



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

THIS IS THE BEGINNING OF MUR # 3516

DATE FILMED 11/20/91 CAMERA NO. 2

CAMERAMAN AS

21040880002

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: April 22, 1991

ANALYST: JACK MACDONALD

I. COMMITTEE: Re-Elect Slaughter for Congress Committee
(C00200824)
Gary W. Lee, Treasurer
P.O. Box 1001
Culpeper, VA 22701

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 Re-Elect Slaughter for Congress Committee ("the Committee") has failed to file the required Forty-Eight (48) Hour Notifications ("48-Hour Notices") for two (2) contributions/loans totalling \$85,000 received prior to the 1990 General Election.

The candidate was involved in the 1990 General Election held on November 6, 1990. Prior Notice was sent to the Committee on October 1, 1990 (Attachment 2). The Notice includes a section titled "Last-Minute Contributions". This section reads "Committees must also file special notices if contributions of \$1,000 or more are received during the period October 18 through November 3, 1990. The notices must be filed with the Federal Election Commission by November 3, 1990." (Attachment 2)

Schedules A and C of the 1990 30 Day Post-General Report indicate that the Committee failed to file two (2) 48-Hour Notices for contributions/loans received during the aforementioned period (Attachment 3). The following is a list of the contributions for which no 48-Hour Notices were filed:

21040880003

RE-ELECT SLAUGHTER CONGRESS
COMMITTEE
REPORTS ANALYSIS OGC REFERRAL
PAGE 2

<u>Contributor Name</u>	<u>Date</u> ^{1/}	<u>Amount</u>
D. French Slaughter, Jr.	10/26/90	\$65,000
(guarantor of bank loans)	10/31/90	\$20,000

On January 2, 1991, a Request for Additional Information ("RFAI") was sent to the Committee (Attachment 4). The RFAI notes 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 requests the Committee to review their procedures for checking contributions received during the aforementioned time period. In addition, the notice states that although the Commission may take legal steps, any response would be taken into consideration.

On January 18, 1991, a written response was received from the Committee which stated that they were not aware of the requirement to file 48-Hour Notices for bank loans guaranteed by the candidate. The Committee's written response stated that it has instituted new procedures to prevent future reporting errors (Attachment 5).

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

1/ Please note that the above dates and their respective amounts represent what is disclosed on Schedule A; however, Schedule C discloses a single \$85,000 loan with an incurred date of October 22, 1990.

2104080004

FEDERAL ELECTION COMMISSION
1989-1990
CANDIDATE INDEX OF SUPPORTING DOCUMENTS - (E)

DATE 16APR91

PAGE 1

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/ PARTY	RECEIPTS		DISBURSEMENTS		COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
		PRIMARY	GENERAL	PRIMARY	GENERAL			
SLAUGHTER, D FRENCH JR	HOUSE 07 REPUBLICAN PARTY					VIRGINIA	1990 ELECTION	ID# HAVA07010
1. STATEMENT OF CANDIDATE								
1989 DISAVOWAL NOTICE						19JUL89	1	89FEC/601/1590
STATEMENT OF CANDIDATE						7AUG89	1	89HSE/384/0301
2. PRINCIPAL CAMPAIGN COMMITTEE								
RE-ELECT SLAUGHTER FOR CONGRESS COMMITTEE								ID #C00200824 HOUSE
1989 STATEMENT OF ORGANIZATION --AMENDMENT						3AUG89	1	89HSE/383/2384
MID-YEAR REPORT		32,071		9,776		1JAN89 -30JUN89	20	89HSE/379/3721
YEAR-END		33,228		5,187		1JUL89 -31DEC89	16	90HSE/388/0234
1990 48 HOUR CONTRIBUTION NOTICE						27APR90	1	90HSE/397/0831
48 HOUR CONTRIBUTION NOTICE						22OCT90	2	90HSE/414/3346
48 HOUR CONTRIBUTION NOTICE						23OCT90	2	90HSE/414/5132
48 HOUR CONTRIBUTION NOTICE						24OCT90	1	90HSE/416/2165
48 HOUR CONTRIBUTION NOTICE						29OCT90	1	90HSE/416/5036
48 HOUR CONTRIBUTION NOTICE						30OCT90	1	90HSE/417/0289
48 HOUR CONTRIBUTION NOTICE						1NOV90	1	90HSE/417/1369
48 HOUR CONTRIBUTION NOTICE						2NOV90	1	90HSE/417/1221
APRIL QUARTERLY		68,963		27,502		1JAN90 -31MAR90	22	90HSE/393/3080
PRE-PRIMARY		4,574		2,194		1APR90 -22APR90	8	90HSE/397/0363
JULY QUARTERLY		83,253		71,041		23APR90 -30JUN90	31	90HSE/400/3588
OCTOBER QUARTERLY			183,088		217,669	1JUL90 -30SEP90	63	90HSE/410/2076
OCTOBER QUARTERLY - AMENDMENT			183,118		217,699	1JUL90 -30SEP90	5	91HSE/424/0407
PRE-GENERAL			50,253		121,850	1OCT90 -17OCT90	30	90HSE/415/2206
PRE-GENERAL - AMENDMENT						1OCT90 -17OCT90	10	90HSE/422/2108
PRE-GENERAL - AMENDMENT			50,381		121,979	1OCT90 -17OCT90	4	91HSE/426/1772
PRE-GENERAL - AMENDMENT			50,381		121,979	1OCT90 -17OCT90	4	91HSE/424/0397
POST-GENERAL			182,723		304,779	18OCT90 -26NOV90	41	90HSE/418/3317
POST-GENERAL - AMENDMENT						18OCT90 -26NOV90	8	91HSE/423/2935
POST-GENERAL - AMENDMENT			183,045		305,101	18OCT90 -26NOV90	6	91HSE/424/0401
REQUEST FOR ADDITIONAL INFORMATION						18OCT90 -26NOV90	2	91FEC/679/3585
YEAR-END			8,955		66,463	27NOV90 -31DEC90	14	91HSE/424/0870
TOTAL		224,019	425,499	115,700	711,242		295	TOTAL PAGES
3. AUTHORIZED COMMITTEES								
4. JOINT FUNDRAISING COMMITTEES AUTHORIZED BY THE CAMPAIGN								

ALL REPORTS HAVE BEEN REVIEWED
ENDING CASH-ON-HAND AS OF 12/31/90: \$2,857.02
OUTSTANDING DEBTS AS OF 12/31/90: \$75,000

21040880004

GENERAL ELECTION REPORT NOTICE

ATTACHMENT 2

Page 1 of 2

FEDERAL ELECTION COMMISSION

CONGRESSIONAL CANDIDATES

October 1, 1990

Report	Reporting Period	Reg./Cert. Mailing Date*	Filing Date
Pre-General	10/01/90**-10/17/90	10/22/90	10/25/90
Post-General	10/18/90 - 11/26/90	12/06/90	12/06/90

WHO MUST FILE

All 1990 general election principal campaign committees must file the pre- and post-general election reports.

WHO NEED NOT FILE

Principal campaign committees of candidates not active in the 1990 elections (i.e., committees active in past or future elections) and 1990 campaign committees not participating in the general election do not file the pre- and post-general reports.

WHAT MUST BE REPORTED

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

REPORTING FORMS

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

WHERE TO FILE

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

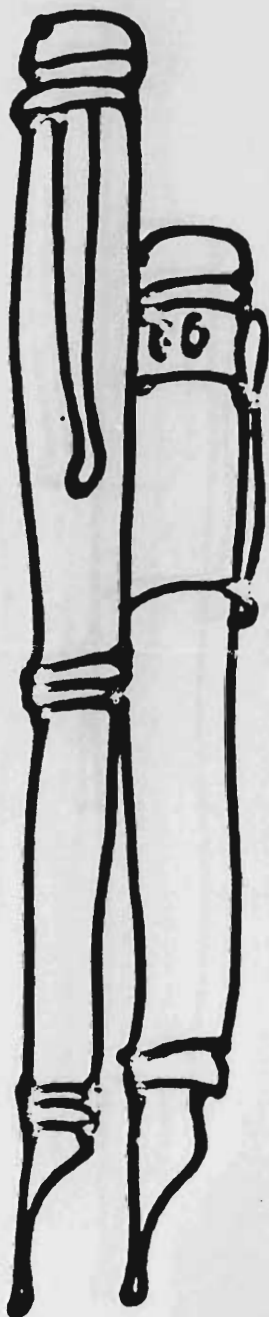
LAST-MINUTE CONTRIBUTIONS

Committees must also file special notices if contributions of \$1,000 or more are received during the period of October 18 through November 3, 1990. The notices must reach the appropriate Federal and State offices within 48 hours of the committee's receipt of the contributions.

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

**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.

21040880005



CONGRESSIONAL CANDIDATES

GENERAL ELECTION

LABEL

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

COMPLIANCE

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

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

21040880006

SCHEDULE A

ITEMIZED RECEIPTS

See separate instructions
for each category of the
Detailed Schedule Page

PAGE 1 OF 1
FOR LINE NUMBER 13(a)

Loans Made or Guaranteed by the Candidate

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

NAME OF COMMITTEE Re Full

Re-Elect Slaughter for Congress Committee (I.D. # (001200024)

A. Full Name, Mailing Address and ZIP Code Second National Bank P. O. Box 71 Culpeper, VA 22701	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
	Occupation	10-26-90 11-11-90	\$65,000 \$20,000
Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Aggregate Year-to-Date	8 N.Y. (NM)	
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
	Occupation		
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date		
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
	Occupation		
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date		
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
	Occupation		
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date		
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
	Occupation		
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date		
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
	Occupation		
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date		
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
	Occupation		
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date		

SUBTOTAL of Receipts This Page (optional)

\$85,000

TOTAL This Period (last page this line number only)

\$85,000

97-1413-301
40880007

SCHEDULE C
(Revised 3/80)

LOANS

Line Number 11
Use separate schedule
for each numbered line

Name of Committee (in full) Re-Elect Slaughter for Congress Committee (I.D. # C00200824)			
A. Full Name, Mailing Address and ZIP Code of Loan Source Second National Bank P. O. Box 71 Culpeper, VA 22701		Original Amount of Loan \$85,000.00	Balance Outstanding at Close of This Period \$85,000.00
Election: ☐ Primary ☒ General ☐ Other (specify):			
Terms: Date Incurred 10-22-90 Date Due 12-24-90 Interest Rate 11.25%		☐ Secured	
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code D. French Slaughter, Jr. 1071 Oaklawn Drive Culpeper, VA 22701		Name of Employer U.S. Congressman Occupation U.S. Congressman Amount Guaranteed Outstanding: \$ 85,000.00	
2. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding: \$	
3. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding: \$	
B. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Balance Outstanding at Close of This Period
Election: ☐ Primary ☐ General ☐ Other (specify):			
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ %		☐ Secured	
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding: \$	
2. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding: \$	
3. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding: \$	
SUBTOTALS This Period This Page (optional)			\$85,000.00
TOTALS This Period (last page in this line only)			\$85,000.00
Carry outstanding balances only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.			

97714137353



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20543

80-2

Gary W. Lee, Treasure
Re-Elect Slaughter For Congress
Committee
P.O. Box 1001
Culpeper, VA 22701

JAN 2 1991

Identification Number: C00200824

Reference: 30 Day Post-General Report (10/18/90-11/26/90)

Dear Mr. Lee:

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 itemisation follows:

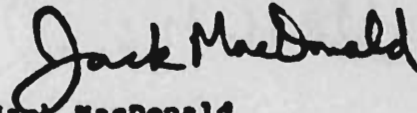
-All contributions received by your committee from 10/18/90 through 11/3/90 are required to be reported on this report. Your committee filed a 48 hour notice disclosing a "last minute" contribution from Electrical Construction PAC on 10/30/90. This contribution does not appear on a Schedule A of this report. Please amend your report to include this contribution or provide an explanation of this apparent discrepancy.

-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-General 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 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. (11 CFR §104.5(f))

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) 376-2400.

Sincerely,



Jack MacDonald
Reports Analyst
Reports Analysis Division

21040880010
21036723536

D. FRENCH SLAUGHTER, JR.
7TH DISTRICT, VIRGINIA

REGULAR MAIL

POSTMARK ILLEGIBLE



HOUSE OF REPRESENTATIVES
WASHINGTON, DC. 20515

ATTACHMENT 5

RECEIVED

U.S. HOUSE OF REPRESENTATIVES

JAN 18 AM 7:55

U.S. HOUSE OF REPRESENTATIVES

116477

January 16, 1991

Clerk - U.S. House of Representatives
1036 Longworth House Office Building
Washington, DC 20515

Re: Re-Elect Slaughter For Congress Committee
C00200824

To The Clerk:

This letter is in response to the January 2, 1991 letter from the Federal Election Commission concerning certain issues on the 30 Day Post-General Report (10/18/90 - 11/26/90).

The first issue deals with a "last minute" contribution that the FEC could not locate from the Electrical Construction PAC on October 30, 1990. It was correctly reported but listed as the NECA PAC along with an address that differed from the 48-hour notice.

The remaining issues dealt with failure to report three contributions under the 48-hour notification rule.

1. NECA PAC (10/30/90) - resolved due to confusion over name and address (see previous comments)

2. Hook loan proceeds (10/26/90 & 10/31/90) - I was not aware regulations state that loans guaranteed by the candidate are subject to the 48-hour notification rule. This was an unintentional oversight and procedures are in place to prevent this from happening again.

3. The contribution by John Hancock, Jr. of \$1,000 on October 23, 1990 was properly reported along with a contribution by Jane Martin Roberts. Copies of our correspondence are enclosed.

We trust that this addresses the issues raised.

Sincerely yours,

Gary W. Lee

Gary W. Lee, Treasurer

GWL/adc

Enclosures

RECEIVED
JUN 20 11 08:57

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

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

RAD Referral # 91L-44
Staff Member: Tony Buckley

SOURCE: INTERNALLY GENERATED

RESPONDENTS: Re-Elect Slaughter for Congress Committee and
Gary W. Lee, as treasurer

RELEVANT STATUTE: 2 U.S.C. § 434(a)(6)

INTERNAL REPORTS
CHECKED: Referral Materials

FEDERAL AGENCIES
CHECKED: None

I. GENERATION OF MATTER

The Re-Elect Slaughter for Congress Committee (the "Committee") and Gary W. Lee, as treasurer, were referred to the Office of the General Counsel by the Reports Analysis Division ("RAD") for failing to timely report within 48 hours contributions equal to or in excess of \$1,000 which had been received during the period of October 18 through November 3, 1990.

II. FACTUAL AND LEGAL ANALYSIS

For the Factual and Legal Analysis, see Attachment 2.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

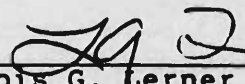
21040880012

IV. RECOMMENDATIONS

1. Open a MUR.
2. Find reason to believe the Re-Elect Slaughter for Congress Committee and Gary W. Lee, as treasurer, violated 2 U.S.C. § 434(a)(6), and enter into conciliation prior to a finding of probable cause to believe.
3. Approve the attached Factual and Legal Analysis and conciliation agreement, and the appropriate letter.

Lawrence M. Noble
General Counsel

Date 5/17/91

BY: 
Lois G. Lerner
Associate General Counsel

Attachments

1. Referral Materials
2. Factual and Legal Analysis
3. Proposed agreement

21040880013

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Re-Elect Slaughter for Congress
Committee and Gary W. Lee, as
treasurer.

)
)
)
)
)

RAD Referral #91L-44

(MUR)
3316

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 22, 1991, the Commission decided by a vote of 6-0 to take the following actions in RAD Referral #91L-44:

1. Open a MUR.
2. Find reason to believe the Re-Elect Slaughter for Congress Committee and Gary W. Lee, as treasurer, violated 2 U.S.C. § 434(a)(6), and enter into conciliation prior to a finding of probable cause to believe.
3. Approve the Factual and Legal Analysis and conciliation agreement, and the appropriate letter, as recommended in the General Counsel's Report dated May 17, 1991.

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

Attest:

5/22/91

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Mon., May 20, 1991 8:57 a.m.
Circulated to the Commission: Mon., May 20, 1991 11:00 a.m.
Deadline for vote: Wed., May 22, 1991 11:00 a.m.



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 28, 1991

Gary W. Lee, Treasurer
Re-Elect Slaughter for
Congress Committee
P.O. Box 1001
Culpeper, VA 22701

RE: MUR 3316
Re-Elect Slaughter for Congress
Committee and Gary W. Lee, as
treasurer

Dear Mr. Lee:

On May 22, 1991, the Federal Election Commission found that there is reason to believe the Re-Elect Slaughter for Congress Committee ("Committee") and you, as treasurer, violated 2 U.S.C. § 434(a)(6), 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.

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

21040880015

Gary W. Lee, Treasurer
Page 2

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 Tony Buckley, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Joan D. Aikens

Joan D. Aikens
Vice-Chairman

Enclosures

Factual and Legal Analysis
Procedures
Designation of Counsel Form
Conciliation Agreement

21040880016

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Re-Elect Slaughter for
Congress Committee and
Gary W. Lee, as treasurer

MUR: 3316

21040880017

Pursuant to 2 U.S.C. § 434(a)(6)(A), a candidate's principal campaign committee shall notify either the Clerk of the House of Representatives, the Secretary of the U.S. Senate, or the Commission, as appropriate, and the Secretary of the State, in writing, of each contribution of \$1,000 or more received by any authorized committee of the candidate after the 20th day before, but more than 48 hours before, any election. Such notification must be made within 48 hours after the receipt of such contribution. Id. Such notification is to be made in addition to all other reporting requirements. 2 U.S.C. § 434(a)(6)(B). For the November, 1990 elections, such reports were required to be filed for all such contributions received during the period of October 18 through November 3, 1990. A loan from a bank is considered a contribution by each endorser or guarantor. 2 U.S.C. § 431(8)(B)(vii)(I).

D. French Slaughter, Jr. was a candidate for the U.S. House of Representatives seat from Virginia's Seventh district in the November 1990 elections. The Re-Elect Slaughter for Congress Committee (the "Committee") was his principal campaign committee, and Gary W. Lee was its treasurer.

Commission records show that Mr. Slaughter was the sole guarantor of certain loans received by the Committee. These loans were made on October 26 and 31, 1990, and were in the amounts of \$65,000 and \$20,000, respectively. No 48 Hour Contribution Notice was timely filed with respect to the contribution received on October 26, 1990. Likewise, Commission records show that the Committee filed 48 Hour Contribution Notices on November 1 and 2, 1990. Neither of these reports, nor any other 48 Hour Contribution Notice filed by the Committee, contained any information with regard to the loan which was received on October 31, 1990. Both of these loans were first reported on the Committee's 1990 30-Day Post-General Report, which was filed on December 6, 1990. Therefore, there is reason to believe the Re-Elect Slaughter for Congress Committee and Gary W. Lee, as treasurer, violated 2 U.S.C. § 434(a)(6)(A).

31040880018

06-15-27

Re-elect Slaughter for Congress

Post Office Box 1001 • Calpeper, Virginia 22701

June 7, 1991

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

Re: MUR-3316

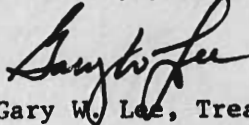
CERTIFIED MAIL

Dear Mr. Noble:

Please find enclosed my response on behalf of the Re-Elect Slaughter for Congress Committee to the Commission's letter dated May 28, 1991.

Your consideration to this respond will be greatly appreciated.

Sincerely yours,



Gary W. Lee, Treasurer

GWL/adc

Enclosure

cc: Richard D. Holcomb

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
91 JUN 13 PM 2:47

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
91 JUN 13 AM 11:08

2100880019

Experienced and Reliably Conservative Representation for the Seventh District of Virginia

Authorized by Re-elect Slaughter for Congress Committee, Gary W. Lee, Treasurer

June 7, 1991

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

Attention: Tony Buckley, Esquire

Re: MUR 3316 - Re-Elect Slaughter for Congress Committee and
Gary W. Lee, as Treasurer.

Dear Mr. Noble:

This letter constitutes the response of the Re-Elect Slaughter for Congress Committee ("the Committee"), and Gary W. Lee, as Treasurer (collectively "Respondents") to the Commissions' letter dated May 28, 1991 (received by the Committee on May 30, 1991), notifying Respondents that the Commission had found reason to believe that the Respondents violated 2 U.S.C. section 434(a)(6)(A). Specifically, the Commission found reason to believe that the Respondents failed to file 48 Hour Contribution Notices for two bank loans, guaranteed by the candidate, which were received between the 20th day but more than 48 hours before the General Election on November 6, 1990.

Respondents contend that they were fundamentally and substantially in compliance with the Federal Election Campaign Act ("FECA") and related regulations. While the banks loans were not disclosed in the 48 Hour Contribution Notices, each was disclosed by the Respondents on the public record in the next scheduled report (i.e., the 1990 30 Day Post-General Report, which was filed on December 6, 1990). Respondents further contend that the actions taken relative to the bank loans were based on their good faith reading of the Commission's Campaign Guide for Congressional Candidates and Committees and statutory construction.

Statement of Facts

Congressman D. French Slaughter, Jr. was a candidate for reelection for the U.S. House of Representatives seat from Virginia's Seventh Congressional District in the November 1990 election, having announced his intention to run for reelection on February 12, 1990 and having filed his Statement of Candidacy with the Commission on August 7, 1989. A Statement of Organization designating the Committee as the principal campaign committee was filed on August 3, 1989.

The Congressman was nominated by means of a Convention held on May 12, 1990. In compliance with the FECA, the Respondents filed one 48 Hour Contribution Notice covering three contributions which were received between the 20th day but more than 48 hours before the May 12th Convention.

For the contributions received between the 20th day but more than 48 hours before November 6th General Election, the Respondents filed seven 48 Hour Contribution Notices covering twelve contributions. The eight 48 Hour Contribution Notices are referenced to illustrate the Respondents complete compliance with the FECA in areas where there was no ambiguity.

As to the bank loans in question, Respondents admit that Congressman Slaughter was the sole guarantor of two loans received by the Committee on October 26 and 31, 1990 in the amount of \$65,000 and \$20,000, respectively. While these loans were not reported under the 48 Hour Notification Rule, the loans were reported on the Committee's 1990 30 Day Post-General Report, which was filed on December 6, 1990. Yet as noted in Respondents' letter of January 16, 1991, any failure to comply with the 48 Hour Notification Rule was unintentional and based their good faith reading of the Commission's Campaign Guide for Congressional Candidates and Committees and statutory construction.

Discussion

As noted above the Respondents' filed eight 48 Hours Contribution Notices covering contributions of \$1000 or more from individuals and political action committees. However, after a good faith reading of the statute (2 U.S.C. section 434(a)(6)), the regulations (11 C.F.R. section 104.5(f)), the Commission's Campaign Guide for Congressional Candidates and Committees (July 1988) (which states on page 13 that a bank loan is not a contribution by the bank and which fails to discuss bank loans in its discussion of last-minute contributions on page 24), and the Commission's Record (which in its February 1988 edition did not even cite loans or guarantees as subject to the 48 Hour reporting requirements), Respondents' concluded that bank loans made according to applicable banking laws in the ordinary course of business and guaranteed by the candidate, and therefore not contributions under the FECA, were not reportable under the 48 Hour reporting requirements.

Certainly, the Respondents understood that the FECA required the reporting of loans guaranteed by the candidate (2 U.S.C. section 434(b)(2)(G)) and did in fact report the loans on December 6, 1990 when they filed their 30 Day Post-General Report. The Respondents believed that their interpretation was consistent with the underlying policy of the statute regarding public disclosure. Just as certain contribution received during the 48 Hour Period were required to be reported on the Post General

21040880021

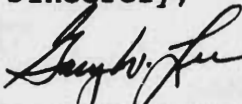
Report but not under the 48 Hour reporting requirements (i.e., individual contribution less than \$1000 but greater than \$200 singularly or in the aggregate and contributions from political action committees less than \$1000), Respondents in good faith believed that the bank loans guaranteed by the candidate were not reportable under the 48 Hour reporting requirement. In view of the large number of published MURs, it appears that Respondents' view was not isolated. Nonetheless, as noted in Respondents' January 16, 1991 letter, procedures are now in place to ensure the future reporting of bank loans guaranteed by the candidate.

Conclusion

The Respondents in good faith believed that they were in substantial compliance with the reporting requirements. Eight 48 Hour Contribution Notices were indeed filed disclosing fifteen contributions during the period preceding the May 12, 1990 Convention and the November 6, 1990 General Election. The Respondents devoted considerable effort to ensure the accuracy and completeness of the reports. The reporting rules are designed to ensure full disclosure on the public record. Clearly, there was no attempt by the Respondents to cover up the bank loans as evidenced by the fact that they were reported on December 6, 1991.

In light of the circumstances cited above, which demonstrate the Respondents' diligent and best efforts to comply with all reporting requirements, the Respondents request that the Commission take no further action with regard to this matter. Please inform us at your earliest convenience of the Commission's action relative to this request.

Sincerely,



Gary W. Lee, Treasurer

2104080022

91 JUL 18 PM 4:21

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Re-Elect Slaughter for Congress)
Committee and Gary W. Lee, as)
treasurer)

MUR 3316

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On May 22, 1991, the Commission found reason to believe the Re-Elect Slaughter for Congress Committee (the "Committee") and Gary W. Lee, as treasurer, violated 2 U.S.C. § 434(a)(6). This finding was based on the fact that candidate D. French Slaughter, Jr. was the sole guarantor of certain loans received by the Committee.¹ These loans were made on October 26 and 31, 1990, and were in the amounts of \$65,000 and \$20,000, respectively. No 48 Hour Contribution Notice was timely filed with respect to these contributions.

Also on May 22, 1991, the Commission 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, and approved an agreement to be sent to Respondents.

On June 13, 1991, Respondents filed a response to the Commission's reason to believe finding and its offer to enter into pre-probable cause to believe negotiations. Attachment 1. Respondents request that the Commission take no further action

1. On July 1, 1991, Congressman Slaughter announced that, due to health reasons, he will be resigning his office effective November 5, 1991.

3104080023

against them in this matter. As a basis for this request, Respondents contend that they were "fundamentally and substantially" in compliance with the Act and the Commission's regulations. They point out that although the contributions were not disclosed by 48 Hour Contribution Notices, they were disclosed on the next scheduled report, i.e. the 1990 30 Day Post-General Report.

Respondents further argue that their failure to properly report the contributions was unintentional and was based on a good faith reading of the Commission's Campaign Guide for Congressional Candidates and Committees (the "Campaign Guide") and statutory construction. Respondents claim that their misunderstanding of the law was not an aberration, but was consistent with that of other committees with respect to whom the Commission has opened Matters Under Review ("MURs").² For all these reasons, Respondents request that the Commission take no further action against them.

II. ANALYSIS

Pursuant to 2 U.S.C. § 434(a)(6)(A), a candidate's principal campaign committee shall notify either the Clerk of the House of Representatives, the Secretary of the U.S. Senate, or the Commission, as appropriate, and the Secretary of the State, in writing, of each contribution of \$1,000 or more received by any authorized committee of the candidate after the 20th day before, but more than 48 hours before, any election.

2. Respondents have not identified which MURs they believe fit this category.

2104080024

Such notification must be made within 48 hours after the receipt of such contribution. Id. Such notification is to be made in addition to all other reporting requirements. 2 U.S.C.

§ 434(a)(6)(B). For the November 1990 elections, such reports were required to be filed for all such contributions received during the period of October 18 through November 3, 1990. A loan from a bank is considered a contribution by each endorser or guarantor. 2 U.S.C. § 431(8)(B)(vii)(I).

There is no question that Respondents failed to timely notify the Commission of the receipt of contributions in the form of candidate guarantees of loans. Those loan guarantees were not reported until one month after the general election. Accordingly, the issue presented by Respondents is whether the circumstances they describe warrant a decision by the Commission to take no further action.

Respondents' contention that they have fundamentally and substantially complied with the Act and the regulations is belied by the fact that the contributions at issue were not reported until December 6, 1990, 30 days after the general election. Thus, the reason for requiring 48 hour reporting, to place qualifying contributions on the public record as soon as possible, was not met by Respondents' actions.

The Commission has already taken into account the possibility that the Campaign Guide was not clear by adopting new guidelines regarding penalties in cases where candidate

21040880025

loans are at issue.³ Accordingly, as Respondents' concerns have previously been addressed by the Commission, this Office recommends that the Commission reject their request to take no further action against them. As these Respondents have not completely rejected pre-probable cause conciliation, this Office also recommends that the Commission reiterate its offer to enter into pre-probable cause conciliation with them by sending the attached letter.

III. RECOMMENDATIONS

1. Reject the request of the Re-Elect Slaughter for Congress Committee and Gary W. Lee, as treasurer, to take no further action against them.
2. Approve the attached letter.

Lawrence M. Noble
General Counsel

Date 2/17/91

BY:


Lois G. Lerner
Associate General Counsel

Attachments

1. Response of Respondents
2. Proposed Letter

Staff assigned: Tony Buckley

3. Additionally, this matter is unlike those prior matters where the Commission decided to take no further action because the candidates were unopposed and did not even appear on the ballot. See, e.g., MUR 3179. Here, Congressman Slaughter was opposed and won with 58% of the votes.

21040880026

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Re-Elect Slaughter for Congress) MUR 3316
Committee and Gary W. Lee, as)
treasurer.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 23, 1991, the Commission decided by a vote of 6-0 to take the following actions in MUR 3316:

1. Reject the request of the Re-Elect Slaughter for Congress Committee and Gary W. Lee, as treasurer, to take no further action against them.
2. Approve the letter, as recommended in the General Counsel's Report dated July 17, 1991.

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

Attest:

7/23/91
Date

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

Received in the Secretariat: Thurs., July 18, 1991 4:21 p.m.
Circulated to the Commission: Fri., July 19, 1991 12:00 p.m.
Deadline for vote: Tues., July 23, 1991 4:00 p.m.

dr

21040880027



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 29, 1991

Gary W. Lee, Treasurer
Re-Elect Slaughter for
Congress Committee
P.O. Box 1001
Culpeper, VA 22701

RE: MUR 3316
Re-Elect Slaughter for Congress
Committee and Gary W. Lee, as
treasurer

Dear Mr. Lee:

This is in response to your letter dated June 7, 1991, in which you request that the Federal Election Commission take no further action against the Re-Elect Slaughter for Congress Committee and you, as treasurer, in the above-captioned matter.

On July 23, 1991, the Commission reviewed your letter and rejected your request. However, the Commission is still desirous of resolving this matter prior to a finding of probable cause to believe, and again has offered to enter into negotiations prior to such a finding. Insofar as the 30 day period for pre-probable cause conciliation has elapsed, you should respond within five days of your receipt of this notification. If a response is not received within this period, this matter will proceed to the next stage of the enforcement process.

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

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

8
2
0
0
8
8
0
4
0
1
2

0608227

Re-elect Slaughter for Congress

Post Office Box 1901 • Culpeper, Virginia 22701

October 21, 1991

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

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
91 OCT 23 PM 4:19

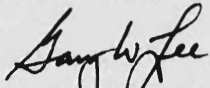
Re: MUR-3316

CERTIFIED MAIL

Dear Mr. Noble:

Please find enclosed an executed conciliation agreement concerning the above case.

Sincerely yours,



Gary W. Lee, Treasurer

GWL/adc

cc: Richard D. Holcomb

9
0
0
0
8
8
0
4
0
1
6

91 OCT 23 AM 11:33

Experienced and Reliably Conservative Representation for the Seventh District of Virginia

Authorized by Re-elect Slaughter for Congress Committee, Gary W. Lee, Treasurer

RECEIVED
F.E.C.
SECRETARIAT

91 OCT 28 AM 11:43

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Re-Elect Slaughter for Congress) MUR 3316
Committee and Gary W. Lee, as)
treasurer)

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by Gary W. Lee, the treasurer of the Re-Elect Slaughter for Congress Committee. Attachment 1.

The attached agreement contains no changes from the agreement approved by the Commission on October 1, 1991. A check for the civil penalty has been received.

II. RECOMMENDATIONS

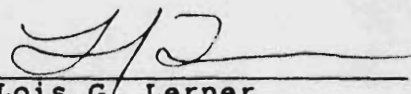
1. Accept the attached conciliation agreement with the Re-Elect Slaughter for Congress Committee and Gary W. Lee, as treasurer.
2. Approve the appropriate letter.
3. Close the file.

Lawrence M. Noble
General Counsel

Date

10/25/91

BY:


Lois G. Lerner
Associate General Counsel

Attachments

1. Conciliation Agreement
2. Photocopy of civil penalty check

Staff Assigned: Tony Buckley

21040880030

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Re-Elect Slaughter for Congress
Committee and Gary W. Lee, as
treasurer.

MUR 3316

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 30, 1991, the Commission decided by a vote of 6-0 to take the following actions in MUR 3316:

1. Accept the conciliation agreement with the Re-Elect Slaughter for Congress Committee and Gary W. Lee, as treasurer, as recommended in the General Counsel's Report dated October 25, 1991.
2. Approve the appropriate letter, as recommended in the General Counsel's Report dated October 25, 1991.
3. Close the file.

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

Attest:

10-21-91
Date

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

Received in the Secretariat: Mon., Oct. 28, 1991 11:43 a.m.
Circulated to the Commission: Mon., Oct. 28, 1991 4:00 p.m.
Deadline for vote: Wed., Oct. 30, 1991 4:00 p.m.

dr



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 6, 1991

Gary W. Lee, Treasurer
Re-Elect Slaughter for
Congress Committee
P.O. Box 1001
Culpeper, VA 22701

RE: MUR 3316
Re-Elect Slaughter for Congress
Committee and Gary W. Lee, as
treasurer

Dear Mr. Lee:

On October 30, 1991, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on behalf of the Re-Elect Slaughter for Congress Committee and you, as treasurer, in settlement of a violation of 2 U.S.C. § 434(a)(6)(A), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

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

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Tony Buckley, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

2104080032

RECEIVED

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Re-Elect Slaughter for Congress) MUR 3316
Committee and Gary W. Lee, 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 reason to believe that the Re-Elect Slaughter for Congress Committee and Gary W. Lee, as treasurer ("Respondents"), violated 2 U.S.C. § 434(a)(6)(A).

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

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

II. Respondents have had a reasonable opportunity to demonstrate that no further action should be taken against them.

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

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

1. The Re-Elect Slaughter for Congress Committee (the "Committee") is a political committee within the meaning of 2 U.S.C. § 431(4).

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
91 OCT 23 PM 4: 19

3
3
0
0
8
8
0
4
0
1
6

2. Gary W. Lee is the treasurer of the Re-Elect Slaughter for Congress Committee.

3. Pursuant to 2 U.S.C. § 434(a)(6)(A), a candidate's principal campaign committee shall notify either the Clerk of the House of Representatives, the Secretary of the U.S. Senate, or the Commission, as appropriate, and the Secretary of the State, in writing, of each contribution of \$1,000 or more received by any authorized committee of the candidate after the 20th day before, but more than 48 hours before, any election. Such notification must be made within 48 hours after the receipt of such contribution. Id. For the November, 1990 elections, such reports were required to be filed for all such contributions received during the period of October 18 through November 3, 1990.

4. Pursuant to 2 U.S.C. § 434(a)(6)(B), notification required to be made within 48 hours is to be made in addition to all other reporting requirements.

5. Pursuant to 2 U.S.C. § 431(8)(B)(vii)(I), a loan from a bank is considered a contribution by each endorser or guarantor.

6. Schedule A of the Committee's 1990 30-Day Post-General Report shows that on October 26, 1990, Congressman Slaughter personally guaranteed a loan to the Committee in the amount of \$65,000.

7. Schedule A of the Committee's 1990 30-Day Post-General Report further shows that on October 31, 1990,

21040880034

Congressman Slaughter personally guaranteed a loan to the Committee in the amount of \$20,000.

8. While Respondents filed seven timely 48-Hour Notices covering twelve individual contributions prior to the November 6, 1990 general election, they filed no timely 48-Hour Notice reporting the October 26, 1990 loan. Respondents failed to include the October 31, 1990 loan on either of the 48-Hour Notices filed on November 1 and 2, 1990. Respondents first reported the receipt of these contributions on their 1990 30-Day Post-General Report, which was filed on December 6, 1990.

9. By letter dated June 7, 1991, Respondents requested that no further action be taken in this matter. On July 23, 1991, the Commission considered this request and rejected it.

V. Respondents now agree that the failure to file 48-Hour Notices for the above contributions was in violation of 2 U.S.C. § 434(a)(6).

VI. Respondents contend that any violation was the result of their misinterpretation of the law.

VII. Respondents will pay a civil penalty to the Federal Election Commission in the amount of One Thousand, Two Hundred dollars (\$1,200), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VIII. 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

21040880035

civil action for relief in the United States District Court for the District of Columbia.

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

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

XI. 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

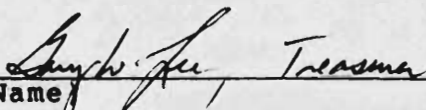
BY:


Lois G. Lerner
Associate General Counsel

Date

11-6-91

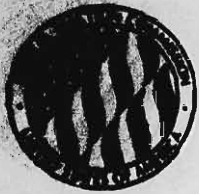
FOR THE RESPONDENTS:


(Name)
(Position)

Date

10/18/91

21040880036



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3516

DATE FILMED 11/20/91 CAMERA NO. 2

CAMERAMAN AS

91040880037