



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3085

DATE FILMED 5/29/93 CAMERA NO. 1

CAMERAMAN S.E.G

92040902811

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: _____

ANALYST: Margo Tucker

I. COMMITTEE: Democratic Study Group Campaign Fund
(C00042382)
William H. Hagan III, Treasurer
499 South Capitol, Suite 113
Washington, DC 20003

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

III. BACKGROUND:

Receipt of Prohibited Funds

The 1989 Year End Report of the Democratic Study Group Campaign Fund ("the Committee") disclosed receipts from two (2) incorporated entities and one (1) labor organization totalling \$6,350.

Their Year End Report disclosed that on November 22, 1989, the Committee received \$1,000 from Heublein Inc. and \$350 from Transcontinental Pipe Line Corp. In addition, the Committee received \$5,000 from the National Education Association of the United States. In a letter attached to the report the Committee stated that it had inadvertently deposited the checks into the federal account. The Committee stated that it had refunded the full amounts to National Education Association of the United States, Heublein Inc., and Transcontinental Pipe Line Corp. These contributions were refunded during the same reporting period on January 31, 1990 (Attachments 2, 3, 4).

A Request for Additional Information ("RFAI") was sent on March 21, 1990 regarding the contributions. The RFAI on an informational basis noted the refund of the apparent prohibited contributions (Attachment 5).

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

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FEDERAL ELECTION COMMISSION
1989-1990

DATE 15MAY90

COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C)

PAGE 1

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
						TYPE OF FILES
DEMOCRATIC STUDY GROUP CAMPAIGN FUND *						
CONNECTED ORGANIZATION: DEMOCRATIC STUDY GROUP						
ID #C00042382 NON-PARTY QUALIFIED						
1989	STATEMENT OF ORGANIZATION - AMENDMENT			8MAR89	1	89HSE/377/3222
	STATEMENT OF ORGANIZATION - AMENDMENT			23MAR89	1	89HSE/377/5319
	STATEMENT OF ORGANIZATION - AMENDMENT			4APR89	1	89HSE/378/1354
	STATEMENT OF ORGANIZATION - AMENDMENT			23AUG89	1	89HSE/384/2496
	STATEMENT OF ORGANIZATION - AMENDMENT			31AUG89	1	89HSE/384/3114
	STATEMENT OF ORGANIZATION - AMENDMENT			27OCT89	1	89HSE/385/3818
	PRE-SPECIAL	9,300	12,636	1JAN89 -15MAR89	23	89HSE/377/5143
	PRE-SPECIAL - AMENDMENT	-	-	1JAN89 -15MAR89	1	89HSE/378/1382
	PRE-SPECIAL	3,009	6,155	16MAR89 - 6APR89	22	89HSE/378/1954
	POST-SPECIAL	0	421	7APR89 -24APR89	20	89HSE/378/4198
	POST-SPECIAL	3,001	1,209	25APR89 -16MAY89	20	89HSE/379/0903
	MID-YEAR REPORT	11,535	7,617	17MAY89 -30JUN89	22	89HSE/380/2904
	1ST LETTER INFORMATIONAL NOTICE			17MAY89 -30JUN89	1	89FEC/613/1537
	PRE-SPECIAL	20,171	19,206	1JUL89 -23AUG89	23	89HSE/384/3066
	POST-SPECIAL	1,045	2,388	24AUG89 -18SEP89	18	89HSE/384/5021
	POST-SPECIAL	45	1,992	19SEP89 - 2OCT89	16	89HSE/385/1447
	POST-RUN-OFF	32,661	7,077	3OCT89 - 6NOV89	23	89HSE/386/0142
	YEAR-END	126,708	35,941	7NOV89 -31DEC89	31	90HSE/389/0445
	YEAR-END - AMENDMENT	-	-	7NOV89 -21DEC89	1	90HSE/393/0438
	YEAR-END - AMENDMENT	-	-	7NOV89 -31DEC89	9	90FEC/638/2022
	REQUEST FOR ADDITIONAL INFORMATION			7NOV89 -31DEC89	4	90FEC/631/3885
	REQUEST FOR ADDITIONAL INFORMATION 2ND			7NOV89 -31DEC89	5	90FEC/634/2405
1990	STATEMENT OF ORGANIZATION - AMENDMENT			16MAR90	1	90HSE/392/4583
	STATEMENT OF ORGANIZATION - AMENDMENT			18APR90	1	90HSE/396/1199
	APRIL QUARTERLY	13,931	22,804	1JAN90 -31MAR90	21	90HSE/393/5340
	PRE-PRIMARY	0	560	1APR90 -18APR90	13	90HSE/397/0230
TOTAL		221,406	0 118,008 0	281 TOTAL PAGES		

All reports have been reviewed.

Cash-on-hand as of 4/18/90: \$140,612.93

Debts and obligations owed to the Committee as of 4/18/90: \$63,801.39

Debts and obligations owed by the Committee as of 4/18/90: \$1000.00

SCHEDULE A

VERIFIED RECEIPTS

Form 1287-10-89
17

Any information received from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any person committed to make a contribution to make a contribution from such contributor.

NAME OF COMMITTEE (in Full)

DSJ Campaign Fund

Attachment 2
Page 1 of 1

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt (this Period)
Dominion Bank 8150 Leesburg Pike Vienna, VA 22180	Interest / checking account	11/30/89 12/31/89	201.83 633.59
Receipt For ☐ Primary ☐ General ☐ Other (specify):	Occupation	Aggregate Year-to-Date > 0	
B. Full Name, Mailing Address and ZIP Code National Educational Association of the United States 1201 16th Street, N.W. Washington, D.C. 20036	SEE COVER LETTER	11/22/89	5000
Receipt For ☐ Primary ☐ General ☐ Other (specify):	Occupation	Aggregate Year-to-Date > 0	
C. Full Name, Mailing Address and ZIP Code Neublein Inc Munson Road Farmington, CT 06034-0388	SEE COVER LETTER	11/22/89	1000
Receipt For ☐ Primary ☐ General ☐ Other (specify):	Occupation	Aggregate Year-to-Date > 0	
D. Full Name, Mailing Address and ZIP Code Transcontinental Pipe Line Corp P.O. Box 1396 Houston, TX 77251	SEE COVER LETTER	11/22/89	350
Receipt For ☐ Primary ☐ General ☐ Other (specify):	Occupation	Aggregate Year-to-Date > 0	
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt (this Period)
Receipt For ☐ Primary ☐ General ☐ Other (specify):	Occupation	Aggregate Year-to-Date > 0	
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt (this Period)
Receipt For ☐ Primary ☐ General ☐ Other (specify):	Occupation	Aggregate Year-to-Date > 0	
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt (this Period)
Receipt For ☐ Primary ☐ General ☐ Other (specify):	Occupation	Aggregate Year-to-Date > 0	
SUBTOTAL of Receipts This Page (approved)			
TOTAL This Period (last page this line number only)			7187.42

92040902814

DSG campaign fund

400 S. Capitol #113

• Washington, D.C. 20003 •

Attachment 3
Page 1 Of 1

January 21, 1990

Federal Election Commission
Washington, D.C. 20543

Dear Sir:

In preparing our Year End Report, we find that we have inadvertently deposited three non-PAC checks into the DSG Campaign Fund account.

In order to rectify that mistake, the DSG Campaign Fund has made payments of - \$5000 to the National Education Association, \$1000 to Newblain, and \$300 to Transcontinental Pipe Line - as reimbursement of their checks in the same amount.

During the time the contributions were in the DSG Campaign Fund account, no DSG Campaign Fund expenditures were made in either direct or indirect support of any candidate for Federal office, or otherwise in connection with any political campaign.

Sincerely,

C.B. Hartnett
Catherine B. Hartnett
Assistant Treasurer

92040902815

TABLE 8

FINISHED DISBURSEMENTS

Use separate sheet for each category of the Budget Summary Page

Page 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

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Information reported here must be true and correct. It may not be used or sold by the person for the purpose of obtaining contributions or for commercial gain, other than using the name and address of any person appearing on these contributions for such purposes.

Name of Committee (to Full)

Attachment 4

Page 1 of 1

DSG Campaign Fund

A. Full Name, Mailing Address and ZIP Code Reublein Munson Road Farmington, CT 06034-0368	Purpose of Disbursement SEE COVER LETTER Disbursement for ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year) 1/25/90	Amount of Cash Disbursement This Period 1000
B. Full Name, Mailing Address and ZIP Code National Education Association 1201 16th Street, N.W. Washington, D.C. 20036	Purpose of Disbursement SEE COVER LETTER Disbursement for ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year) 2/25/90	Amount of Cash Disbursement This Period 5000
C. Full Name, Mailing Address and ZIP Code Transcontinental Pipe Line P.O. Box 1396 Houston, TX 77251	Purpose of Disbursement SEE COVER LETTER Disbursement for ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year) 2/25/90	Amount of Cash Disbursement This Period 350
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Cash Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Cash Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Cash Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Cash Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Cash Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Cash Disbursement This Period

SUBTOTAL of Disbursements This Page (optional)

TOTAL This Period (fill page the two number only)

6350



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20541

80-2

William W. Hagan III, Treasurer
Democratic Study Group Campaign Fund
499 South Capitol, Suite 113
Washington, DC 20003

MAR 21 1990

Identification Number: C00042382

Reference: Year End Report (11/7/89-12/31/89)

Dear Mr. Hagan:

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

AC [-Your report discloses apparent contributions from corporations and labor organizations (pertinent portion attached). You are advised that contributions from corporations and labor organizations are prohibited by the Act, unless made from separate segregated funds established by the corporations and labor organizations. 2 U.S.C. §441b(a)]

AC [The Commission notes the refund of the prohibited contribution(s). Although the Commission may take further legal steps concerning this matter, your prompt action in refunding the contribution(s) will be taken into consideration.]

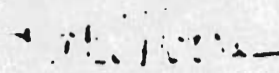
-Your report contains financial activity outside the coverage dates. Please be advised that the disbursements itemized on Schedule B for Line 27 should be disclosed on your next scheduled report, and the amount should be deducted from your total disbursements for this reporting period.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal

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Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,


Kate Moore
Reports Analyst
Reports Analysis Division

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90 JUL -2 AM 11:42

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

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

RAD Referral #90L-23
Staff Member: Todd Hageman

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

RESPONDENTS: The Democratic Study Group Campaign Fund, and
William H. Hagan, as treasurer
Heublein, Inc.
Transcontinental Pipe Line Corporation
The National Education Association
of the United States

RELEVANT STATUTE: 2 U.S.C. § 441b(a)

INTERNAL REPORTS
CHECKED: The Democratic Study Group Campaign Fund
Reports

FEDERAL AGENCIES
CHECKED: None

I. GENERATION OF MATTER

This matter was referred to the Office of the General Counsel by the Reports Analysis Division ("RAD").
(Attachment 1).

II. FACTUAL AND LEGAL ANALYSIS

The Democratic Study Group Campaign Fund ("the Committee") filed a report disclosing receipts from two (2) incorporated entities and one (1) labor organization totalling \$6,350. The Committee's 1989 Year End Report discloses receipts of \$1,000 from Heublein, Inc., \$350 from the Transcontinental Pipe Line Corporation and \$5,000 from the National Education Association of the United States on November 22, 1989.

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The Committee's report includes a letter which explains that the checks were inadvertently deposited into their federal account. In mitigation of this violation, the Committee states that no expenditures were made to influence any Federal election during the time in which the prohibited funds were deposited in its account. See Attachment 1, page 5. See 11 C.F.R. § 103.3(b)(4). The report also discloses that the receipts from Heublein, Inc., the Transcontinental Pipe Line Corporation and the National Education Association of the United States were fully refunded on January 1, 1990.

On March 21, 1990 the RAD analyst sent the Committee a Request for Additional Information ("RFAI"), on an informational basis, noting the prohibited contributions and their subsequent refunds.

According to the Federal Election Campaign Act ("the Act"), it is unlawful for any political committee to knowingly accept or receive any contribution from a corporation or labor organization. 2 U.S.C. § 441b(a). There is no evidence in hand indicating that there was cause for the Committee to question, at the time of their receipt, whether or not these contributions were prohibited; their prohibited nature appears to have been clear. Further, they were not refunded within thirty days of receipt.^{1/} Therefore, this Office recommends that the Commission

^{1/} Pursuant to 11 CFR § 103.3(b)(1), contributions that present genuine questions as to whether they were made by corporations or labor organizations may be deposited into a Committee's federal account. If any such contribution is deposited, the treasurer must make his or her best efforts to determine the contribution's legality. If the contribution

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find reason to believe that the Democratic Study Group Campaign Fund, and William H. Hagan III, as treasurer, violated 2 U.S.C. § 441b(a). This Office also recommends that the Commission find reason to believe that Heublein, Inc., the Transcontinental Pipe Line Corporation and the National Education Association of the United States violated 2 U.S.C. § 441b(a).

III. RECOMMENDATIONS

1. Open a MUR.
2. Find reason to believe that Heublein, Inc., the Transcontinental Pipe Line Corporation and the National Education Association of the United States violated 2 U.S.C. § 441b(a).
3. Find reason to believe that the Democratic Study Group Campaign Fund, and William H. Hagan, as treasurer, violated 2 U.S.C. § 441b(a).
4. Approve the appropriate letters and the attached Factual and Legal Analyses.

Lawrence M. Noble
General Counsel

6/29/90
Date

BY: 
Lois G. Lerner
Associate General Counsel

Attachment

1. Referral Materials
2. Factual and Legal Analyses (4)

(Footnote 1 continued from previous page)
cannot be determined to be legal, the treasurer must refund the contribution to the contributor within thirty days of the treasurer's receipt of the contribution.

92040902821



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20543

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/DELORES HARRISON^{OK}
COMMISSION SECRETARY

DATE: JULY 3, 1990

SUBJECT: RAD REFERRAL 90L-23 - FIRST GENERAL COUNSEL'S RPT.
DATED JUNE 29, 1990

The above-captioned document was circulated to the
Commission on Monday, July 2, 1990 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	_____
Commissioner McGarry	_____
Commissioner Thomas	XXX _____

This matter will be placed on the meeting agenda
for Tuesday, July 10, 1990.

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

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

The Democratic Study Group Campaign Fund))
and William H. Hagan, as treasurer)
Heublein, Inc.)
Transcontinental Pipe Line Corporation)
The National Education Association of)
the United States)

RAD REFERRAL
#90L-23

(MUR)
3085

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on July 10, 1990, do hereby certify that the Commission decided by a vote of 4-0 to take the following actions with respect to RAD Referral #90L-23:

1. Open a MUR.
2. Find reason to believe that Heublein, Inc., the Transcontinental Pipe Line Corporation and the National Education Association of the United States violated 2 U.S.C. § 441b(a).
3. Find reason to believe that the Democratic Study Group Campaign Fund, and William H. Hagan, as treasurer, violated 2 U.S.C. § 441b(a).

(continued)

92040902823

Federal Election Commission
Certification for RAD Referral
#90L-23
July 10, 1990

Page 2

4. Approve the appropriate letters and the Factual and Legal Analyses attached to the General Counsel's report dated June 29, 1990, subject to correction of the Factual and Legal Analysis for The Democratic Study Group Campaign Fund, and William H. Hagan, as treasurer, as discussed in the meeting.

Commissioners Aikens, Elliott, Josefiak, and Thomas voted affirmatively for the decision; Commissioners McDonald and McGarry were not present.

Attest:

7-11-90
Date

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

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 18, 1990

President
Transcontinental Pipeline Corporation
P. O. Box 1396
Houston, TX 77251

RE: MUR 3085

Dear Sir/Madam:

On July 10, 1990, the Federal Election Commission found that there is reason to believe the Transcontinental Pipeline Corporation violated 2 U.S.C. § 441b(a), 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 Transcontinental Pipeline Corporation. 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 Transcontinental Pipeline Corporation, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

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

Requests for extensions of time will not be routinely

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Transcontinental
Page 2

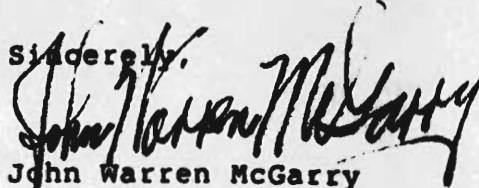
granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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 Todd S. Hageman, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,


John Warren McGarry
Vice-Chairman

Enclosures

Factual and Legal Analysis
Procedures
Designation of Counsel Form

92040902826

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Transcontinental Pipe Line
Corporation

MUR: 3085

The Democratic Study Group Campaign Fund ("the Committee") filed a report disclosing a receipt of \$350 from the Transcontinental Pipe Line Corporation. The report also discloses that the receipt from the Transcontinental Pipe Line Corporation was refunded on January 31, 1990.

According to the Federal Election Campaign Act ("the Act"), it is unlawful for any corporation to make a contribution or expenditure in connection with any Federal election.

2 U.S.C. § 441b(a). Therefore, there is reason to believe that the Transcontinental Pipe Line Corporation violated

2 U.S.C. § 441b(a).

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 18, 1990

Mr. Don Cameron, Executive Director
The National Education Association
of the United States
1201 16th Street, N.W.
Washington, DC 20036

RE: MUR 3085

Dear Mr. Cameron:

On July 10, 1990, the Federal Election Commission found that there is reason to believe the National Education Association of the United States violated 2 U.S.C. § 441b(a), 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 National Education Association of the United States. 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 National Education Association of the United States, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

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

Requests for extensions of time will not be routinely

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Mr. Cameron
Page 2

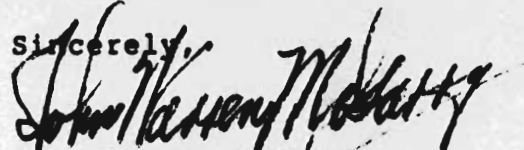
granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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 Todd S. Hageman, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,


John Warren McGarry
Vice-Chairman

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form

92040902829

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: The National Education
Association of the
United States

MUR: 3085

The Democratic Study Group Campaign Fund ("the Committee") filed a report disclosing a receipt of \$5,000 from the National Education Association of the United States. The report also discloses that the receipt from the National Education Association of the United States was refunded on January 31, 1990.

According to the Federal Election Campaign Act ("the Act"), it is unlawful for any corporation to make a contribution or expenditure in connection with any Federal election. 2 U.S.C. § 441b(a). Therefore, there is reason to believe that the National Education Association violated 2 U.S.C. § 441b(a).

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

July 18, 1990

Mr. William H. Hagan, Treasurer
The Democratic Study Group Campaign Fund
499 South Capitol, Suite 113
Washington, DC 20003

RE: MUR 3085
The Democratic Study
Group Campaign Fund

Dear Mr. Hagan:

On July 10, 1990, the Federal Election Commission found that there is reason to believe The Democratic Study Group Campaign Fund ("the Committee") and you, as treasurer, violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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

In the absence of any additional information demonstrating that no further action should be taken against the Committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

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

92040902831

Mr. Hagan
Page 2

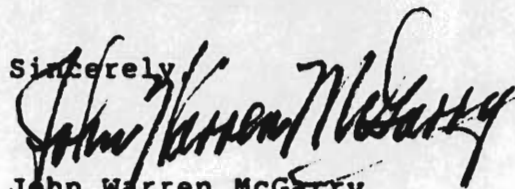
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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 Todd S. Hageman, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,


John Warren McGarry
Vice-Chairman

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form

92040902832

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: The Democratic Study Group
Campaign Fund, and William
H. Hagan, as treasurer

MUR: 3085

The Democratic Study Group Campaign Fund ("the Committee") filed a report disclosing receipts from two (2) incorporated entities and one (1) labor organization totalling \$6,350. The Committee's Year End Report discloses receipts of \$1,000 from Heublein, Inc., \$350 from the Transcontinental Pipe Line Corporation and \$5,000 from the National Education Association of the United States on November 22, 1990.

The Committee's report includes a letter which explains that the checks were inadvertently deposited into their federal account. The report also discloses that the receipts from Heublein, Inc., the Transcontinental Pipe Line Corporation and the National Education Association of the United States were fully refunded on January 31, 1990.

On March 21, 1990 the RAD analyst sent the Committee a Request for Additional Information ("RFAI"), on an informational basis, noting the prohibited contributions and their subsequent refunds.

According to the Federal Election Campaign Act ("the Act"), it is unlawful for any political committee to knowingly accept or receive any contribution from a corporation or labor organization. 2 U.S.C. § 441b(a). Therefore, there is reason to believe that the Democratic Study Group Campaign Fund, and William H. Hagan III, as treasurer, violated 2 U.S.C. § 441b(a).

92040902833



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 18, 1990

Mr. Robert M. Furek
President and Chief Executive Officer
Heublein, Inc.
Munson Road
Farmington, CT 06034-0388

RE: MUR 3085

Dear Mr. Furek:

On July 10, 1990, the Federal Election Commission found that there is reason to believe Heublein, Inc. violated 2 U.S.C. § 441b(a), 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 Heublein, Inc. 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 Heublein, Inc., the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

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

Requests for extensions of time will not be routinely

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Mr. Furek
Page 2

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 Todd S. Hageman, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,



John Warren McGarry
Vice-Chairman

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Heublein, Inc.

MUR: 3085

The Democratic Study Group Campaign Fund ("the Committee") filed a report disclosing a receipt of \$1,000 from Heublein, Inc. The report also discloses that the receipt from Heublein, Inc. was refunded on January 31, 1990.

According to the Federal Election Campaign Act ("the Act"), it is unlawful for any corporation to make a contribution or expenditure in connection with any Federal election.

2 U.S.C. § 441b(a). Therefore, there is reason to believe that Heublein, Inc. violated 2 U.S.C. § 441b(a).

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MEMORANDUM FOR FILE

TO: DOCKET

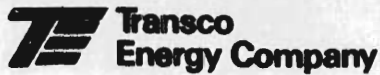
FROM: TODD HAGEMAN

DATE: July 25, 1990

RE: MUR 3085

On July 25, 1990, I received a telephone call from Transcontinental Pipeline Corporation staff member Nina Pace. Ms. Pace stated that Transcontinental received a letter from the Commission, dated July 18, 1990, today stating that the Commission found reason to believe that Transcontinental had violated 2 U.S.C. § 441b(a). However, the letter was badly mangled in the mailing process and was mostly illegible and she requested that I send her a copy of the original letter. I complied with her request and sent the copy of the original letter on July 25, 1990.

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555 - 13th Street, N.W.
Suite 430, West
Washington, D.C. 20004
202-628-3060

Curtis E. Whalen
Vice President Governmental Affairs

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RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

90 JUL 31 AM 10:11

July 30, 1990

The Honorable John Warren McGarry
Vice-Chairman
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Dear Vice Chairman McGarry:

I am writing in reference to your July 18 letter to Transcontinental Gas Pipe Line Company (TGPL) regarding an apparent violation of 2 U.S.C. 441 b (a) of the Federal Election Campaign Act. Specifically, the factual and legal analysis appended to the letter refers to a TGPL check in the amount of \$350 to the Democratic Study Group (DSG) dated November 8, 1989, which was subsequently refunded by the group (transmittal letter attached) when they discovered that said check was drawn on a corporate account instead of a political action committee/campaign account.

I am Vice President of Governmental Affairs for Transco Energy Company, the parent company of TGPL, and I signed and sent the above referenced corporate check. The following are the facts surrounding the event.

On or about November 6, 1989, I was called by Mr. Scott Lilly, Executive Director of the DSG, and asked if I was going to be able to attend/support the group's annual awards dinner which was being held two days hence - November 8. He also referenced an earlier letter sent out by the group at the end of September inviting me to the function and seeking my sponsorship of a table for \$5,000. Although I have no recollection of receiving the letter, given the vast number of such funding requests one receives by being part of the Washington community, I may well have received said letter and simply threw it away. In any event, I acquiesced to his request but advised that I would buy only one ticket to the awards dinner. Since I could not attend the awards ceremony, I additionally suggested he could give the ticket to someone on his staff, etc. Given the very short time before the event, I asked that he fax to me/my secretary information on the event so the check could be prepared and returned to him as soon as possible.

90 JUL 31 PM 4:21

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FEDERAL ELECTION COMMISSION
SECRETARIAT

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The Honorable John Warren McGarry
July 30, 1990
page two

Because I understood this event to be an awards dinner, i.e. not a campaign fund raising event, I advised my staff that upon receipt of information on the event, a corporate check was to be prepared for \$350. In addition, following our normal corporate procedures, I advised staff to notationally enter the check for record keeping purposes as "Democratic Study Group Annual Event" (copy of said check is attached).

Unfortunately, in my haste to courier the check to the DSG before the event, I did not notice when I signed the check that it was made payable to "DSG Campaign Fund". In point of fact, until I received the aforementioned refund and letter from the DSG, I did not know that the DSG had a political campaign fundraising function and instead believed the group's sole function was research and policy development.

Lastly, I call to your attention that this DSG refund letter stated "...should you wish to make a contribution from voluntary sources, please make the check payable to the DSG Campaign Fund..." Because at no time did I intend to make a political campaign contribution to the DSG Campaign Fund, I did not thereafter send the group a PAC or other voluntary donation.

Accordingly, what appears to have happened is that a TGPL check contained an erroneously designated payee, which erroneously deposited the check to its account. When these two errors were discovered, a refund was promptly made and the errors corrected. I hope that the foregoing explanation of this event meets Commission requirements and that no further action is required of TGPL. Please advise if further information or explanation is required.

Sincerely,



Curtis Whalen

Attachments

DSG campaign fund

469 S. Capitol #113 • Washington, D.C. 20003 • (202) 863-0083

Sent to Treasury
2/13/90

January 31, 1990

Mr. Curtis E. Whalen
Transco Energy Company
555 13th Street, N.W.
Washington, D.C. 20004

Dear Mr. Whalen:

The Democratic Study Group 30th Anniversary Dinner Committee received a check (#089150 dated November 11, 1989) from you in the amount of \$350. The check was deposited in the DSG Campaign Fund before it was realized that the check was drawn on corporate funds and therefore could not be accepted as a legal contribution to a federal campaign fund. We are therefore sending you a check for \$350 from the DSG Campaign Fund as full reimbursement.

Should you wish to make a contribution from voluntary sources, please make the check payable to the DSG Campaign Fund.

Attached please find a copy of the original check and accompanying note. We apologize for any inconvenience which this may have caused.

Sincerely,

C.B. Hartnett

Catherine B. Hartnett
Assistant Treasurer

DSG CAMPAIGN FUND

INVOICE	AMOUNT	INVOICE	AMOUNT

68-700
500 13

2589

AN *Three Hundred fifty*

900 DOLLARS

CHECK
AMOUNT

DATE	TO THE ORDER OF	DESCRIPTION	CHECK NO.	CHECK AMOUNT
12-31-90	Transcontinental Exp. Co.	Reimburse. 30th Anniv	2589	\$ 350.-

DOMINION NATIONAL BANK OF NORTHERN VIRGINIA
VIENNA, VIRGINIA 22180

[Signature]

Transcontinental Gas Pipe Line Corporation

A Taseco Energy Company
P. O. Box 1396, Houston, Texas 77261 - 713-438-2000

Not Valid After 60 Days
From Date of Issue

02-26
311

976-09

Manufacturers Hanover Bank (Delaware)

Date	Working Fund No.	Check No.	Amount
11/8/89	1-100	089150	\$350.00

Pay To The
Order Of

• DSG Campaign Fund
•
•
•
•

Transcontinental Gas Pipe Line Corporation
[Signature]
NON-NEGOTIABLE
By _____
NON-NEGOTIABLE
Only One Signature Required on Checks for \$500 or Less

Transcontinental Gas Pipe Line Corporation
Houston, Texas

Detach This Statement of Remittance and Retain for Your Files

Endorsement of Accompanying Check Is Considered a Receipt in Full Settlement of Your Invoices as Listed Below.

089150

Invoice	Date	Description of Payment	P. O. No.	Amount	Discount	Net Amount
892040902	11/8/89	Democratic Study Group Annual Event		\$350.00		\$350.00

Note: If This Payment Appears Incorrect, Please Return Check to Our
Treasury Department Explaining Apparent Error.

06C 7118

PERKINS COIE

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

July 30, 1990

Lawrence Noble, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Attn: Todd S. Hageman

Re: MUR 3085

Dear Mr. Noble:

As the attached Statement of Designation of Counsel reflects, this firm has been retained to represent the Democratic Study Group Campaign Fund in MUR 3085.

The Fund approached the firm on Thursday, July 26, 1990 and raised the possibility of our representation in this matter for the first time. There was, apparently, some delay in the receipt by the Fund of the notification from the Commission and some further delay in DSG's decision to retain counsel. Nevertheless, DSG has made this decision and it recognizes that the time for filing a response was today, July 30, 1990.

For this reason, on behalf of the Fund, I am requesting an extension of one week, until Tuesday, August 7, 1990. I have attempted to hold the requested extension to the minimum amount of time required for the review of the case and preparation of a suitable response to the Commission.

I appreciate your understanding and cooperation in the matter.

Very truly yours,



Robert F. Bauer
Counsel to Democratic
Study Group

Enclosure

2016E

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RECEIVED
FEDERAL ELECTION COMMISSION
JUL 31 1990

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STATEMENT OF DESIGNATION OF COUNSEL

NR 3085

NAME OF COUNSEL: Robert F. Bauer, Esq.

ADDRESS: Farking Cole
1110 Vermont Ave., NW - Suite 1200
Washington, DC 20005

TELEPHONE: (202) 887-9030

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

7/30/90
DATE

[Signature]
Signature

RESPONDENT'S NAME: Democratic Study Group

ADDRESS: 1422 Longworth House Office Bldg.
Washington, DC 20515

HOME PHONE: (702) 527 5087

BUSINESS PHONE: (202) 225-5858

9 2 0 4 0 9 0 2 8 4 3



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 2, 1990

Robert F. Bauer, Esq.
Perkins Coie
1110 Vermont Ave., N.W. Suite 1200
Washington, D.C. 20005

RE: MUR 3085
The Democratic Study
Group Campaign Fund
and William H. Hagan,
as treasurer

Dear Mr. Bauer:

This is in response to your letter dated July 30, 1990, which we received on July 31, 1990, requesting an extension until August 7, 1990 to respond to the Commission's findings in the above captioned matter. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by the close of business on August 7, 1990.

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

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in dark ink, appearing to read "Jonathan Bernstein", is written over the typed name.

BY: Jonathan Bernstein
Assistant General Counsel

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LEGAL SERVICES
OFFICE OF GENERAL COUNSEL

NATIONAL EDUCATION ASSOCIATION • 1201 16th St., N.W., Washington, D C 20036-3290 • (202) 822-7035

KEITH GEIGER, President
ROBERT CHASE, Vice President
ROXANNE E. BRADSHAW, Secretary-Treasurer

DON CAMERON, Executive Director

August 2, 1990

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

Re: MUR 3085
National Education Association
of the United States

Dear Mr. Noble:

On July 18, 1990, John Warren McGarry, Vice Chairman of the Federal Election Commission ("FEC"), wrote to Don Cameron, Executive Director of the National Education Association ("NEA"), regarding the above-referenced MUR. We have been authorized to represent NEA, and this response is submitted on its behalf. A Statement of Designation of Counsel is attached.

MUR 3085 is based on information contained in a financial report filed with the FEC by the Democratic Study Group ("DSG") Campaign Fund in the course of its normal reporting procedure. In this report, the DSG Campaign Fund disclosed that it had received a \$5,000 check from NEA, and that this "receipt ... was refunded [to NEA] on January 31, 1990." FEC Factual and Legal Analysis, MUR 3085. On the basis of this information, the FEC has concluded that there is "reason to believe" that NEA violated 2 U.S.C. §441b (a).

The issuance of this \$5,000 check from NEA to the DSG Campaign Fund was the result of an inadvertent clerical error. As the attached affidavits of two NEA employees -- Treva V. Goode and Shirley S. Godwin -- demonstrate, the check in question was erroneously drawn from NEA's general fund rather than from the account of the NEA Political Action Committee ("NEA-PAC"). NEA did not discover the error because, instead of making the check payable to the "DSG Campaign Fund" as the Democratic Study Group ("DSG") had asked (Attachment B), the voucher requesting issuance of the check and the check itself both mistakenly identified the payee as the "DSG 30th Anniversary Celebration" (Attachments C and D). Thus, neither the voucher nor the check

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FEDERAL ELECTION COMMISSION
AUG 3 1990

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on their face gave any indication that the contribution was intended for a federal campaign fund. Although the DSG Campaign Fund failed to reject the check at the time it was received on or about October 19, 1989, the error was corrected on January 31, 1990, when the DSG Campaign Fund sent NEA a \$5,000 check as full reimbursement.

Because the \$5,000 payment to the DSG Campaign Committee was the result of an inadvertent clerical error with no intent on the part of the NEA to evade the law regarding campaign contributions, because the NEA employees who were involved in the transaction have been instructed to proceed with greater care in the future, and because the DSG Campaign Committee has taken appropriate corrective steps by fully reimbursing NEA for the amount in question, the FEC should take no further action in regard to this MUR. If the FEC is not prepared at this juncture simply to close the file on this MUR, NEA is interested in pursuing pre-probable cause conciliation, and requests that such conciliation be taken.

Sincerely,

Richard B. Wilkof

Robert H. Chanin
Richard B. Wilkof

Counsel for National Education
Association

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STATEMENT OF DESIGNATION OF COUNSEL

NOR 3085

NAME OF COUNSEL: Robert H. Chanin/Richard B. Wilkof

ADDRESS: National Education Association

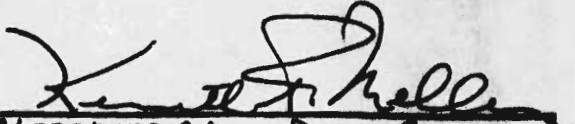
1201 - 16th Street, N.W.

Washington, D.C. 20036

TELEPHONE: 202-822-7035

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf before
the Commission.

Aug. 3, 1990
Date


Signature (for Don Cameron)

RESPONDENT'S NAME: Don Cameron

ADDRESS: National Education Association

1201 - 16th Street, N.W.

Washington, D.C. 20036

HOME PHONE: _____

BUSINESS PHONE: 202-833-7700

92040902847

BEFORE THE FEDERAL ELECTION COMMISSION:
MUR 3085 NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES

DECLARATION OF TREVA V. GOODE

1. I am currently employed as secretary to Kenneth Melley, Executive Manager for Advocacy Programs of the National Education Association ("NEA").

2. In October, 1989, Mr. Melley was the Director of the Government Relations division of NEA, and I was employed as his secretary, a position that I had held for four years.

3. On or about October 12, 1989, Mr. Melley asked me to have a check drawn up for \$5,000 as a contribution to the Democratic Study Group ("DSG") on the occasion of its thirtieth anniversary. He also gave me a letter from the DSG, dated September 25, 1989, soliciting the contribution (Attachment A), and a form to be submitted with the contribution (Attachment B).

4. I did not carefully read the September 25, 1989 letter indicating the special purpose of this particular contribution, and was therefore unaware that it was intended for a federal campaign fund. Accordingly, I asked Betty Wargo, another member of the staff of NEA Government Relations, to prepare a voucher for a check to be paid to "DSG 30th Anniversary Celebration."

5. Betty Wargo is responsible for preparing vouchers for checks drawn from NEA's general fund. Another member of the staff of NEA Government Relations is responsible for

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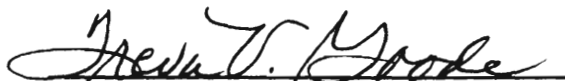
preparing vouchers for checks drawn from NEA's Political Action Committee ("NEA-PAC") fund.

6. After Ms. Wargo prepared the voucher, she transmitted it to Shirley Godwin, the Administrative Manager of the Government Relations division of NEA, for approval. (Attachment C)

7. I also completed the form for NEA to become a "Sponsor" of the thirtieth anniversary celebration honoring Thomas Foley, which accompanied the September 25, 1989 solicitation letter. When completing that form, I neglected to notice that the check was to be made payable to the "DSG Campaign Fund."

I hereby declare under penalty of perjury that to the best of my knowledge and belief the foregoing is true and correct.

August 2, 1990


Treva V. Goode

Sworn to before me this 2nd day of August 1990.


Notary Public

My Commission expires April 14, 1994.

92040902849

BEFORE THE FEDERAL ELECTION COMMISSION:
MUR 3085 NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES

DECLARATION OF SHIRLEY S. GODWIN

1. I am the Administrative Manager of the Government Relations division of the National Education Association ("NEA"), and have held that position for four years.

2. In that position, I am responsible for authorizing expenditures from NEA's general fund for the support of activities undertaken by the Government Relations division.

3. NEA maintains a separate segregated account in the name of the NEA Political Action Committee ("NEA-PAC") for contributions in connection with federal elections. I am not responsible for authorizing the expenditure of funds from that account.

4. On or about October 12, 1989, Betty Wargo, a secretary in our division, asked me to approve a voucher authorizing a check for \$5,000 from NEA's general fund as a contribution to the Democratic Study Group ("DSG") on the occasion of its thirtieth anniversary. (Attachment C)

5. Although I normally request supporting documentation if I have reason to believe that a particular check should be drawn from the NEA-PAC account rather than from the NEA general fund, I did not request such documents here. Because the voucher indicated that the check in question would be made payable to "DSG 30th Anniversary Celebration," I assumed that the funds would be used by the DSG to support its legislative activities. Accordingly, I

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authorized the issuance of the check in question from NEA's general fund.

I hereby declare under penalty of perjury that to the best of my knowledge and belief the foregoing is true and correct.

August 3, 1990

Shirley S. Godwin
Shirley S. Godwin

Sworn to before me this 3rd day of August 1990.

Joyce C. Parker
Notary Public

My Commission expires April 14, 1994.

92040902851

A TOAST TO TOM FOLEY

Honorary Chairmen

Richard A. Gephardt

William H. Gray

September 25, 1989

Mr. Kenneth Melley
Director, Political Affairs
National Education Association
1201 16th St., N.W., Suite 615
Washington, DC 20036

REC'D OCT 6 1989 GR

Dear Ken:

This fall marks the 30th anniversary of one of the most important institutions in the U.S. House of Representatives, the Democratic Study Group. This anniversary comes in the same year that a long-time DSG activist and former chairman of the organization, Tom Foley, has risen to the top leadership post in the Congress.

On Wednesday, November 8 at the Capitol Hill Hyatt, the more than 230 members of the Democratic Study Group will hold a dinner honoring Speaker Tom Foley on the occasion of the DSG's 30th anniversary.

We are writing to ask you to help with this event by becoming a member of the Sponsors' Committee and purchasing a 10-ticket table (\$5,000) for the dinner. It is Tom's wish that the proceeds from the event go to the DSG Campaign Fund, which provides Democratic challengers and incumbents with critical research and campaign resources. Sponsors will be listed both on the invitation and in the program for the evening. If you are willing to be a sponsor, just fill out the enclosed form and return it by October 9.

Since its formation, the DSG has helped Democratic challengers and incumbents win elections, and once elected, provided them with vital research and analysis of legislation. With your help these efforts can continue.

Sincerely,

Dick Gephardt

Richard A. Gephardt
Majority Leader
U.S. House of Representatives

W. H. Gray III

William H. Gray, III
Majority Whip
U.S. House of Representatives

REC'D OCT 12 1989 GR

To Benefit the DSG Campaign Fund—Martin Olav Sabo, Chairman

On the Occasion of the Thirtieth Anniversary
of the Democratic Study Group...

A TOAST TO TOM FOLEY

to benefit the DSG Campaign Fund

November 8, 1989
Hyatt Regency on Capitol Hill

YES, I would like to support the DSG 30th Anniversary Toast
to Tom Foley by becoming a Sponsor (\$5,000).

Included in Sponsorship package:
Listing on Invitation
Listing in Program Book
Table of 10 at the Dinner
(October 9th deadline for invitation listing)

Name _____
Organization/Company National Education Association
Address 1201 16th Street, N. W.
City/State/Zip Washington, D. C. 20036
Contact Person/Occupation Kenneth F. Melley, Dir. of Gov Relations
Business Telephone 822-7300

LISTING (As you would like it on invitation & Program book)

National Education Association

Please make checks payable to: DSG Campaign Fund

Return to: DSG 30th Anniversary Celebration
4590 MacArthur Blvd., NW, Suite #200
Washington, DC 20007

For more information call: (202) 337-7546

RETURN BY OCTOBER 9TH TO BE LISTED ON INVITATION

REC'D OCT 12 1989 GR

92040902853

PAYABLES VOUCHER

VENDOR DSG 25TH ANNIVERSARY CELEBRATION

VENDOR NUMBER ONE T.M.E.R.

ADDRESS 4590 MACARTHUR BLVD NW

(ONLY NECESSARY WHEN ADDING NEW VENDOR) SUITE 200

(CITY) WASHINGTON (ST) DC (ZIP) 20007

INVOICE # _____

INVOICE DATE 10/12/89

DUE DATE 1/5/90

ATTACHMENTS (V) _____

EXTENSION # 7313

PURCHASE ORDER # _____

ACCOUNTING APPROVAL _____

LINE NO.	ACCOUNT NUMBER	COST CENTER	STATE CODE	DESCRIPTION (14 SPACES FOR T/R) (24 SPACES FOR CHECK STUB) (NOT VENDOR NAME OR INVOICE NUMBER)	DEBIT	CREDIT
01	52681	04260		Contrib	5,000.00	
02						
03						
04						
05						
06						
07						
08						
09						
10						
11						
12						

OK RETURNED

OK # 217575 10/19/89 TO TREVA 10/23/89

IF FOR ADVANCE OF FUNDS (/) PERM (1) ☐ TEMP (2) ☐		TOTAL (All Pages) <u>5,000.00</u>	
PURPOSE:		LESS CREDITS	
ESTIMATE OF EXPENSES:		NET AMOUNT DUE <u>5,000.00</u>	
		PLEASE INITIAL THAT THE SUPPORT DOCUMENTS HAVE BEEN VERIFIED FOR MATHEMATICAL ACCURACY.	

ADDITIONAL DESCRIPTION SEE ATTACHED

PREPARED BY BAW AREA/UNIT GR

APPROVED BY Christy M. Hudson DATE 10/12/89



9 2 0 4 0 9 0 2 8 5 5
National Education Association
of the UNITED STATES
1201 SIXTEENTH STREET, N.W., WASHINGTON, D.C. 20036

GENERAL ACCOUNT
AMERICAN SECURITY BANK, N.A.
WASHINGTON, D.C.

217575

REFERENCE

PAY FIVE THOUSAND AND NO/100 DOLLARS ****

CHECK DATE
10 19 89

PAY THIS AMOUNT
*****5,000.00

TO THE
ORDER OF

DSC 30TH ANNIVERSARY
CELEBRATION
4590 MACARTHUR BLVD N W
WASHINGTON DC 20007

AUTHORIZED SIGNATURES

#217575# 054000551# 43-863 52 408#

#0000500000#

NO 89 221
PAND
3

NO 12. EN

03608259

FOR DEPOSIT ONLY
DSG CAMPAIGN FUND
#138,092 78

DGC 7215

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

EPSTEIN BECKER & GREEN, P.C.

9 AUG -6 PM 2:20

ATTORNEYS AT LAW

1227 25TH STREET, N.W.

WASHINGTON, D.C. 20037-1156¹

(202) 861-0900

TELECOPIER: (202) 296-2882

DIRECT LINE

250 PARK AVENUE
NEW YORK, NEW YORK 10177-0077¹
(212) 381-4800

1875 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067-2801
(213) 888-8861

SIX LANDMARK SQUARE
STAMFORD, CONNECTICUT 06901-2704¹
(803) 348-3737

212 CARNEGIE CENTER
PRINCETON, NEW JERSEY 08540-6212
(609) 452-2445

27 SCHOOL STREET
BOSTON, MASSACHUSETTS 02108-4303
(617) 720-3888

FOUR EMBARCADERO
SAN FRANCISCO, CALIFORNIA 94111-6884
(415) 398-3500

12201 MERIT DRIVE
DALLAS, TEXAS 75251-2213¹
(214) 480-3143

116 SOUTH MONROE STREET
TALLAHASSEE, FLORIDA 32301-1630
(904) 681-0596

2400 SOUTH DIXIE HIGHWAY, SUITE 100
MIAMI, FLORIDA 33133
(305) 856-1100

810 KING STREET, SUITE 301
ALEXANDRIA, VIRGINIA 22314-3132¹
(703) 684-1204

August 6, 1990

¹ RC. NEW YORK, WASHINGTON, D.C.
CONNECTICUT, VIRGINIA AND
TEXAS ONLY

HAND-DELIVERED

Todd S. Hageman, Esquire
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Room 657
Washington, D.C. 20463

RE: M.U.R. 3085: Respondent Heublein, Inc.

Dear Mr. Hageman:

As discussed, our firm has been retained by Heublein, Inc. to represent it in the above-referenced matter. Accordingly, enclosed is a completed Statement of Designation of Counsel.

In addition, as also discussed, we hereby request an extension of time of ten business days, from August 10, 1990¹ until August 24, 1990, to respond to the Federal Election Commission's reason-to-believe determination.

As our firm was retained only last week by Heublein, this additional time is essential for us to familiarize ourselves with the matter and to accumulate the necessary information to fully respond to the Commission's reason-to-believe finding.

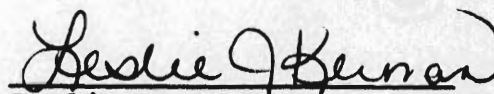
¹ Vice Chairman McGarry's letter of Wednesday, July 18, 1990 was received by our client in the mail on Monday, July 23, 1990. Thus, the due date for the response is August 10, 1990. See 11 C.F.R. § 111.2(c).

92040902857

Todd S. Hageman, Esquire
August 6, 1990
Page 2

Please do not hesitate to contact me at 202/861-1877 if you have any questions regarding our extension-of-time request and any information which you require to resolve this matter.

Sincerely,


Leslie J. Kerman

Enclosure

92040902858

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3085

NAME OF COUNSEL: Leslie Kerman

ADDRESS: Epstein, Becker & Green, PC

1227 25th Street N.W., Suite 700

Washington, DC 20037

TELEPHONE: (202) 861-1877

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf before
the Commission.

Heublein, Inc.

8/1/90
Date

by Paul A. Heublein, Counsel
Signature

RESPONDENT'S NAME: Heublein, Inc.

ADDRESS: 16 Munson Road

P.O. Box 0388

Farmington, CT 06034-0388

HOME PHONE: _____

BUSINESS PHONE: (203) 678-6533

92040902859

06C 7223

PERKINS COIE

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

August 7, 1990

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
30 AUG -7 PM 1:47

Lawrence Noble, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Attn: Todd S. Hageman

Re: MUR 3085

Dear Mr. Noble:

The following is the response of the Democratic Study Group Campaign Fund ("DSG") to the finding of "reason-to-believe" in the above-referenced MUR, brought to DSG's attention by letter dated July 18, 1990. DSG urges that the General Counsel recommend a finding of no probable cause to believe that a violation has occurred and that the Commission ratify that recommendation.

This case arises out of contributions received by DSG which it was unaware constituted impermissible contributions of corporations and unions from general treasury funds. DSG's position does not, however, rest on its simple error in failing to identify the impermissible source of these contributions.

In fact, DSG on its own initiative discovered that the contributions were erroneously made and received; then fully reported them to the Commission in its year-end report with an explanation; and then made a prompt refund on the same day that the year-end report was filed. All of these actions were taken by DSG and DSG alone, without prompting from the Commission staff.

DSG is well aware that other respondents come before the Commission with the defense that an alleged violation was only a "mistake," or "technical error," or an "inadvertent error." And DSG is aware that the Commission must approach these defenses with some skepticism or give up rigorous enforcement of the statute. At the same time the Commission must recognize that political committees do make mistakes -- and that in circumstances where they recognize the mistakes on their own and promptly take all the necessary remedial action, there is no conceivable ground under the statute for pursuing full enforcement against them.

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Here no complaint was filed alleging the receipt by DSG of legal funds. Here there was no action by Reports Analysis to alert DSG to these illegal contributions and to require their refund. DSG acted promptly and responsibly at all times and it should be acknowledged, not punished, for the effort.

Political committees will make mistakes. Every organization -- business, political or charitable -- makes mistakes. Nothing is served by an approach to enforcement which insists that each mistake should be the subject of time-consuming, punitive enforcement action. It makes no sense to hold that all mistakes must be punished; only that mistakes once made should be quickly addressed and fully corrected.

The statute when enacted called for the Commission to encourage "voluntary compliance" by candidates and committees. Political committees attempt to meet this standard by setting up careful bookkeeping, contribution screening and report preparation procedures. DSG has such procedures in place, and in this instance, those procedures served the committee well in recognizing the violation and addressing it. While it is recognized that the Commission also has the responsibility to note true violations of the statute and to enforce the law against them, there must be preserved some vibrancy to the concept of voluntary compliance. This can only be done by transmitting to the regulatory community a clear message that well-organized, responsible political committees who make mistakes and correct them will not be unduly punished.

In this case, the number of impermissible contributions received (3) were not substantial and the total amount involved was not large. Nothing in the facts suggests that DSG was actively soliciting impermissible funds, or that their solicitation of the funds was so careless or irresponsible as to encourage illegal contributions. Moreover, as noted in the DSG's January 31st letter to the Commission which advised of the receipt of these contributions: "During the time the contributions were in the DSG Campaign Fund account, no DSG Campaign Fund expenditures were made in either direct or indirect support of any candidate for Federal office, or otherwise in connection with any political campaign."

In short, the circumstances here are not suspicious: nothing to suggest to the Commission that there is something in the conduct of the donors or the committee which should give concern and prompt the institution of full enforcement proceedings.

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Lawrence Noble, Esq.
August 7, 1990
Page 3

For these reasons DSG requests that this matter be dismissed.

Very truly yours,

Robert F. Bauer
Robert F. Bauer
Counsel to Democratic
Study Group

2039E

92040902862



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 9, 1990

Leslie J. Kerman, Esq.
Epstein Becker & Green, P.C.
1227 25th Street, N.W.
Washington, D.C. 20037

RE: MUR 3085
Heublein, Inc.

Dear Ms. Kerman:

This is in response to your letter dated August 6, 1990, which we received on the same date requesting an extension until August 24, 1990 to respond to the Commission's findings in the above captioned matter. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by the close of business on August 24, 1990.

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

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in cursive script, which appears to read "Jonathan Bernstein", is written over the typed name of the Assistant General Counsel.

BY: Jonathan Bernstein
Assistant General Counsel

92040902863

06C 7587

EPSTEIN BECKER & GREEN, P.C.

ATTORNEYS AT LAW

1227 25TH STREET, N.W.

WASHINGTON, D.C. 20037-11561

(202) 661-0900

TELECOPIER: (202) 296-2882

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(212) 351-4800

1875 CENTURY PARK EAST
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(213) 556-6661

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STAMFORD, CONNECTICUT 06901-27041
(803) 348-3737

218 CARNEGIE CENTER
PRINCETON, NEW JERSEY 08540-6212
(609) 482-2445

27 SCHOOL STREET
BOSTON, MASSACHUSETTS 02108-4303
(617) 720-3555

FOUR EMBARCADERO
SAN FRANCISCO, CALIFORNIA 94111-8884
(415) 398-3800

12201 MERIT DRIVE
DALLAS, TEXAS 75251-22131
(214) 490-3143

116 SOUTH MONROE STREET
TALLAHASSEE, FLORIDA 32301-1830
(904) 661-0596

2400 SOUTH DIXIE HIGHWAY, SUITE 100
MIAMI, FLORIDA 33133
(305) 656-1100

510 KING STREET, SUITE 301
ALEXANDRIA, VIRGINIA 22314-31321
(703) 684-1204

August 24, 1990

†P.C. NEW YORK, WASHINGTON, D.C.
CONNECTICUT, VIRGINIA AND
TEXAS ONLY

HAND-DELIVERED

Todd S. Hageman, Esquire
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Room 657
Washington, D.C. 20463

RE: M.U.R. 3085: Respondent Heublein, Inc.

Dear Mr. Hageman:

This letter constitutes the response of Heublein, Inc. ("Heublein" or "the Respondent") to the Federal Election Commission's ("FEC" or "the Commission") reason-to-believe finding in the above-referenced matter.

Specifically, on July 10, 1990, the Commission found reason-to-believe that Heublein violated 2 U.S.C. § 441b(a) which, inter alia, serves to prohibit corporations from contributing from treasury funds to federal political committees. The Commission's finding was based solely on the fact that the 1989 Year-End Report of the Democratic Study Group Campaign Fund ("the DSG Campaign Fund"), a federal political committee, reflected a receipt of One Thousand Dollars (\$1,000.00) from Heublein on November 22, 1989.

Respondent, however, did not make the referenced One Thousand Dollar contribution, or any contribution whatsoever, to the DSG Campaign Fund. Respondent did contribute One Thousand Dollars to the Democratic Study Group, a non-profit entity which is not a federal political committee, by check dated November 15, 1989 (a

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 AUG 24 PM 1:20

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Todd S. Hageman, Esquire
August 24, 1990
Page 2

copy of the check is attached). As you will note, Respondent's check was specifically made payable to the "Democratic Study Group", and was neither earmarked nor directed to the DSG Campaign Fund or for any federal electioneering purpose.

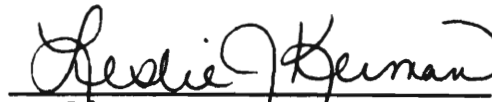
Apparently, unbeknownst to Respondent, its \$1,000 check to the Democratic Study Group was inadvertently deposited into the DSG Campaign Fund's account. Because of this improper deposit, the contribution was then reflected as a receipt on the DSG Campaign Fund's 1989 Year-End Report.

Therefore, this enforcement action simply involves an incorrect deposit into the DSG Campaign Fund's account of a Heublein check made payable to the Democratic Study Group -- an action over which Respondent had neither control, knowledge or responsibility. Significantly, M.U.R. 3085 involves absolutely no violation of 2 U.S.C. § 441b(a) by the Respondent, as its \$1,000 check was neither made payable to, nor earmarked for, a federal political committee or any federal electioneering purpose.

Accordingly, for the reasons detailed herein, we respectfully request that the allegations against the Respondent be dismissed.

Thank you for your assistance with this matter. If you need further documentation or information to resolve this action, please do not hesitate to contact me at 202/861-1877.

Very truly yours,



Leslie J. Kerman
Counsel to Heublein, Inc.

92040902865

Heublein Inc Hartford Connecticut 06142-0778

No. 10426144

1042

PAY

ONE THOUSAND DOLLARS AND 00 CENTS

DATE

11/15/89

CHECK NO.

10426144

NET AMOUNT

*****1,000.00

TO THE
ORDER
OF

DEMOCRATIC STUDY GROUP
430 S CAPITOL ST S.E.
WASHINGTON, DC
ATTN: JOY RODMAN 20003

THE CONNECTICUT BANK & TRUST CO. [MEMBER FDIC] [BANK OF AMERICA, N.A.]

⑆10426144⑆ ⑆011900573⑆ 000121 4⑆

⑆0000100000⑆

01 12-14-89

10426144
Joy Rodman

99820604026

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FEDERAL ELECTION COMMISSION

SO DEC -3 AM 9:10

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of
The National Education
Association

)
)
)
)

MUR 3085

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On July 10, 1990, the Commission found reason to believe The National Education Association of the United States ("NEA") violated 2 U.S.C. § 441b(a). Specifically, the NEA made a \$5,000 contribution to the Democratic Study Group Campaign Fund ("Committee") on November 22, 1989. On August 2, 1990 counsel for the NEA responded to the Commission's finding by requesting that the Commission take no further action in the matter, or alternatively, that the Commission enter into conciliation prior to a finding of probable cause to believe. See Attachment 1.

The NEA's response noted that the contribution was due to an "inadvertent clerical error" and that steps have been taken to insure this error would not be repeated. Furthermore, it was noted that the Committee refunded the full amount to the NEA without prompting from the Commission.

II. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

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III. RECOMMENDATIONS

1. Enter into conciliation with The National Education Association of the United States prior to a finding of probable cause to believe.
2. Approve the attached proposed conciliation agreement and the appropriate letter.

Lawrence M. Noble
General Counsel

Date

11/28/90

BY:


Lois G. Lerner
Associate General Counsel

Attachments

1. Request for conciliation
2. Proposed Conciliation Agreement

Staff assigned: Todd S. Hageman

92040902868

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
The National Education Association.) MUR 3085

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on December 5, 1990, the Commission decided by a vote of 5-0 to take the following actions in MUR 3085:

1. Enter into conciliation with The National Education Association of the United States prior to a finding of probable cause to believe.
2. Approve the proposed conciliation agreement and the appropriate letter, as recommended in the General Counsel's Report dated November 29, 1990.

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

Attest:

12-5-90
Date

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

Received in the Secretariat: Monday, December 3, 1990 9:10 a.m.
Circulated to the Commission: Monday, December 3, 1990 11:00 a.m.
Deadline for vote: Wednesday, December 5, 1990 11:00 a.m.

dh

92040902869



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

December 10, 1990

Mr. Richard B. Wilkof
Office of General Counsel
National Education Association
1201 16th St., NW
Washington, DC 20036-3290

RE: MUR 3085
National Education
Association

Dear Mr. Wilkof:

On July 10, 1990, the Federal Election Commission found reason to believe that the National Education Association of the United States violated 2 U.S.C. § 441b(a). At your request, on December 5, 1990, the Commission determined to enter into negotiations directed toward reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

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

If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Todd Hageman, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in dark ink, appearing to read "Lois G. Lerner", is written over a horizontal line.

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

92040902870



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20461

December 12, 1990

Robert F. Bauer, Esquire
Perkins Coie
1110 Vermont Ave., NW
Washington, DC 20005

RE: MUR 3085
The Democratic
Study Group
Campaign Fund

Dear Mr. Bauer:

This letter is to confirm a telephone conversation that you had with Todd Hageman, a staff member with this Office, on November 20, 1990.

In that conversation you were asked to provide copies of the written solicitations, if any, that the Democratic Study Group Campaign Fund ("Committee") sent to Heublein, Inc., The National Education Association of the United States, and Transcontinental Pipeline Corporation that resulted in the contributions at issue in this matter. Also, please provide all other documentation, including correspondence, memoranda, or other writings, that relate to solicitation of these contributions.

Your cooperation in producing these documents will be appreciated. Please provide all requested documentation within 15 days of the date of this letter.

If you have any questions, please contact Todd Hageman, the staff member assigned to this matter, at 202/376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

92040902871

RECEIVED
JUL 11 1990

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
The Democratic Study Group)
Campaign Fund and William H.)
Hagan, as treasurer)

MUR 3085

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On July 10, 1990 the Commission found reason to believe that Transcontinental Pipe Line Corporation, the National Education Association of the United States, and Heublein, Inc., all incorporated entities, violated 2 U.S.C. § 441b(a) by making contributions to a political committee. On the same date, the Commission also found reason to believe the Democratic Study Group Campaign Fund ("the Fund") violated 2 U.S.C. § 441b(a) for accepting contributions from incorporated entities.

On December 5, 1990, the Commission entered into conciliation with the National Education Association of the United States ("NEA"), per its request, prior to a finding of probable cause to believe.

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The other incorporated entities which made contributions to the Fund, Heublein, Inc. ("Heublein") and Transcontinental Pipeline Corporation ("Transco") responded to the Commission's reason to believe findings, but have not requested preprobable cause conciliation. See Attachments 2 and 3. In both instances, the contributions involved were to benefit an annual Democratic Study Group ("DSG") dinner, and the amounts were not substantial. Counsel for Heublein explained that Heublein's contribution was \$1,000, but that the contribution check was made out to the DSG, as opposed to the Fund. Counsel provided a photocopy of the contribution check which supports this

statement. Furthermore, counsel states that the deposit into the Fund's account was made without Heublein's control, knowledge or responsibility. A staff member from this Office contacted Heublein's counsel and asked that she provide the Commission with a copy of the solicitation which resulted in Heublein's contribution. Counsel contacted Heublein concerning this request, and the client asserted that it had no recollection of Heublein receiving any solicitation. However, the January 30, 1991 response from the Fund indicates that Heublein, as well as Transco, received the Fund's September 25, 1989 solicitation. See Attachment 4. Additionally, in conversations with a staff member from this Office, the Fund's counsel has stated that both Heublein and Transco were sent the written solicitation.

Transco's response states that, although it may have received the solicitation, the company made the contribution at issue in this matter in response to a telephone solicitation made by a DSG official. The Transco official stated that it was possible he received the written solicitation and overlooked it, but the DSG official contacted him shortly before the DSG annual event took place. During the course of the conversation, Transco agreed to buy one \$350 ticket to the DSG's annual awards dinner. The Transco official stated that he was under the impression that the money was to be used solely for the awards dinner and not for federal electioneering purposes. For this reason, the Transco official directed staff to write a corporate check to the DSG. However, according to the response, the

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official erred when giving instructions for writing the check, and it was inadvertently made out to the Fund.

While Transco's contribution check was made out to the Fund, the amount was only \$350. Also, even though Heublein's contribution was likely in response to the Fund's written solicitation, its check was made out to the DSG rather than to the political committee. Also, the Fund's written solicitation, was ambiguous regarding what contributions could be made to the Fund. See supra. Considering the amounts of the respective contributions and in the exercise of its prosecutorial discretion, this Office recommends that the Commission take no further action against both Heublein, Inc. and Transcontinental Pipeline Corporation.

As a result of a November 20, 1990 request made by this Office, on January 30, 1991, counsel for the Fund finally produced a copy of the solicitation that apparently resulted in the prohibited contributions. See Attachment 4. This copy was identical to the solicitation produced by the NEA, one of the respondent contributors, and omits a disclaimer stating who authorized and paid for the solicitation. The solicitation states that the proceeds from the event were to go to the Fund, which "provides Democratic challengers and incumbents with critical research and campaign resources." On the other hand, the solicitation nowhere explicitly describes the beneficiary as a political committee, nowhere states that corporate and union contributions are impermissible, or states that contributor information is required. Thus, the mistaken submission of

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prohibited funds in response may be due in part to the solicitation's ambiguity. Under these circumstances, this Office does not recommend the Commission take no further action regarding the Fund, as requested by counsel. See Attachment 5, page 17.

It appears that the solicitation may have been mailed to a large and diverse group of potential donors, possibly including individuals, business entities and labor organizations. Pursuant to 2 U.S.C. § 441d, any committee soliciting funds through direct mail, but not authorized by a candidate or an authorized political committee of a candidate, or its agents, must clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee. The solicitation at issue in this matter contained no such statement. Therefore, because the solicitation lacks the required solicitation disclaimer statement, this Office now recommends the Commission find reason to believe that the Democratic Study Group Campaign Fund violated 2 U.S.C. § 441d by failing to provide the required disclaimer statement on a solicitation.

II. RECOMMENDATIONS

- 1.
2. Take no further action against Heublein, Inc. and Transcontinental Pipeline Corporation.
3. Close the file as it pertains to Heublein, Inc. and Transcontinental Pipeline Corporation.
4. Find reason to believe that the Democratic Study Group Campaign Fund violated 2 U.S.C. § 441d.

92040902876

5. Approve the attached Factual and Legal Analysis and the appropriate letters.

Lawrence M. Noble
General Counsel

Date 3/15/91

BY: 
Lois G. Lerner
Associate General Counsel

Attachments

- 1.
2. Heublein response
3. Transco response
4. The Fund's solicitation
5. The Fund's response to Commission's
reason to believe finding
6. Proposed conciliation agreement
7. Factual and Legal Analysis

Staff Assigned: Todd S. Hageman

92040902877

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
The Democratic Study Group) MUR 3085
Campaign Fund and William H.)
Hagan, as treasurer.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on March 21, 1991, the Commission decided by a vote of 5-0 to take the following actions in MUR 3085:

- 1.
2. Take no further action against Heublein, Inc. and Transcontinental Pipeline Corporation.
3. Close the file as it pertains to Heublein, Inc. and Transcontinental Pipeline Corporation.
4. Find reason to believe that the Democratic Study Group Campaign Fund violated 2 U.S.C. § 441d.

(Continued)

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5. Approve the Factual and Legal Analysis and the appropriate letters, as recommended in the General Counsel's Report dated March 15, 1991.

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

Attest:

3-22-91
Date

Deborah Harris
for Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat:	Mon.,	Mar. 18, 1991	4:29 p.m.
Circulated to the Commission:	Tues.,	Mar. 19, 1991	11:00 a.m.
Deadline for vote:	Thurs.,	Mar. 21, 1991	11:00 a.m.

dr

92040902879



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

March 29, 1991

91 MAR 29 PM 12:27

RECEIVED
FEDERAL ELECTION COMMISSION

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

BY: Lois G. Lerner *sp*
Associate General Counsel

SUBJECT: MUR 3085 -- General Counsel's Report
dated March 15, 1991

On March 21, 1991, the Commission approved this Office's recommendation in the above-captioned report to find reason to believe the Democratic Study Group Campaign Fund violated 2 U.S.C. § 441d. William H. Hagan, as treasurer of the Committee, was inadvertently omitted from this recommendation and from the factual and legal analysis attached to the report.

RECOMMENDATION

Find reason to believe that William H. Hagan, as treasurer of the Democratic Study Group Campaign Fund, violated 2 U.S.C. § 441d, and approve a revised factual and legal analysis.

Staff Assigned: Todd S. Hageman

92040902880

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Democratic Study Group Campaign Fund
William H. Hagan, as treasurer.

)
)
) MUR 3085
)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on April 3, 1991, the Commission decided by a vote of 6-0 to find reason to believe that William H. Hagan, as treasurer of the Democratic Study Group Campaign Fund, violated 2 U.S.C. § 441d, and approve a revised factual and legal analysis, as recommended in the General Counsel's Memorandum dated March 29, 1991.

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

Attest:

April 3, 1991
Date

Deborah Harris
for Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Fri., March 29, 1991 12:27 p.m.
Circulated to the Commission: Mon., April 1, 1991 11:00 a.m.
Deadline for vote: Wed., April 3, 1991 11:00 a.m.

dr

92040902881



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 11, 1991

Mr. Curtis E. Whalen
Vice President - Governmental Affairs
Transcontinental Pipeline Corporation
555 13th Street, N.W.
Suite 430, West
Washington, D.C. 20004

RE: MUR 3085
Transcontinental
Pipeline Corporation

Dear Mr. Whalen:

On July 18, 1990, you were notified that the Federal Election Commission found reason to believe that Transcontinental Pipeline Corporation violated 2 U.S.C. § 441b(a). On July 30, 1990, you submitted a response to the Commission's reason to believe finding.

After considering the circumstances of the matter, the Commission determined on March 21, 1991, to take no further action against Transcontinental Pipeline Corporation, and closed the file as it pertains to Transcontinental Pipeline Corporation. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. In the event you wish to waive confidentiality under 2 U.S.C. § 437g(a)(12)(A), written notice of the waiver must be submitted to the Commission. Receipt of the waiver will be acknowledged in writing by the Commission.

The Commission reminds you that making donations with corporate treasury funds to fundraisers sponsored by political committees appears to be a violation of 2 U.S.C. § 441b(a). Transcontinental Pipeline Corporation should take immediate steps to insure that this activity does not occur in the future.

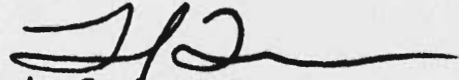
92040902882

Mr. Curtis E. Whalen
Page 2

If you have any questions, please contact Todd Hageman, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel



BY: Lois G. Lerner
Associate General Counsel

92040902883



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 11, 1991

Ms. Leslie J. Kerman
Epstein Becker & Green, P.C.
1227 25th Street, N.W.
Washington, D.C. 20037-1156

RE: MUR 3085
Heublein, Inc.

Dear Ms. Kerman:

On July 18, 1990, your client was notified that the Federal Election Commission found reason to believe that your client, Heublein, Inc., violated 2 U.S.C. § 441b(a). On August 6 and August 24, 1991, you submitted responses to the Commission's reason to believe finding and subsequent request for information.

After considering the circumstances of the matter, the Commission determined on March 21, 1991, to take no further action against your client, and closed the file as it pertains to Heublein, Inc. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. In the event you wish to waive confidentiality under 2 U.S.C. § 437g(a)(12)(A), written notice of the waiver must be submitted to the Commission. Receipt of the waiver will be acknowledged in writing by the Commission.

The Commission reminds you that making donations with corporate treasury funds to fundraisers sponsored by political committees appears to be a violation of 2 U.S.C. § 441b(a). Your client should take immediate steps to insure that this activity does not occur in the future.

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Ms. Leslie J. Kerman
Page 2

If you have any questions, please contact Todd Hageman, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel


BY: Lois G. Lerner
Associate General Counsel

92040902885



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 11, 1991

Mr. Robert F. Bauer
Perkins Cole
1110 Vermont Avenue, N.W.
Washington, DC 20005

RE: MUR 3085
Democratic Study Group
Campaign Fund and
William H. Hagan, as
treasurer

Dear Mr. Bauer:

On July 10, 1990, the Federal Election Commission found that there is reason to believe your clients, Democratic Study Group Campaign Fund and William H. Hagan, as treasurer, violated 2 U.S.C. § 441b(a), 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, was provided to your clients at that time. On January 30, 1991, in a response to a request for information, you provided the Commission with further information concerning your clients' fundraiser at issue. After reviewing this information, the Commission additionally found that there is reason to believe Democratic Study Group Campaign Fund and William H. Hagan, as treasurer, violated 2 U.S.C. § 441d, a provision of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's decision, is enclosed for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against your clients. 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 your clients, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the

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Mr. Robert F. Bauer
Page 2

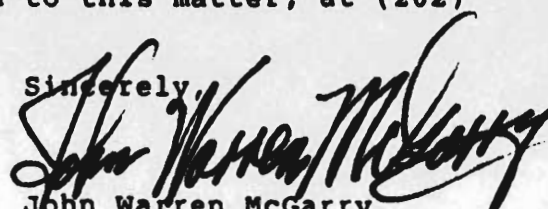
General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondents' counsel.

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.

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 Todd Hageman, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,


John Warren McGarry
Chairman

Enclosures
Factual and Legal Analysis
Procedures

92040902887



NATIONAL EDUCATION ASSOCIATION • 1201 16th St., N.W., Washington, D C 20036-3290 • (202) 822-7035

KEITH GEIGER, President
ROBERT CHASE, Vice President
MARILYN MONAHAN, Secretary-Treasurer

06C 0934
LEGAL SERVICES
OFFICE OF GENERAL COUNSEL

DON CAMERON, Executive Director

April 24, 1991

Mr. Todd Hageman
Federal Election Commission
Washington, D.C. 20463

Re: MUR 3085
National Education Association
of the United States

Dear Mr. Hageman:

Enclosed is the conciliation agreement, signed by NEA Executive Director Don Cameron, for the above-referenced matter. Please notify me as to how NEA should make out the check that will serve as payment of the penalty referenced therein.

Sincerely,

Richard B. Wilkof
Richard B. Wilkof
Staff Counsel

Enclosure

RECEIVED
FEDERAL ELECTION COMMISSION
91 APR 26 PM 3:41

RECEIVED
FEDERAL ELECTION COMMISSION
91 APR 26 AM 9:46

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91 MAY 10 PM 1:54

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
The National Education
Association of the
United States

NUR 3085

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by Don Cameron, the Executive Director of The National Education Association of the United States.

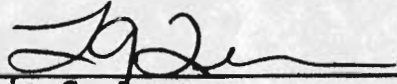
The attached agreement contains no changes from the agreement approved by the Commission on March 21, 1991. A check for the civil penalty has not been received.

II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with The National Education Association of the United States.
2. Close the file as it pertains to The National Education Association of the United States.
3. Approve the appropriate letter.

Lawrence M. Noble
General Counsel

Date 5/9/91

BY: 
Lois G. Lerner
Associate General Counsel

Attachment
Conciliation Agreement

Staff Assigned: Todd S. Hageman

92040902889

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
The National Education) MUR 3085
Association of the)
United States.)

CERTIFICATION

I, Marjorie W. Emmons Secretary of the Federal Election Commission, do hereby certify that on May 15, 1991, the Commission decided by a vote of 5-0 to take the following actions in MUR 3085:

1. Accept the conciliation agreement with The National Education Association of the United States.
2. Close the file as it pertains to The National Educational Association of the United States.
3. Approve the appropriate letter, as recommended in the General Counsel's Report dated May 9, 1991.

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

Attest:

5-16-91
Date

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

Received in the Secretariat: Fri., May 10, 1991 1:54 p.m.
Circulated to the Commission: Mon., May 13, 1991 11:00 a.m.
Deadline for vote: Wed., May 15, 1991 11:00 a.m.

92040902890



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 28, 1991

Mr. Richard B. Wilkof
Office of General Counsel
National Education Association
1201 16th St., N.W.
Washington, DC 20036

RE: MUR 3085
National Education
Association

Dear Mr. Wilkof:

On May 15, 1991, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to your client. Please note that the Commission must receive the civil penalty payment within 30 days of the agreement's effective date.

This matter will become a part of the public record within 30 days after it has been closed with respect to all other respondents involved. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel. Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed. In the event you wish to waive confidentiality under 2 U.S.C. § 437g(a)(12)(A), written notice of the waiver must be submitted to the Commission. Receipt of the waiver will be acknowledged in writing by the Commission.

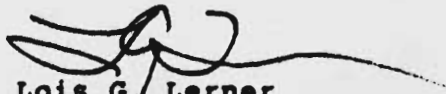
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Mr. Richard Wilkof
Page 2

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Todd Hageman, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel



BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

92040902892

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
The National Education
Association of the
United States

MUR: 3085

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that The National Education Association of the United States ("Respondent") violated 2 U.S.C. § 441b(a).

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

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

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

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

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

1. The National Education Association of the United States is a labor organization.

2. Don Cameron is the Executive Director of the National

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Education Association of the United States.

3. Section 441b(a) of Title 2 provides that no labor organization shall make a contribution or expenditure in connection with any federal political committee or to influence any election for federal office.

4. Respondent is prohibited from making contributions to any federal political action committee. Respondent made a \$5,000 contribution to the Democratic Study Group Campaign Fund, a federal political action committee, on November 22, 1989.

V. The National Education Association of the United States made a \$5,000 contribution to the Democratic Study Group Campaign Fund, in violation of 2 U.S.C. § 441b(a).

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

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

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

IX. Respondent shall have no more than 30 days from the date

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this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

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

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

BY:

L. G. Berner
Lois G. Berner
Associate General Counsel

Date

5-24-91

FOR THE RESPONDENT:

Don Cameron
Don Cameron
Executive Director

Date

April 24, 1991

92040902895



NATIONAL EDUCATION ASSOCIATION • 1201 16th St., N.W., Washington, D C 20036-3290 • (202) 822-7035

KEITH GEIGER, President
ROBERT CHASE, Vice President
MARILYN MONAHAN, Secretary-Treasurer

LEGAL SERVICES
OFFICE OF GENERAL COUNSEL

DON CAMERON, Executive Director

June 13, 1991

Certified Mail - Return Receipt Requested

Mr. Todd Hageman
Federal Election Commission
Washington, D.C. 20463

Re: MUR 3085
National Education Association
of the United States

Dear Mr. Hageman:

Pursuant to the conciliation agreement executed by the parties in the above-referenced matter, I have enclosed a check for \$1,000.00 as full satisfaction for the obligation of the National Education Association ("NEA").

If you have any further questions regarding this matter, please let me know. Otherwise NEA will assume that the matter is closed.

Sincerely,

Richard B. Wilkof
Counsel for National
Education Association

Enclosure

cc: Debra DeLee
Kenneth Melley

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
91 JUN 18 PM 3:27

RECEIVED
FEDERAL ELECTION COMMISSION
91 JUN 17 AM 11:40

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National Education Association
of the UNITED STATES
1201 SIXTEENTH STREET, N.W., WASHINGTON, D.C. 20036

GENERAL ACCOUNT
AMERICAN SECURITY BANK, N.A.
WASHINGTON, D.C.

278123

15-56
540

REFERENCE

PAY ONE THOUSAND AND NO/100 DOLLARS *****

CHECK DATE
06 07 91

PAY THIS AMOUNT
*****1,000.00

TO THE
ORDER OF FEDERAL ELECTION COMMISSION
MUR 3085

AUTHORIZED SIGNATURES

Don Cameron

Don Cameron

⑈ 278123⑈ ⑆054000551⑆ 43-863 52 408⑈

91 JUN 20 AM 11:36

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

The Democratic Study Group)
Campaign Fund and William H.)
Hagan, as treasurer)

MUR 3085

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On July 10, 1990, the Commission found reason to believe that the Democratic Study Group Campaign Fund and William H. Hagan, as treasurer ("Committee") violated 2 U.S.C. § 441b(a) for accepting contributions from two incorporated entities and a labor organization.¹ On January 30, 1991, counsel for the Committee produced a copy of the solicitation that apparently resulted in the prohibited contributions. This solicitation lacked the appropriate disclaimer statement. On April 6, 1991 the Commission additionally found reason to believe the Committee violated 2 U.S.C. § 441d by failing to provide the required disclaimer statement on a solicitation. Counsel for the Committee responded to the Commission's finding with a facsimile on May 24, 1991. See Attachment 1.

In this response, counsel states that the disclaimer was

1. The entities who made the contributions to the Committee are Heublein, Inc., Transcontinental Pipe Line Corporation and The National Education Association of the United States. Each of these entities were originally respondents in this matter, however the file has been closed with regard to the contributor entities. On March 21, 1991, the Commission voted to take no further action against Heublein, Inc. and Transcontinental Pipe Line Corporation. On May 15, 1991 the Commission voted to accept a signed conciliation agreement with The National Education Association of the United States.

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omitted by a simple error and did not result in any confusion of contributors or otherwise undermine the disclosure provisions of the Federal Election Campaign Act, as amended, ("the Act").

Counsel points out that the solicitation noted that all proceeds for the fundraiser at issue would go to the Democratic Study Group Campaign Fund which provides Democratic challengers and incumbents with critical research and campaign resources to help win elections. For these reasons counsel asks that the Commission take no further action concerning the Committee. However, counsel does request preprobable cause conciliation for both violations.

Despite counsel's arguments to the contrary, the solicitation's ambiguity and lack of a disclaimer statement may have accounted for the mistaken submission of prohibited funds. Had the solicitation contained the disclaimer and stated that funds from incorporated entities were impermissible, the incorporated entities may not have made the contributions which resulted in this enforcement matter. For this reason, this Office does not recommend that the Commission take no further action with regard to the Committee.

II. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

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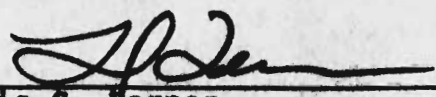
III. RECOMMENDATIONS

1. Enter into conciliation with the Democratic Study Group Campaign Fund and William H. Hagan, as treasurer, prior to a finding of probable cause to believe.

2. Approve the attached proposed conciliation agreement and the appropriate letter.

Lawrence M. Noble
General Counsel

6-19-91
Date

BY: 
Lois G. Herner
Associate General Counsel

Attachment

1. Counsel's facsimile dated May 24, 1991
2. Proposed Conciliation Agreement

Staff Assigned: Todd S. Hageman

92040902901

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
The Democratic Study Group) MUR 3085
Campaign Fund and William H.)
Hagan, as treasurer.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 24, 1991, the Commission decided by a vote of 5-0 to take the following actions in MUR 3085:

1. Enter into conciliation with the Democratic Study Group Campaign Fund and William H. Hagan, as treasurer, prior to a finding of probable cause to believe.
2. Approve the proposed conciliation agreement and the appropriate letter, as recommended in the General Counsel's Report dated June 19, 1991.

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

Attest:

6-24-91
Date

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

Received in the Secretariat: Thurs., June 20, 1991 11:36 a.m.
Circulated to the Commission: Thurs., June 20, 1991 4:00 p.m.
Deadline for vote: Fri., June 24, 1991 4:00 p.m.

dr

92040902902



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

July 9, 1991

Robert F. Bauer, Esq.
Perkins Coie
607 14th St., NW Suite 800
Washington, DC 20005-2011

RE: MUR 3085
Democratic Study Group
Campaign Fund and
William H. Hagan, as
treasurer

Dear Mr. Bauer:

On July 10, 1990 and April 6, 1991, the Federal Election Commission found reason to believe that Democratic Study Group Campaign Fund and William H. Hagan, as treasurer, violated 2 U.S.C. §§ 441b(a) and 441d. On June 24, 1991, the Commission considered and declined your request that it take no further action in this matter. Instead, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

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

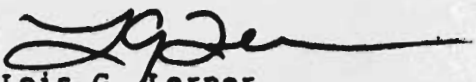
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Robert F. Bauer, Esq.
Page 2

If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Todd S. Hageman, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel


BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

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SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION 91 SEP 30 PM 2:27

In the Matter of
Democratic Study Group
Campaign Fund and
William H. Hagan, as treasurer

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) MUR 3085
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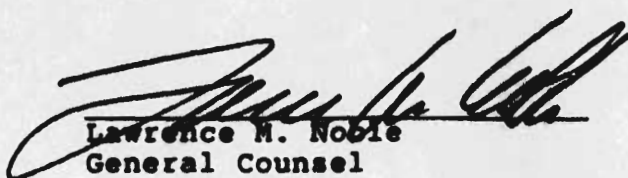
SENSITIVE

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to the Democratic Study Group Campaign Fund and William H. Hagan, as treasurer, based on the assessment of the information presently available.

Date

9/30/91


Lawrence M. Noble
General Counsel

92040902905



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
F.E.C.
SECRETARIAT

91 OCT 10 PM 5:22

SENSITIVE

October 10, 1991

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble *LMN (1/2)*
General Counsel

SUBJECT: MUR 3085 - Democratic Study Group Campaign Fund
and William H. Hagan, as treasurer

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 October 10, 1991. Following receipt of the respondent's reply to this notice, this Office will make a further report to the Commission.

Attachments

1. Brief
2. Letter to respondent

92040902906

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

The Democratic Study Group
Campaign Fund and William H.
Hagan, as treasurer

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)

MUR 3085

GENERAL COUNSEL'S BRIEF

I. BACKGROUND AND ANALYSIS

On the basis of information ascertained in the ordinary course of its supervisory responsibilities, on July 10, 1990, the Federal Election Commission found reason to believe that the Democratic Study Group Campaign Fund and William H. Hagan, as treasurer (the "Fund") violated 2 U.S.C. § 441b(a). On April 6, 1991, the Commission additionally found reason to believe the Fund violated 2 U.S.C. § 441d.

Specifically, the Fund filed a report disclosing receipts from two (2) incorporated entities and one (1) labor organization totaling \$6,350. The Fund's 1989 Year End Report disclosed receipts of \$1,000 from Heublein, Inc., \$350 from the Transcontinental Pipe Line Corporation and \$5,000 from the National Education Association of the United States on November 22, 1989.

The Fund's report includes a letter which explains that the checks were inadvertently deposited into its account. The report also disclosed that the receipts from Heublein, Inc., the Transcontinental Pipe Line Corporation and the National Education Association of the United States were fully refunded on January 1, 1990.

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According to the Federal Election Campaign Act ("the Act"), it is unlawful for any political committee to knowingly accept or receive any contribution from a corporation or labor organization. 2 U.S.C. § 441b(a). Repeated attempts to solicit a response to the Commission's pre-probable cause conciliation proposal have been unavailing. Therefore, the General Counsel is now prepared to recommend that the Commission find probable cause to believe that the Democratic Study Group Campaign Fund, and William H. Hagan, as treasurer, violated 2 U.S.C. § 441b(a).

Regarding the disclaimer issue, as a result of a November 20, 1990 request, on January 30, 1991, counsel for the Fund produced a copy of the solicitation that apparently resulted in the prohibited contributions at issue in this matter. The solicitation states that the proceeds from the event were to go to the Fund, which "provides Democratic challengers and incumbents with critical research and campaign resources." On the other hand, the solicitation nowhere explicitly describes the beneficiary as a political committee, nowhere states that corporate and union contributions are impermissible, or states that contributor information is required. Thus, the mistaken submission of prohibited funds in response may be due in part to the solicitation's ambiguity. For these reasons, the Commission has rejected counsel's request to take no further action regarding the Fund.

It appears that the solicitation was sent to a large and diverse group of potential donors, possibly including individuals, business entities and labor organizations.

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Pursuant to 2 U.S.C. § 441d, any committee soliciting funds through direct mail, but not authorized by a candidate or an authorized political committee, must clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee. The solicitation at issue in this matter contained no such statement. Therefore, because the solicitation lacks the required solicitation disclaimer statement, the General Counsel is prepared to recommend that there is probable cause to believe that the Democratic Study Group Campaign Fund and William H. Hagan, as treasurer, violated 2 U.S.C. § 441d.

II. GENERAL COUNSEL'S RECOMMENDATIONS

1. Find probable cause to believe that the Democratic Study Group Campaign Fund, and William H. Hagan, as treasurer, violated 2 U.S.C. § 441b(a).

2. Find probable cause to believe that the Democratic Study Group Campaign Fund and William H. Hagan, as treasurer, violated 2 U.S.C. § 441d.

Date

9/27/91

Lawrence M. Noble
Lawrence M. Noble
General Counsel

Staff Assigned: Jonathan A. Bernstein

92040902909

RECEIVED
F.E.C.
SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION

NOV 14 AM 9:50

In the Matter of

Democratic Study Group Campaign
Fund and William H. Hagan,
as treasurer

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)
)
)

MUR 3085

SENSITIVE

EXECUTIVE SESSION

NOV 13 1991

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On July 10, 1990 and April 6, 1991, the Commission found reason to believe the Democratic Study Group Campaign Fund (the "Fund") and William H. Hagan, as treasurer, violated 2 U.S.C. § 441b(a) and 2 U.S.C. § 441d.

II. ANALYSIS

For the analysis, please see the General Counsel's Brief.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

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IV. RECOMMENDATIONS

1. Find probable cause to believe that Democratic Study Group Campaign Fund and William H. Hagan, as treasurer, violated 2 U.S.C. §§ 441b(a) and 441d.
2. Approve the attached conciliation agreement and the appropriate letter.

Date

11/1/91

Lawrence M. Noble
General Counsel

Attachment:
Conciliation Agreement

Staff assigned: Jonathan A. Bernstein

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 3085
Democratic Study Group Campaign)
Fund and William H. Hagan, as)
treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session on
November 13, 1991, do hereby certify that the Commission
decided by a vote of 5-0 to take the following actions
in MUR 3085:

1. Find probable cause to believe that
Democratic Study Group Campaign Fund
and William H. Hagan, as treasurer,
violated 2 U.S.C. §§ 441b(a) and 441d.
2. Approve the conciliation agreement and
the appropriate letter as recommended
in the General Counsel's report dated
November 1, 1991.

Commissioners Aikens, Elliott, Josefiak, McDonald,
and Thomas voted affirmatively for the decision;
Commissioner McGarry was not present.

Attest:

11-13-91
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 25, 1991

Robert F. Bauer, Esquire
Perkins Coie
607 14th Street, N.W.
Suite 800
Washington, D.C. 20005-2011

RE: MUR 3085
Democratic Study Group
Campaign Fund and William H.
Hagan, as treasurer

Dear Mr. Bauer:

On November 13, 1991, the Federal Election Commission found that there is probable cause to believe the Democratic Study Group and William H. Hagan, as treasurer, violated 2 U.S.C. §§ 441b(a) and 441d, provisions of the Federal Election Campaign Act of 1971, as amended.

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.

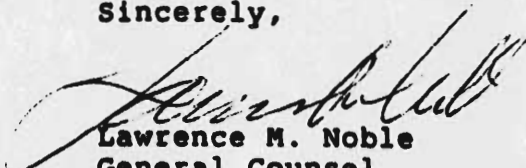
Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission within ten days. I will then recommend that the Commission accept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

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Robert F. Bauer, Esquire
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 Jonathan Bernstein, the staff member assigned to this matter, at (202) 219-3690.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

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RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE SERVICES BRANCH

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATION
607 FOURTEENTH STREET, N.W. • WASHINGTON, D.C. 20005-2011 • (202) 628-6600

DEC-5 PM 12:54

December 4, 1991

91 DEC -6 AM 11:42

Jonathan Bernstein, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Re: MUR 3085

Dear Mr. Bernstein:

On November 25, 1991 the Democratic Study Group ("DSG") received through counsel notification by the Federal Election Commission of a "probable cause" finding in this MUR.

As I advised you previously, I did not think it necessary to respond to the probable cause brief filed with the Commission by the Office of General Counsel. All that DSG might say on its own behalf, it has said before. In short, this is a case in which the Respondents inadvertently received corporate and union treasury contributions in the aggregate of \$6,350 which it deposited in its registered federal account but never spent. Almost immediately upon discovery of the error Respondents took all the necessary remedial steps, including refunds.

[04031-0001/DA913380.017]

TELEX: 44-0277 PCSO UI • FACSIMILE: (202) 434-1690

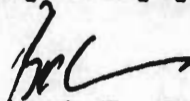
ANCHORAGE • BELLEVUE • LOS ANGELES • PORTLAND • SEATTLE • SPOKANE

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Jonathan Bernstein, Esq.
December 4, 1991
Page 2

Then, when DSG provided documentation requested by the Commission, the original solicitation of these funds became a separate issue, it appearing to the Commission to lack a proper disclaimer. DSG did not contest the point but did note that the solicitation did not suggest any purpose other than accepting contributions for exclusive use in federal elections for federal candidates. The violation was one of wording, not of intent or possible deception of potential contributors.

Very truly yours,



Robert F. Bauer
Counsel to the Democratic
Study Group

RFB:smb

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F.E.C.
COMM. 10-60 5:23

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Democratic Study Group Campaign
Fund and William H. Hagan, as
treasurer

SENSITIVE

MUR 3085

EXECUTIVE SESSION

MAR 25 1992

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On November 13, 1991, the Commission found probable cause to believe that the Democratic Study Group Campaign Fund (the "Fund") and William H. Hagan, as treasurer, the last remaining respondents in this matter, violated 2 U.S.C. § 441b(a) and 441d. This Office notified counsel by letter dated November 25, 1991,

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Under all the circumstances, this Office recommends the Commission approve a final counteroffer

and allow five days for respondents to sign and return it. It is our estimation that respondents will not do so without the realistic prospect of federal court enforcement absent settlement. Therefore, we also recommend that the Commission authorize civil suit against the Democratic Study Group

Campaign Fund, and William H. Hagan, as treasurer, if respondents do not execute and return the attached proposed conciliation agreement within 5 days of receipt.

II. RECOMMENDATIONS

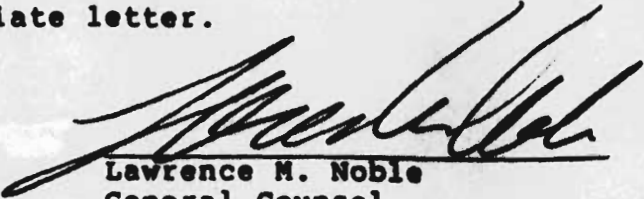
1. Reject the proposed conciliation agreement submitted by the Democratic Study Group Campaign Fund, and William H. Hagan, as treasurer.

2. Authorize civil suit against the Democratic Study Group Campaign Fund, and William H. Hagan, as treasurer, if respondents do not accept the attached proposed conciliation agreement within 5 days of receipt.

3. Approve the appropriate letter.

Date

3/10/92


Lawrence M. Noble
General Counsel

Attachments

1. Counsel's submission Dated December 4, 1991
2. OGC Letter Dated December 10, 1991
3. Counsel's Submission Dated January 27, 1992
4. Counsel's Submission Dated February 21, 1992
5. Final Proposed Conciliation Agreement

Staff assigned: Jonathan A. Bernstein

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 3085
Democratic Study Group Campaign)
Fund and William H. Hagan, as)
treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on March 25, 1992, do hereby certify that the Commission decided by a vote of 5-0 to reject the recommendations in the March 10, 1992 General Counsel's report on MUR 3085, and instead accept the proposed conciliation agreement submitted by the Democratic Study Group Campaign Fund, and William H. Hagan, as treasurer.

Commissioners Aikens, Elliott, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioner Potter was not present.

Attest:

3/27/92
Date

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

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BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
F.E.C.
SECRETARIAT

In the Matter of)
)
Democratic Study Group Campaign)
Fund and William H. Hagan, as)
treasurer)
)

92 APR -9 PM 3:06
MUR 3085

SENSITIVE

GENERAL COUNSEL'S REPORT

On March 25, 1992, the Commission rejected this Office's recommendations and decided to accept the proposal of the Democratic Study Group Campaign Fund (the "Fund") and William H. Hagan, as treasurer, the last remaining respondents in this matter (Attachment 1). At Attachment 2 is a signed conciliation agreement reflecting this proposal. Included is a \$150 civil penalty check, the balance owed on the total penalty of \$450 (respondents had earlier submitted a \$300 check).

Because the Commission has already accepted the attached agreement, this Office now recommends that the Commission close the file in this matter.

RECOMMENDATIONS

1. Close the file in this matter.
2. Approve the appropriate letters.

Lawrence M. Noble
General Counsel

Date

4/8/92

BY:


Lois G. Lerner
Associate General Counsel

Attachments

1. Commission Certification
2. Signed Conciliation Agreement with civil penalty check

Staff assigned: Jonathan A. Bernstein

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DSG CAMPAIGN FUND

INVOICE	AMOUNT	INVOICE	AMOUNT

68-760/13
560

2788

PAY <u>ONE HUNDRED FIFTY</u> ⁰⁰ / ₁₀₀ DOLLARS		CHECK AMOUNT
DATE 3.31.92	TO THE ORDER OF FEC	
	DESCRIPTION penalty pymnt	CHECK NO. 2788
		\$ 150.-

DOMINION BANK
VIENNA, VIRGINIA 22180

McBee CD

⑈002788⑈ ⑆056007604⑆ 70 13809298⑈

DSG CAMPAIGN FUND

9 2 0 4 0 9

INVOICE	AMOUNT	INVOICE	AMOUNT
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3			

88-760/13
500

2760

PAY THREE HUNDRED 900 DOLLARS

CHECK
AMOUNT

DATE	TO THE ORDER OF	DESCRIPTION	CHECK NO.
9-13-91	FEDERAL ELECTION Commission	PENALTY PMNT	2760

\$ 300.-

DOMINION BANK
VIENNA, VIRGINIA 22180

McBee CD



⑈002760⑈ ⑆056007604⑆ 70 13809298⑈

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Democratic Study Group Campaign
Fund and William H. Hagan, as
treasurer.

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) MUR 3085
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CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on April 14, 1992, the Commission decided by a vote of 6-0 to take the following actions in MUR 3085:

1. Close the file in this matter.
2. Approve the appropriate letters, as recommended in the General Counsel's Report dated April 8, 1992.

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

Attest:

4-14-92
Date

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

Received in the Secretariat:
Circulated to the Commission:
Deadline for vote:

Thurs., April 9, 1992 3:06 p.m.
Thurs., April 9, 1992 4:00 p.m.
Tues., April 14, 1992 4:00 p.m.

dr

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 28, 1992

Leslie J. Kerman, Esq.
Epstein, Becker, & Green, P.C.
1227 25th St., NW
Washington, D.C.

RE: MUR 3085
Heublein, Inc.

Dear Ms. Kerman:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, please contact me at (202) 219-3690.

Sincerely,

Jonathan A. Bernstein
Assistant General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 28, 1992

Mr. Richard B. Wilkof
Office of the General Counsel
National Education Association
1201 16th St., NW
Washington, DC 20036

RE: MUR 3085
National Education
Association

Dear Wilkof:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, please contact me at
(202) 219-3690.

Sincerely,

A handwritten signature in cursive script, reading "Jonathan A. Bernstein", is written over the typed name.

Jonathan A. Bernstein
Assistant General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 28, 1992

Curtis Whalen
Vice President-Governmental Affairs
555-13th St., NW
Suite 430 West
Washington, D.C. 20004

RE: MUR 3085
Transcontinental Pipe
Line Corporation

Dear Mr. Whalen:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, please contact me at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script, reading "Jonathan A. Bernstein", is written over the typed name.

Jonathan A. Bernstein
Assistant General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CLOSED

April 28, 1992

Robert F. Bauer, Esq.
Perkins Coie
607 14th St., N.W.
Suite 800
Washington, D.C. 20005-2011

RE: MUR 3085
Democratic Study Group
Campaign Fund and
William H. Hagan,
as treasurer

Dear Mr. Bauer:

On March 25 and April 14, 1992, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your clients' behalf in settlement of violations of 2 U.S.C. §§ 441b and 441d, provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

This matter will become a part of the public record within 30 days. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel. Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 219-3690.

Sincerely

Jonathan A. Bernstein
Assistant General Counsel

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Democratic Study Group Campaign) MUR 3085
Fund and William H. Hagan,)
as treasurer)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that Democratic Study Group Campaign Fund and William H. Hagan, as treasurer ("Respondents") violated 2 U.S.C. §§ 441b(a) and 441d.

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

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

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

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

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

1. Democratic Study Group Campaign Fund is a political committee within the meaning of 2 U.S.C. § 431(4).

2. William H. Hagan is the treasurer of Democratic Study Group Campaign Fund.

3. Pursuant to 2 U.S.C. § 441b(a), political committees

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shall not accept a contribution from corporations or labor organizations.

4. Respondents accepted an aggregate of \$6,350 in contributions from Heublein, Inc., Transcontinental Pipe Line Corporation, both of which are incorporated entities, and The National Education Association of the United States, a labor organization, on November 22, 1989.

5. Pursuant to 2 U.S.C. § 441d, any committee soliciting funds through direct mail, but not authorized by a candidate or an authorized political committee of a candidate, or its agents, must include a disclaimer stating the name of the person who paid for the communication.

6. Respondents failed to provide the proper disclaimer statement on a solicitation sent by direct mail, which resulted in the prohibited contributions discussed above.

V. 1. Respondents accepted prohibited contributions from Heublein, Inc. and Transcontinental Pipe Line Corporation, both of which are incorporated entities, and The National Education Association of the United States, a labor organization, in violation of 2 U.S.C. § 441b(a).

2. Respondents failed to include the required disclaimer on a solicitation sent through direct mail, in violation of 2 U.S.C. § 441d.

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Four Hundred Fifty dollars (\$450.00), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint

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

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

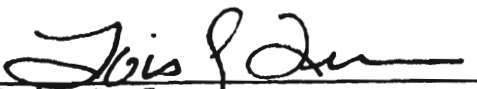
IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

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

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

BY:


Lois G. Lerner
Associate General Counsel

Date

4/28/92

FOR THE RESPONDENTS:

BY:


Robert F. Bauer
General Counsel

Date

4-3-92

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3085

DATE FILMED 5/29/92 CAMERA NO. 1

CAMERAMAN S. E. G.

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