



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3338

DATE FILMED 10/23/71 CAMERA NO. 2

CAMERAMAN AS

91040871779

**REPORTS ANALYSIS REFERRAL**

**TO**

**OFFICE OF GENERAL COUNSEL**

**DATE: 21 May 1991**

**ANALYST: Andrew Zehe**

**I. COMMITTEE:** Friends of Matt Matsunaga  
(C00245878)  
Howard Y. Ikeda, Treasurer  
P.O. Box 3318  
Honolulu, HI 96801

**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 Friends of Matt Matsunaga committee ("the Committee") has failed to file the required Forty-Eight (48) Hour Notifications ("48-Hour Notices") for seven (7) contributions/loans totalling \$105,248.29 received prior to the 1990 Primary Election.

The candidate was involved in the 1990 Primary Election held on September 22, 1990. Prior Notice was sent to the Committee on August 17, 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 period September 3 through September 19, 1990. The notice must reach the appropriate federal and state offices within 48 hours of the committee's receipt."

Schedules A and C of the 1990 October Quarterly Report indicate that the Committee failed to file Seven (7) 48-Hour Notices for contributions/loans received during the aforementioned period (Attachment 3). The following is a list of the contributions/loans for which no 48-Hour Notices were filed:

91040871780

FRIENDS OF MATT MATSUNAGA  
REPORTS ANALYSIS OGC REFERRAL  
PAGE 2

| <u>Contributor Name</u>      | <u>Date</u> | <u>Amount</u> |
|------------------------------|-------------|---------------|
| Matthew M. Matsunaga         | 09/10/1990  | \$ 5,000.00   |
| (Candidate guaranteed all of | 09/10/1990  | \$10,000.00   |
| these bank loans)            | 09/10/1990  | \$25,248.29   |
|                              | 09/13/1990  | \$10,000.00   |
|                              | 09/13/1990  | \$40,000.00   |
|                              | 09/17/1990  | \$10,000.00   |
|                              | 09/19/1990  | \$ 5,000.00   |

On April 26, 1991, an Informational Notice was sent to the Committee (Attachment 4). The letter notes 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 May 1, 1991, a Reports Analysis Division analyst spoke by phone with a representative of the Committee, JoAnne Matsunaga (Attachment 5). Ms. Matsunaga asked which contributions were missing 48-Hour Notices. The analyst informed her that several candidate loans were missing 48-Hour Notices. Ms. Matsunaga stated that she was unaware that loans needed to be reported on 48-Hour Notices.

On May 9, 1991, the Committee responded by letter (Attachment 6). The letter states that the Committee was unaware that 48-Hour Notices were needed for loans and requests that the Commission not take legal action.

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

91040871781

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

PAGE 2

| CANDIDATE/COMMITTEE/DOCUMENT                        | RECEIPTS       |                  | DISBURSEMENTS |         | COVERAGE DATES   | # OF PAGES    | MICROFILM LOCATION  |
|-----------------------------------------------------|----------------|------------------|---------------|---------|------------------|---------------|---------------------|
|                                                     | OFFICE SOUGHT/ | PARTY            | PRIMARY       | GENERAL |                  |               |                     |
| MATSLVAGA, MATTHEW M                                | HOUSE 01       | DEMOCRATIC PARTY |               |         | HAWAII           | 1990 ELECTION | ID# H24101058       |
| 1. STATEMENT OF CANDIDATE                           |                |                  |               |         |                  |               |                     |
| 1990 STATEMENT OF CANDIDATE                         |                |                  |               |         | 8JUN90           | 1             | 90-EE/399/1844      |
| 2. PRINCIPAL CAMPAIGN COMMITTEE                     |                |                  |               |         |                  |               |                     |
| FRIENDS OF MATT MATSLVAGA                           |                |                  |               |         |                  |               | ID #000045878 HOUSE |
| 1990 STATEMENT OF ORGANIZATION                      |                |                  |               |         | 6JUN90           | 1             | 90-EE/399/1843      |
| 48 HOUR CONTRIBUTION NOTICE                         |                |                  |               |         | 14SEP90          | 1             | 90-EE/407/4573      |
| 48 HOUR CONTRIBUTION NOTICE                         |                |                  |               |         | 21SEP90          | 1             | 90-EE/408/0443      |
| 48 HOUR CONTRIBUTION NOTICE                         |                |                  |               |         | 24SEP90          | 2             | 90-EE/408/0773      |
| JULY QUARTERLY                                      |                |                  | 55,854        | 15,801  | 1MAY90 - 30JUN90 | 22            | 90-EE/403/0523      |
| JULY QUARTERLY - AMENDMENT                          |                |                  | 55,854        | 15,801  | 1MAY90 - 30JUN90 | 5             | 90-EE/403/1897      |
| REQUEST FOR ADDITIONAL INFORMATION                  |                |                  |               |         | 1MAY90 - 30JUN90 | 2             | 90FEB/655/1512      |
| PRE-PRIMARY                                         |                |                  | 165,632       | 213,335 | 1JUL90 - 2SEP90  | 43            | 90-EE/407/0173      |
| PRE-PRIMARY - AMENDMENT                             |                |                  | 165,632       | 213,335 | 1JUL90 - 2SEP90  | 10            | 90-EE/408/1833      |
| REQUEST FOR ADDITIONAL INFORMATION                  |                |                  |               |         | 1JUL90 - 2SEP90  | 1             | 90FEB/657/4500      |
| OCTOBER QUARTERLY                                   |                |                  | 132,522       | 142,745 | 1SEP90 - 30SEP90 | 45            | 90-EE/413/1883      |
| 1990 LETTER INFORMATIONAL NOTICE                    |                |                  |               |         | 1SEP90 - 30SEP90 | 1             | 90FEB/654/2554      |
| YEAR-END                                            |                |                  | 45,156        | 45,462  | 1OCT90 - 31DEC90 | 47            | 90-EE/425/0174      |
| TOTAL                                               |                |                  | 419,352       | 0       | 415,425          | 2             | 165 TOTAL PAGES     |
| AUTHORIZED COMMITTEES                               |                |                  |               |         |                  |               |                     |
| JOINT RAISING COMMITTEES AUTHORIZED BY THE CAMPAIGN |                |                  |               |         |                  |               |                     |

All reports reviewed.

Cash-on-hand as of 12-31-90= \$926.50 ✓

Debts owed by the Committee as of 12-31-90= \$173,344.58 ✓

# PRIMARY ELECTION REPORT NOTICE

## FEDERAL ELECTION COMMISSION

HAWAII

August 17, 1990

| REPORT            | REPORTING PERIOD1/  | REG./CERT.<br>MAILING<br>DATE2/ | FILING<br>DATE |
|-------------------|---------------------|---------------------------------|----------------|
| PRE-PRIMARY       | 07/01/90 - 09/02/90 | 09/07/90                        | 09/10/90       |
| OCTOBER QUARTERLY | 09/03/90 - 09/30/90 | 10/15/90                        | 10/15/90       |

### WHO MUST FILE

PRINCIPAL CAMPAIGN COMMITTEES OF CONGRESSIONAL "CANDIDATES" who seek nomination in the September 22, 1990 Hawaii Primary.

### 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.

### 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 period September 3 through September 19, 1990. The notice must reach the appropriate federal and state offices within 48 hours of the committee's receipt.

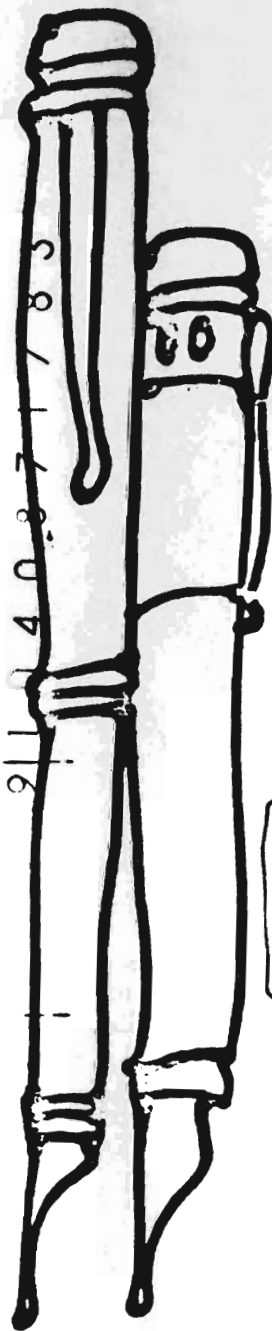
### COMPLIANCE

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.

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: 800/424-9530 or 202/376-3120



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**SCHEDULE A**      **ITEMIZED RECEIPTS**

### Loans Made or Guaranteed by the Candidate

Use the following table to calculate the total number of pages for each category of the Donated Inventory Page.

PAGE 1  
FOR LINE NUMBER  
12(e)

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

NAME OF COMMITTEE (b) (5)

**Friends of Matt Matsunaga CD0245878**

| A. Full Name, Mailing Address and ZIP Code                                                                                             |  | Name of Employer                         | Date (month, day, year)                             | Amount of Each Receipt this Period                           |
|----------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------------------|-----------------------------------------------------|--------------------------------------------------------------|
| Matthew M. Matounaga (From personal funds)<br>1006 Lunalai St.<br>Kailua, HI 96734                                                     |  | Carlsmith, Wichman, Case, Mukai & Ichiki |                                                     |                                                              |
| Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General<br><input type="checkbox"/> Other (specify): |  | Occupation<br>Attorney                   | N/A                                                 |                                                              |
|                                                                                                                                        |  | Aggregate Year-to-Date > \$ 68,961.90    |                                                     |                                                              |
| B. Full Name, Mailing Address and ZIP Code<br>International Savings and Loan<br>1111 Bishop Street<br>Honolulu, HI 96813               |  | Name of Employer                         | Date (month, day, year)                             | Amount of Each Receipt this Period                           |
|                                                                                                                                        |  |                                          | 9/10/90                                             | 5,000.00                                                     |
| Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General<br><input type="checkbox"/> Other (specify): |  | Occupation                               |                                                     |                                                              |
|                                                                                                                                        |  | Aggregate Year-to-Date > \$ 25,000.00*   |                                                     |                                                              |
| C. Full Name, Mailing Address and ZIP Code<br>National Mortgage & Finance Co., Ltd.<br>1022 Bethel Street<br>Honolulu, HI 96813        |  | Name of Employer                         | Date (month, day, year)                             | Amount of Each Receipt this Period                           |
|                                                                                                                                        |  |                                          | 9/10/90                                             | 10,000.00                                                    |
| Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General<br><input type="checkbox"/> Other (specify): |  | Occupation                               |                                                     |                                                              |
|                                                                                                                                        |  | Aggregate Year-to-Date > \$ 10,000.00*   |                                                     |                                                              |
| D. Full Name, Mailing Address and ZIP Code<br>Honfed Bank<br>188 Merchant Street<br>Honolulu, HI 96813                                 |  | Name of Employer                         | Date (month, day, year)                             | Amount of Each Receipt this Period                           |
|                                                                                                                                        |  |                                          | 9/10/90<br>9/13/90<br>9/13/90<br>9/17/90<br>9/19/90 | 25,248.29<br>10,000.00<br>40,000.00<br>10,000.00<br>5,000.00 |
| Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General<br><input type="checkbox"/> Other (specify): |  | Occupation                               |                                                     |                                                              |
|                                                                                                                                        |  | Aggregate Year-to-Date > \$ 90,248.29    |                                                     |                                                              |
| E. Full Name, Mailing Address and ZIP Code                                                                                             |  | Name of Employer                         | Date (month, day, year)                             | Amount of Each Receipt this Period                           |
|                                                                                                                                        |  |                                          |                                                     |                                                              |
| Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General<br><input type="checkbox"/> Other (specify):            |  | Occupation                               |                                                     |                                                              |
|                                                                                                                                        |  | Aggregate Year-to-Date > \$              |                                                     |                                                              |
| F. Full Name, Mailing Address and ZIP Code                                                                                             |  | Name of Employer                         | Date (month, day, year)                             | Amount of Each Receipt this Period                           |
|                                                                                                                                        |  |                                          |                                                     |                                                              |
| Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General<br><input type="checkbox"/> Other (specify):            |  | Occupation                               |                                                     |                                                              |
|                                                                                                                                        |  | Aggregate Year-to-Date > \$              |                                                     |                                                              |
| G. Full Name, Mailing Address and ZIP Code                                                                                             |  | Name of Employer                         | Date (month, day, year)                             | Amount of Each Receipt this Period                           |
|                                                                                                                                        |  |                                          |                                                     |                                                              |
| Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General<br><input type="checkbox"/> Other (specify):            |  | Occupation                               |                                                     |                                                              |
|                                                                                                                                        |  | Aggregate Year-to-Date > \$              |                                                     |                                                              |

**SUBTOTAL of Receipts This Page (optional)**

109.34

Schedule B-2

LOANS

This schedule should be attached to Form 1041

|                                                                                                                                                              |                                                                        |                                                                |                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------|
| Name of Guarantor (if any)<br><b>Friends of Matt Matounaga C00245878</b>                                                                                     |                                                                        |                                                                |                                                                 |
| A. Full Name, Mailing Address and ZIP Code of Loan Source<br><b>Matthew M. Matounaga (From personal funds)<br/>1006 Lunalani Street<br/>Kailua, HI 96734</b> | Original Amount of Loan<br><b>68,961.90</b>                            | Guaranteed Payments To Date<br><b>-0-</b>                      | Balance Outstanding at Close of This Period<br><b>68,961.90</b> |
| Section: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify):                              |                                                                        |                                                                |                                                                 |
| Terms: Date Incurred <b>VARIOUS</b> Date Due <b>10/1/90</b> Interest Rate <b>2.0</b> <input type="checkbox"/> Fixed <input type="checkbox"/> Variable        |                                                                        |                                                                |                                                                 |
| List All Endorsers or Guarantors (if any) to Item A                                                                                                          |                                                                        |                                                                |                                                                 |
| 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                                          |                                                                |                                                                 |
| B. Full Name, Mailing Address and ZIP Code of Loan Source<br><b>International Savings and Loan (Loan 1)<br/>1111 Bishop Street<br/>Honolulu, HI 96813</b>    |                                                                        | Original Amount of Loan<br><b>20,000.00</b><br><b>5,000.00</b> | Guaranteed Payments To Date<br><b>25,000.00</b>                 |
| Section: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify):                                         |                                                                        | See Schedule II                                                |                                                                 |
| Terms: Date Incurred <b>8/24/85</b> Date Due <b>11/24/90</b> Interest Rate <b>1.5</b> <input type="checkbox"/> Fixed <input type="checkbox"/> Variable       |                                                                        |                                                                |                                                                 |
| List All Endorsers or Guarantors (if any) to Item B                                                                                                          |                                                                        |                                                                |                                                                 |
| 1. Full Name, Mailing Address and ZIP Code<br><b>Matthew M. Matounaga<br/>1006 Lunalani Street<br/>Kailua, HI 96734</b>                                      | Name of Employer<br><b>Carlson Wickman, Case<br/>Maki &amp; Ichiki</b> |                                                                |                                                                 |
|                                                                                                                                                              | Occupation<br><b>Attorney</b>                                          |                                                                |                                                                 |
|                                                                                                                                                              | 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                                          |                                                                |                                                                 |
| TOTALS This Period This Period                                                                                                                               |                                                                        | <b>68,961.90</b>                                               |                                                                 |
| TOTALS This Period This Period                                                                                                                               |                                                                        |                                                                |                                                                 |

A2

**SCHEDULE C**  
**Revised 2-201**

## LOANS

Page 2 of 2  
 11/11/2023 11:11 AM  
 11/11/2023 11:11 AM  
 11/11/2023 11:11 AM

| Name of Contributor (in Full)                                                                                                    |  |                                                 |                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------|--------------------------------------------------------------------------------|
| Friends of Matt Matsunaga C00245878                                                                                              |  |                                                 |                                                                                |
| A. Full Name, Mailing Address and ZIP Code of Loan Source                                                                        |  | Original Amount of Loan                         | Balance Outstanding at Close of This Period                                    |
| National Mortgage & Finance Co., Ltd.<br>1022 Bethel Street<br>Honolulu, HI 96813<br>(Loan 2)                                    |  | 10,000.00                                       | 10,000.00                                                                      |
| Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): |  |                                                 |                                                                                |
| Terms: Date Incurred <u>9/10/90</u> Date Due <u>10/10/90</u> Interest Rate <u>12.0</u> (Year)                                    |  |                                                 | <input type="checkbox"/> Secured <input checked="" type="checkbox"/> Unsecured |
| List All Endorsers or Guarantors (if any) to Item A                                                                              |  |                                                 |                                                                                |
| 1. Full Name, Mailing Address and ZIP Code                                                                                       |  | Name of Employer                                |                                                                                |
| Matthew M. Matsunaga<br>1006 Lunalu Street<br>Kailua, HI 96734                                                                   |  | Wichman, Case,<br>Mukai, & Ichiki<br>Attorney   |                                                                                |
|                                                                                                                                  |  | Amount Guaranteed Outstanding<br>\$ -0- Sch. II |                                                                                |
| 2. Full Name, Mailing Address and ZIP Code                                                                                       |  | Name of Employer                                |                                                                                |
|                                                                                                                                  |  | Occupation                                      |                                                                                |
|                                                                                                                                  |  | Amount Guaranteed Outstanding<br>\$             |                                                                                |
| 3. Full Name, Mailing Address and ZIP Code                                                                                       |  | Name of Employer                                |                                                                                |
|                                                                                                                                  |  | Occupation                                      |                                                                                |
|                                                                                                                                  |  | Amount Guaranteed Outstanding<br>\$             |                                                                                |
| B. Full Name, Mailing Address and ZIP Code of Loan Source                                                                        |  | Original Amount of Loan                         | Balance Outstanding at Close of This Period                                    |
| Honfed Bank (Loan 3)<br>188 Merchant Street<br>Honolulu, HI 96813                                                                |  | See<br>Schedule<br>II                           | 90,246.29                                                                      |
| Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): |  |                                                 |                                                                                |
| Terms: Date Incurred <u>9/10/90</u> Date Due <u>9/5/2005</u> Interest Rate <u>11.65</u> (Year)                                   |  |                                                 | <input type="checkbox"/> Secured <input checked="" type="checkbox"/> Unsecured |
| List All Endorsers or Guarantors (if any) to Item B                                                                              |  |                                                 |                                                                                |
| 1. Full Name, Mailing Address and ZIP Code                                                                                       |  | Name of Employer                                |                                                                                |
| Matthew M. Matsunaga<br>1006 Lunalu Street<br>Kailua, HI 96734                                                                   |  | Wichman, Case,<br>Mukai, & Ichiki<br>Attorney   |                                                                                |
|                                                                                                                                  |  | Amount Guaranteed Outstanding<br>\$ 90,246.29   |                                                                                |
| 2. Full Name, Mailing Address and ZIP Code                                                                                       |  | Name of Employer                                |                                                                                |
|                                                                                                                                  |  | Occupation                                      |                                                                                |
|                                                                                                                                  |  | Amount Guaranteed Outstanding<br>\$             |                                                                                |
| 3. Full Name, Mailing Address and ZIP Code                                                                                       |  | Name of Employer                                |                                                                                |
|                                                                                                                                  |  | Occupation                                      |                                                                                |
|                                                                                                                                  |  | Amount Guaranteed Outstanding<br>\$             |                                                                                |
| SUBTOTALS This Period This Page (optional)                                                                                       |  |                                                 | 90,248.29                                                                      |
| TOTALS This Period (See page 1)                                                                                                  |  |                                                 |                                                                                |

FINANCIAL STATEMENT OF MATT MURPHY

C 00248878

Schedule E2

Attachment to Schedule C, Page 1(A) and Page 2(A) & (B)

**Loan 1 - International Savings and Loan**

The candidate borrowed \$25,000.00 from International Savings and Loan on 8/24/90. He loaned the following amounts to the campaign committee:

| <u>Date</u> | <u>Amount</u>   |
|-------------|-----------------|
| 08/24/90    | \$ 10,000.00    |
| 08/27/90    | 10,000.00       |
| 09/10/90    | <u>5,000.00</u> |
|             | \$ 25,000.00    |

AZ

This loan was subsequently paid off with interest of \$248.29 on 9/10/90 by Loan 3 (below). The \$25,248.29 pay off was made as a direct payment from Loan 3.

**Loan 2 - National Mortgage & Finance Co., Ltd.**

The candidate borrowed \$10,000.00 from National Mortgage and Finance Co., Ltd. on 9/10/90. On 9/10/90, he loaned \$10,000.00 to the campaign committee.

The loan was subsequently paid off from the proceeds of Loan 3 (below) on 9/13/90. The interest on the loan, \$9.87, was paid by the candidate and included as a contribution from the candidate on Schedule A.

**Loan 3 - NonFed Bank**

On 9/10/90 the candidate obtained a loan from NonFed Bank. He loaned the following amounts to the campaign committee:

| <u>Date</u> | <u>Description</u>             | <u>Amount</u>   |
|-------------|--------------------------------|-----------------|
| 09/10/90    | Payoff of Loan 1               | \$ 25,248.29    |
| 09/13/90    | Payoff of Loan 2               | 10,000.00       |
| 09/13/90    | Cash proceeds                  | 40,000.00       |
| 09/17/90    | Cash proceeds                  | 10,000.00       |
| 09/19/90    | Cash proceeds                  | <u>5,000.00</u> |
|             | Balance outstanding at 9/30/90 | \$ 90,248.29    |

AZ

No payments have been made as of 9/30/90.

00714131303



**FEDERAL ELECTION COMMISSION**

WASHINGTON, DC 20543

40-9

APR 26 1990

Howard Y. Ikeda, Treasurer  
Friends of Matt Matsunaga  
P.O. Box 3318  
Honolulu, HI 96801

Identification Number: C00245878

Reference: October Quarterly Report (9/3/90-9/30/90)

Dear Mr. Ikeda:

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:

-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 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))

Any amendment or clarification should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515. 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,

*Andrew Zehe*

Andrew Zehe  
Reports Analyst  
Reports Analysis Division

**MEMORANDUM FOR FILES: TELECON**

**SUBJECT: 48 Hour Notices**

**FROM: Andrew Zehe**

**TO: Jo Anne Matsunaga**

**NAME OF COMMITTEE: Friends of Matt Matsunaga**

**DATE: 5-1-91**

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O The analyst returned a phone call from Jo Anne Matsunaga. She stated that she had just received a letter concerning 48 Hour Notices, and she asked which contributions had not been reported. The analyst informed her that the missing 48 Hour Notices were from candidate loans. She stated that she was unaware loans needed to be reported on 48 Hour Notices. She added that the Committee would like to send a letter stating this for the public record.

91 MAY -9 AM 11:12

Friends of Matt Matsunaga  
P. O. Box 3318  
Honolulu, HI 96801

May 2, 1991

Mr. Andrew Zehe  
Federal Election Commission  
999 E. Street NW  
Washington, DC 20463

Dear Mr. Zehe:

Re: Friends of Matt Matsunaga  
FEC Identification Number: C00245878  
U.S. House, Office of the  
Clerk Identification Number : 136824

91040371790  
Enclosed is a copy of your letter dated April 26, 1991 which we received on April 30, 1991. Your letter indicates that our committee failed to file one or more of the required 48 hour notices regarding "last minute" contributions received by the committee after the close of the books for the 12 Day Pre-Primary report. We were unaware at the time that loan proceeds from loans secured by the candidate were considered contributions for the "last minute" contribution reporting requirement. Therefore, no "last minute" contribution reports were filed for the loan proceeds received by the committee during the period of two and twenty days before the primary election. Please note, however, that the committee did file all of the other required "last minute" contribution reports for contributions received from individual contributors.

91040371790  
Your letter also indicates that the Commission may take legal action. We respectfully request that no legal action be taken regarding the non-filing of the 48 hour notice for "last minute" contributions for loan proceeds received by the committee because the failure to file the reports was not due to an intentional disregard of the rules but rather due to a misunderstanding of what constitutes a "last minute" contribution. Your favorable consideration will be greatly appreciated.

Please write to us should you have any questions or required any additional information.

Very truly yours,



Howard Y. Ikeda  
Treasurer

cc: Clerk of the House of Representatives  
Campaign Spending Commission



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-5

APR 26 1991

Howard Y. Ikeda, Treasurer  
Friends of Matt Matsunaga  
P.O. Box 3318  
Honolulu, HI 96801

Identification Number: C00245878

Reference: October Quarterly Report (9/3/90-9/30/90)

Dear Mr. Ikeda:

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:

-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 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))

Any amendment or clarification should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515. 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,

*Andrew Zehe*

Andrew Zehe  
Reports Analyst  
Reports Analysis Division

91040371791

Rec'd FEC Secretariat  
1991 June 5 PM  
3:38

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

**FIRST GENERAL COUNSEL'S REPORT**

RAD Referral #91L-56  
Staff Member Richard Tisinger

**SOURCE: INTERNALLY GENERATED**

**RESPONDENT:** Friends of Matt Matsunaga and  
Howard Y. Ikeda, as treasurer

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

**INTERNAL REPORTS CHECKED:** Referral Materials

**FEDERAL AGENCIES CHECKED:** None

**I. GENERATION OF MATTER**

The Reports Analysis Division ("RAD") referred this matter to the Office of the General Counsel. See Attachment 1. Friends of Matt Matsunaga and Howard Y. Ikeda, as treasurer failed to file 48-Hour Notices for seven (7) contributions/loan guarantees of \$1,000 or more, totaling \$105,248.29.

**II. FACTUAL AND LEGAL ANALYSIS**

For the Factual and Legal Analysis, See Attachment 2.

**III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY**

91040371792

IV. RECOMMENDATIONS

1. Open a MUR.

2. Find reason to believe that Friends of Matt Matsunaga and Howard Y. Ikeda, as treasurer, violated 2 U.S.C. § 434(a)(6)(A).

3. Enter into conciliation with Friends of Matt Matsunaga and Howard Y. Ikeda, as treasurer, prior to a finding of probable cause to believe.

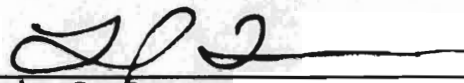
4. Approve the appropriate letter and the attached Factual and Legal Analysis and proposed Conciliation Agreement.

Lawrence M. Noble  
General Counsel

Date

10/6/91

BY:

  
Lois G. Lerner  
Associate General Counsel

Attachments

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

91040371793

91040371794

...

**RAD Referral #91L-56**

(MUR 3338)

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 10, 1991, the Commission decided by a vote of 5-0 to take the following actions in RAD Referral #91L-56:

1. Open a MUR.
2. Find reason to believe that Friends of Matt Matsunaga and Howard Y. Ikeda, as treasurer, violated 2 U.S.C. § 434(a)(6)(A).
3. Enter into conciliation with Friends of Matt Matsunaga and Howard Y. Ikeda, as treasurer, prior to a finding of probable cause to believe.

(Continued)

4. Approve the appropriate letter and the Factual and Legal Analysis and proposed Conciliation Agreement, as recommended in the General Counsel's Report dated June 6, 1991.

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

Attest:

June 10, 1991  
Date

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

Received in the Secretariat: Wed., June 5, 1991 3:38 p.m.  
Circulated to the Commission: Thurs., June 6, 1991 11:00 a.m.  
Deadline for vote: Mon., June 10, 1991 11:00 a.m.

dr

91040871795



**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

June 17, 1991

Friends of Matt Matsunaga  
Howard Y. Ikeda, Treasurer  
P.O. Box 3318  
Honolulu, HI 96801

RE: MUR 3338  
Friends of Matt Matsunaga,  
Howard Y. Ikeda, as  
treasurer

Dear Mr. Ikeda:

On June 10, 1991, the Federal Election Commission found that there is reason to believe Friends of Matt Matsunaga ("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.

91040871796

Howard. Y. Ikeda, Treasurer  
Page Two

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

Sincerely



John Warren McGarry  
Chairman

Enclosures

Factual and Legal Analysis  
Procedures  
Designation of Counsel Form  
Conciliation Agreement

91040871797

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENTS:** Friends of Matt Matsunaga and  
Howard Y. Ikeda, as treasurer

**MUR: 3338**

91040871798  
The Friends of Matt Matsunaga committee ("Committee") is the principal campaign committee for Matt Matsunaga, the unsuccessful 1990 Primary Election candidate in the First Congressional District of Hawaii. The Federal Election Campaign Act, as amended, ("the Act") requires a candidate's principal campaign committee to file special notices of 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. The 48-Hour Notices must reach the appropriate federal office within 48 hours of the committee's receipt of the contributions. These last-minute contributions must also be itemized on the committee's next scheduled report. 2 U.S.C. § 434(a)(6)(A) and 11 C.F.R. § 104.5(f).

The Act defines a "contribution" as any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(8)(A)(i). While loans in the ordinary course of business and in accordance with applicable law by certain financial institutions are not considered contributions by the financial institution, each endorser or guarantor of the loan is considered to have made a contribution in that proportion of the unpaid balance that each endorser or

guarantor bears to the total number of endorsers or guarantors.  
See 2 U.S.C. § 431(8)(B)(vii)(I).

The primary election for the First District Congressional seat in Hawaii was held on September 22, 1990. In this case, pursuant to 2 U.S.C. § 434(a)(6)(A), the Committee was required to file notifications of all contributions of \$1,000 or more received after September 2, 1990 but before September 20, 1990. On August 17, 1990, a Prior Notice was sent to the Committee informing them of the 48-hour reporting requirement. Schedules A and C of the 1990 October Quarterly Report indicate that the Committee failed to file 48-Hour Notices for seven (7) contributions/loans of \$1,000 or more totaling \$105,248.29 received prior to the 1990 Primary Election, as follows:

| Contributor                  | Date Received | Aggregate Amount |
|------------------------------|---------------|------------------|
| Matthew M. Matsunaga         | 9/10/90       | \$5,000.00       |
| (Candidate guaranteed all of | 9/10/90       | \$10,000.00      |
| these bank loans)            | 9/10/90       | \$25,248.29      |
|                              | 9/13/90       | \$10,000.00      |
|                              | 9/13/90       | \$40,000.00      |
|                              | 9/17/90       | \$10,000.00      |
|                              | 9/19/90       | \$5,000.00       |

Therefore, there is reason to believe that Friends of Matt Matsunaga committee and Howard Y. Ikeda, as treasurer, violated 2 U.S.C. § 434(a)(6)(A).

91040871799

FRIENDS OF MATT MATSUNAGA  
P. O. BOX 3318  
HONOLULU, HAWAII 96801

91 JUL -3 AM 9:17

June 24, 1991

Mr. John Warren McGarry  
Chairman  
Federal Election Commission  
Washington, D.C. 20463

Re: MUR 3338  
Friends of Matt Matsunaga  
Howard Y. Ikeda, as Treasurer  
Response to Correspondence Dated June 17, 1991

Dear Mr. McGarry:

The purpose of this letter is to provide additional information to demonstrate that no action should be taken against the Committee and myself as Treasurer with respect to the purported failure to include loans by the candidate as last minute contributions under the 48 hour reporting rule.

Facts and circumstances are as follows:

- 1) The candidate, Matthew Matsunaga, filed his statement of candidacy on June 4, 1990.
- 2) The candidate was a first-time candidate for Federal office or any public office.
- 3) Members of his Committee had little or no experience in Federal Election requirements and had to read regulation materials and attend a seminar to become familiar with Federal Election laws.
- 4) The Treasurer, Howard Y. Ikeda, volunteered to help in the campaign but was never a treasurer for any previous Federal Campaign.
- 5) The Treasurer's primary source of reference for compliance with the election laws was the "Federal Election Commission Campaign Guide." In addition, the Federal Election Commission staff personnel provided a very helpful resource in answering questions at the seminar held in Hawaii and also via the toll free number.
- 6) "Last Minute Contribution Reports" were filed for all contributions received within the 20 day cut-off period and the stipulated 48 hour period (see copies enclosed). All such reports were completed and filed in the required time period.

91 JUL -3 PM 10:00

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE SERVICES BRANCH

91040371800

- 91040371301
- 7) All previous loans by the Candidate were reported as loans by the candidate on all previous FEC Form 3 Reports filed (prior to the pre-election period) and not as contributions. The FEC notified the Treasurer after review of each report of any changes or need for clarification. At no time were we advised that the loans from the Candidate should have been classified as contributions and not as loans.
- 8) Page 5 of the Federal Election Commission Campaign Guide (the "Guide") states, "A loan, including a loan to the campaign from a member of the candidate's family, is considered a contribution to the extent of the outstanding balance of the loan. (Bank loans, however, are not considered contributions if made in the ordinary course of business. 100.7(b)(11). See page 13.)" The loans at issue do indeed meet the requirements of a bank loan made in the ordinary course of business set forth on page 13, and thus a reasonable interpretation of this section of the Guide is that the loans should not be reported as contributions.
- 9) Page 11 of the Guide states:  
"Personal funds donated to the campaign are reported as contributions from the candidate;  
.  
.  
.  
Personal funds loaned to the campaign are reported as loans from the candidate from the outset. This is necessary if the candidate wishes to be repaid; funds reported as contributions from the candidate may not later be converted to loans."  
A reasonable interpretation of the above section of the Guide is that, if the candidate reports personal funds loaned to the campaign as contributions, then the campaign may not at a later time repay the candidate such funds. The campaign's intent at all times was to repay the loans made by the candidate from contributions received at a later date. In fact, the campaign and the candidate entered into loan documents evidencing the loans. The campaign treated the loans as contributions to secure the right of the campaign to repay such loans and not to conceal the existence of the loans.
- 10) The Treasurer used the office of the FEC to answer all questions with respect to reporting requirements and followed all recommendations. The question of including the Candidate's loans as contributions was never asked since we deemed the amounts to be true loans to be repaid.
- 11) The Committee and the Treasurer expended a significant amount of time and effort to insure compliance with all phases of the campaign spending laws and made every effort to handle all aspects of the recording of information and the reporting of all information in the most professional manner possible. The purpose of the loan by the Candidate was to pay for expenses that were anticipated and planned for. At no time was there any intent to conceal or misinform the FEC regarding the amount or nature of the loan proceeds.

Mr. John Warren McGarry  
Page three  
June 24, 1991

- 12) Although the Act defines "contribution" as any gift, subscription, loan, advance or anything of value made by any person for the purpose of influencing any election of Federal office, we earnestly believed that the Candidate was not included in "any person" since he is the candidate and not someone outside attempting to influence the outcome of the election.

We are very concerned over the possibility of civil fines and feel that any assessment would be unfair as we sincerely attempted to follow the "spirit" of the law. Any misinterpretation of the rules that may have occurred was inadvertent and not due to wilful neglect or negligence and there was no intent to distort the facts. We, therefore, ask for your consideration and assistance in abating any civil fines that might be imposed. Your help in this matter will be very much appreciated.

Should you require additional information or clarification on this matter, please write or call me at (808) 524-3660. I have also enclosed a previous response to the initial request for reporting clarification which you may or may not have considered in your review.

Very truly yours,



Howard Y. Ikeda  
Treasurer

HYI:jt

Enclosures

cc: Richard Tisinger

21540371302

Friends of Matt Matsunaga  
P. O. Box 3318  
Honolulu, HI 96801  
September 20, 1990

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

Gentlemen:

Candidate's Name: Matthew M. Matsunaga  
Friends of Matt Matsunaga  
P.O. Box 3318  
Honolulu, HI 96801

Office: U.S. House of Representatives  
State of Hawaii, District 01

RE: Last Minute Contributions

The following last minute contribution of \$1,000 or more was received by  
the campaign committee:

Contributor: Mariam Lesnick Chavez  
44 Cornelia Drive  
Hillsborough, CA 94010

Occupation: Editor

Employer: Replica Magazine

Date of Receipt: September 20, 1990

Amount: \$1,000.00

Very Truly Yours,



Howard Y. Ikeda, Treasurer

COPY

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF LEGAL COUNSEL

91 JUL -2 PM 10:01

91040871803

Friends of Matt Matsunaga  
P. O. Box 3318  
Honolulu, HI 96801  
September 20, 1990

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

Gentlemen:

Candidate's Name: Matthew M. Matsunaga  
Friends of Matt Matsunaga  
P.O. Box 3318  
Honolulu, HI 96801

Office: U.S. House of Representatives  
State of Hawaii, District 01

RE: Last Minute Contributions

The following last minute contribution of \$1,000 or more was received by  
the campaign committee:

Contributor: Fernando F. Chavez  
44 Cornelia Drive  
Hillsborough, CA 94010

Occupation: Attorney

Employer: Self-employed

Date of Receipt: September 20, 1990

Amount: \$1,000.00

Very Truly Yours,



Howard Y. Ikeda, Treasurer

91040371804

Friends of Matt Matsunaga  
P. O. Box 3318  
Honolulu, HI 96801

September 21, 1990

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

Gentlemen:

Candidate's Name: Matthew M. Matsunaga  
Friends of Matt Matsunaga  
P.O. Box 3318  
Honolulu, HI 96801

Office: U.S. House of Representatives  
State of Hawaii, District 01

RE: Last Minute Contributions

The following last minute contribution of \$1,000 or more was received by  
the campaign committee:

Contributor: Richard L. Weisman  
The Highlands  
Seattle, WA 981777

Occupation: Unemployed

Employer: N/A

Date of Receipt: September 21, 1990

Amount: \$1,000.00

Very Truly Yours,



Howard Y. Ikeda, Treasurer

91040371805

Friends of Matt Matsunaga  
P. O. Box 3318  
Honolulu, HI 96801

September 12, 1990

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

Gentlemen:

Candidate's Name: Matthew M. Matsunaga  
Friends of Matt Matsunaga  
P.O. Box 3318  
Honolulu, HI 96801

Office: U.S. House of Representatives  
State of Hawaii, District 01

RE: Last Minute Contributions

The following last minute contribution of \$1,000 or more was received by  
the campaign committee:

Contributor: Mitsue Toyama  
2845 Dole Street  
Honolulu, HI 96816  
Occupation: News Translator Newscaster  
Employer: KOHO Radio

Date of Receipt: 9/12/90, 4:00 p.m.

Amount: \$1,000.00

Very Truly Yours,



Howard Y. Ikeda, Treasurer

91040871806

Friends of Matt Matsunaga  
P. O. Box 3318  
Honolulu, HI 96801

May 2, 1991

RECEIVED  
FEDERAL ELECTION COMMISSION  
DIRECTOR GENERAL COUNSEL  
91 JUL -2 PM 10:00

Mr. Andrew Zehe  
Federal Election Commission  
999 E. Street NW  
Washington, DC 20463

Dear Mr. Zehe:

Re: Friends of Matt Matsunaga  
FEC Identification Number: C00245678  
U.S. House, Office of the  
Clerk Identification Number : 136824

7  
Enclosed is a copy of your letter dated April 26, 1991 which we received on April 30, 1991. Your letter indicates that our committee failed to file one or more of the required 48 hour notices regarding "last minute" contributions received by the committee after the close of the books for the 12 Day Pre-Primary report. We were unaware at the time that loan proceeds from loans secured by the candidate were considered contributions for the "last minute" contribution reporting requirement. Therefore, no "last minute" contribution reports were filed for the loan proceeds received by the committee during the period of two and twenty days before the primary election. Please note, however, that the committee did file all of the other required "last minute" contribution reports for contributions received from individual contributors.

4  
Your letter also indicates that the Commission may take legal action. We respectfully request that no legal action be taken regarding the non-filing of the 48 hour notice for "last minute" contributions for loan proceeds received by the committee because the failure to file the reports was not due to an intentional disregard of the rules but rather due to a misunderstanding of what constitutes a "last minute" contribution. Your favorable consideration will be greatly appreciated.

Please write to us should you have any questions or required any additional information.

Very truly yours,

COPY

Howard Y. Ikeda  
Treasurer

cc: Clerk of the House of Representatives  
Campaign Spending Commission

RECEIVED  
F.E.C.  
SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION  
91 AUG 27 AM 10:25

In the Matter of )

) MUR 3338

Friends of Matt Matsunaga and )  
Howard Y. Ikeda, as treasurer )

**SENSITIVE**

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On June 10, 1991, the Commission found reason to believe Friends of Matt Matsunaga and Howard Ikeda, as treasurer, violated 2 U.S.C. § 434(a)(6)(A), in connection with candidate-endorsed bank loans which were not disclosed prior to the Hawaii primary election held on September 22, 1990. On June 17, 1991, the Commission notified respondents of this finding and enclosed a proposed conciliation agreement. On July 3, 1991, this Office received a response (Attachment 1).

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II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with Friends of Matt Matsunaga and Howard Y. Ikeda, as treasurer.
2. Close the file.
3. Approve the appropriate letter.

Lawrence M. Noble  
General Counsel

8-23-91  
Date

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

Attachments

1. Response to Reason to Believe
2. Conciliation Agreement

Staff Assigned: Jonathan Bernstein

91040871810

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Friends of Matt Matsunaga and  
Howard Y. Ikeda, as treasurer.

)  
)  
) MUR 3338  
)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 29, 1991, the Commission decided by a vote of 5-0 to take the following actions in MUR 3338:

1. Accept the conciliation agreement with Friends of Matt Matsunaga and Howard Y. Ikeda, as treasurer, as recommended in the General Counsel's Report dated August 23, 1991.
2. Close the file.
3. Approve the appropriate letter, as recommended in the General Counsel's Report dated August 23, 1991.

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

Attest:

8-30-91  
Date

*Delores Harris*  
for Marjorie W. Emmons  
Secretary of the Commission

Received in the Secretariat: Tues., Aug. 27, 1991, 10:26 a.m.  
Circulated to the Commission: Tues., Aug. 27, 1991, 4:00 p.m.  
Deadline for vote: Thurs., Aug. 29, 1991, 4:00 p.m.

bjf

91040371811



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 25, 1991

**CLOSED**

Matthew M. Matsunaga, Esquire  
Carlsmith Ball Wichman Murray Case  
Mukai & Ichiki  
1001 Bishop Street  
Pacific Tower, Suite 2200  
Honolulu, HI 96809

RE: MUR 3338  
Friends of Matt Matsunaga  
and Howard Y. Ikeda,  
as treasurer

Dear Mr. Matsunaga:

The Federal Election Commission has accepted the signed conciliation agreement submitted by you in settlement of a violation of 2 U.S.C. Sc 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. Sc 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. I remind you that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact Jonathan Bernstein, 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

91040871812

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Friends of Matt Matsunaga and ) MUR 3338  
Howard Y. Ikeda, 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 Friends of Matt Matsunaga and Howard Y. Ikeda, 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 action should be taken in this matter.

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

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

1. Friends of Matt Matsunaga is a political committee within the meaning of 2 U.S.C. § 431(4) and is a principal campaign committee within the meaning of 2 U.S.C. § 431(5).

91040871813

2. Howard Y. Ikeda is treasurer of Friends of Matt Matsunaga.

3. The candidate was involved in the 1990 Primary Election in the First Congressional District of Hawaii.

4. Pursuant to 2 U.S.C. § 434(a)(6)(A), political committees authorized by a candidate must file special notices identifying contributors who make 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, and must file these special notices within 48 hours of the committee's receipt of such contributions.

5. Respondents were required to file special notices identifying contributors who made contributions of \$1,000 or more received after September 2, 1990 but before September 20, 1990, including loans from the candidate of \$1,000 or more received during that period. Respondents failed to file special notices for last-minute loans from the candidate, totaling \$105,248.29, but disclosed such loans in subsequent reports.

V. Respondents filed special notices for all other last-minute contributions, but failed to file special notices for \$105,248.29 in last-minute loans from the candidate in violation of 2 U.S.C. § 434(a)(6)(A). Respondents contend that the violation was not knowing and willful.

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

91040371814

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

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

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

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein. 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  
Lois G. Lerner  
Associate General Counsel

9/25/91  
Date

FOR THE RESPONDENTS:

Howard Y. Ikeda  
Howard Y. Ikeda  
Treasurer

9/18/91  
Date

91040871815



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3392

DATE FILMED 10/23/91 CAMERA NO. 2

CAMERAMAN AS

91040871816



FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

THE FOLLOWING DOCUMENTATION IS ADDED TO  
THE PUBLIC RECORD IN CLOSED MUR 3338 .

11/6/91

91040374785

CC 374

FEDERAL ELECTION COMMISSION

Howard Y. Ikeda  
P.O. Box 3318  
Honolulu, HI 96801

91 OCT 21 PM 1:25

October 16, 1991

CLOSED

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE CLERK  
91 OCT 22 PM 3:06

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

Gentlemen:

Re: MUR 3338  
Friends of Matt Matsunaga  
and Howard Y. Ikeda, as treasurer

Pursuant to your letter of September 25, 1991 enclosed herewith is  
our check in the amount of \$2,000 for Friends of Matt Matsunaga.

Very truly yours,



Howard Y. Ikeda

HYI:sm

Enclosure

910474786



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Oct 22, 1991

TWO WAY MEMORANDUM

TO: Fabrae Brunson  
OGC, Docket

FROM: Philomena Brooks *PB*  
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from Howard Ikeola, check number 606, dated Oct 16, 1991, and in the amount of \$ 2000.00. Attached is a copy of the check and any correspondence that was forwarded. Please indicate below the account into which it should be deposited, and the MUR number and name.

-----

TO: Philomena Brooks  
Accounting Technician

FROM: Fabrae Brunson *PB*  
OGC, Docket

In reference to the above check in the amount of \$ 2000, the MUR number is 3338 and in the name of Friends of Matt Matsunaga. The account into which it should be deposited is indicated below:

- ☐ Budget Clearing Account (OGC), 95F3875.16
- ☒ Civil Penalties Account, 95-1099.160
- ☐ Other: \_\_\_\_\_

Fabrae D Brunson  
Signature

Oct 23, 1991  
Date

91040374787

HOWARD Y. IKEDA  
GAYLE A. IKEDA  
5-220 ALALOA PL.  
KANELOE, HI 96744

606

10/16/91

19

58-7076/3213

*Pay to the Order of* Federal Election Commission \$ 2000.00  
Two thousand & 00/100 Dollars

American Savings Bank

An ~~AT&T~~ Company

HEAD OFFICE  
FINANCIAL PLAZA OF THE PACIFIC  
1000 KALANANUOULI DRIVE

"MONEY MARKET ACCOUNT"

MYR 3338

⑆321370765⑆0606 01⑆410938⑈

91040874788