



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2643

DATE FILMED 7/2/89 CAMERA NO. 4

CAMERAMAN AS

89040753939

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: June 3, 1988ANALYST: Linda Tangney

I. COMMITTEE: Kendrick for Congress Campaign
(C00223586)
Kairen Stephens, Treasurer
P.O. Box 794
Joshua, TX 76058

II. RELEVANT STATUTE: 2 U.S.C. §434(a)(2)(A)(iii)
11 CFR 104.5(a)(1)(iii)

III. BACKGROUND:

Failure to File a Required Report of Receipts and Disbursements

The Kendrick for Congress Campaign ("the Committee") has failed to file the 1988 April Quarterly Report of Receipts and Disbursements. Prior Notices were sent February 1, 1988 and March 22, 1988, informing the Committee that the report was due on April 15, 1988 (Attachments 2 and 3). A Non-Filer Notice was sent to the Committee on May 5, 1988, for failure to file the report (Attachment 4). The Non-Filer Notice informed the Committee that failure to file this report might result in audit or legal enforcement action.

On April 26, 1988, the Reports Analysis Division analyst telephoned a Long-Distance telephone operator in Joshua, Texas and requested the telephone numbers for the Kendrick for Congress Campaign, Nathan P. Kendrick (candidate), and Kairen Stephens (treasurer). The telephone operator stated that she did not have a listing for the Committee, candidate, or treasurer (Attachment 5).

To date, the Committee has not filed the 1988 April Quarterly Report.

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

89040753940

FEDERAL ELECTION COMMISSION
1987-1988
CANDIDATE INDEX OF SUPPORTING DOCUMENTS - (E)

DATE 25MAY88

PAGE 2

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/	PARTY	RECEIPTS		DISBURSEMENTS		COVERAGE DATES	# OF	MICROFILM
			PRIMARY	GENERAL	PRIMARY	GENERAL		PAGES	
								TYPE OF FILER	
KENDRICK, NATHAN PETTY		HOUSE 06 DEMOCRATIC PARTY			TEXAS		1988 ELECTION	ID#	HBTX06032
1. STATEMENT OF CANDIDATE									
1988 STATEMENT OF CANDIDATE							25FEB88	1	88HSE/345/0035
2. PRINCIPAL CAMPAIGN COMMITTEE									
KENDRICK FOR CONGRESS CAMPAIGN								ID #C00223586	HOUSE
1988 STATEMENT OF ORGANIZATION							25FEB88	1	88HSE/345/0231
PRE-PRIMARY			5,141		4,392		4JAN88 -19FEB88	8	88HSE/345/0589
1ST LETTER INFORMATIONAL NOTICE							4JAN88 -19FEB88	1	88FED/512/4342
NOTICE OF FAILURE TO FILE							18FEB88 -23MAR88	1	88FED/515/4477
NOTICE OF FAILURE TO FILE							24MAR88 -31MAR88	1	88FED/524/2235
TOTAL			5,141	0	4,392	0		12	TOTAL PAGES
AUTHORIZED COMMITTEES									
4. JOINT FUNDRAISING COMMITTEES AUTHORIZED BY THE CAMPAIGN									

ALL REPORTS HAVE BEEN REVIEWED,
ENDING CASH ON HAND AS OF 2/19/88: \$748
OUTSTANDING DEBTS OWED TO THE COMMITTEE AS OF 2/19/88: \$0
OUTSTANDING DEBTS OWED BY THE COMMITTEE AS OF 2/19/88: \$8137

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PRIMARY ELECTION

REPORT NOTICE

ATTACHMENT 2
PAGE 1 of 2

FEDERAL ELECTION COMMISSION

TEXAS

February 1, 1988

IF ONLY ONE ELECTION IS HELD, PRIMARY (3/08/88)

REPORT	REPORTING PERIOD	REG./CERT. MAILING DATE*	FILING DATE
Pre-Primary	01/01/88-02/17/88	02/22/88	02/25/88
April Quarterly	02/18/88-03/31/88	04/15/88	04/15/88

**IF TWO ELECTIONS ARE HELD, AND THE COMMITTEE IS INVOLVED
IN BOTH; PRIMARY (3/8) and RUNOFF (4/12):**

REPORT	REPORTING PERIOD	REG./CERT. MAILING DATE*	FILING DATE
Pre-Primary	01/01/88-02/17/88	02/22/88	02/25/88
Pre-Runoff	02/18/88-03/23/88	03/28/88	03/31/88
April Quarterly	03/24/88-03/31/88	04/15/88	04/15/88

LT

WHO MUST FILE

PRINCIPAL CAMPAIGN COMMITTEES OF CONGRESSIONAL "CANDIDATES" who seek nomination in the March 8, 1988, Texas Primary and, if held, April 12, 1988 Runoff.

WHAT MUST BE REPORTED

All financial activity that occurred during the reporting period (or before, if not previously reported).

REPORTING FORMS

Candidate committees use FORM 3 (enclosed). If the campaign has more than one authorized committee, the principal campaign committee must also file a consolidated report on FORM 32.

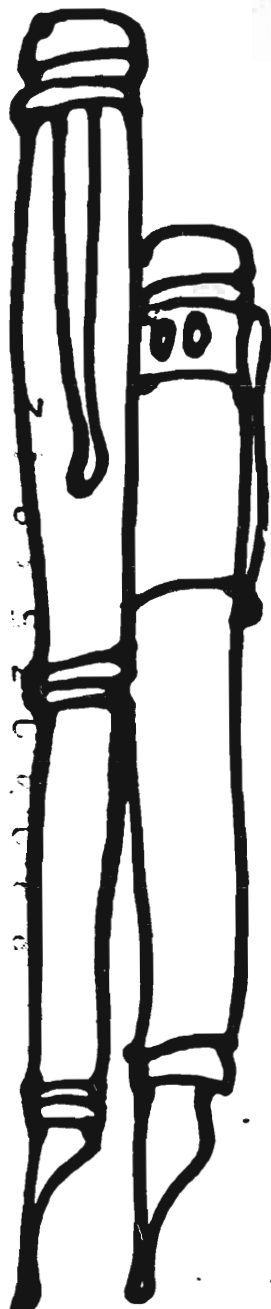
WHERE TO FILE

Consult the instructions on the back of the FORM 3 Summary Page. Note state filing requirements also.

*Reports sent by registered or certified mail must be postmarked by the mailing date. Otherwise, they must be received by the filing date.

FOR INFORMATION, Call: 202/376-3120 or 800/424-9530

(over)



LABEL

Committees should affix the peel-off label from the envelope to Line 1 of the report. Corrections should be made on the label.

LAST-MINUTE CONTRIBUTIONS

Committees which receive a contribution of \$1,000 or more, between 20 and 2 days before the election, must report it within 48 hours of its receipt.

COMPLIANCE

TREASURERS OF POLITICAL COMMITTEES ARE RESPONSIBLE FOR FILING ALL REPORTS ON TIME. FAILURE TO DO SO IS SUBJECT TO ENFORCEMENT ACTION. COMMITTEES FILING ILLEGIBLE REPORTS OR USING NON-FEC FORMS WILL BE REQUIRED TO REFILE.

89040753943

QUARTERLY REPORT NOTICE

FEDERAL ELECTION COMMISSION

CONGRESSIONAL CANDIDATES

March 22, 1988

REPORT	REPORTING PERIOD	REG./CERT.	FILING
		MAILING DATE*	DATE
APRIL QUARTERLY	01/01/88**-03/31/88	04/15/88	04/15/88

WHO MUST FILE

PRINCIPAL CAMPAIGN COMMITTEES OF CONGRESSIONAL "CANDIDATES" who seek election in 1988 must file an October Quarterly Report. These committees must continue to file quarterly throughout 1988, regardless of the primary outcome, unless they file a valid termination report.

WHO NEED NOT FILE

Principal campaign committees of candidates not active in the 1988 elections (i.e., committees active in past or future elections) do not file the quarterly report. Instead they report semiannually.

WHAT MUST BE REPORTED

All financial activity (not previously reported) that occurred during the reporting period.

REPORTING FORMS

Candidate committees use FORM 3 (enclosed). If the campaign has more than one authorized committee, the principal campaign committee must also file a consolidated report on FORM 3Z.

WHERE TO FILE

Consult the instructions on the back of the FORM 3 Summary Page. Note state filing requirements also.

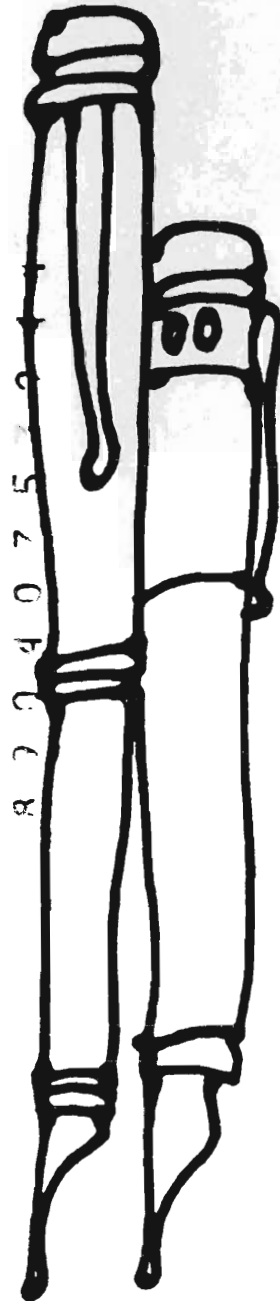
LAST-MINUTE CONTRIBUTIONS

Committees which receive a contribution of \$1,000 or more, after the 20th day, but more than 48 hours before an election, must report it within 48 hours of its receipt.

*Reports sent by registered or certified mail must be postmarked by the mailing date. Otherwise, they must be received by the filing date.

**From the date of registration, or the close of books of the last report filed, whichever is later.

(over)



LABEL

Committees should affix the peel-off label from the envelope to Line 1 of the report. Corrections should be made on the label.

COMPLIANCE

TREASURERS OF POLITICAL COMMITTEES ARE RESPONSIBLE FOR FILING ALL REPORTS ON TIME. FAILURE TO DO SO IS SUBJECT TO ENFORCEMENT ACTION. COMMITTEES FILING ILLEGIBLE REPORTS OR USING NON-FEC FORMS WILL BE REQUIRED TO REFILE.

89040753945



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-7

May 5, 1988

Kairen Stephens, Treasurer
Kendrick for Congress Campaign
P.O. Box 794
Joshua, TX 76058

Identification Number: C00223586

Reference: April Quarterly Report (3/24/88-3/31/88)

Dear Ms. Stephens:

It has come to the attention of the Federal Election Commission that you may have failed to file the above referenced Report of Receipts and Disbursements as required by the Federal Election Campaign Act. You were previously notified of the due date for this report.

It is important that you file this report immediately with the Clerk of the House, Office of Records and Registration, 1036 Longworth House Office Building, Washington, DC 20515, or the Secretary of the Senate, 232 Hart Senate Office Building, Washington, DC 20510, as appropriate. A copy of the report should also be filed with the Secretary of State or equivalent state officer of your state.

The failure to file this report may result in an audit or legal enforcement action.

If you have any questions regarding this matter, please contact Linda Tangney on our toll-free number (800) 424-9530. Our local number is (202) 376-2480.

Sincerely,

John D. Gibson
Assistant Staff Director
Reports Analysis Division

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MEMORANDUM FOR FILES: TELECON

SUBJECT: ATTEMPTING TO CONTACT COMMITTEE MEMBERS

FROM: LINDA TANGNEY

TO: --

NAME OF COMMITTEE: KENDRICK FOR CONGRESS CAMPAIGN (TX)

DATE: APRIL 26, 1988

I telephoned a long-distance telephone operator in Joshua, Texas, and requested the telephone numbers for the Kendrick for Congress Campaign, Nathan P. Kendrick, and Kairen Stephens. The telephone operator stated that she did not have a listing for them.

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

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

RAD Referral # 88NF-19
Staff Member: Frances B. Hagan

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

RESPONDENTS: Kendrick for Congress Campaign
Kairen Stephens, Treasurer

RELEVANT STATUTE: 2 U.S.C. § 434(a)(2)(A)(iii)
11 C.F.R. § 104.5(a)(1)(iii)

INTERNAL REPORTS CHECKED: Referral Materials

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

The Reports Analysis Division ("RAD") referred the Kendrick for Congress Campaign ("the Committee") to the Office of the General Counsel on June 7, 1988. The basis for the attached referral is the Committee's failure to file the 1988 April Quarterly Report.

II. FACTUAL AND LEGAL ANALYSIS

A. Filing of Reports

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that for authorized committees filing quarterly, such committees shall file the April Quarterly Report no later than the 15th day after the last day of the calendar quarter. 2 U.S.C. § 434(a)(2)(A)(iii). The Committee did not file the 1988 April Quarterly Report which was due April 15, 1988. The Committee was notified on May 5, 1988, for failure to file the required report.

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B. Merger

The Committee is involved in another non-filer case, MUR 2622. In that case, the Committee failed to file the 1988 Pre-runoff Report due March 31, 1988. On April 8, 1988, absent receipt of that report, the Committee's name was published for failure to file the Pre-runoff Report. Because the two non-filer matters are closely related, and notification of the finding in MUR 2622 was recently sent, it is appropriate that these matters be merged. Therefore, this Office recommends merger of the current referral with the current open MUR concerning the Committee.

It should be noted that the candidate won the run-off election in the Sixth Congressional District of Texas, held April 12, 1988.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

This Office also recommends that the Commission extend its offer of preprobable cause conciliation to include the Committee's failure to file both the 1988 April Quarterly as well as the 1988 Pre-runoff Report which is the subject of MUR 2622. Attached for the Commission's approval is a proposed conciliation agreement (Attachment B). The proposed agreement incorporates the facts and requirements of the agreement approved in MUR 2622 as well as providing for the issues of the current referral. Language has been added in the proposed letter to explain this to the respondents.

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IV. RECOMMENDATIONS

1. Open a MUR.
2. Find reason to believe that the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(iii).
3. Enter into conciliation with the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, prior to a finding of probable cause to believe.
4. Merge RAD Referral 88NF-19 with MUR 2622.

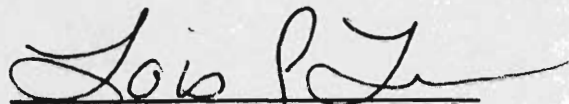
5. Approve the attached letter, Factual and Legal Analysis, and proposed conciliation agreement.

Lawrence M. Noble
General Counsel

Date

7/5/88

BY:


Lois G. Lerner
Associate General Counsel

Attachments

- A. Referral Materials
- B. Proposed Agreement
- C. Letter and Factual and Legal Analysis

Staff Member: Frances B. Hagan

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 13, 1988

Kairen Stephens, Treasurer
Kendrick for Congress Campaign
P.O. Box 794
Joshua, Texas 76058

RE: MUR 2643
Kendrick for Congress Campaign
Kairen Stephens, as treasurer

Dear Ms. Stephens:

On July 8 , 1988, the Federal Election Commission found that there is reason to believe the Kendrick for Congress Campaign and you, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(iii), 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.

On July 8 , 1988, the Commission also determined to merge this matter with MUR 2622. Both matters will now be known as MUR 2643 . In order to expedite the resolution of this matter, the Commission has also decided to extend its offer to enter into negotiations directed towards reaching a conciliation agreement that includes both findings that the Commission has approved. The attached proposed agreement includes the factual and legal findings concerning the Committee's failure to file both the 1988 12 Day Pre-runoff and April Quarterly Reports. This agreement supersedes the proposed conciliation agreement sent to you on June 16, 1988.

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

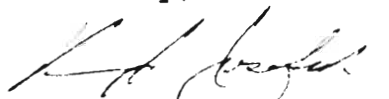
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,



Thomas J. Josefiak
Chairman

Enclosures

Factual and Legal Analysis
Conciliation Agreement
Procedures
Designation of Counsel Form

cc: Nathan P. Kendrick

NOV -9 AM 11:43

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

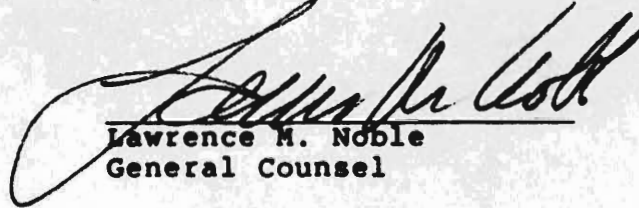
In the Matter of)
Kendrick for Congress Campaign) MUR 2643
Kairen Stephens, as treasurer)

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, based on the assessment of the information presently available.

Date

11/8/88


Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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FEDERAL ELECTION COMMISSION
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SENSITIVE

November 9 1988

MEMORANDUM

TO: The Commission
FROM: Lawrence M. Noble *[Signature]*
General Counsel
SUBJECT: MUR 2643, Kendrick for Congress Campaign

Attached for the Commission's review is a brief stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. A copy of this brief and a letter notifying the respondent of the General Counsel's intent to recommend to the Commission a finding of probable cause to believe were mailed on November 9, 1988. Following receipt of the respondent's reply to this notice, this Office will make a further report to the Commission.

Attachments

- A. Brief
- B. Letter to respondent

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 9, 1988

**Kairen Stephens, Treasurer
Kendrick for Congress Campaign
P.O. Box 794
Joshua, Texas 76058**

**RE: MUR 2643
Kendrick for Congress Campaign
Kairen Stephens, as treasurer**

Dear Ms. Stephens:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, on June 8, 1988, the Federal Election Commission found reason to believe that the Kendrick for Congress Campaign ("Committee") and you, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(i), and instituted an investigation in this matter. On July 8, 1988, the Commission found reason to believe that the Committee and you, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(iii). On September 20, 1988, the Commission merged a complaint concerning these issues with the ongoing MUR 2643.

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 violations have 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 (ten 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.

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.

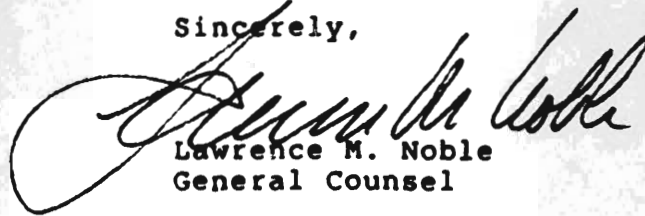
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Kairen Stephens, Treasurer
Page 2

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 Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Brief

89040753957

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Kendrick for Congress Campaign) MUR 2643
Kairen Stephens, as treasurer)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On June 8, 1988, the Commission found reason to believe that the Kendrick for Congress Campaign ("the Committee") and Kairen Stephens, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(i) for failing to file the 1988 Pre-runoff Report. On July 8, 1988, the Commission found reason to believe that the Committee and its treasurer violated 2 U.S.C. § 434(a)(2)(A)(iii) for failing to file the 1988 April Quarterly Report. On September 20, 1988, the Commission decided to merge a complaint concerning these same issues (MUR 2645) with the ongoing MUR 2643.

The Committee did not file the 1988 April Quarterly Report which was due April 15, 1988. The Committee was notified on May 5, 1988, for failure to file the required quarterly report.

The Committee did not file the 1988 Primary Pre-runoff Report which was due March 31, 1988. The Committee was notified on April 1, 1988, for failure to file the required pr-runoff report. On April 8, 1988, absent receipt of the report, the Committee's name was published for failure to file.

The candidate, Nathan P. Kendrick, won the primary run-off election held April 12, 1988, for the Sixth Congressional District of Texas.

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II. ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that for authorized committees filing quarterly, such committees shall file the April Quarterly Report no later than the 15th day after the last day of the calendar quarter.

2 U.S.C. § 434(a)(2)(A)(iii).

The Act also provides that for authorized committees filing quarterly, such committees shall file the 12 Day Pre-Election Report no later than the 12th day before any election in which such candidate is seeking election or nomination for election.

2 U.S.C. § 434(a)(2)(A)(i).

The Committee's failure to file the reports noted herein constitutes a violation of the Act. Therefore, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that the Committee and its treasurer violated 2 U.S.C. §§ 434(a)(2)(A)(i) and 434(a)(2)(A)(iii) in this matter.

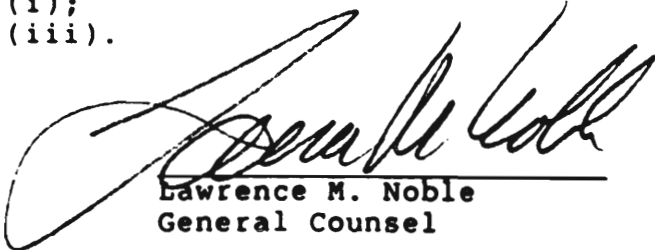
III. GENERAL COUNSEL'S RECOMMENDATION

Find probable cause to believe that the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, violated:

- a) 2 U.S.C. § 434(a)(2)(A)(i);
- b) 2 U.S.C. § 434(a)(2)(A)(iii).

Date

11/8/88


Lawrence M. Noble
General Counsel

88 DEC 16 PM 3:27

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

EXECUTIVE SESSION

In the Matter of

Kendrick for Congress Campaign
Kairen Stephens, as treasurer

)
) MUR 2643
)
)

JAN 10 1989

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On June 8, 1988, the Commission found reason to believe that the Kendrick for Congress Campaign ("the Committee") and Kairen Stephens, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(i) for failing to file the 1988 Pre-run-off Report. On July 8, 1988, the Commission found reason to believe that the Committee and its treasurer violated 2 U.S.C. § 434(a)(2)(A)(iii) for failing to file the 1988 April Quarterly Report. On September 20, 1988, the Commission decided to merge a complaint concerning these same issues (MUR 2645) with the ongoing MUR 2643.

On November 9, 1988, the General Counsel's Brief was mailed to the respondent. The Committee has not responded. On December 12, 1988, this Office spoke with the U.S. Post Office in Joshua, Texas, and confirmed that the Committee's mailing address is current and that mail is picked up at that address once a week.

The Committee did not file the 1988 April Quarterly Report which was due April 15, 1988. The Committee was notified on May 5, 1988, for failure to file the required quarterly report.

The Committee did not file the 1988 Primary Pre-run-off Report which was due March 31, 1988. The Committee was notified

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on April 1, 1988, for failure to file the required pre-run-off report. On April 8, 1988, absent receipt of the report, the Committee's name was published for failure to file.

The candidate, Nathan P. Kendrick, won the primary run-off election held April 12, 1988, for the Sixth Congressional District of Texas.

II. ANALYSIS

As discussed in the General Counsel's Brief of November 9, 1988, the Committee's failure to file the reports noted herein constitutes a violation of the Act. Therefore, the Office of the General Counsel is now recommending that the Commission find probable cause to believe that the Committee and its treasurer violated 2 U.S.C. §§ 434(a)(2)(A)(i) and 434(a)(2)(A)(iii) in this matter.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

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III. RECOMMENDATIONS

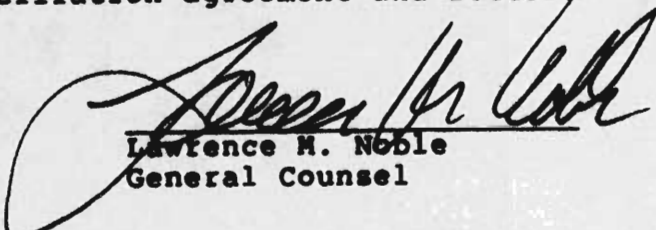
1. Find probable cause to believe that the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, violated:

- a) 2 U.S.C. § 434(a)(2)(A)(i);
- b) 2 U.S.C. § 434(a)(2)(A)(iii).

2. Approve the attached conciliation agreement and letter.

Date

12/15/88


Lawrence M. Noble
General Counsel

Attachments:

- A. Conciliation Agreement
- B. Letter

Staff assigned: Frances B. Hagan

89040753963

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Kendrick for Congress Campaign)

Kairen Stephens, as treasurer)

MUR 2643

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of January 11, 1989, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2643:

1. Find probable cause to believe that the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(i); 2 U.S.C. § 434 (a)(2)(A)(iii).
2. Approve the conciliation agreement and letter, as recommended in the General Counsel's Report signed December 15, 1988.

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

Attest:

Jan. 13, 1989
Date

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



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 18, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Kairen Stephens, Treasurer
Kendrick for Congress Campaign
P.O. Box 794
Joshua, Texas 76058

RE: MUR 2643
Kendrick for Congress Campaign
Kairen Stephens, as treasurer

Dear Ms. Stephens:

On January 11, 1989, the Federal Election Commission found that there is probable cause to believe the Kendrick for Congress Campaign and you, as treasurer, violated 2 U.S.C. §§ 434(a)(2)(A)(i) and 434(a)(2)(A)(iii), provisions of the Federal Election Campaign Act of 1971, as amended, in connection with the failure to file the 1988 Pre-run-off and April Quarterly Reports.

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.

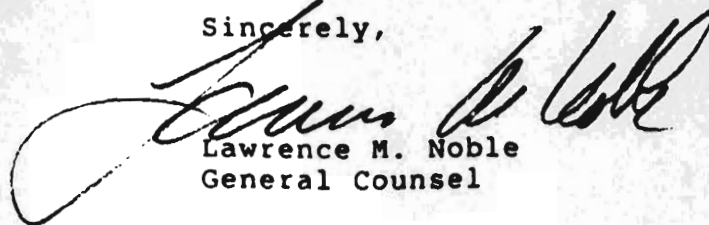
Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission within ten days. I will then recommend that the Commission accept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

3 3 0 4 0 7 5 3 9 6 5

Kairen Stephens, Treasurer
Page 2

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 agreement, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

89040753966



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 24, 1989

Kairen Stephens, Treasurer
Kendrick for Congress Campaign
P.O. Box 794
Joshua, Texas 76058

RE: MUR 2643
Kendrick for Congress Campaign
Kairen Stephens, as treasurer

Dear Ms. Kendrick:

On January 18, 1989, you were notified that the Federal Election Commission found probable cause to believe that the Kendrick for Congress Campaign ("Committee") and you, as treasurer, violated 2 U.S.C. §§ 434(a)(2)(A)(i) and 434(a)(2)(A)(iii). On that same date, you were sent a conciliation agreement offered by the Commission in settlement of this matter.

Please note that pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), the conciliation period in this matter may not extend for more than 90 days, but may cease after 30 days. Insofar as more than 30 days have elapsed without a response from you, a recommendation concerning the filing of a civil suit will be made to the Commission by the Office of the General Counsel unless we receive a response from you within five days of receipt of this letter.

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

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

89040753967

89 JUN -8 PM 3:08

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Kendrick for Congress Campaign) MUR 2643
Kairen Stephens, as treasurer)
)

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On January 11, 1989, the Commission found probable cause to believe that the Kendrick for Congress Campaign ("the Committee") and Kairen Stephens, as treasurer, violated 2 U.S.C. §§ 434(a)(2)(A)(i) and (iii) for failing to file the 1988 Pre-run-off and April Quarterly Reports. The candidate, Nathan P. Kendrick, won the primary run-off election held April 12, 1988, for the Sixth Congressional District of Texas.

The Committee did not respond to probable cause notifications sent to the Committee's mailing address. Two notices sent by certified mail were returned unclaimed. A third notice directed to the candidate at the Committee's post office box mailing address has not been returned.

In an effort to locate the candidate and treasurer, and to verify notification of the Commission's findings, OGC staff members made telephone calls to long distance information, to the U.S. Post Office in Joshua, Texas, to the local court house, and to the regional bankruptcy court. Our calls revealed no telephone listings for the candidate or treasurer in Joshua. However, the post office confirmed that the Committee's mailing

89040753968

address is listed as the candidate's mailing address, and that mail is picked up at the box. Through these inquiries it was learned that the candidate's house had been repossessed and was up for sale. Subsequent calls to the area bankruptcy court revealed that the Kendrick bankruptcy case had been dismissed in April 1988, and the only available address from the court was the post office box in Joshua, Texas.

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This Office's efforts to further contact the Committee and to obtain a response have been unsuccessful. In addition, the candidate's financial situation appears to be tenuous, and his whereabouts, as well as the treasurer's, remain unknown. Resources are limited for the type of investigation necessary to locate the Committee principals, and the likelihood of obtaining satisfaction of judgment in a civil action is questionable under the circumstances. Therefore, based on this analysis and the principles of Heckler v. Chaney, 470 U.S. 821 (1985), the Office of the General Counsel is recommending that the Commission exercise its prosecutorial discretion to take no further action in this matter.

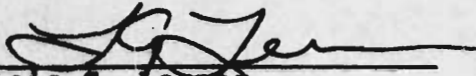
II. RECOMMENDATIONS

1. Take no further action against the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, for violations of 2 U.S.C. §§ 434(a)(2)(A)(i) and (iii).
2. Close the file.

3. Approve the attached letters.

Lawrence M. Noble
General Counsel

6/8/88
Date

BY: 
Lois G. Lerner
Associate General Counsel

Attachment

- A. Letter to respondents
- B. Letter to complainant

Staff Assigned: Frances B. Hagan

89040753970

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Kendrick for Congress Campaign)
Kairen Stephens, as treasurer)

MUR 2643

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 16, 1989, the Commission decided by a vote of 6-0 to take the following actions in MUR 2643:

1. Take no further action against the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, for violations of 2 U.S.C. §§ 434(a)(2)(A)(i) and (iii).
2. Close the file.
3. Approve the letters, as recommended in the General Counsel's report signed June 8, 1989.

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

Attest:

6-19-89

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary:	Thurs.,	6-8-89,	3:08
Circulated on 48 hour tally basis:	Fri.,	6-9-89,	12:00
Deadline for vote:	Fri.,	6-16-89,	4:00

99040753971



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 21, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Roy Simmons
Simmons and Simmons
Professional Building
P.O. Box 270
Mexia, Texas 76667

RE: MUR 2643
(formerly MUR 2645)

Dear Mr. Simmons:

This is in reference to the complaint you filed with the Federal Election Commission on July 14, 1988, against Nathan P. Kendrick, and the Kendrick for Congress Campaign, and Kairen Stephens, as treasurer. Based on the complaint, the Commission found that there was reason to believe that the Kendrick for Congress Campaign ("the Committee") and Kairen Stephens, as treasurer, violated 2 U.S.C. §§ 434(a)(2)(A)(i) and (iii), provisions of the Federal Election Campaign Act of 1971, as amended, and instituted an investigation in the matter.

After an investigation was conducted and the General Counsel's brief was considered, on January 11, 1989, the Commission found that there was probable cause to believe the Committee and Kairen Stephens, as treasurer, violated 2 U.S.C. §§ 434(a)(2)(A)(i) and (iii). In consideration of the circumstances of the matter, however, the Commission determined on June 16, 1989, to take no further action against the respondents, and closed the file in this matter. This matter will become part of the public record within 30 days.

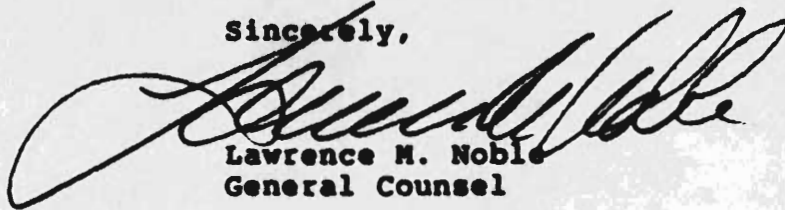
The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

99040753972

Roy Simmons
Page 2

If you have any questions, please contact Frances B. Hagan,
the staff member assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
General Counsel's Report

89040753973



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2643

DATE FILMED 2/2/89 CAMERA NO. 1

CAMERAMAN AS

89040753974



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THE FOLLOWING MATERIAL IS BEING ADDED TO THE
PUBLIC FILE OF CLOSED MUR 2643.

89040754158



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

NOTE: On July 8, 1988, the Commission voted to merge 88NF19 (MUR 2643) with MUR 2622. The ensuing matter was designated MUR 2643.

On September 20, 1988, the Commission voted to merge MUR 2643 with MUR 2645. The ensuing matter was designated MUR 2643.

89040754159





FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

28 April 1988

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

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

SUBJECT: REFERRAL OF THE KENDRICK FOR CONGRESS CAMPAIGN

The Kendrick for Congress Campaign ("the Committee") has failed to file the 1988 12 Day Pre-Runoff Report of Receipts and Disbursements. According to the 1987-1988 Reports Analysis Division Review and Referral Procedures for Authorized Committees (Standard 1), examination is required by your office.

The candidate won the Texas Run-off election in the Sixth (6th) Congressional District, held on April 12, 1988, with fifty-one percent of the vote.

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

Attachment

89040754160

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 28 April 1988

ANALYST: Linda Tangney

I. COMMITTEE: Kendrick for Congress Campaign
(C00223586)
Kairen Stephens, Treasurer
P.O. Box 794
Joshua, TX 76058

II. RELEVANT STATUTE: 2 U.S.C. §434(a)(2)(A)(i)
11 CFR 104.5(a)(1)(i)

III. BACKGROUND:

Failure to File a Required Report of Receipts and Disbursements

The Kendrick for Congress Campaign ("the Committee") has failed to file the 1988 12 Day Pre-Runoff Report of Receipts and Disbursements. Prior Notice for the 12 Day Pre-Runoff Report was sent on February 1, 1988 informing the Committee that the report was due on March 31, 1988 (Attachment 2). A mailgram was sent to the Committee on April 1, 1988 for failure to file the 12 Day Pre-Runoff Report (Attachment 3). The mailgram informed the Committee that failure to file the report within four (4) business days might result in publication, audit or legal enforcement action. The name of the Committee was published for failure to file the 12 Day Pre-Runoff Report on April 8, 1988 (Attachment 4).

On April 26, 1988, the Reports Analysis Division analyst telephoned a long-distance telephone operator in Joshua, Texas and requested the telephone numbers for the Kendrick for Congress Campaign, Nathan P. Kendrick (candidate), and Kairen Stephens (treasurer). The telephone operator stated that she did not have a listing for the Committee, candidate, or treasurer (Attachment 5).

To date, the Committee has not filed the 1988 12 Day Pre-Runoff Report.

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

89040754161

FEDERAL ELECTION COMMISSION
1987-1993
CANDIDATE INDEX OF SUPPORTING DOCUMENTS - (E)

DATE 26APR88

PAGE 1

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/	PARTY	RECEIPTS		DISBURSEMENTS		COVERAGE DATES	# OF PAGES TYPE OF FILER	MICROFILM LOCATION
			PRIMARY	GENERAL	PRIMARY	GENERAL			
KENDRICK, NATHAN PETTY		HOUSE 86 DEMOCRATIC PARTY					1988 ELECTION	ID# H0TX06092	
1. STATEMENT OF CANDIDATE							25FEB88	1 88HSE/345/0035	
1988 STATEMENT OF CANDIDATE									
2. PRINCIPAL CAMPAIGN COMMITTEE									
KENDRICK FOR CONGRESS CAMPAIGN							ID #C00223586 HOUSE		
1988 STATEMENT OF ORGANIZATION							25FEB88	1 88HSE/345/0031	
PRE-PRIMARY			5,141		4,392		4JAN88 -19FEB88	8 88HSE/345/0589	
1 ST LETTER INFORMATIONAL NOTICE							4JAN88 -19FEB88	1 88FEC/512/4342	
NOTICE OF FAILURE TO FILE							18FEB88 -23MAR88	1 88FEC/515/4477	
TOTAL			5,141	0	4,392	0		11 TOTAL PAGES	
3. AUTHORIZED COMMITTEES									
JOINT FUNDRAISING COMMITTEES AUTHORIZED BY THE CAMPAIGN									

ALL REPORTS HAVE BEEN REVIEWED.

ENDING CASH ON HAND AS OF 2/19/88: \$748

OUTSTANDING DEBTS OWED TO THE COMMITTEE AS OF 2/19/88: \$0

OUTSTANDING DEBTS OWED BY THE COMMITTEE AS OF 2/19/88: \$8137

89040754162

PRIMARY ELECTION REPORT NOTICE

ATTACHMENT 2
PAGE 1 of 2

FEDERAL ELECTION COMMISSION

TEXAS

February 1, 1988

IF ONLY ONE ELECTION IS HELD, PRIMARY (3/08/88)

REPORT	REPORTING PERIOD	REG./CERT.	FILING
		MAILING DATE*	DATE
Pre-Primary	01/01/88-02/17/88	02/22/88	02/25/88
April Quarterly	02/18/88-03/31/88	04/15/88	04/15/88

IF TWO ELECTIONS ARE HELD, AND THE COMMITTEE IS INVOLVED IN BOTH; PRIMARY (3/8) and RUNOFF (4/12):

REPORT	REPORTING PERIOD	REG./CERT.	FILING
		MAILING DATE*	DATE
Pre-Primary	01/01/88-02/17/88	02/22/88	02/25/88
Pre-Runoff	02/18/88-03/23/88	03/28/88	03/31/88
April Quarterly	03/24/88-03/31/88	04/15/88	04/15/88

WHO MUST FILE

PRINCIPAL CAMPAIGN COMMITTEES OF CONGRESSIONAL "CANDIDATES" who seek nomination in the March 8, 1988, Texas Primary and, if held, April 12, 1988 Runoff.

WHAT MUST BE REPORTED

All financial activity that occurred during the reporting period (or before, if not previously reported).

REPORTING FORMS

Candidate committees use FORM 3 (enclosed). If the campaign has more than one authorized committee, the principal campaign committee must also file a consolidated report on FORM 32.

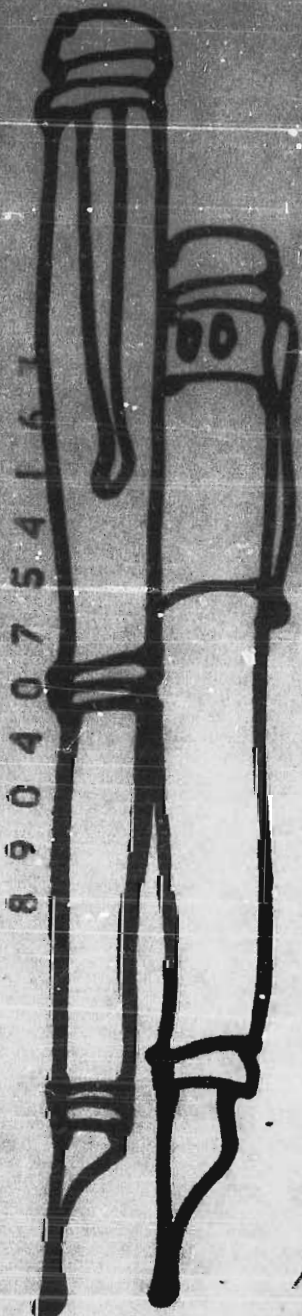
WHERE TO FILE

Consult the instructions on the back of the FORM 3 Summary Page. Note state filing requirements also.

*Reports sent by registered or certified mail must be postmarked by the mailing date. Otherwise, they must be received by the filing date.

FOR INFORMATION, Call: 202/376-3120 or 800/424-9530

(over)



LABEL

Committees should affix the peel-off label from the envelope to Line 1 of the report. Corrections should be made on the label.

LAST-MINUTE CONTRIBUTIONS

Committees which receive a contribution of \$1,000 or more, between 20 and 2 days before the election, must report it within 48 hours of its receipt.

COMPLIANCE

TREASURERS OF POLITICAL COMMITTEES ARE RESPONSIBLE FOR FILING ALL REPORTS ON TIME. FAILURE TO DO SO IS SUBJECT TO ENFORCEMENT ACTION. COMMITTEES FILING ILLEGIBLE REPORTS OR USING NON-FEC FORMS WILL BE REQUIRED TO REFILE.

89040754164

RQ-7

(This is a copy of the text of a mailgram sent to the committee listed below on April 1, 1988.)

Kairen Stephens, Treasurer
Kendrick for Congress Campaign
P.O. Box 794
Joshua, TX 76058

Identification Number: C00223586

Reference: 12 DAY PRE-RUNOFF REPORT (02/18/88-03/23/88)

It has come to the attention of the Federal Election Commission that you may have failed to file the 12 Day Pre-Runoff Report of receipts and expenditures as required by the Federal Election Campaign Act. You were previously notified of the due date for this report.

You will be allowed four (4) business days from the date of this notice to file the 12 Day Pre-Runoff Report. The report should be filed with the Clerk of the House, Office of Records and Registration, 1036 Longworth House Office Building, Washington, DC 20515, or the Secretary of the Senate, Office of Public Records, 232 Hart Senate Office Building, NE, Washington, DC 20510, as appropriate. A copy of the report should also be filed with the appropriate Secretary of State or equivalent state officer.

If you have filed the report timely by certified or registered mail, please notify us immediately, in writing, of the certified or registered number and the date that the report was sent. The failure to file this report may result in publication, audit or legal enforcement action.

If you have any questions regarding this matter, please contact the Reports Analysis Division on our toll free number (800) 424-9530 or on our local number (202) 376-2480.

Sincerely,

John D. Ginson
Assistant Staff Director
Reports Analysis Division

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FEDERAL ELECTION COMMISSION

Press Office
999 E Street, N.W., Washington, D.C. 20463
Phone: Local 378-3155 Toll Free 800-424-9530



FOR IMMEDIATE RELEASE:
FRIDAY, APRIL 8, 1988

CONTACT: FRED EILAND
SHARON SNYDER
KAREN FINUCAN

ONE CAMPAIGN FAILS TO FILE PRE-RUNOFF REPORT

WASHINGTON — Texas will hold runoff elections Tuesday, April 12, 1988, to select candidates for the U.S. House and Senate.

Provisions of the Federal Election Campaign Act require that committees supporting candidates in those races must file reports of their financial activity 12 days before the runoff.

As of 5 p.m. April 7, reports from the following committee had not been filed:

[TX/06...Kendrick for Congress Campaign...Nathan Petty Kendrick...Dem] LT

The report was to include financial activity occurring from February 18 through March 23. If sent certified or registered mail, the report should have been postmarked March 28. Otherwise, the due date was close-of-business March 31.

Some individuals and their committees have no obligation to file reports under federal election law, even though their names may appear on state ballots. If any individual and his or her campaign committee raise or spend less than \$3,000, the individual is not considered a "candidate" and neither the individual nor the committee has to register.

The Commission notified the committees of candidates participating in the runoff elections of their potential filing requirements on February 1, 1988. Those committees which did not file on the due date were notified on April 1, that their reports had not been received and that their names would be published for failure to file if they did not respond within 4 business days.

The Commission publishes only the names of those committees which have been designated by candidates as their principal campaign committees. Under Amendments to the Federal Election Campaign Act, effective January 8, 1980, candidates no longer are required to file personal reports of receipts and expenditures. All such information is reported by authorized committees of the candidates.

Other political committees supporting Senate and House candidates in elections (those which are not authorized units of a candidate's campaign) also are required to file pre-primary and pre-runoff reports unless they report monthly. Those committee names are not published by the FEC.

Further Commission action against non-filers and late filers will be decided on a case-by-case basis. The Federal Election Campaign Act gives the Commission broad authority to initiate enforcement actions, including civil court enforcement and the imposition of civil penalties (\$5,000 for "any violation" and \$10,000 for any "knowing and willful" violation) for infractions of the law, including failure to file required disclosure reports.

The next report due for candidates from Texas is the April Quarterly report, due April 15, covering activity from the end of the last reporting period through March 31.

89040754166

MEMORANDUM FOR FILES: TELECON

SUBJECT: ATTEMPTING TO CONTACT COMMITTEE MEMBERS

FROM: LINDA TANGNEY

TO: --

NAME OF COMMITTEE: KENDRICK FOR CONGRESS CAMPAIGN (TX)

DATE: APRIL 26, 1988

I telephoned a long-distance telephone operator in Joshua, Texas, and requested the telephone numbers for the Kendrick for Congress Campaign, Nathan P. Kendrick, and Kairen Stephens. The telephone operator stated that she did not have a listing for them.

8904075416Z

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

RECEIVED
FEDERAL ELECTION COMMISSION
SECRET

88 JUN -6 AM 11:37

FIRST GENERAL COUNSEL'S REPORT

RAD REFERRAL # 88NF-16
STAFF MEMBER Frances B. Hagan

SOURCE OF MUR: INTERNALLY GENERATED

RESPONDENTS: Kendrick for Congress Campaign
Kairen Stephens, Treasurer

RELEVANT STATUTE: 2 U.S.C. § 434(a)(2)(A)(i)
11 C.F.R. § 104.5(a)(1)(i)

INTERNAL REPORTS
CHECKED: Referral Materials

FEDERAL AGENCIES
CHECKED: None

I. GENERATION OF MATTER

The Report Analysis Division ("RAD") referred the Kendrick for Congress Campaign ("the Committee") to the Office of the General Counsel on April 28, 1988. The basis for the attached referral is the committee's failure to file the 1988 12 Day Pre-Runoff Report.

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that for authorized committees filing quarterly, such committees shall file the 12 Day Pre-Election Report no later than the 12th day before any election in which such candidate is seeking election, or nomination for election. The due date for this primary run-off election was March 31, 1988. 2 U.S.C. § 434(a)(2)(A)(i). The candidate won the run-off

SENSITIVE

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election in the Sixth Congressional District of Texas, held April 12, 1988. The Committee was notified on April 1, 1988, for failure to file the required report. On April 8, 1988, absent receipt of the report, the Committee's name was published for failure to file.

Accordingly, the Office of the General Counsel recommends that the Commission open a Matter Under Review and find reason to believe the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(i).

II. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

89040754169

III. RECOMMENDATIONS

1. Open a Matter Under Review.
2. Find reason to believe that the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(i).
3. Approve the attached letter, factual and legal analysis, and proposed conciliation agreement.

Lawrence M. Noble
General Counsel

Date

6/3/88

BY:

Lois G. Lerner
Associate General Counsel

Attachments:

- A. Referral
- B. Letter and Factual and Legal Analysis
- C. Proposed Conciliation Agreement

Staff Person: Fran Hagan

89040754170

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Kendrick for Congress Campaign
Kairen Stephens, Treasurer

RAD Ref. 88NF-16

(MUR 2622)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 8, 1988, the Commission decided by a vote of 5-0 to take the following actions in RAD Ref. 88NF-16:

1. Open a Matter Under Review.
2. Find reason to believe that the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(i).
3. Approve the letter, factual and legal analysis, and proposed conciliation agreement, as recommended in the First General Counsel's report signed June 3, 1988.

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

Attest:

6/9/88

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary:	Mon.,	6-6-88,	11:37
Circulated on 48 hour tally basis:	Mon.,	6-6-88,	4:00
Deadline for vote:	Wed.,	6-8-88,	4:00

89040754171



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 16, 1988

Kairen Stephens, Treasurer
Kendrick for Congress Campaign
P.O. Box 794
Joshua, Texas 76058

RE: MUR 2622
Kendrick for Congress
Campaign: Kairen
Stephens, as treasurer

Dear Ms. Stephens:

On June 8, 1988, the Federal Election Commission found that there is reason to believe the Kendrick for Congress Campaign ("Committee") and you, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(i), 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.

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

89040754172

Kairen Stephens, Treasurer
Page 2

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

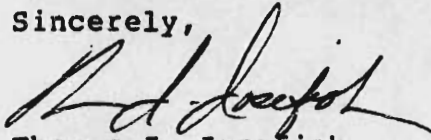
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,



Thomas J. Josefiak
Chairman

Enclosures

Factual and Legal Analysis
Procedures
Designation of Counsel Form
Conciliation Agreement

89040754173

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Kendrick for Congress Campaign
Kairen Stephens, as treasurer

MUR: 2622

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that for authorized committees filing quarterly, such committees shall file the 12 Day Pre-Election Report no later than the 12th day before any election in which such candidate is seeking election, or nomination for election.

2 U.S.C. § 434(a)(2)(A)(i). The Kendrick for Congress Campaign ("the Committee") failed to file the 1988 Pre-Runoff Report. The due date for this primary run-off election was March 31, 1988. The candidate won the run-off election in the Sixth Congressional District of Texas, held April 12, 1988. The Committee was notified on April 1, 1988, for failure to file the required report. On April 8, 1988, absent receipt of the report, the Committee's name was published for failure to file.

Accordingly, there is reason to believe the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(i).

89040754174

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: June 3, 1988ANALYST: Linda Tangney

I. COMMITTEE: Kendrick for Congress Campaign
(C00223586)
Kairen Stephens, Treasurer
P.O. Box 794
Joshua, TX 76058

II. RELEVANT STATUTE: 2 U.S.C. §434(a)(2)(A)(iii)
11 CFR 104.5(a)(1)(iii)

III. BACKGROUND:

Failure to File a Required Report of Receipts and Disbursements

The Kendrick for Congress Campaign ("the Committee") has failed to file the 1988 April Quarterly Report of Receipts and Disbursements. Prior Notices were sent February 1, 1988 and March 22, 1988, informing the Committee that the report was due on April 15, 1988 (Attachments 2 and 3). A Non-Filer Notice was sent to the Committee on May 5, 1988, for failure to file the report (Attachment 4). The Non-Filer Notice informed the Committee that failure to file this report might result in audit or legal enforcement action.

On April 26, 1988, the Reports Analysis Division analyst telephoned a Long-Distance telephone operator in Joshua, Texas and requested the telephone numbers for the Kendrick for Congress Campaign, Nathan P. Kendrick (candidate), and Kairen Stephens (treasurer). The telephone operator stated that she did not have a listing for the Committee, candidate, or treasurer (Attachment 5).

To date, the Committee has not filed the 1988 April Quarterly Report.

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

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FEDERAL ELECTION COMMISSION
1987-1988

DATE 22MAY88

CANDIDATE INDEX OF SUPPORTING DOCUMENTS - (E)

PAGE 2

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/	PARTY	RECEIPTS		DISBURSEMENTS		COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
			PRIMARY	GENERAL	PRIMARY	GENERAL			
KENDRICK, NATHAN PETTY	HOUSE 85	DEMOCRATIC PARTY					TEXAS	1988 ELECTION	ID# H8TX05032
1. STATEMENT OF CANDIDATE									
1988 STATEMENT OF CANDIDATE							25FEB88		1 88HSE/345/0035
2. PRINCIPAL CAMPAIGN COMMITTEE									
KENDRICK FOR CONGRESS CAMPAIGN								ID #C00223586	HOUSE
1988 STATEMENT OF ORGANIZATION							25FEB88		1 88HSE/345/0031
PRE-PRIMARY			5,141		4,392		4JAN88 -19FEB88		8 88HSE/345/0589
1 ST LETTER INFORMATIONAL NOTICE							4JAN88 -19FEB88		1 88FEC/512/4342
NOTICE OF FAILURE TO FILE							18FEB88 -23MAR88		1 88FEC/515/4477
NOTICE OF FAILURE TO FILE							24MAR88 -31MAR88		1 88FEC/524/2235
TOTAL			5,141	0	4,392	0			12 TOTAL PAGES
AUTHORIZED COMMITTEES									
JOINT FUNDRAISING COMMITTEES AUTHORIZED BY THE CAMPAIGN									

ALL REPORTS HAVE BEEN REVIEWED.
 ENDING CASH ON HAND AS OF 2/19/88: \$748
 OUTSTANDING DEBTS OWED TO THE COMMITTEE AS OF 2/19/88: \$0
 OUTSTANDING DEBTS OWED BY THE COMMITTEE AS OF 2/19/88: \$8137

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PRIMARY ELECTION

ATTACHMENT 2
PAGE 1 of 2

REPORT NOTICE

FEDERAL ELECTION COMMISSION

TEXAS

February 1, 1988

IF ONLY ONE ELECTION IS HELD, PRIMARY (3/08/88)

REPORT	REPORTING PERIOD	REG./CERT.	FILING
		MAILING DATE*	DATE
Pre-Primary	01/01/88-02/17/88	02/22/88	02/25/88
April Quarterly	02/18/88-03/31/88	04/15/88	04/15/88

IF TWO ELECTIONS ARE HELD, AND THE COMMITTEE IS INVOLVED IN BOTH, PRIMARY (3/8) and RUNOFF (4/12):

REPORT	REPORTING PERIOD	REG./CERT.	FILING
		MAILING DATE*	DATE
Pre-Primary	01/01/88-02/17/88	02/22/88	02/25/88
Pre-Runoff	02/18/88-03/23/88	03/28/88	03/31/88
April Quarterly	03/24/88-03/31/88	04/15/88	04/15/88

LT

WHO MUST FILE

PRINCIPAL CAMPAIGN COMMITTEES OF CONGRESSIONAL "CANDIDATES" who seek nomination in the March 8, 1988, Texas Primary and, if held, April 12, 1988, Runoff.

WHAT MUST BE REPORTED

All financial activity that occurred during the reporting period (or before, if not previously reported).

REPORTING FORMS

Candidate committees use FORM 3 (enclosed). If the campaign has more than one authorized committee, the principal campaign committee must also file a consolidated report on FORM 32.

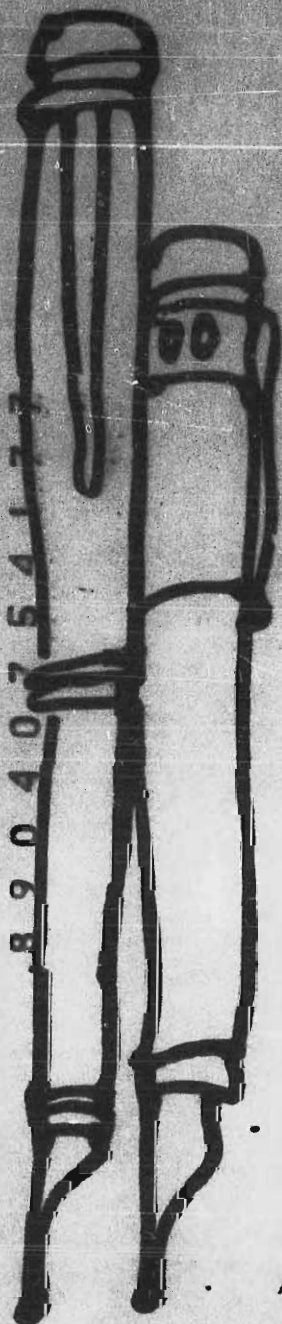
WHERE TO FILE

Consult the instructions on the back of the FORM 3 Summary Page. Note state filing requirements also.

*Reports sent by registered or certified mail must be postmarked by the mailing date. Otherwise, they must be received by the filing date.

FOR INFORMATION, Call: 202/376-3120 or 800/424-9530

(over)



LABEL

Committees should affix the peel-off label from the envelope to Line 1 of the report. Corrections should be made on the label.

LAST-MINUTE CONTRIBUTIONS

Committees which receive a contribution of \$1,000 or more, between 30 and 2 days before the election, must report it within 48 hours of its receipt.

COMPLIANCE

TREASURERS OF POLITICAL COMMITTEES ARE RESPONSIBLE FOR FILING ALL REPORTS ON TIME. FAILURE TO DO SO IS SUBJECT TO ENFORCEMENT ACTION. COMMITTEES FILING ILLEGIBLE REPORTS OR USING NON-FEC FORMS WILL BE REQUIRED TO REFILE.

89040754178

QUARTERLY REPORT NOTICE

FEDERAL ELECTION COMMISSION

CONGRESSIONAL CANDIDATES

March 22, 1988

REPORT	REPORTING PERIOD	REG./CERT.	FILING
		MAILING DATE*	DATE
APRIL QUARTERLY	01/01/88**-03/31/88	04/15/88	04/15/88

WHO MUST FILE

PRINCIPAL CAMPAIGN COMMITTEES OF CONGRESSIONAL "CANDIDATES" who seek election in 1988 must file an October Quarterly Report. These committees must continue to file quarterly throughout 1988, regardless of the primary outcome, unless they file a valid termination report.

WHO NEED NOT FILE

Principal campaign committees of candidates not active in the 1988 elections (i.e., committees active in past or future elections) do not file the quarterly report. Instead they report semiannually.

WHAT MUST BE REPORTED

All financial activity (not previously reported) that occurred during the reporting period.

REPORTING FORMS

Candidate committees use FORM 3 (enclosed). If the campaign has more than one authorized committee, the principal campaign committee must also file a consolidated report on FORM 37.

WHERE TO FILE

Consult the instructions on the back of the FORM 3 Summary Page. Note state filing requirements also.

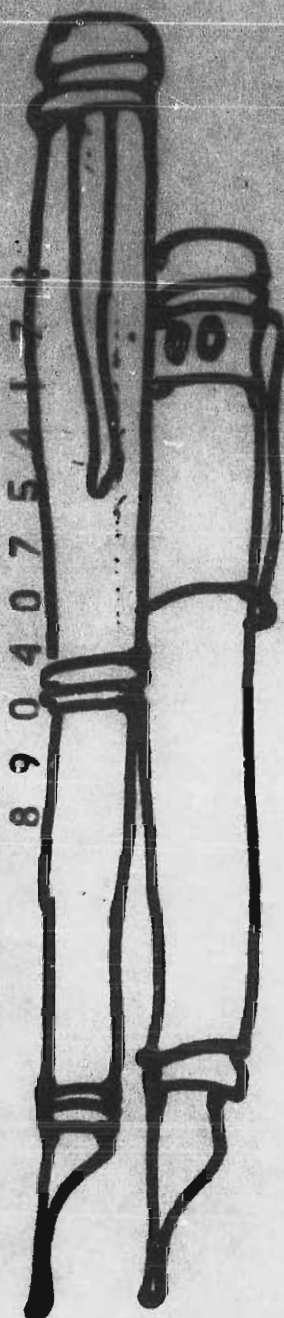
LAST-MINUTE CONTRIBUTIONS

Committees which receive a contribution of \$1,000 or more, after the 20th day, but more than 48 hours before an election, must report it within 48 hours of its receipt.

*Reports sent by registered or certified mail must be postmarked by the mailing date. Otherwise, they must be received by the filing date.

**From the date of registration, or the close of books of the last report filed, whichever is later.

(over)



LABEL

Committees should affix the peel-off label from the envelope to Line 1 of the report. Corrections should be made on the label.

COMPLIANCE

TREASURERS OF POLITICAL COMMITTEES ARE RESPONSIBLE FOR FILING ALL REPORTS ON TIME. FAILURE TO DO SO IS SUBJECT TO ENFORCEMENT ACTION. COMMITTEES FILING ILLEGIBLE REPORTS OR USING NON-FEC FORMS WILL BE REQUIRED TO REFILE.

89040754180



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-7

May 5, 1988

Kairen Stephens, Treasurer
Kendrick for Congress Campaign
P.O. Box 794
Joshua, TX 76058

Identification Number: C00223586

Reference: April Quarterly Report (3/24/88-3/31/88)

Dear Ms. Stephens:

It has come to the attention of the Federal Election Commission that you may have failed to file the above referenced Report of Receipts and Disbursements as required by the Federal Election Campaign Act. You were previously notified of the due date for this report.

It is important that you file this report immediately with the Clerk of the House, Office of Records and Registration, 1036 Longworth House Office Building, Washington, DC 20515, or the Secretary of the Senate, 232 Hart Senate Office Building, Washington, DC 20510, as appropriate. A copy of the report should also be filed with the Secretary of State or equivalent state officer of your state.

The failure to file this report may result in an audit or legal enforcement action.

If you have any questions regarding this matter, please contact Linda Tangney on our toll-free number (800) 424-9530. Our local number is (202) 376-2480.

Sincerely,

A handwritten signature in cursive script, reading "John D. Gibson".

John D. Gibson
Assistant Staff Director
Reports Analysis Division

89040754181

MEMORANDUM FOR FILES: TELECON

SUBJECT: ATTEMPTING TO CONTACT COMMITTEE MEMBERS

FROM: LINDA TANGNEY

TO: --

NAME OF COMMITTEE: KENDRICK FOR CONGRESS CAMPAIGN (TX)

DATE: APRIL 26, 1988

I telephoned a long-distance telephone operator in Joshua, Texas, and requested the telephone numbers for the Kendrick for Congress Campaign, Nathan P. Kendrick, and Kairen Stephens. The telephone operator stated that she did not have a listing for them.

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FEDERAL

63 JUL -5 1 1423

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

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

RAD Referral # 88NF-19
Staff Member: Frances B. Hagan

SOURCE: INTERNALLY GENERATED

RESPONDENTS: Kendrick for Congress Campaign
Kairen Stephens, Treasurer

RELEVANT STATUTE: 2 U.S.C. § 434(a)(2)(A)(iii)
11 C.F.R. § 104.5(a)(1)(iii)

INTERNAL REPORTS CHECKED: Referral Materials

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

The Reports Analysis Division ("RAD") referred the Kendrick for Congress Campaign ("the Committee") to the Office of the General Counsel on June 7, 1988. The basis for the attached referral is the Committee's failure to file the 1988 April Quarterly Report.

II. FACTUAL AND LEGAL ANALYSIS

A. Filing of Reports

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that for authorized committees filing quarterly, such committees shall file the April Quarterly Report no later than the 15th day after the last day of the calendar quarter. 2 U.S.C. § 434(a)(2)(A)(iii). The Committee did not file the 1988 April Quarterly Report which was due April 15, 1988. The Committee was notified on May 5, 1988, for failure to file the required report.

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B. Merger

The Committee is involved in another non-filer case, MUR 2622. In that case, the Committee failed to file the 1988 Pre-runoff Report due March 31, 1988. On April 8, 1988, absent receipt of that report, the Committee's name was published for failure to file the Pre-runoff Report. Because the two non-filer matters are closely related, and notification of the finding in MUR 2622 was recently sent, it is appropriate that these matters be merged. Therefore, this Office recommends merger of the current referral with the current open MUR concerning the Committee.

It should be noted that the candidate won the run-off election in the Sixth Congressional District of Texas, held April 12, 1988.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

This Office also recommends that the Commission extend its offer of preprobable cause conciliation to include the Committee's failure to file both the 1988 April Quarterly as well as the 1988 Pre-runoff Report which is the subject of MUR 2622. Attached for the Commission's approval is a proposed conciliation agreement (Attachment B). The proposed agreement incorporates the facts and requirements of the agreement approved in MUR 2622 as well as providing for the issues of the current referral. Language has been added in the proposed letter to explain this to the respondents.

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IV. RECOMMENDATIONS

1. Open a MUR.
2. Find reason to believe that the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(iii).
3. Enter into conciliation with the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, prior to a finding of probable cause to believe.
4. Merge RAD Referral 88NF-19 with MUR 2622.

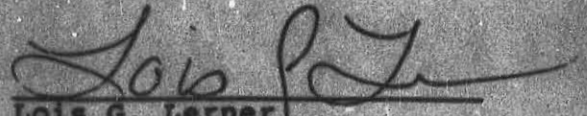
5. Approve the attached letter, Factual and Legal Analysis, and proposed conciliation agreement.

Lawrence M. Noble
General Counsel

Date

7/5/88

BY:


Lois G. Lerner
Associate General Counsel

Attachments

- A. Referral Materials
- B. Proposed Agreement
- C. Letter and Factual and Legal Analysis

Staff Member: Frances B. Hagan

89040754186

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Kendrick for Congress Campaign
Kairen Stephens, Treasurer

RAD Ref. #88NF-19

(MUR 2643)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 8, 1988 the Commission decided by a vote of 6-0 to take the following actions in RAD Ref. #88NF-19:

1. Open a MUR.
2. Find reason to believe that the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(iii).
3. Enter into conciliation with the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, prior to a finding of probable cause to believe.
4. Merge RAD Referral 88NF-19 with MUR 2622.
5. Approve the letter, Factual and Legal Analysis, and proposed conciliation agreement, as recommended in the General Counsel's Report signed July 5, 1988.

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

Attest:

7-8-88

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of the Commission Secretary: Tues., 7-5-88, 4:23
Circulated on a 48-hour tally basis: Wed., 7-6-88, 11:00
Deadline for vote: Fri., 7-8-88, 11:00

89040754187



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

July 13, 1988

Kairen Stephens, Treasurer
Kendrick for Congress Campaign
P.O. Box 794
Joshua, Texas 76058

RE: MUR 2643
Kendrick for Congress Campaign
Kairen Stephens, as treasurer

Dear Ms. Stephens:

On July 8, 1988, the Federal Election Commission found that there is reason to believe the Kendrick for Congress Campaign and you, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(iii), 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.

On July 8, 1988, the Commission also determined to merge this matter with MUR 2622. Both matters will now be known as MUR 2643. In order to expedite the resolution of this matter, the Commission has also decided to extend its offer to enter into negotiations directed towards reaching a conciliation agreement that includes both findings that the Commission has approved. The attached proposed agreement includes the factual and legal findings concerning the Committee's failure to file both the 1988 12 Day Pre-runoff and April Quarterly Reports. This agreement supersedes the proposed conciliation agreement sent to you on June 16, 1988.

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

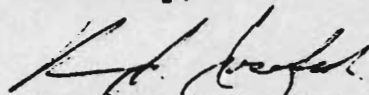
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,



Thomas J. Josefiak
Chairman

Enclosures

Factual and Legal Analysis
Conciliation Agreement
Procedures
Designation of Counsel Form

cc: Nathan P. Kendrick

600 # 9769

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

08 JUL 14 PM 12:35

✓ MVR 2645

PROFESSIONAL BUILDING
P. O. BOX 270
MEXIA, TEXAS 76867
817/562-5574

SIMMONS AND SIMMONS
ATTORNEYS AT LAW

ED ROY SIMMONS (1971)
ROY SIMMONS, III
ROY T. SIMMONS

July 8, 1988

Lawrence Noble, Esquire
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20004

Dear Mr. Noble:

This Complaint against Nathan Petty Kendrick and the Kendrick for Congress Campaign, Kairen Stephens - Treasurer, is filed with the Federal Election Commission ("FEC") pursuant to 2 U.S.C. 434 (a) (1) and (2), and 11 C.F.R. 104.5 (a) (1) and (2). Nathan Kendrick is a candidate for the United States House of Representatives in Texas Sixth Congressional District.

VIOLATIONS OF LAWS

As of July 7, 1988 the residents of the Sixth Congressional District have been unable to obtain the lawfully required Report of Receipts and Disbursements for the Kendrick for Congress Campaign, Kairen Stephens - Treasurer.

The Report of Receipts and Disbursements required to be filed by the close-of-business March 31, 1988 (12 days preceeding the Texas runoff election) with the Clerk of the United States of

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FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
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House of Representatives and forwarded to the Commission, has been unavailable to the public as required under federal election law. The Report is to cover all financial activity of the Kendrick for Congress Campaign 12 days before the Texas runoff elections held Tuesday, April 12, 1988.

The Report of Receipts and Disbursements required to be filed by the close-of-business April 15, 1988 (1st quarter report) with the Clerk of the United States House of Representatives and forwarded to the Commission, has been unavailable to the public as required under federal election laws. The Report is to cover all financial activity of the Kendrick for Congress Campaign from March 24, 1988 through March 30, 1988.

Federal Laws, 2 U.S.C. 434 (a) (1) and (2), and 11 C.F.R. 104.5 (a) (1) and (2) clearly provides for the timely disclosure of the financial activity of any candidate for the United States House of Representatives.

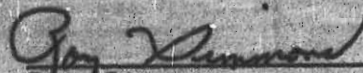
CONCLUSION

Complainant therefore requests that the FEC investigate these potential violations and enforce, as necessary, the Commission's regulations.

VERIFICATION

The Undersigned swears that the allegations and facts set

forth in the Complaint are true to the best of his knowledge,
information and belief.


Roy Simmons

Subscribed and sworn to before me this 8th day of July, 1988.


Notary Public, State of
Texas

MARTHA CLARK LYNCH
My Commission Expires:
01-29-90

89040754192

Questions surround campaign

Democrat fails to disclose finances, writes three bad checks

By DAVID ELLIOT
Daily Sun News Editor

The Democratic candidate in the 6th District Congressional race has missed deadlines to file federally required campaign finance disclosures and his campaign manager has written hot checks for advertising in area newspapers, the *Daily Sun* has learned.

N.P. "Pat" Kendrick, who will challenge incumbent U.S. Rep. Joe Barton, R-Ennis, in the November general election, has twice violated a federal law that requires candidates to disclose quarterly how much money they have raised and spent and to list contributors.

Kendrick's son and campaign manager, Pat Kendrick Jr., also has written at least three hot checks on a campaign account at the Alvarado State Bank. The bank returned the checks because insufficient funds were deposited in the account, said Cheryl Atchison, an account supervisor.

"The account was closed by the bank on April 22," Ms. Atchison said. "We have tried calling them (the Kendrick campaign) but the number on the check is not the Kendrick office."

The younger Kendrick, who signed the checks, said Thursday he is unaware of any returned checks written on the "Kendrick for Congress" account.

A check written on April 4 to the *Mexia Daily News* was returned later that month marked "NSF." The newspaper has not been able to collect on the \$37 check.

Also on April 4, the younger Kendrick wrote a \$108 check to the *Hearne Democrat*, which was returned April 22 marked "NSF," said Democrat Editor Ross Nethery.

Nethery said the newspaper is in the process of initiating prosecution against the Kendrick campaign unless they repay the check.

"We have very good hot check prosecution in Robertson County," Nethery said.

Another newspaper, the *Ennis Press*, received a \$72 hot check April 5 from the Kendrick campaign, Editor Robert Klemp said. The newspaper has mailed a registered letter to Kendrick campaign headquarters asking for payment.

Brenda Griggs, who has handled hot checks in the Johnson County District Attorney's office for more than four years, said the younger Kendrick has a reputation for writing worthless checks.

"I recognize that name (Pat Kendrick Jr.) from the past," Ms. Griggs said. "I'm not at liberty to give specifics on it. I know he had some check problems a couple of years ago. He did make good on the checks."

Kendrick has let two deadlines pass without filing a campaign finance statement, a spokesman for the Federal Election Commission said. He could be fined \$5,000 if the violation is found to be unintentional and \$10,000 if the violation is declared "knowing and willful."

The younger Kendrick refuted the FEC spokesman's statement that Kendrick had not filed the reports.



KENDRICK

Since Kendrick's uphill fight to capture Barton's seat began, three deadlines for filing have come and gone. After meeting the first deadline, Feb. 28, the Democratic nominee missed the next two, March 31 and April 15, FEC spokesman Fred Elland said.

But the younger Kendrick said the campaign filed its second report by March 31. And he said FEC officials told the campaign that report would cover the next filing period as well.

On Tuesday the younger Kendrick said he would supply the newspaper with a copy of the campaign finance reports. On Wednesday, he said, instead, the campaign would provide a sworn affidavit from the candidate stating he had indeed mailed the reports.

On Thursday, the younger Kendrick agreed to provide the *Daily Sun* with a registered mail stub that he said would show the finance reports had been delivered to the FEC in Washington.

None of those documents had been provided and numerous phone calls today to the campaign's Cleburne office were unanswered.

FEC officials said they have no record of Kendrick's having filed the second and third required statements.

The FEC routinely notifies all congressional campaigns of filing deadlines, and follows up with letters when deadlines are missed. But the younger Kendrick said he received no notification that the campaign had missed a filing deadline.

The *Daily Sun* has obtained a May 5 letter that FEC officials said was mailed to the Kendrick campaign.

The letter, addressed to Kairen Stephens, treasurer of the Kendrick for Congress Campaign, stated, "It has come to the attention of the Federal Election Commission that you may have failed to file the above referenced Report of Receipts and Disbursements as required by the Federal Election Campaign Act. You were previously notified of the due date for this report.

"It is important that you file this report...failure to file this report may result in an audit or legal enforcement action."

Federal law also requires that a copy of Kendrick's campaign finance statement be on file with the Texas Secretary of State's office. The younger Kendrick said this week that the campaign has not supplied that office with a statement.

A spokeswoman for the Secretary of State confirmed they had no campaign finance statement from the Kendrick campaign.

Elland said campaigns do occasionally miss the filing deadline, although the number of violations has declined sharply over the years. He attributed the decline to the FEC's policy of notifying all candidates of the deadline in advance.

"The commission looks at this as a serious matter," Elland said. "The commission feels that the full and timely disclosure of campaign finances is the heart of the federal election law."

Under a law Congress adopted in the post-Watergate election reforms of 1974, congressional candidates are required to file the statements every three months. The next filing deadline is July 15.

"The commission cannot enforce the law without this information. The voting public cannot make its decision without this information," Elland said.

Barton's April 15 report showed he took in \$45,109 for the quarter preceding that reporting deadline and had a cash balance of \$97,129.

In contrast, the last and only report from the Kendrick campaign — filed in March — showed the candidate with \$748 on hand but with an outstanding \$8,137 debt to the firm of Carlos Moore Public Relations. Moore is the publisher of a biography of House Speaker Jim Wright — from which Wright received what some critics called unusually high royalties.

The younger Kendrick said Tuesday that Moore had been paid, and the campaign now has about \$30,000 in the bank and another \$30,000 in campaign pledges.

Barton blasted Kendrick's failure to file, saying it was yet another sign of a campaign which he said lacked credibility.

"It's typical of the way he's running his campaign," Barton said. "He hasn't done anything else he was supposed to do, so why should he do that?"

Reprinted with permission of Corpus Christi Daily Sun

The Press to take action against N.P. "Pat" Kendrick

The Press will initiate prosecution against the N.P. "Pat" Kendrick campaign because of the Kendrick For Congress failure to cover a \$72 check that did not clear due to insufficient funds.

The check written on a Kendrick for Congress account in the Alvarado State Bank, has been redeposited three times in the Press' account at an Ennis bank in attempts to see if it would clear. Following the third deposit, it came back from the Alvarado State Bank stamped with the message "This is a non-clearable matter. Please do not redeposit."

When a phone number listed under the title "Kendrick for Congress" was called, The Press was informed that no one with any connection to the campaign had ever lived at that number. The person responding said that it was a Burleson number.

On June 23, Sherry Williams, publisher of The Press, mailed a certified letter to the address on the check, a Joshua post office box, informing the addressee that the Ellis County paper would wait ten days and then prosecute if money for the \$72 debt was not received.

Ellis County J.P. Milton Gallagher had recommended mailing the certified letter before taking legal action.

The Kendrick check had been signed by Pat Kendrick, Jr., the candidate's son and campaign manager.

The \$72 was payment to cover ads run in The Press in Kendrick's successful bid to capture the Democratic nomination for the U.S. Sixth Congressional District seat. This seat is currently held by Joe Barton of Ennis.

A news article recently appearing in the Corsicana Daily Sun revealed that the Kendrick organization wrote two other checks with insufficient funds, to cover advertising bills. Both of these checks were written on April 4, one day before the check received by The Press.

The Mexia Daily News received a

hot check for \$37 and the Hearne Democrat received a \$108 check that bounced.

The Hearne Democratic, like The Press, expressed intentions to press charges if the check did not clear.

Bob Sunderegger, editor of the Mexia Daily News, and Ross Nethery, editor of the Hearne Democrat, said that a Kendrick representative came to their newspapers on July 1 and paid the money owed. The Press' check, however, has not been cleared.

Published reports reveal that the Kendrick campaign has also twice violated a federal law that requires candidates to show quarterly how much money they have raised and who their contributors are.

89040754194

Candidate denies that his campaign wrote bad checks

By DAVID ELLIOT
Daily Sun News Editor

N.P. "Pat" Kendrick, Democratic candidate for the Sixth Congressional District, says allegations that his son wrote bad checks on behalf of the campaign are untrue.

Kendrick, of Joshua, also said he had filed all of the federally mandated campaign finance reports.

Last week, the Daily Sun reported that Kendrick had not filed a campaign finance report since March and his son, Pat Kendrick Jr., had written three bad checks to the *Mexico Daily News*, the *Hearne Democrat* and the *Elms Press* prior to the April 12 Democratic runoff.

Last April, Kendrick captured the Democratic nomination for the seat now held by U.S. Rep. Joe Barton, R-Elms.

Kendrick said in a telephone interview Wednesday that if bad checks had been written, he knew nothing about them.

Kendrick also said he did not view the allegations as a campaign issue. "What you are after me about is you are trying to expose me to help Joe Barton," he said. "If you guys want to start a big dog fight over things, we can do it."

Kendrick said if his campaign had missed the filing deadlines for the finance statements it was unintentional.

"I may have made an error back then and not filed — I don't know," Kendrick said. "I feel you have absolutely no business calling me and

offering these innuendoes. We'll have some replies someday."

After meeting a Feb. 25 deadline for filing his campaign finance statement, Kendrick missed the next two, on March 31 and April 15, according to FEC spokesman Fred Eiland.

Failure to file could lead to a fine of \$5,000 if the violation is found to be unintentional and \$10,000 if the violation is declared "knowing and willful."

Last week, the younger Kendrick agreed on three separate occasions to provide the Daily Sun with documentation that the campaign had met the second filing deadline. That documentation was never received by the newspaper.

Asked Wednesday whether he would provide a copy of a campaign finance report his son said was filed in April, Kendrick said, "I don't think it's any of your business."

Under federal law, campaign finance reports are public information. The Daily Sun received a copy of Kendrick's first report from the Federal Election Commission. But FEC officials say Kendrick has not since filed.

The three checks, which were written on an account at the Alvarado State Bank, were all signed by the younger Kendrick.

The Alvarado State Bank closed Kendrick's account April 22, according to account supervisor Cheryl Atchison.

A check for \$37 written in April to See KENDRICK, Page 7A

KENDRICK

Continued from 1A

to *Mexico Daily News* — which is used by Sutherland Media, Inc., owner of the Daily Sun — was cleared later that month marked "NUP."

Another newspaper, the *Elms Press*, received a \$72 bad check April 1 from the Kendrick campaign. Editor Robert Klump said. Klump said the newspaper has mailed a registered letter to Kendrick campaign headquarters asking for payment.

Kendrick maintains he has received nothing from the Alvarado State Bank or any of the three newspapers regarding debt owed.

Kendrick said if bad checks had indeed been written, "we'll do whatever has to be done to correct it. It will be handled, it will be taken care of, nobody's going to lose a quarter. Allegedly, I got a check that bounced somewhere that doesn't amount to \$30 and you're making a federal case out of it...Everyone in this country has overdrew their bank account at one point or another."

On Wednesday, Russ Nethery, editor of the *Hearne Democrat*, said his newspaper mailed a certified letter to Kendrick's post office box asking for repayment of a \$300 check. The letter was later returned unclaimed, he said.

Nethery said he will now turn the matter over to Robertson County

District Attorney Jimmy McCullough.

McCullough, reached at his office Wednesday in Franklin, the Robertson County seat, said that at the request of the *Hearne Democrat*, his office was mailing the candidate a certified letter today asking that payment be made.

Versicana Daily Sun

89040754195



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 21, 1988

Mr. Roy Simmons
Simmons and Simmons
Professional Building
PO Box 270
Mexico, TX 76667

RE: MUR 2645

Dear Mr. Simmons:

This letter acknowledges receipt of your complaint, received on July 14, 1988, alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by Nathan Kendrick, and the Kendrick For Congress Campaign and Kairen Stephens, as treasurer. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 2645. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints. If you have any questions, please contact Retha Dixon, Docket Chief, at (202) 376-3110.

Sincerely,

Lawrence M. Noble
General Counsel

Lois G. Lerner

By: Lois G. Lerner
Associate General Counsel

Enclosure
Procedures

89040754196



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 21, 1988

Kairen Stephens, Treasurer
Kendrick For Congress
Campaign
PO Box 794
Joshua, TX 76058

RE: MUR 2645
Kendrick For Congress
Campaign and Kairen
Stephens, as treasurer

Dear Ms. Stephens:

The Federal Election Commission received a complaint which alleges that the Kendrick For Congress Campaign and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2645. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the Kendrick For Congress Campaign in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. 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.

89040754192

If you have any questions, please contact Frances B. Hagan, the staff person assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

Lois G. Lerner

By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

cc: Mr. Nathan Petty Kendrick
104 Country Club Drive
Joshua, TX 76052

89040754198



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 21, 1988

Mr. Nathan Petty Kendrick
104 Country Club Drive
Joshua, TX 76052

RE: MUR 2645
Nathan Petty Kendrick

Dear Mr. Kendrick:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2645. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. 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.

89040754199

If you have any questions, please contact Frances B. Hagan, the staff person assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

cc: Kairen Stephens, Treasurer
Kendrick For Congress Campaign
PO Box 794
Joshua, TX 76058

89040754200

RECEIVED
FEDERAL ELECTION COMMISSION

88 SEP -3 AM 10:30

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

SENSITIVE

EXECUTIVE SESSION

SEP 20 1988

FIRST GENERAL COUNSEL'S REPORT

MUR #2645
DATE COMPLAINT RECEIVED
BY OGC: July 14, 1988
DATE OF NOTIFICATION TO
RESPONDENTS: July 21, 1988
STAFF MEMBER: Frances B. Hagan

COMPLAINANT: Roy Simmons
RESPONDENTS: Nathan Petty Kendrick
Kendrick for Congress Campaign
Kairen Stephens, Treasurer
RELEVANT STATUTES: 2 U.S.C. § 434(a)(2)(A)(i)
2 U.S.C. § 434(a)(2)(A)(iii)
11 C.F.R. § 104.5(a)(1)(i)
11 C.F.R. § 104.5(a)(1)(iii)
INTERNAL REPORTS CHECKED: Referral Materials
FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

Complainant Roy Simmons filed a complaint with the Federal Election Commission, alleging that Nathan P. Kendrick, a candidate for the U.S. House of Representatives from the Sixth Congressional District of Texas, and the Kendrick for Congress Campaign ("the Committee") and Kairen Stephens, treasurer of the Committee, failed to file the 1988 April Quarterly Report and the 1988 Pre-runoff Report as required by 2 U.S.C.

§§ 434(a)(2)(A)(iii) and 434(a)(2)(A)(i). Neither the candidate nor the Committee has responded to the complaint.

It should be noted that the candidate won the run-off election held April 12, 1988.

89040754201

II. FACTUAL AND LEGAL ANALYSIS

A. Filing of Reports

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that for authorized committees filing quarterly, such committees shall file the April Quarterly Report no later than the 15th day after the last day of the calendar quarter. 2 U.S.C. § 434(a)(2)(A)(iii). The Committee did not file the 1988 April Quarterly Report which was due April 15, 1988. The Committee was notified on May 5, 1988, for failure to file the required report.

The Act also provides that for authorized committees filing quarterly, such committees shall file the 12 Day Pre-Election Report no later than the 12th day before any election in which such candidate is seeking election or nomination for election. The due date for this candidate's primary run-off election was March 31, 1988. 2 U.S.C. § 434(a)(2)(A)(i). The Committee was notified on April 1, 1988, for failure to file the required report. On April 8, 1988, absent receipt of the report, the Committee's name was published for failure to file.

On June 8, 1988, in MUR 2622, the Commission found reason to believe that the Committee and treasurer violated 2 U.S.C. § 434(a)(2)(A)(i) and offered a proposed pre-probable cause conciliation agreement.

On July 8, 1988, in MUR 2643, the Commission found reason to believe that the Committee and treasurer violated 2 U.S.C. § 434(a)(2)(A)(iii). The Commission also merged the previous

89040754202

matter (MUR 2622) into MUR 2643, and proposed a new pre-probable cause conciliation agreement which combined the factual and legal findings in both matters and which superseded the previously proposed agreement. There has been no response to the new proposal.

B. Merger

The complainant in this matter (MUR 2645) cites the Committee's failure to file the same reports which are the subject of the Commission's findings in internally-generated MUR 2643. Because the Commission has already found reason to believe concerning the Committee's failure to file these reports, it is not necessary to do so again. However, since the issues in the complaint are identical to those in the ongoing matter, it is appropriate that these matters be merged. Therefore, this Office recommends merger of the current complaint with the current open MUR concerning the Committee.

The proposed letter attached to this report notes that the Committee's response time has elapsed and gives the Committee five days to answer the conciliation proposal before we proceed to the next enforcement stage.

89040754203

III. RECOMMENDATIONS

1. Merge MUR 2645 with MUR 2643.
2. Reject the Committee's acceptance of the conciliation agreement proposed in MUR 2622.
3. Approve the attached letter and Factual and Legal Analysis.

Lawrence M. Noble
General Counsel

Date

9/7/88

BY:


Lois G. Lerner
Associate General Counsel

Attachments

Letter to Committee
Factual and Legal Analysis
Complaint
Proposed Conciliation Agreement
and Letter to Committee approved
in MUR 2643

89040754204



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS / JOSHUA MCFADDEN *JM*
COMMISSION SECRETARY

DATE: SEPTEMBER 13, 1988

SUBJECT: OBJECTION TO MUR 2645 - FIRST G. C. REPORT
SIGNED SEPTEMBER 7, 1988

The above-captioned document was circulated to the
Commission on Thursday, September 8, 1988 at 4:00 P.M.

Objection(s) have been received from the Commissioner(s)
as indicated by the name(s) checked below:

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

This matter will be placed on the meeting agenda
for September 20, 1988.

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

89040754205

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Nathan Petty Kendrick)
Kendrick for Congress Campaign)
Kairen Stephens, Treasurer)

MUR 2645

CERTIFICATION

1, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of September 20, 1988, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2645:

1. Merge MUR 2645 with MUR 2643.
- 2.
3. Approve the letter and Factual and Legal Analysis attached to the General Counsel's September 7, 1988 report.

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

Attest:

9-20-88

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

89040754206



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 27, 1988

Kairen Stephens, Treasurer
Kendrick for Congress Campaign
P.O. Box 794
Joshua, Texas 76058

RE: MUR 2643
Kendrick for Congress Campaign
Kairen Stephens, as treasurer

Dear Ms. Stephens:

On July 21, 1988, the Federal Election Commission notified the Kendrick for Congress Campaign ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time.

On September 20, 1988, the Commission decided to merge the complaint (MUR 2645) with the ongoing MUR 2643. The Factual and Legal Analysis, which formed a basis for the Commission's action regarding the complaint, is attached for your information.

You have previously been notified that the Commission, on June 8, 1988, found that there is reason to believe the Committee and you, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(i), and on July 8, 1988, found reason to believe that the Committee and you, as treasurer violated 2 U.S.C. § 434(a)(2)(A)(iii), provisions of the Act.

On July 13, 1988, you were notified of the Commission's findings in MUR 2643 and were further informed that the proposed conciliation agreement offered at that time superseded the original proposal

Please note that the period for response and negotiation of the proposed conciliation agreement in this matter has elapsed. To date, you have not responded to the proposed agreement. Unless we receive a response from you within five days, this Office will consider these negotiations terminated and will proceed to the next stage of the enforcement process.

8904075420Z

Kairen Stephens, Treasurer
Page 2

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

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel



BY: Lois G. Lerner
Associate General Counsel

Enclosure
Factual & Legal Analysis

89040754208

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Nathan P. Kendrick
Kendrick for Congress Campaign
Kairen Stephens, as treasurer

MUR: 2645

I. GENERATION OF MATTER

Complainant Roy Simmons filed a complaint with the Federal Election Commission, alleging that Nathan P. Kendrick, a candidate for the U.S. House of Representatives from the Sixth Congressional District of Texas, and the Kendrick for Congress Campaign ("the Committee") and Kairen Stephens, treasurer of the Committee, failed to file the 1988 April Quarterly Report and the 1988 Pre-runoff Report as required by 2 U.S.C. §§ 434 (a)(1)(iii) and 434(a)(2)(i).

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that for authorized committees filing quarterly, such committees shall file the April Quarterly Report no later than the 15th day after the last day of the calendar quarter. 2 U.S.C. § 434(a)(2)(A)(iii). The Committee did not file the 1988 April Quarterly Report which was due April 15, 1988. The Committee was notified on May 5, 1988, for failure to file the required report.

The Act also provides that for authorized committees filing quarterly, such committees shall file the 12 Day Pre-Election Report no later than the 12th day before any election in which

89040754209

such candidate is seeking election or nomination for election. The due date for this candidate's primary run-off election was March 31, 1988. 2 U.S.C. § 434(a)(2)(a)(i). The Committee was notified on April 1, 1988, for failure to file the required report. On April 8, 1988, absent receipt of the report, the Committee's name was published for failure to file.

On June 8, 1988, in MUR 2622, the Commission found reason to believe that the Committee and treasurer violated 2 U.S.C. § 434(a)(2)(A)(i). On July 8, 1988, in MUR 2643, the Commission found reason to believe that the Committee and treasurer violated 2 U.S.C. § 434(a)(2)(A)(iii). The Commission also merged the previous matter (MUR 2622) into MUR 2643.

The complainant in this matter (MUR 2645) cited the Committee's failure to file the same reports which are the subject of the Commission's findings in internally-generated MUR 2643. Therefore, because the issues in the complaint are identical to those in the ongoing matter, the Commission determined to merge the current complaint with the current open MUR concerning the Committee (to be called MUR 2643).

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BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

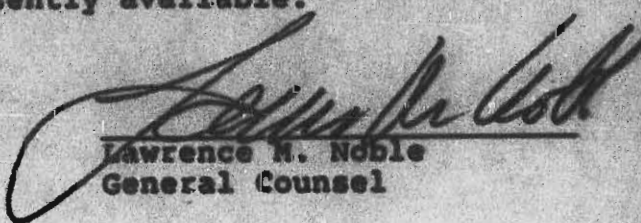
In the Matter of)
Kendrick for Congress Campaign) MUR 2643
Kairen Stephens, as treasurer)

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, based on the assessment of the information presently available.

Date

11/8/88


Lawrence H. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION

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SENSITIVE

November 9 1988

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

SUBJECT: MUR 2643, Kendrick for Congress Campaign

Attached for the Commission's review is a brief stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. A copy of this brief and a letter notifying the respondent of the General Counsel's intent to recommend to the Commission a finding of probable cause to believe were mailed on November 9, 1988. Following receipt of the respondent's reply to this notice, this Office will make a further report to the Commission.

Attachments

- A. Brief
- B. Letter to respondent

89040754212



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

November 9, 1988

Kairen Stephens, Treasurer
Kendrick for Congress Campaign
P.O. Box 794
Joshua, Texas 76058

RE: MUR 2643
Kendrick for Congress Campaign
Kairen Stephens, as treasurer

Dear Ms. Stephens:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, on June 8, 1988, the Federal Election Commission found reason to believe that the Kendrick for Congress Campaign ("Committee") and you, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(i), and instituted an investigation in this matter. On July 8, 1988, the Commission found reason to believe that the Committee and you, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(iii). On September 20, 1988, the Commission merged a complaint concerning these issues with the ongoing MUR 2643.

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 violations have 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 (ten 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.

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.

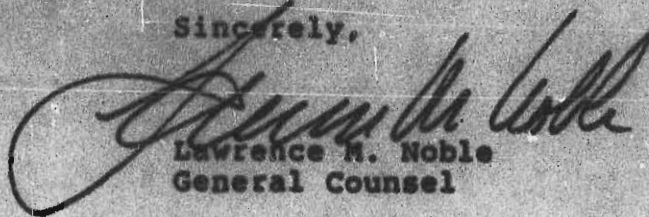
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Kairen Stephens, Treasurer
Page 2

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 Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Brief

89040754214

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Kendrick for Congress Campaign) MUR 2643
Kairen Stephens, as treasurer)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On June 8, 1988, the Commission found reason to believe that the Kendrick for Congress Campaign ("the Committee") and Kairen Stephens, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(i) for failing to file the 1988 Pre-runoff Report. On July 8, 1988, the Commission found reason to believe that the Committee and its treasurer violated 2 U.S.C. § 434(a)(2)(A)(iii) for failing to file the 1988 April Quarterly Report. On September 20, 1988, the Commission decided to merge a complaint concerning these same issues (MUR 2645) with the ongoing MUR 2643.

The Committee did not file the 1988 April Quarterly Report which was due April 15, 1988. The Committee was notified on May 5, 1988, for failure to file the required quarterly report.

The Committee did not file the 1988 Primary Pre-runoff Report which was due March 31, 1988. The Committee was notified on April 1, 1988, for failure to file the required pr-runoff report. On April 8, 1988, absent receipt of the report, the Committee's name was published for failure to file.

The candidate, Nathan P. Kendrick, won the primary run-off election held April 12, 1988, for the Sixth Congressional District of Texas.

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II. ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that for authorized committees filing quarterly, such committees shall file the April Quarterly Report no later than the 15th day after the last day of the calendar quarter.

2 U.S.C. § 434(a)(2)(A)(iii).

The Act also provides that for authorized committees filing quarterly, such committees shall file the 12 Day Pre-Election Report no later than the 12th day before any election in which such candidate is seeking election or nomination for election.

2 U.S.C. § 434(a)(2)(A)(i).

The Committee's failure to file the reports noted herein constitutes a violation of the Act. Therefore, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that the Committee and its treasurer violated 2 U.S.C. §§ 434(a)(2)(A)(i) and 434(a)(2)(A)(iii) in this matter.

III. GENERAL COUNSEL'S RECOMMENDATION

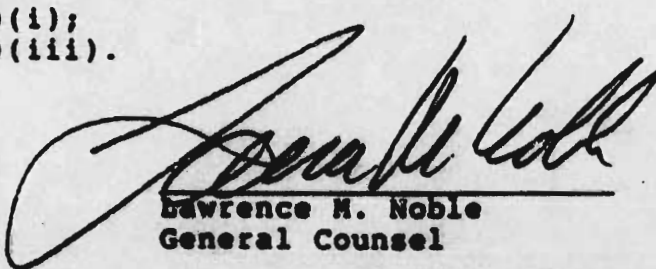
Find probable cause to believe that the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, violated:

- a) 2 U.S.C. § 434(a)(2)(A)(i);
- b) 2 U.S.C. § 434(a)(2)(A)(iii).

Date

4/8/88

Lawrence M. Noble
General Counsel



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BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of

Kendrick for Congress Campaign
Kairen Stephens, as treasurer

)
) MUR 2643
)
)

EXECUTIVE SESSION

JAN 10 1989

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On June 8, 1988, the Commission found reason to believe that the Kendrick for Congress Campaign ("the Committee") and Kairen Stephens, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(i) for failing to file the 1988 Pre-run-off Report. On July 8, 1988, the Commission found reason to believe that the Committee and its treasurer violated 2 U.S.C. § 434(a)(2)(A)(iii) for failing to file the 1988 April Quarterly Report. On September 20, 1988, the Commission decided to merge a complaint concerning these same issues (MUR 2645) with the ongoing MUR 2643.

On November 9, 1988, the General Counsel's Brief was mailed to the respondent. The Committee has not responded. On December 12, 1988, this Office spoke with the U.S. Post Office in Joshua, Texas, and confirmed that the Committee's mailing address is current and that mail is picked up at that address once a week.

The Committee did not file the 1988 April Quarterly Report which was due April 15, 1988. The Committee was notified on May 5, 1988, for failure to file the required quarterly report.

The Committee did not file the 1988 Primary Pre-run-off Report which was due March 31, 1988. The Committee was notified

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on April 1, 1988, for failure to file the required pre-run-off report. On April 8, 1988, absent receipt of the report, the Committee's name was published for failure to file.

The candidate, Nathan P. Kendrick, won the primary run-off election held April 12, 1988, for the Sixth Congressional District of Texas.

II. ANALYSIS

As discussed in the General Counsel's Brief of November 9, 1988, the Committee's failure to file the reports noted herein constitutes a violation of the Act. Therefore, the Office of the General Counsel is now recommending that the Commission find probable cause to believe that the Committee and its treasurer violated 2 U.S.C. §§ 434(a)(2)(A)(i) and 434(a)(2)(A)(iii) in this matter.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

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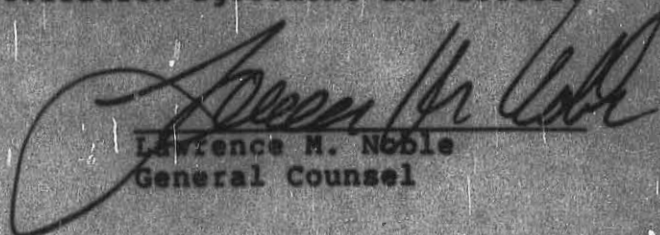
III. RECOMMENDATIONS

1. Find probable cause to believe that the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, violated:

- a) 2 U.S.C. § 434(a)(2)(A)(i);
- b) 2 U.S.C. § 434(a)(2)(A)(iii).

2. Approve the attached conciliation agreement and letter.

12/15/88
Date


Lawrence M. Noble
General Counsel

Attachments:

- A. Conciliation Agreement
- B. Letter

Staff assigned: Frances B. Hagan

89040754220

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Kendrick for Congress Campaign)

Kairen Stephens, as treasurer)

MUR 2643

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of January 11, 1989, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2643:

1. Find probable cause to believe that the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, violated 2 U.S.C. § 434(a)(2)(A)(i); 2 U.S.C. § 434(a)(2)(A)(iii).
2. Approve the conciliation agreement and letter, as recommended in the General Counsel's Report signed December 15, 1988.

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

Attest:

Jan. 13, 1989
Date

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

89040754221



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 18, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Kairen Stephens, Treasurer
Kendrick for Congress Campaign
P.O. Box 794
Joshua, Texas 76058

RE: MUR 2643
Kendrick for Congress Campaign
Kairen Stephens, as treasurer

Dear Ms. Stephens:

On January 11, 1989, the Federal Election Commission found that there is probable cause to believe the Kendrick for Congress Campaign and you, as treasurer, violated 2 U.S.C. §§ 434(a)(2)(A)(i) and 434(a)(2)(A)(iii), provisions of the Federal Election Campaign Act of 1971, as amended, in connection with the failure to file the 1988 Pre-run-off and April Quarterly Reports.

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.

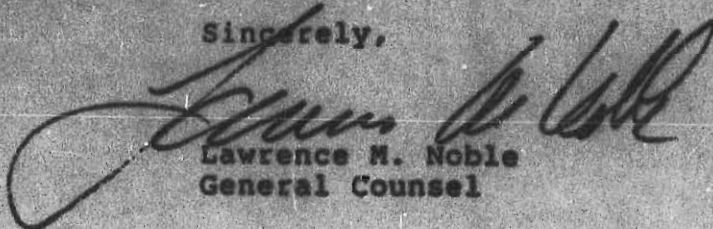
Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission within ten days. I will then recommend that the Commission accept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

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Kairen Stephens, Treasurer
Page 2

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 agreement, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

89040754223



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

February 24, 1989

Kairen Stephens, Treasurer
Kendrick for Congress Campaign
P.O. Box 794
Joshua, Texas 76058

RE: MUR 2643
Kendrick for Congress Campaign
Kairen Stephens, as treasurer

Dear Ms. Kendrick:

On January 18, 1989, you were notified that the Federal Election Commission found probable cause to believe that the Kendrick for Congress Campaign ("Committee") and you, as treasurer, violated 2 U.S.C. §§ 434(a)(2)(A)(i) and 434(a)(2)(A)(iii). On that same date, you were sent a conciliation agreement offered by the Commission in settlement of this matter.

Please note that pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), the conciliation period in this matter may not extend for more than 90 days, but may cease after 30 days. Insofar as more than 30 days have elapsed without a response from you, a recommendation concerning the filing of a civil suit will be made to the Commission by the Office of the General Counsel unless we receive a response from you within five days of receipt of this letter.

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

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

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RECEIVED
FEDERAL ELECTION COMMISSION

89 JUN -8 PM 3:08

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Kendrick for Congress Campaign
Kairen Stephens, as treasurer

)
) MUR 2643
)
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SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On January 11, 1989, the Commission found probable cause to believe that the Kendrick for Congress Campaign ("the Committee") and Kairen Stephens, as treasurer, violated 2 U.S.C. §§ 434(a)(2)(A)(i) and (iii) for failing to file the 1988 Pre-run-off and April Quarterly Reports. The candidate, Nathan P. Kendrick, won the primary run-off election held April 12, 1988, for the Sixth Congressional District of Texas.

The Committee did not respond to probable cause notifications sent to the Committee's mailing address. Two notices sent by certified mail were returned unclaimed. A third notice directed to the candidate at the Committee's post office box mailing address has not been returned.

In an effort to locate the candidate and treasurer, and to verify notification of the Commission's findings, OGC staff members made telephone calls to long distance information, to the U.S. Post Office in Joshua, Texas, to the local court house, and to the regional bankruptcy court. Our calls revealed no telephone listings for the candidate or treasurer in Joshua. However, the post office confirmed that the Committee's mailing

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address is listed as the candidate's mailing address, and that mail is picked up at the box. Through these inquiries it was learned that the candidate's house had been repossessed and was up for sale. Subsequent calls to the area bankruptcy court revealed that the Kendrick bankruptcy case had been dismissed in April 1988, and the only available address from the court was the post office box in Joshua, Texas.

This Office's efforts to further contact the Committee and to obtain a response have been unsuccessful. In addition, the candidate's financial situation appears to be tenuous, and his whereabouts, as well as the treasurer's, remain unknown.

Resources are limited for the type of investigation necessary to locate the Committee principals, and the likelihood of obtaining satisfaction of judgment in a civil action is questionable under the circumstances. Therefore, based on this analysis and the principles of Heckler v. Chaney, 470 U.S. 821 (1985), the Office of the General Counsel is recommending that the Commission exercise its prosecutorial discretion to take no further action in this matter.

II. RECOMMENDATIONS

1. Take no further action against the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, for violations of 2 U.S.C. §§ 434(a)(2)(A)(i) and (iii).
2. Close the file.

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3. Approve the attached letters.

Lawrence M. Noble
General Counsel

6/8/88
Date

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

Attachment

- A. Letter to respondents
- B. Letter to complainant

Staff Assigned: Frances B. Hagan

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Kendrick for Congress Campaign)
Kairen Stephens, as treasurer)

MUR 2643

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 16, 1989, the Commission decided by a vote of 6-0 to take the following actions in MUR 2643:

1. Take no further action against the Kendrick for Congress Campaign and Kairen Stephens, as treasurer, for violations of 2 U.S.C. §§ 434(a)(2)(A)(i) and (iii).
2. Close the file.
3. Approve the letters, as recommended in the General Counsel's report signed June 8, 1989.

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

Attest:

6-19-89

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary:	Thurs.,	6-8-89,	3:08
Circulated on 48 hour tally basis:	Fri.,	6-9-89,	12:00
Deadline for vote:	Fri.,	6-16-89,	4:00

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 21, 1989

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Roy Simmons
Simmons and Simmons
Professional Building
P.O. Box 270
Mexico, Texas 75667

RE: MUR 2643
(formerly MUR 2645)

Dear Mr. Simmons:

This is in reference to the complaint you filed with the Federal Election Commission on July 14, 1988, against Nathan P. Kendrick, and the Kendrick for Congress Campaign, and Kairen Stephens, as treasurer. Based on the complaint, the Commission found that there was reason to believe that the Kendrick for Congress Campaign ("the Committee") and Kairen Stephens, as treasurer, violated 2 U.S.C. §§ 434(a)(2)(A)(i) and (iii), provisions of the Federal Election Campaign Act of 1971, as amended, and instituted an investigation in the matter.

After an investigation was conducted and the General Counsel's brief was considered, on January 11, 1989, the Commission found that there was probable cause to believe the Committee and Kairen Stephens, as treasurer, violated 2 U.S.C. §§ 434(a)(2)(A)(i) and (iii). In consideration of the circumstances of the matter, however, the Commission determined on June 16, 1989, to take no further action against the respondents, and closed the file in this matter. This matter will become part of the public record within 30 days.

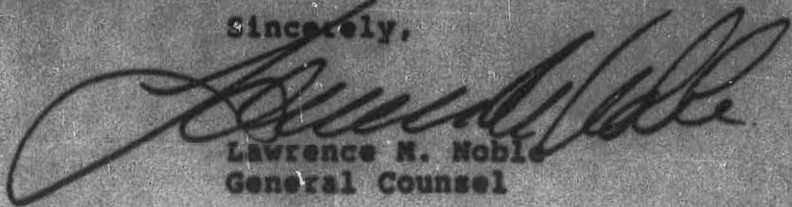
The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

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Roy Simmons
Page 2

If you have any questions, please contact Frances B. Hagan,
the staff member assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
General Counsel's Report

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