



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3179

DATE FILMED 2/13/91 CAMERA NO. 4

CAMERAMAN AS

91040824417

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 23 October 1990

ANALYST: Jack MacDonald

I. COMMITTEE: Steve Neal for Congress
(C00017087)
A. Bruce Levin, Treasurer
P.O. Box 2102
Winston-Salem, NC 27102

II. RELEVANT STATUTE: 2 U.S.C. §434(a)(6)
11 CFR §104.5(f)

III. BACKGROUND:

Failure to File Forty-Eight Hour Notifications

The Steve Neal for Congress committee ("the Committee") has failed to file the required Forty-Eight (48) Hour Notifications ("48-Hour Notices") for seven (7) contributions totaling \$15,500 received prior to the 1990 Primary Election.

The candidate was involved in the 1990 Primary Election held on May 8, 1990. Prior Notice was sent to the Committee on April 2, 1990 (Attachment 2). The Notice includes a section titled "Last-Minute Contributions". This section reads "Committees must also file special notices on contributions of \$1,000 or more, received during the April 19, 1990 through May 5, 1990 reporting period. The notice must reach the appropriate federal and state offices within 48 hours of the committee's receipt".

Schedule A of the 1990 July Quarterly Report indicates that the Committee failed to file seven (7) 48-Hour Notices for contributions received during the aforementioned reporting period (Attachments 3, 4, 5 and 6). The following is a list of the contributions for which no 48-Hour Notices were filed:

<u>Contributor Name</u>	<u>Date</u>	<u>Amount</u>
Don T. Culler	04/25/90	\$ 1,000
American Institute of CPAs	04/25/90	\$ 2,000

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STEVE NEAL FOR CONGRESS
REPORTS ANALYSIS OGC REFERRAL
PAGE 2

<u>Contributor Name</u>	<u>Date</u>	<u>Amount</u>
Chemical Bank Fund for Good Government	04/23/90	\$ 1,500
	04/25/90	\$ 1,000
Citicorp Voluntary Political Fund	04/25/90	\$ 3,500
Communications Workers of America-COPE	04/25/90	\$ 5,000
Dealers Election Committee	04/30/90	\$ 1,500

On September 11, 1990, a Request for Additional Information ("RFAI") was sent to the Committee (Attachment 7). The RFAI noted on an informational basis that the Committee may have failed to file one or more of the required 48-Hour Notices for "last minute" contributions of \$1,000 or more. The notice requested the Committee to review their procedures for checking contributions received during the aforementioned time period. In addition, the notice stated that although the Commission may take legal steps, any response would be taken into consideration.

On October 1, 1990, a written response was received from the Committee which stated that due to new personnel involved in the handling of campaign activities, the 48-hour notice reporting requirement was overlooked. The Committee has instituted new procedures to insure full compliance with these reporting requirements in the future (Attachment 8).

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

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FEDERAL ELECTION COMMISSION
1987-1990
CANDIDATE INDEX OF SUPPORTING DOCUMENTS - (E)

DATE 22OCT90

PAGE 1

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOURCE/ PARTY	RECEIPTS		DISBURSEMENTS		COVERAGE DATES	# OF PAGES	MICROFILM LOCATION TYPE OF FILER
		PRIMARY	GENERAL	PRIMARY	GENERAL			
NEAL, STEPHEN L	HOUSE 05 DEMOCRATIC PARTY					NORTH CAROLINA 1990 ELECTION	ID# H4ND05018	
1. STATEMENT OF CANDIDATE								
1989 DISQUAL NOTICE						19SEP89	1	89FEC/609/3719
STATEMENT OF CANDIDATE						28SEP89	1	89HSE/385/0381
2. PRINCIPAL CAMPAIGN COMMITTEE								
STEVE NEAL FOR CONGRESS						ID 8C00017087	HOUSE	
1989 MID-YEAR REPORT		103,253		81,825		1JAN89 -30JUN89	41	89HSE/381/0029*
MID-YEAR REPORT - AMENDMENT		-		-		1JAN89 -30JUN89	4	89HSE/384/3883*
YEAR-END		135,387		36,677		1JUL89 -31DEC89	61	90HSE/389/0925*
YEAR-END - AMENDMENT		-		-		1JUL89 -31DEC89	1	90HSE/397/2212*
YEAR-END - AMENDMENT		-		-		1JUL89 -31DEC89	9	90HSE/391/3233*
REQUEST FOR ADDITIONAL INFORMATION						1JUL89 -31DEC89	4	90FEC/631/2708
REQUEST FOR ADDITIONAL INFORMATION 2ND						1JUL89 -31DEC89	5	90FEC/634/2198
1990 48 HOUR CONTRIBUTION NOTICE						9OCT90	1	90HSE/408/4413*
APRIL QUARTERLY		40,395		33,031		1JAN90 -31MAR90	22	90HSE/395/4941*
1 ST LETTER INFORMATIONAL NOTICE						1JAN90 -31MAR90	1	90FEC/638/3335
PRE-PRIMARY		10,610		18,467		1APR90 -18APR90	11	90HSE/397/0107*
JULY QUARTERLY			111,760		36,531	19APR90 -30JUN90	81	90HSE/401/0891*
JULY QUARTERLY - AMENDMENT			111,760		36,531	19APR90 -30JUN90	82	90HSE/408/2179*
REQUEST FOR ADDITIONAL INFORMATION						19APR90 -30JUN90	2	90FEC/635/1425
OCTOBER QUARTERLY			100,389		161,237	1JUL90 -30SEP90	132	90HSE/409/4104
TOTAL		309,645	212,149	190,000	197,768		457	TOTAL PAGES
3. AUTHORIZED COMMITTEES								
4. JOINT FUNDRAISING COMMITTEES AUTHORIZED BY THE CAMPAIGN								

* ALL OF THESE REPORTS HAVE BEEN REVIEWED

ENDING CASH-ON-HAND AS OF 9/30/90: \$137,138.82

OUTSTANDING DEBTS AS OF 9/30/90: \$24,945.39

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PRIMARY ELECTIONATTACHMENT 2
Page 1 of 2**REPORT NOTICE****FEDERAL ELECTION COMMISSION**

NORTH CAROLINA

April 2, 1990

FOR COMMITTEES ONLY INVOLVED IN THE PRIMARY (05/08/90):

REPORT	REPORTING PERIOD1/	REG./CERT.	
		MAILING DATE2/	FILING DATE
PRE-PRIMARY	04/01/90- 04/18/90	04/23/90	04/26/90
JULY QUARTERLY	04/19/90- 06/30/90	07/15/90	07/15/90

FOR COMMITTEES INVOLVED IN BOTH THE PRIMARY (05/08) AND RUN-OFF (06/05):

REPORT	REPORTING PERIOD1/	REG./CERT.	
		MAILING DATE2/	FILING DATE
PRE-PRIMARY	04/01/90- 04/18/90	04/23/90	04/26/90
PRE-RUN-OFF	04/19/90- 05/16/90	05/21/90	05/24/90
JULY QUARTERLY	05/17/90- 06/30/90	07/15/90	07/15/90

WHO MUST FILE

PRINCIPAL CAMPAIGN COMMITTEES OF CONGRESSIONAL "CANDIDATES" who seek nomination in the May 8, 1990, North Carolina Primary and, if held, the June 5, 1990, Run-off.

WHAT MUST BE REPORTED

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

REPORTING FORMS

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

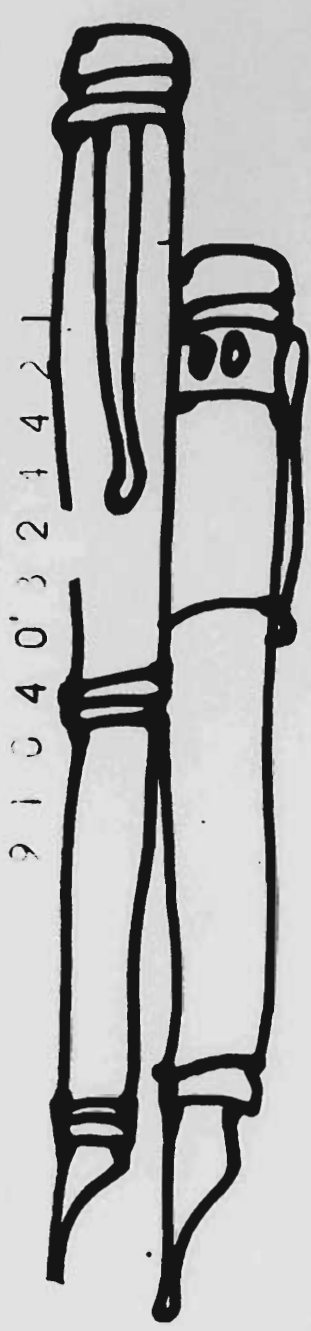
WHERE TO FILE

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

1/The period begins with the close of the last report filed by the committee. If the committee has filed no previous reports, the period begins with the date of the committee's first activity.

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

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



NORTH CAROLINA

LABEL

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

LAST-MINUTE CONTRIBUTIONS

Committees must also file special notices on contributions of \$1,000 or more, received during the following periods:

- o For candidates involved in the Primary: 04/19/90 through 05/05/90
- o For candidates involved in the Run-off: 05/17/90 through 06/02/90

The notice must reach the appropriate federal and state offices within 48 hours of the committee's receipt.

COMPLIANCE

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

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SCHEDULE A: PAGE 1
LINE NUMFBC REPORT FOR PERIOD 04/19/90 TO 07/01/90
SCHEDULE A--ITEMIZED RECEIPTS
INDIVIDUAL CONTRIBUTORSOVER 11A
200.00

NAME OF COMMITTEE: Steve Neal for Congress

NAME AND ADDRESS	OCCUPATION & EMPLOYER	DATE	AMOUNT	ELECTI
Robert J. Froeber 227 Roslyn Road Winston-Salem, NC 27104	chairman	04/30/90	500.00	P90

* TOTAL YEAR TO DATE: 500.00 *

J. Paul Sticht 7 Graylyn Place Court Winston-Salem, NC 27106	Retired	05/18/90	250.00	G90
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* TOTAL YEAR TO DATE: 250.00 *

Zachary Smith 2548 Forest Drive Winston-Salem, NC 27102	retired	05/07/90	500.00	P90
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* TOTAL YEAR TO DATE: 500.00 *

Don T. Culler 208 Finley Street North Wilkesboro, NC 28659	president Gardner Mirror Cor	04/25/90	1000.00	P90
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* TOTAL YEAR TO DATE: 1000.00 *

Lawrence Cohen Post Office Box 101 Greensboro, NC 27402	chairman of board Carlyle & Company	04/30/90	250.00	P90
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* TOTAL YEAR TO DATE: 250.00 *

Robert E. Merritt 832 Country Club Road Mount Airy, NC 27033	Executive Ranfro Mills	05/30/90	1000.00	G90
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* TOTAL YEAR TO DATE: 1000.00 *

John K. Gallaher 1056 West Kent Road Winston-Salem, NC 27104	realtor self-employed	04/25/90	250.00	P90
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* TOTAL YEAR TO DATE: 250.00 *

R. Philip Hanes, Jr. Post Office Box 749 Winston-Salem, NC 27106	manufacturing Hanes Companies	04/30/90	250.00	P90
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* TOTAL YEAR TO DATE: 250.00 *

2 of 12

SCHEDULE A--PAGE 2
LINE NUM

11C

FEC REPORT FOR PERIOD 04/15/90 TO 07/01/90
SCHEDULE A--ITEMIZED RECEIPTS
OTHER POLITICAL COMMITTEES

NAME OF COMMITTEE: Steve Neal for Congress

COMMITTEE	DATE	AMOUNT	ELECTION
American Institute of CPAs 1455 Pennsylvania Ave., N.W. Washington, DC 20004	04/25/90	2000.00	P90
* TOTAL YEAR TO DATE: 2000.00 *			
American International Group PAC 1455 Pennsylvania Ave., N.W. Washington, DC 20004	05/07/90	500.00	P90
* TOTAL YEAR TO DATE: 500.00 *			
American Postal Workers Union AFL-CIO 1300 L Street, NW Suite 608 Washington, DC 20005	05/14/90	500.00	G90
* TOTAL YEAR TO DATE: 1000.00 *			
American Sugarbeet Growers Assn. PAC 1156 15th Street, N.W. Suite 1020 Washington, DC 20005	04/25/90	500.00	P90
* TOTAL YEAR TO DATE: 500.00 *			
Arthur Andersen & Co. PAC 1666 K Street, N.W. Washington, DC 20006	05/14/90	500.00	G90
* TOTAL YEAR TO DATE: 500.00 *			
Associated Credit Bureaus PAC P.O. Box 218300 Houston, TX 77218	04/30/90	500.00	P90
* TOTAL YEAR TO DATE: 500.00 *			
Association of Bank Holding Cos. PAC 730 15th Street, N.W. Suite 820 Washington, DC 20005	04/25/90	500.00	P90
* TOTAL YEAR TO DATE: 500.00 *			

4812

SCHEDULE A--PAGE 4
LINE NUM
11C

FEC REPORT FOR PERIOD 04/10/90 TO 07/01/90
SCHEDULE A--ITEMIZED RECEIPTS
OTHER POLITICAL COMMITTEES

NAME OF COMMITTEE: Steve Neal for Congress

COMMITTEE	DATE	AMOUNT	ELECTION
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Central Carolina Bank Free Enterprise P. O. Box 931 Durham, NC 27702	05/29/90	100.00	G90
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* TOTAL YEAR TO DATE: 100.00 *

Chemical Bank Fund for Good Government 277 Park Avenue 3rd Floor New York, NY 10172	04/23/90 04/25/90	1500.00 1000.00	P90 P90
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* TOTAL YEAR TO DATE: 2500.00 *

Ciba-Geigy Employee Good Government Fund 444 Saw Mill River Road Ardsley, NY 10502	05/14/90	500.00	G90
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* TOTAL YEAR TO DATE: 500.00 *

Citicorp Voluntary Political Fund 399 Park Avenue 32nd Floor New York, NY 10043	04/25/90	3500.00	P90
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* TOTAL YEAR TO DATE: 4000.00 *

Committee on Letter Carriers' Political Ed. 100 Indiana Avenue, N.W. Washington, DC 20001	05/14/90 05/14/90	1000.00 1000.00	G90 G90
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* TOTAL YEAR TO DATE: 3000.00 *

Communications Workers of America - COPE 1925 K Street, N.W. Suite 211 Washington, DC 20006	04/25/90	5000.00	P90
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* TOTAL YEAR TO DATE: 5000.00 *

Consumer Bankers Association PAC 1300 N. 17th Street Arlington, VA 22209	05/11/90	500.00	P90
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* TOTAL YEAR TO DATE: 500.00 *

FBC REPORT FOR PERIOD 04/19/90 TO 07/01/90
SCHEDULE A--ITEMIZED RECEIPTS
OTHER POLITICAL COMMITTEES

NAME OF COMMITTEE: Steve Neal for Congress

COMMITTEE	DATE	AMOUNT	ELECTION
Coopers & Lybrand Political Action Committee PAC 1800 M Street, N.W. Washington, DC 20036	05/14/90	500.00	G90
* TOTAL YEAR TO DATE: 500.00 *			
Credit Union Legislative Action Council 805 15th Street, N.W. Suite 300 Washington, DC 20005	05/23/90	1500.00	G90
* TOTAL YEAR TO DATE: 1500.00 *			
Dairymen, Inc. North Carolina PAC Route 1 Elon College, NC 27244	05/11/90	500.00	P90
* TOTAL YEAR TO DATE: 500.00 *			
Dealers Election Committee 8400 Westpark Drive McLean, VA 22102	04/30/90	1500.00	P90
* TOTAL YEAR TO DATE: 1500.00 *			
Drive Political Fund 25 Louisiana Avenue, N.W. Washington, DC 20001	05/11/90	4000.00	P90
* TOTAL YEAR TO DATE: 4000.00 *			
Electronic Data Systems Employees-PAC 7171 Forest Lane Dallas, TX 75230	06/14/90	500.00	G90
* TOTAL YEAR TO DATE: 500.00 *			
Employees Federal PAC--CP&L P. O. Box 1510 Raleigh, NC 27602	04/25/90	500.00	P90
* TOTAL YEAR TO DATE: 500.00 *			
Employees Federal PAC--DP P.O. Box 33189 Charlotte, NC 28242	05/14/90	500.00	G90
* TOTAL YEAR TO DATE: 500.00 *			



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

ATTACHMENT 7
Page 1 of 2

A. Bruce Levin, Treasurer
Steve Neal for Congress
P.O. Box 2102
Winston-Salem, NC 27102

Identification Number: C00017087

Reference: July Quarterly Report (4/19/90-6/30/90)

Dear Mr. Levin:

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:

-You must provide the occupation and name of employer for each contributor required to be itemized on Schedule A. Please amend your report by supplying the omitted information.

With respect to the occupation and name of employer of the contributor, your committee may demonstrate "best efforts" to obtain the required information. This demonstration must describe your committee's procedures for requesting the information. You may also supply a copy of the solicitation. Under 11 CFR §104.7(b), the solicitation shall consist of a clear request for the required information (i.e., name, mailing address, occupation, and name of employer). The request should also inform the contributor that the reporting of such information is required by law. See 11 CFR §104.3(a)(4)(i) and 11 CFR §104.7.

-Schedule A of your report indicates that your committee may have failed to file one or more of the required 48 hour notices regarding "last minute" contributions received by your committee after the close of books for the 12 Day Pre-Primary report. A principal campaign committee must notify the Commission, in writing, within 48 hours of any contribution of \$1,000 or more received between two and twenty days before an election. These contributions are then reported on the next report required to be filed by the committee. To ensure that the Commission is notified of last minute contributions

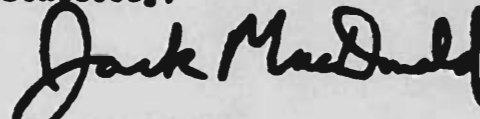
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of \$1,000 or more to your campaign, it is recommended that you review your procedures for checking contributions received during the aforementioned time period. Although the Commission may take legal action, any response you wish to make concerning this matter will be taken into consideration. (All can give. 5/12) JDM

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 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,



Jack MacDonald
Reports Analyst
Reports Analysis Division

8133460;352144238

CERTIFIED MAIL
SEP 25 1990

ATTACHMENT 8

Congressman Steve Neal
House of Representatives

Fifth District, N.C.

90 OCT -1 AM 10:44

Certified Mail # P 341 670 579

September 24, 1990

Federal Election Commission
ATTENTION: Jack MacDonald
Washington, DC 20463

Re: Steve Neal for Congress
ID# 000070004
FEC #037893

Dear Mr. MacDonald:

This letter is in response to your letter of September 11, 1990, concerning the July 1990 quarterly report.

Enclosed with this letter is a corrected copy of that report, showing the occupation and name of employer for each contributor in excess of \$200. The omission of this information in the original report was inadvertent and we apologize for any inconvenience it may have caused.

The second part of your letter concerns reporting of contributions of \$1,000 or more within a 48-hour period. Due to new personnel involved in the handling and accounting for contributions for this campaign, this matter was overlooked. We have instituted new procedures which require that all persons involved in either the receipt of or accounting for contributions will report to my office any contribution in excess of \$1,000; this report will be made on the day in which such a contribution is received. My office will then send on that same day or, at the latest, on the following day notice to the FEC regarding this contribution. We feel that this will cover all possible situations and will follow this procedure in the future.

Yours very truly,

A. Bruce Levin

A. Bruce Levin, Treasurer
Steve Neal for Congress

AKL:hed

Enclosures

PC: The Honorable Stephen L. Neal

Serving all the people, all the time.

P.O. BOX 2102, WINSTON-SALEM, N.C. 27102 Telephone (919) 744-1466

90 NOV 14 AM 11:10

SENSITIVE

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

FIRST GENERAL COUNSEL'S REPORT

RAD Referral 90L-51
STAFF MEMBER Mary L. Taksar

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

RESPONDENTS: Steve Neal For Congress
Committee and A. Bruce Levin,
as treasurer.

RELEVANT STATUTES: 2 U.S.C. § 434(a)(6)
11 C.F.R. § 104.5(f)

INTERNAL REPORTS CHECKED: 1990 July Quarterly

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

The Reports Analysis Division (RAD) referred the Steve Neal for Congress Committee ("the Committee"), and A. Bruce Levin, as treasurer, to the Office of General Counsel for failing to report within 48 hours the receipt of seven (7) contributions for \$1,000 or more, totaling \$15,500, which were received after the 20th day, but more than 48 hours before an election. 2 U.S.C. § 434(a)(6)(A).

II. FACTUAL AND LEGAL ANALYSIS

For the Factual and Legal Analysis, see Attachment 2.

III. DISCUSSION OF CONCILIATION AGREEMENT AND PROPOSED CIVIL PENALTY

This Office recommends that the Commission offer to enter into conciliation with respondents prior to a finding of

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probable cause to believe. Attached for the Commission's approval is a proposed conciliation agreement which provides for an admission of the violation and a civil penalty of for the Committee's failure to file three (3) reports for contributions, totaling \$15,500, within 48 hours of receipt.

IV. RECOMMENDATIONS

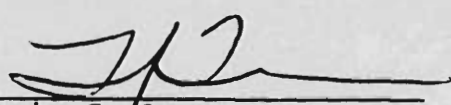
1. Open a MUR.
2. Find reason to believe that the Steve Neal for Congress Committee and A. Bruce Levin, as treasurer, violated 2 U.S.C. § 434(a)(6)(A), and enter into conciliation prior to a finding of probable cause to believe.
3. Approve the attached Factual and Legal Analysis and Proposed Conciliation Agreement.
4. Approve the appropriate letter.

Lawrence M. Noble
General Counsel

Date

11/13/90

BY:


Lois G. Lerner
Associate General Counsel

Attachments:

1. Referral Materials
2. Factual and Legal Analysis
3. Proposed Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Steve Neal for Congress
Committee and A. Bruce
Levin, as treasurer.

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RAD Referral 90L-51

(*frank*
3179)

CERTIFICATION

I, Marjorie W. Emmons Secretary of the Federal Election Commission, do hereby certify that on November 16, 1990, the Commission decided by a vote of 5-0 to take the following actions in RAD Referral 90L-51:

1. Open a MUR.
2. Find reason to believe that the Steve Neal for Congress Committee and A. Bruce Levin, as treasurer, violated 2 U.S.C. § 434(a)(6)(A), and enter into conciliation prior to a finding of probable cause to believe.
3. Approve the Factual and Legal Analysis and Proposed Conciliation Agreement, as recommended in the General Counsel Report dated November 13, 1990.

(Continued)

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Federal Election Commission
Certification for RAD Referral 90L-51
November 16, 1990

Page 2

4. Approve the appropriate letter, as recommended in the General Counsel's Report dated November 13, 1990.

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

Attest:

11/16/90
Date

Hilda Arnold
for Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Wednesday Nov. 14, 1990 11:10 a.m.
Circulated to the Commission: Wednesday, Nov. 14, 1990 4:00 p.m.
Deadline for vote: Friday, Nov. 16, 1990 4:00 p.m.

dr

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 27, 1990

A. Bruce Levin, Treasurer
Steve Neal for Congress Committee
P.O. Box 2102
Winston-Salem, NC 27102

RE: MUR 3179
Steve Neal For Congress
Committee and A. Bruce
Levin, as treasurer.

Dear Mr. Levin:

On November 16, 1990, the Federal Election Commission found that there is reason to believe the Steve Neal for Congress Committee ("Committee") and you, as treasurer, violated 2 U.S.C. § 434(a)(6)(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.

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

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A. Bruce Levin, Treasurer
MUR 3179
Page 2

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

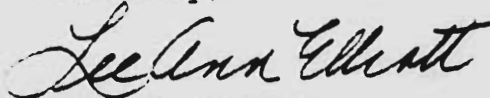
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Mary Taksar, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,



Lee Ann Elliott
Chairman

Enclosures

Factual and Legal Analysis
Procedures
Designation of Counsel Form
Conciliation Agreement

21040324435



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 11, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

A. Bruce Levin, Treasurer
Steve Neal for Congress Committee
P.O. Box 2102
Winston-Salem, NC 27102

RE: MUR 3179
Steve Neal for Congress
Committee and A. Bruce
Levin as treasurer

Dear Mr. Levin:

On November 27, 1990, you were notified that the Federal Election Commission, on November 16, 1990, found reason to believe the Steve Neal for Congress Committee ("Committee") and you, as treasurer, violated 2 U.S.C. § 434(a)(6)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). Enclosed are copies of the material that was sent to you at that time. Under the Federal Election Campaign Act of 1971, as amended, and Commission regulations, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. A review of our files indicates that to date you have not responded to the Commission's findings. Unless we receive a response from you within 10 days, this matter will proceed to the next stage of the enforcement process.

Should you have any questions, please contact Mary Taksar,

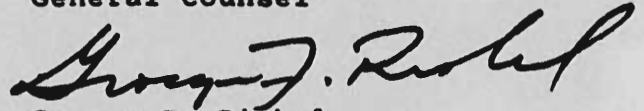
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A. Bruce Levin, Treasurer
MUR 3179
Page 2

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

Sincerely,

Lawrence M. Noble
General Counsel



BY: George F. Rishel
Assistant General Counsel

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form
Conciliation Agreement

91040324437

12/17/90 17:00
U.S. HOUSE OF REPRESENTATIVES
LEGISLATIVE SECRETARY
92

Congressman Steve Neal
House of Representatives

Fifth District, N.C.

December 17, 1990

FAX 1/202/376-5280

Federal Election Commission
ATTENTION: Ms. Mary Taksor
Washington, DC

Re: Steve Neal for Congress Committee
MUR 3179

Dear Ms. Taksor:

Since you were out of your office today, December 17, 1990, I had a telephone conversation with George Rishel concerning additional time to respond to a letter of November 27, 1990, which response was due in your office by tomorrow, December 18, 1990.

We wish to file additional information regarding a proposed penalty as stipulated in the November 27 letter. Since Congressman Neal is in Washington and I am in Winston-Salem, we have been unable to discuss the information to be submitted. We therefore need an additional ten-day extension of time to file the additional information.

Mr. Rishel orally granted this extension of time and suggested I FAX this letter of request to you today.

I appreciate your consideration.

Sincerely yours,

A. Bruce Levin (210)

A. Bruce Levin, Treasurer
Steve Neal for Congress Committee

ABL:hd

Serving all the people, all the time.

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 3179

NAME OF COUNSEL: Holly Shadler/Robert F. Bower

ADDRESS: Perkins & Cole

1110 Vermont Avenue, N.W.

Washington, DC 20005

TELEPHONE: 202/956-5431

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.

December 18, 1990
Date

A. Bruce Levin
Signature

RESPONDENT'S NAME: A. Bruce Levin

ADDRESS: 1025 W. First Street

Winston-Salem, NC 27101-3683

HOME PHONE: 919/765-5129

BUSINESS PHONE: 919/725-4279

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 20, 1990

A. Bruce Levin, Treasurer
Steve Neal for Congress Committee
P.O. Box 2102
Winston-Salem, NC 27102

RE: MUR 3179
Steve Neal for Congress
Committee and A. Bruce
Levin, as treasurer

Dear Mr. Levin:

This is in response to your letter dated December 17, 1990, which we received on December 18, 1990, requesting an extension of 10 days to respond to the Federal Election Commission's finding, on November 16, 1990, that there is reason to believe the Steve Neal for Congress Committee and you, as treasurer, violated 2 U.S.C. § 434(a)(6)(A). 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 December 28, 1990.

If you have any questions, please contact Mary Taksar, 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 the typed name.

BY: Lois G. Lerner
Associate General Counsel

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86C 9083

PERKINS COIE

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

December 21, 1990

Lawrence M. Noble, Esquire
Office of the General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

Attention: Mary Taksar

Re: MUR 3179 - Steve Neal for Congress Committee and
A. Bruce Levin, as Treasurer

Dear Mr. Noble:

This letter constitutes the response of the Steve Neal for Congress Committee ("the Committee", and A. Bruce Levin, as Treasurer (collectively "Respondents") to the Commission's letter dated November 27, 1990, notifying Respondents that the Commission had found reason to believe that the Committee violated 2 U.S.C. § 434(a)(6)(A). Specifically, the Commission found reason to believe that the Committee failed to file 48-hour reports for seven contributions received between April 19, 1990 and May 5, 1990.

As Respondents stated in their earlier correspondence, the staff handling the accounting and reports for the campaign changed during the pre-primary period. This staff turnover caused considerable confusion at the time, but we have taken every precaution to ensure accuracy on all future reports. The lack of clarity of the rules regarding the requirement to file 48-hour reports also caused considerable confusion.

Congressman Neal had no opponent in the primary election held May 8, 1990. The Congressman's name did not even appear on the ballot. Under these circumstances, where a candidate is not running for election in the primary, the rules are not clear on whether 48-hour reports are required to be filed. The Federal Election Campaign Act and the Regulations state that an authorized committee must notify the Commission within 48 hours of receipt of a contribution received after the 20th day and more than 48 hours before the day of the election. 2 U.S.C. § 434(a)(6); 11 C.F.R. § 104.5(f). But in this case, there was no election to determine the Democratic nominee for the Fifth Congressional District.

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 DEC 21 PM 12:21

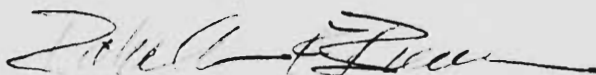
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Moreover, the Campaign Guide (July 1988) published by the Commission for Congressional Candidates and Committees states: "A principal campaign committee must file special notices on contributions of \$1,000 or more received after the 20th day, but more than 48 hours, before an election in which the candidate is running." (emphasis added) page 24. This guidance, therefore, suggests that these reports are required only prior to an election in which the candidate is actually running. A footnote appearing on this same page indicates that the Commission has ruled that pre- and post-election reports must be filed even if the candidate is unopposed or if the election is not held. There is, however, no similar footnote to indicate that the same or a similar rule applies to 48-hour reports.

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The public policy underlying the last minute reporting is quite consistent with the understanding that 48-hour reports need not be filed if a candidate is unopposed and does not even appear on the ballot in a particular election. The purpose of these reports is to provide the most complete and up-to-date disclosure to the public prior to an election, so that voters know who supports the candidates in an election and to whom the candidates may be beholden after an election. Buckley v. Valeo, 424 U.S. 1, 67 (1976). Because the residents of the Fifth Congressional District had no opportunity to cast a vote for any congressional candidate in the primary, no public disclosure purpose was thwarted by the Committee not filing 48-hour reports. The information that might have been disclosed in a 48-hour report had no utility to the voters in this case. Moreover, each of the contributors to the Committee were reported shortly after the primary in its next report.

Based on the above-described circumstances, the Committee requests that the Commission find no probable cause to believe that the Committee violated the Act.

Sincerely yours,



Robert F. Bauer
B. Holly Schadler
Counsel

91 JAN 22 AM 4:16

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Steve Neal for Congress)
Committee and A. Bruce Levin,)
as treasurer)

SENSITIVE

MUR 3179

GENERAL COUNSEL'S REPORT

I. BACKGROUND

The Reports Analysis Division (RAD) referred the Steve Neal for Congress Committee ("the Committee"), and A. Bruce Levin, as treasurer, to the Office of the General Counsel for failing to report within 48 hours the receipt of seven (7) contributions for \$1,000 or more, totaling \$15,500, which were received after the 20th day but more than 48 hours before an election.

2 U.S.C. § 434(a)(6)(A). On November 16, 1990, the Commission found reason to believe that the Steve Neal for Congress Committee and A. Bruce Levin, as treasurer, violated 2 U.S.C. § 434(a)(6)(A). At the same time, the Commission approved entering into conciliation prior to a finding of probable cause to believe.

On December 21, 1990, counsel for the respondents submitted a response in which he requested that the Commission find no probable cause to believe that the Committee and its treasurer violated the Act.¹ Counsel's arguments are discussed in detail below.

1. This request is premature since no brief has been issued. Instead, we interpret the request at this stage of the enforcement process as one to dismiss this matter.

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II. ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that the principal campaign committee of a candidate must, within 48 hours of receipt, notify the Clerk, the Secretary, or the Commission, and the Secretary of State, as appropriate, in writing, of any contribution of \$1,000 or more received by an authorized committee of such candidate after the 20th day, but more than 48 hours before an election. 2 U.S.C. § 434(a)(6)(A). The term "election" means a general, special, primary, or run-off election. 2 U.S.C. § 431(1)(A).

Congressman Steve Neal had no opponent in the May 8, 1990 primary election in North Carolina² and his principal campaign committee failed to file a notice receipt of seven (7) contributions of \$1,000 or more received after the 20th day but more than 48 hours before an election. In response to the Commission's reason to belief findings, counsel states that where a candidate is not running for election in the primary, the rules are not clear on whether 48 hour reports are required to be filed.

Counsel notes that the Federal Election Campaign Act and the Regulations state that an authorized committee must notify the Commission within 48 hours of receipt of a contribution received after the 20th day and more than 48 hours before the day of an election, but that in this case, there was no primary

2. According to the State Board of Elections in North Carolina, Congressman Neal was unopposed and his name did not appear on a primary ballot. Therefore, he was declared the Democratic nominee prior to the May 8, 1990 primary.

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election to determine the Democratic nominee for the Fifth District.³

The Act and the Regulations do not qualify the 48 hour reporting requirement when a primary candidate is unopposed or the candidate's name does not appear on the ballot. However, the Commission has concluded that a primary election is an election for contribution limitations and reporting requirements even though the candidate is unopposed and the candidate's name will not appear on the ballot.⁴ Therefore, if a primary

3. On April 23, 1990, the Committee filed a pre-primary report. Because counsel argues that the candidate did not participate in the May 8, 1990 primary election and that no election took place to determine the Democratic nominee for the Fifth District, it appears inconsistent that the Committee would recognize the primary election by filing a pre-primary report but fail to file 48 hour contribution notices.

4. In Advisory Opinion 1984-54, the Commission concluded that the Friends of Bob Livingston Committee was required to file pre- and post- election reports for the general election despite the fact that the candidate received a majority of the votes in the primary election and, under Louisiana law, was thereby selected to hold the office at stake without participating in the general election.

The Commission concluded in Advisory Opinion 1978-41 that a primary election in which a candidate is unopposed is a separate election requiring pre- and post- election reporting if the candidate's name appears on the ballot. In Advisory Opinion 1978-65, the Commission concluded that a general election is still considered an election for contribution limitations and reporting requirements even though the candidate is unopposed and the candidate's name will not appear on the ballot.

In Advisory Opinion 1986-21, the Commission concluded that a state party convention in Utah qualifies as an election under the Act regardless of whether a candidate is unopposed for nomination and that the Wayne Owens Committee for Congress should file a pre-election report pursuant to 11 C.F.R. 104.5(a)(1)(i) as to that convention. In this Opinion, the Commission also concluded that to the extent that Advisory Opinions 1978-41 and 1978-65 indicate a different result would be reached as to reporting requirements for primary elections for which a candidate is unopposed and the candidate's name will not appear on the ballot, those opinions are superseded.

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candidate is unopposed and the candidate's name will not appear on the ballot and the candidates receives contributions after the 20th day but more than 48 hours before a primary, the principal campaign committee must still file 48 hour contribution notices.

Counsel also quotes from the section entitled "Last-Minute Contributions" on page 24 of the 1988 Campaign Guide for Congressional Candidates and Committees which states that "a principal campaign committee must file special notices on contributions of \$1,000 or more received after the 20th day, but more than 48 hours, before an election in which the candidate is running." Therefore, he contends that the guide suggests that 48 hour reports are required only prior to an election in which the candidate is actually running. Counsel also notes that on page 24 of the above-mentioned Campaign Guide, there is a footnote corresponding to the sections entitled "Pre-Election Reports" and "Post-Election Reports" which states that authorized committees must file appropriate pre- and post-election reports if the candidate is unopposed or if the election is not held. He also notes that there is no similar footnote to indicate that the same or a similar rule applies to the 48 hour reports.

This Offices notes that the section entitled "Last-Minute Contributions" in the 1988 Campaign Guide for Congressional Candidates and Committees and the lack of a footnote in this section may be misleading. However, the language quoted by counsel from the Campaign Guide and noted in the previous

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paragraph appears neither in the Act nor the Regulations. This Office views the Act and the Regulations, not the Campaign Guide, as controlling. This Office also notes that the Commission sent prior notice to the Steve Neal for Congress Committee regarding 48 hour contribution reporting on April 2, 1990.

Additionally, counsel makes a public policy argument. He states that because the residents of the Fifth District had no opportunity to vote for a Democratic congressional candidate, no public policy was thwarted by the Committee's failure to file 48 hour reports. However, this argument does not change the fact that the principal campaign committee was required to file 48 hour contribution notices.

This Office has taken these factors into account and views them as mitigating factors. However, as noted earlier, in this Office's view, the Act and the Regulations, not the Campaign Guide, are controlling in regard to 48 hour contribution notices. As mentioned earlier, the Commission even reminded the Committee about the required reporting of last minute contributions when it sent prior notice on April 2, 1990.

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III. RECOMMENDATIONS

1. Reject the request of the Steve Neal for Congress Committee and A. Bruce Levin, as treasurer, to dismiss this matter.

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

Lawrence Noble
General Counsel

1/19/91
Date

BY:

Lois G. Lerner
Associate General Counsel

Attachments:

1. Response
2. Second Proposed Conciliation Agreement

Staff Assigned: Mary Taksar

91040324448



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20461

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/DELORES HARRIS *DEH*
COMMISSION SECRETARY

DATE: JANUARY 28, 1991

SUBJECT: MUR 3179 - GENERAL COUNSEL'S REPORT
DATED JANUARY 19, 1991.

The above-captioned document was circulated to the
Commission on Wednesday, January 23, 1991 at 11:00 a.m.

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

Commissioner Aikens	<u>XXX</u>
Commissioner Elliott	<u></u>
Commissioner Josefiak	<u>XXX</u>
Commissioner McDonald	<u></u>
Commissioner McGarry	<u></u>
Commissioner Thomas	<u>XXX</u>

This matter will be placed on the meeting agenda
for TUESDAY, JANUARY 29, 1991.

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

9104032449

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Steve Neal for Congress Committee) MUR 3179
and A. Bruce Levin, as treasurer.)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on January 29, 1991, do hereby certify that the Commission decided by a vote of 5-0 to reject the recommendations contained in the General Counsel's report dated January 19, 1991, and instead take the following actions with respect to MUR 3179:

1. Take no further action and close the file.
2. Direct the Office of General Counsel to send an appropriate letter pursuant to the meeting discussion.

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

Attest:

Jan. 30, 1991
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 5, 1991

CLOSED

Robert F. Bauer, Esq.
B. Holly Schadler, Esq.
Perkins Coie
1110 Vermont Avenue, N.W.
Washington, D.C. 20005

RE: MUR 3179
Steve Neal for Congress
Committee and A. Bruce Levin,
as treasurer

Dear Mr. Bauer and Ms. Schadler:

On November 27, 1990, your clients, the Steve Neal for Congress Committee and A. Bruce Levin, as treasurer, were notified that the Federal Election Commission found reason to believe that the Steve Neal for Congress Committee and A. Bruce Levin, as treasurer, violated 2 U.S.C. § 434(a)(6)(A). On December 21, 1990, you submitted a response to the Commission's reason to believe finding.

After considering the circumstances of this particular matter, the Commission determined on January 29, 1991, to take no further action against the Steve Neal for Congress Committee and A. Bruce Levin, as treasurer, and closed the file. The file will be made part of the public record within 30 days. 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 Commission reminds you that a principal campaign committee's failure to notify, within 48 hours of receipt, the Clerk, the Secretary, or the Commission, and the Secretary of State, as appropriate, in writing, of any contribution of \$1,000 or more received by an authorized committee of such candidate after the 20th day, but more than 48 hours before, any election appears to be a violation of 2 U.S.C. § 434(a)(6)(A). Your clients should take immediate steps to insure that this activity does not occur in the future.

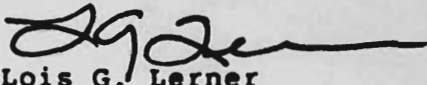
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Robert F. Bauer, Esq.
MUR 3179
Page 2

If you have any questions, please contact Mary Taksar, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel


BY: Lois G. Lerner
Associate General Counsel

91640324452



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3179

DATE FILMED 2/13/91 CAMERA NO. 4

CAMERAMAN AS

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