlton, Inc., and current Treasurer of the Hill and Knowlton Political Action Committee ("HillPac"), formerly known as Gray and Company Political Action Committee ("GrayPac"). Effective July 1, 1987, I assumed the position of Treasurer of HillPac.


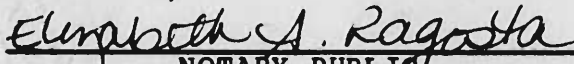
2. I make this affidavit in connection with the inquiry of the Federal Election Commission into the filing of the 1986 Pre-General Election Report due October 23, 1986 (the "Report").

3. In view of the problem experienced by HillPac in connection with the timely filing of the 1986 Pre-General Election Report, I have instituted a policy requiring all time-sensitive filings required by the Federal Election Commission to be sent via certified mail.



RONNA FREIBERG

Subscribed and sworn to before
me this 22nd day of December, 1987.

NOTARY PUBLIC
My Commission Expires: August 31, 1992

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BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

88 FEB -2 PM 3:16

In the Matter of)

Hill & Knowlton, Inc. Political)
Action Committee and Ronna)
Freiberg, as treasurer)

MUR 2485

SENSITIVE

EXECUTIVE SESSION

FEB 09 1988

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On June 15, 1987, the Commission found reason to believe that Hill & Knowlton, Inc. Political Action Committee ("HILLPAC") and J. Pate Felts, as treasurer,^{1/} violated 2 U.S.C. § 434(a)(4)(A)(ii), by failing to file its 1986 Pre-General Election Report in a timely manner.

The Pre-Election Report for the 1986 General Election was due on October 23, 1986, and complete as of October 15, 1986. Quarterly filers were notified on September 29, 1986, of the requirement for filing the Pre-Election Report. HILLPAC filed a 1986 Pre-General Election Report on March 3, 1987, 131 days late.

On July 2, 1987, HILLPAC requested pre-probable cause conciliation. However, in a letter dated September 10, 1987 HILLPAC stated it considers it had filed the report in a timely manner and declined to conciliate the matter.

II. ANALYSIS

2 U.S.C. § 434(a)(4)(A)(ii) states that unauthorized committees which file quarterly shall file a Pre-Election Report before any election in which the committee makes a contribution

^{1/} On June 29, 1987, HILLPAC filed an amended Statement of Organization indicating Ronna Freiberg would be assuming the position of treasurer on July 1, 1987.

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to or expenditure on behalf of a candidate in such election. Such report shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) such election and which shall be complete as of the 20th day before the election.

In HILLPAC's response to the General Counsel's Brief, the committee continues to argue that the report was filed on time. In supporting this argument respondent has included affidavits from all of the people involved with the preparation and mailing of HILLPAC's reports. These affidavits set forth HILLPAC's procedures for filing all reports and recollections of these procedures by the personnel responsible for the filing of the report in question. Although these affidavits set forth in detail the procedures followed by respondent, they do not offset the fact that the report in question was not filed on time. In essence, HILLPAC did not produce any direct evidence that the report in question, the 1986 Pre-Election Report, was filed within the prescribed time.

HILLPAC believes that because of its "high quality administrative and compliance procedures," the report must have been "lost in the mail or during the filing process." The Committee has implied in their responsive brief that their name change from Gray PAC to HILLPAC may have caused the Commission to misfile the report. This implication is offset by two concrete facts. The first being that the Committee's FEC identification number did not change when the name changed and reports are filed

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by identification number and HILLPAC is listed on Index B as being formerly known as Gray and Company Political Action Committee (Gray PAC).

HILLPAC cites three MURs concerning violations of untimely filing (MURs 1907, 2052 and 2318) in which the Commission took no further action. In all of the MURs cited, the late report was the first and only report filed late with the Commission. This is not the case in connection with HILLPAC. RAD sent HILLPAC a RFAI on December 23, 1986 for failing to file its 1986 Post-General Report. HILLPAC responded to the RFAI on December 29, 1986. The response included a note indicating the report had been previously filed. The report covered October 16, 1986 through November 24, 1986. There were some questions raised concerning this report so RAD sent HILLPAC another RFAI on February 4, 1987. HILLPAC's response dated February 17, 1987 was not complete because it did not disclose the activity from October 1, 1986 through October 15, 1986. Consequently, RAD sent HILLPAC yet another RFAI concerning the gap in the coverage dates. On March 2, 1987, JoAnn Murchison, the assistant to HILLPAC's treasurer at that time, telephoned the RAD analyst concerning the February 26, 1987 RFAI. She was told that a pre-general election report must be filed if HILLPAC received any contributions or made any expenditures between October 1, 1986 and October 15, 1986. RAD received a copy of HILLPAC's 1986 Pre-Election Report on March 3, 1987. It was dated October 17, 1986.

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As with the Post-Election Report, HILLPAC claimed that the Pre-Election Report had been previously filed. In view of the Commission's correct handling and processing of a myriad number of reports for the period covering October 1 through November 24, 1986, it appears unlikely that two reports from the same committee were lost or misfiled.

Therefore, this Office recommends that the Commission find probable cause to believe that Hill & Knowlton, Inc. Political Action Committee and Ronna Freiberg, as treasurer violated 2 U.S.C. § 434(a)(4)(A)(ii).

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

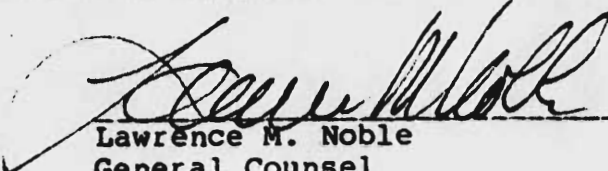
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IV. RECOMMENDATIONS

1. Find probable cause to believe that Hill & Knowlton, Inc. Political Action Committee ("HILLPAC") and J. Pate Felts, as treasurer, violated 2 U.S.C. § 434(a)(4)(A)(ii).
2. Approve the attached conciliation agreements and letter.

Date

2/2/89


Lawrence M. Noble
General Counsel

Attachments:

1. Proposed Conciliation Agreement
2. Letter

Staff Person: Sandra Dunham

88040713359

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Hill & Knowlton, Inc. Political
Action Committee and Ronna
Freiberg, as treasurer

)
)
)
)
)

MUR 2485

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session of February 23,
1988, do hereby certify that the Commission decided by a
vote of 6-0 to take the following actions in MUR 2485:

1. Find probable cause to believe that Hill
& Knowlton, Inc. Political Action Committee
("HILLPAC") and Ronna Freiberg, as treasurer,
violated 2 U.S.C. § 434(a)(4)(A)(ii).
2. Approve the conciliation agreement and letter
attached to the General Counsel's report dated
February 2, 1988.

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

Attest:

2/24/88

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

88040713360



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

February 26, 1988

Steven B. Chameides, Esquire
Chameides & Goldstein
1819 H Street, N.W.
Washington, D.C. 20006

RE: MUR 2485
Hill & Knowlton, Inc.
Political Action Committee
and Ronna Freiberg, as
treasurer

Dear Mr. Chameides:

On February 23, 1988, the Federal Election Commission found that there is probable cause to believe your clients Hill & Knowlton, Inc. Political Action Committee and Ronna Freiberg, as treasurer, violated 2 U.S.C. § 434(a)(4)(A)(ii), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with the late filing of the 1986 Pre-General Election Report.

The Commission has a duty to attempt to correct such violations for a period of 30 to 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement during that period, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission within 10 days. I will then recommend that the Commission approve the agreement. Please make your check for the civil penalty payable to the Federal Election Commission.

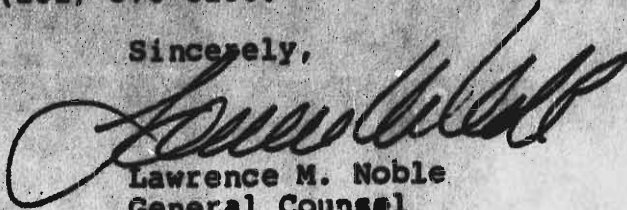
If you have any questions or suggestions for changes in the enclosed conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation

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Letter to Steven B. Chameides, Esquire
Page 2

agreement, please contact Sandra Dunham, the staff member
assigned to this matter, at (202) 376-8200.

Sincerely,

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

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

88040713362

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Hill & Knowlton, Inc. Political
Action Committee and Ronna Freiberg,
as treasurer

MUR 2485

EXECUTIVE SESSION

GENERAL COUNSEL'S REPORT

JUN 07 1988

I. BACKGROUND

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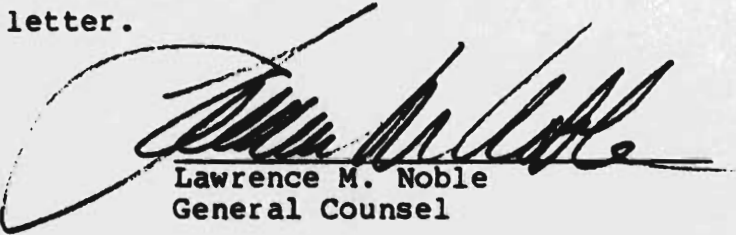
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II. RECOMMENDATIONS

- 1.
2. Authorize the Office of the General Counsel to file a civil suit for relief in the United States District Court against Hill & Knowlton, Inc. Political Action Committee and Ronna Freiberg, as treasurer.
3. Approve the attached letter.

Date

5/26/08


Lawrence M. Noble
General Counsel

Attachments

1. Conciliation Agreement approved by the Commission
- 2.
3. Photocopy of civil penalty
4. Letter to Respondent

Staff Person: Sandra Dunham

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Hill & Knowlton, Inc. Political
Action Committee and Ronna Freiberg,
as treasurer

)
)
) MUR 2485
)
)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session of June 7,
1988, do hereby certify that the Commission decided by a
vote of 5-0 to take the following actions in MUR 2485:

- 1.
2. Direct the Office of General Counsel to
prepare a conciliation agreement pursuant
to the discussion held at the meeting, and
submit it to the respondent.
3. Authorize the Office of the General Counsel
to file a civil suit for relief in the United
States District Court against Hill & Knowlton,
Inc. Political Action Committee and Ronna
Freiberg, as treasurer, if the FEC counter-
offer is not accepted within fifteen days of
its receipt by the respondent.

(continued)

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Federal Election Commission
Certification for MUR 2485
June 7, 1988

Page 2

4. Direct the Office of the General Counsel to send an appropriate letter pursuant to the above actions.

Commissioners Aikens, Elliott, Josefiak, McDonald, and Thomas voted affirmatively for the decision; Commissioner McGarry was not present at the time this matter was under consideration.

Attest:

6/8/88

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

88040713366

In the Matter of
Hill & Knowlton, Inc. Political
Committee and Jeffrey B.
Trammell, as treasurer

MUR 2485

88 JUL 12 AM 9:57

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by Steven B. Chameides, the attorney for Hill & Knowlton, Inc. Political Action Committee and Jeffrey B. Trammell, as treasurer.

The attached agreement contains no changes from the agreement approved by the Commission on June 7, 1988.

II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with Hill & Knowlton, Inc. Political Action Committee and Jeffrey B. Trammell, as treasurer.
2. Close the file.
3. Approve the attached letter.

Lawrence M. Noble
General Counsel

July 11, 1988
Date

BY:

Lois G. Lerner
Lois G. Lerner
Associate General Counsel

Attachments

1. Conciliation Agreement
2. Letter to Respondent

Staff Assigned: Sandra J. Dunham

88040713367

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Hill & Knowlton, Inc. Political
Committee and Jeffrey B.
Trammell, as treasurer

MUR 2485

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal
Election Commission, do hereby certify that on July 14,
1988, the Commission decided by a vote of 6-0 to take
the following actions in MUR 2485:

1. Accept the conciliation agreement with Hill
& Knowlton, Inc. Political Action Committee
and Jeffrey B. Trammell, as treasurer, as
recommended in the General Counsel's report
signed July 11, 1988.
2. Close the file.
3. Approve the letter, as recommended in the
General Counsel's report signed July 11, 1988.

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

Attest:

7-15-88

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary:	Tues.,	7-12-88,	9:58
Circulated on 48 hour tally basis:	Tues.,	7-12-88,	4:00
Deadline for vote:	Thurs.,	7-14-88,	4:00



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

plm
CLOSED
July 27, 1988

Steven B. Chameides, Esquire
Chameides & Goldstein
1819 H Street, N.W.
Washington, D.C. 20006

RE: MUR 2485
Hill & Knowlton, Inc.
Political Action Committee
and Jeffrey B. Trammell,
as treasurer

Dear Mr. Chameides:

On July 14, 1988, 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. § 434(a)(4)(A)(ii), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter. This matter will become a part of the public record within 30 days. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Sandra Dunham, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

[Signature]
BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

89040713369

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Hill & Knowlton, Inc. Political) MUR 2485
Action Committee and Jeffrey B.)
Trammell, 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 probable cause to believe that Hill & Knowlton, Inc. Political Action Committee and Ronna Freiberg, as treasurer, ("Respondents") violated 2 U.S.C. § 434(a)(4)(A)(ii).

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

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

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

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

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

1. Respondent, Hill & Knowlton, Inc. Political Action Committee, is a political committee within the meaning of 2 U.S.C. § 431(4).

2. Respondent, Jeffrey B. Trammell, is the current treasurer of Hill & Knowlton, Inc. Political Action Committee; Ronna Frieberg was the former treasurer.

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3. Respondents made contributions to candidates prior to the 1986 general election.

4. Respondents were consequently required to file a 12 Day Pre-General Election Report on October 23, 1986.

Respondents contend such report was timely submitted by regular mail with its normal procedures. According to the Commission records, the report received was not timely received by the Commission. At the request of Commission staff, Respondents submitted a copy of the report to the Commission on March 3, 1987.

V. Respondents' report was not on file with the Commission until March 3, 1987 in violation of 2 U.S.C. § 434(a)(4)(A)(ii). Respondents contend that they timely mailed the 12 Day Pre-General Report on October 11, 1986.

VI. Respondents will pay a civil penalty to the Federal Election Commission in settlement of any civil penalties under the Federal Election Campaign Act, the sum of Five Hundred dollars (\$500.00), 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.

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


IX. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

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

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

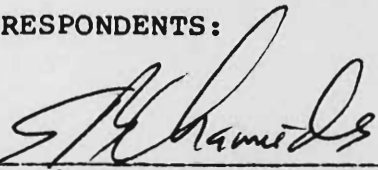
By:


Lois G. Lerner
Associate General Counsel

Date

7/27/88

FOR THE RESPONDENTS:


Steven B. Chameides
Attorney for Respondents

Date

24 June 1988

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2485

DATE FILMED 8/26/88 CAMERA NO. 2

CAMERAMAN K.A.U.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

R02-16-89

THE FOLLOWING MATERIAL IS BEING ADDED TO THE FILE IN

MUR 2485

89040733571

604993

RECEIVED
FEDERAL ELECTION COMMISSION

CHAMEIDES & GOLDSTEIN

1819 H STREET, N.W.

WASHINGTON, D. C. 20006

(202) 223-6450

TELECOPIER (202) 223-6450
TELEX RCA 248383

68 AUG -2 10 5:10

August 1, 1988

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

68 AUG -3 PM 3:21

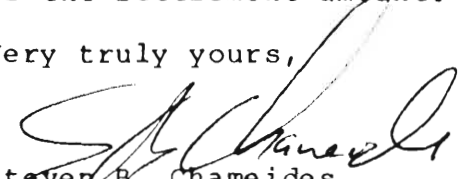
RECEIVED
FEDERAL ELECTION COMMISSION

HillPac - FEC
MUR 2458

Dear Mr. Noble:

Pursuant to the terms of the Concilation Agreement dated as of July 27, 1988, enclosed please find our check in the amount of \$500 representing payment in full of the settlement amount.

Very truly yours,


Steven B. Chameides

Enclosure
b6

8 9 0 4 0 7 3 6 5 7 2

CHAMEIDES AND PARTNERS

ESCROW ACCOUNT

1819 H STREET, N.W., SUITE 660

WASHINGTON, D.C. 20006

398

Aug. 1, 1988 ¹⁵⁴₈₄₀ 11PAY TO THE
ORDER OF

Federal Election Commission

\$ 500.00

Five Hundred + no 11.00

DOLLARS

1st AMERICAN
FIRST AMERICAN BANK, N.A. WASHINGTON, DC

FOR

RE: MUR 2485

⑈000398⑈ - ⑈054000043⑈

3 204 448⑈

GCC#9993

MEMORANDUM

TO: DEBRA A. TRIMIEW

TO: CECILIA LIEBER

FROM: CECILIA LIEBER

FROM: DEBRA A. TRIMIEW

CHECK NO. 398 { A COPY OF WHICH IS ATTACHED } RELATING TO

MUR 2485 AND NAME Hill & Knowlton, Inc. PAC

WAS RECEIVED ON (Dunham) 8/31/88. PLEASE INDICATE THE ACCOUNT INTO

WHICH IT SHOULD BE DEPOSITED:

/ / BUDGET CLEARING ACCOUNT { 95F3875.16 }

/ ✓ / CIVIL PENALTIES ACCOUNT { 95-1099.160 }

/ / OTHER _____

SIGNATURE

Debra A. Trimiew

DATE 8/4/88

18 AUG 3 P 3 03