



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3632

DATE FILMED 4-3-96 CAMERA NO. 3

CAMERAMAN JmH

96043731005

KIMCO INDUSTRIES, INC.

232 Madison Avenue, New York, NY 10016
Tel (212) 683-2011 Fax (212) 683-4944

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

JUN 8 9 53 AM '92

Pre-MUR 265

RECEIVED
FEDERAL ELECTION COMMISSION
JUN 8 PM 4:49

Office of General Council
Federal Election Commission
999 E Street, NW
Washington, DC 20463

26th May, 1992

To Whom it May Concern:

I am writing to file a formal complaint against the Jerry Brown for President Campaign, 1992 for monies owed to us against the enclosed invoices.

The total amount due us is: \$ 28,493.95

Sincerely,



Paul M. Zarrillo
President

96043731009

INDUSTRIES

250 Madison Avenue, New York, NY 10016
Tel (212) 683-2011 Fax (212) 683-4944

National Headquarters
Jerry Brown Campaign '92
Attn: Jody

9th April, 1992

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
92 JUN -8 PM 4:49

Dear Jody:

I am writing in an effort to enlist your assistance so that we can get paid for the buttons & t-shirts which we produced (in good faith) for the New York campaign, at the behest of a gentleman referred to as "Irish". This person represented himself as the "Assistant National Campaign Manager", and was met on various occasions at the New York campaign headquarters, where he was obviously well known and well regarded.

I have not (to date) received a response from Mr. Bourban; nor from Mr. Pellegrini, and "Irish" has 'left the building', so to speak, and gone on to the new headquarters in Pennsylvania.

I have enclosed copies of those invoices which have been left unpaid. The total amount of these invoices exceeds \$10,685.35 - and as a small business, we can not possibly afford a loss of this magnitude. Please help if you can. We are feeling rather badly used. We seriously require a response by 5PM today. Thank you.

COPY

Sincerely,



Paul M. Zarrillo
President

9604331010

92 JUN -8 PM 4:49

Mr. Ron Brown
Democratic Nat'l Headquarters
430 So. Capitol Street, SE
Washington, DC 20003

COPY

22nd, May 1992

Dear Mr. Brown:

On the 9th of April, Kimco Industries contacted Ms. Jody Evans (Jerry Brown's Campaign Manager) regarding a matter which has caused us and continues to cause us much anguish and concern:

During the month of March, we were contacted by a representative from the Jerry Brown campaign, and asked to produce large quantities of Buttons and T-shirts for that campaign. This person represented himself as the "Assistant National Campaign Manager" to Jerry Brown, and he provided us with artwork and the promise that we would receive cash within twenty-four hours of delivery of this merchandise.

It is now late in May, and those twenty-four hours have long since come and gone. Still, we have received only \$1,000.00 towards the total amount which is due us. You will see from the enclosed documentation that the outstanding balance due us puts to shame the amount thus far received.

Jody Evans will not return our calls, nor will she respond in any way to our letters. Several of Jerry Brown's higher-ups have contacted us on various occasions, all acknowledging the debt, and promising to make restitution, as soon as they get "somebody else" to any number of "necessary things" which "have to be done" in order to pay this bill.

Following a press release made by Kimco Industries, describing the situation, articles were run in the New York Daily News in Advertising Specialties Magazine, and we have had reports that this matter has been discussed on various radio shows.

The name of the fellow who got us into this mess is Colin McKenna. He goes by the nickname "Irish", and we had quite a time trying to get his real name. Please advise if you can help us to collect this outstanding debt, as we are now being daunted by our own suppliers who have also suffered as a result of this gross misconduct on the part of the Brown campaign.

Sincerely,

Paul M. Zarrillo
President

p2/Act
Encl.

96043731012



PLEASE Help!

24th, April, 1992

To Whom it may Concern:

We at Kimco Industries would like to bring to your attention to a situation which we consider to be major example of the current trend toward contradiction and dishonesty in our political system today:

Presidential candidate Jerry Brown prates on and on about how abominably the "system stinks", and how badly it needs reform. His campaign is directed toward gaining the support of 'the little guy' who is 'always getting hurt...' in the big shuffle. He's going to change things for the better. A lot of people are giving him their support based on his firm stand against the current trend. I guess we can safely assume that Jerry Brown wants to protect 'the little guy' from these abominations.

Jerry Brown wants to run the country. But who's running his campaign? Who's ordering tens of thousands of T-shirts, and buttons, and special custom-designed artwork (from 'the little guys') and *NOT PAYING FOR THEM?*

Kimco Industries is one of the little guys that has been given the dubious honor of producing these items for the Brown Campaign. We liked Jerry Brown. He was supporting folks like us, or so we thought. Normally, we would have insisted upon prepayment for any job done for a political candidate, because everyone knows you can't trust these guys, right? But, no. We gave

96043731014

this defender of the people the benefit of the doubt. Well, now we're in a position to tell you: DON'T YOU DO IT.

Initially we were approached by a fellow who is referred to by the nickname, *Irish*. He represented himself as a personal friend of Jerry Brown's, and *THE* Assistant National Campaign Manager. On more than one occasion we met Irish at the Brown Campaign Headquarters at 330 West 42nd Street, New York City, where people were taking orders from Irish, asking for his direction in Campaign matters, and getting it. He appeared to be well established and respected within the Campaign. The current story is that these people are all volunteers, and the Campaign can't be responsible for the actions of volunteers. Sorry.

So, Jerry Brown only takes contributions of \$100 or less. In that case, how is he going to pay for the (roughly) \$20,000.00 worth of merchandise that has been ordered (just from us) for his campaign? The answer? *HE IS NOT GOING TO PAY FOR IT, IS HE?* We come to this conclusion after having been given the old soft shoe by Brown Campaign representatives, Kevin McDermott and Kevin Conner. They, at least, have given us something of a \$20,000.00 dance, whereas Brown's 'official' Campaign Manager, Jody Evans has yet to respond with so much as even the simple courtesy of a returned phone call.

Kimco Industries is not the only little guy getting hurt here, either. Now we are being seriously threatened (with lawsuits) by *our own suppliers*, with whom we've been working for a good, long time - without incident - up to now. We thought we'd pass our good fortune along to them, you see. And you can just imagine how thankful they feel right now. A 'little guy' in Dakota, Minnesota has purchased tens of thousands of buttons for use by this campaign. Some of these have been imprinted (ironically) with Jerry's "We the People" logo, and shipped to Jerry's various

campaign events. Some of them are sitting on the warehouse floor, in boxes, waiting to be paid for. How is the little guy in Minnesota going to pay for them, if Jerry doesn't pay Kimco, and Kimco can't pay *them*?

Another two little guys (one in East Newark and one in Newark, New Jersey) are sitting on thousands of T-shirts. And one of these has bought a new silk screening machine to handle the *RUSH RUSH RUSH* status of these orders. How do these little guys make their money back? It looks to us like Jerry's just like all the rest. Thanks for the great ideas, Jer. Thanks, but no thanks. "We the People" will be casting our votes elsewhere.

Sincerely,

Paul M. Zarrillo
President

96043731015

Brown's unpaid bill is primary concern for T-shirt supplier

By Steven W. Colford

Jerry Brown might want to "Take back America" but Paul Zarrillo just wants him to pay for 6,000 T-shirts.

Mr. Zarrillo, a Manhattan-based vendor of advertising and promotional supplies, claims he's out more than \$20,000 because the Brown Democratic presidential campaign allegedly ordered and then failed to pay for promotional supplies from Mr. Zarrillo's Kimco Industries.

Days before the April 7 New York primary, Mr. Zarrillo said, he agreed to provide to the Brown campaign 30,000 buttons and about 6,000 silk-screened T-shirts with an image of the White House and the former California governor's populist slogan, "We the People."

"We were approached by a fellow who is referred to by the nickname Irish," Mr. Zarrillo said. "He represented himself as a personal friend of Jerry Brown's, and the assistant national campaign manager."

The deal was consummated with the same campaign staffer, allegedly from Brown's Manhattan headquarters, and terms were cash on delivery.

"He appeared to be well-established and respected within the campaign," Mr. Zarrillo said of the man called Irish. "Normally we would have insisted upon prepayment for any job done for a political candidate because everyone knows you can't trust these guys, right?"

"But ... we gave this defender of the people the benefit of the doubt. We like Jerry Brown ... We got sucked in because we were told that within 24 hours we would get cash."

Kimco made good on an initial delivery of a few thousand buttons and shirts, Mr. Zarrillo said, but received only about \$1,000. He said he told the Brown campaign he'd deliver the rest only after getting paid.

Now he has mountains of Jerry Brown buttons and T-shirts on the floor of his New Jersey warehouse, threats of lawsuits from unpaid subcontractors on his mind and a stack of unreturned calls from Brown campaign staffers on his desk.

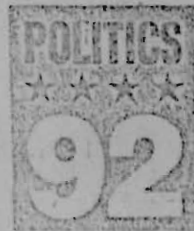
"Kimco Industries is not the only little guy getting hurt here either," Mr. Zarrillo said. "Now we are being seriously threatened [with lawsuits] by our own suppliers, with whom we've been working for a good, long time without incident—up to now."

Further complicating the issue is a claim by an Albany, N.Y., design shop, Forsythe, Winslow & Bullard, that the T-shirt design was actually a design that Forsythe proposed Feb. 18 via fax to the Brown campaign's national headquarters in Los Angeles.

"We sent them a proposal for T-shirts ... that was rejected. They told us their campaign didn't do T-shirts," said Charles Winslow, a partner at Forsythe. "Now we see our design on their T-shirts."

Mr. Winslow said he, too, dealt with the mysterious Brown volunteer Irish, who provided Mr. Zarrillo's company with a design for T-shirts. He said he's waiting for a public apology from the campaign.

Repeated phone calls to Brown headquarters in Manhattan and New Jersey went unanswered. A press aide at the candidate's Los Angeles headquarters said he knew nothing about the transaction. □



... the first glimpse of advertiser activity on the 5-year-old cable network.

Warner-Lambert's outlay means a lot of money for Bart, Lisa, Maggie, Marge and Homer Simpson and other Fox hits, considering Fox currently programs only about half the prime-time hours weekly of any of the Big 3 networks.

... on Fox, of lion on CBS and And A \$13.4 million prime-time series allocation Fox's strong year-olds, below the

Spending

(Continued from Page 3)

executive who buys network TV for an imported car account, said the Arbitron data were closer. However, he said both were "way off-base."

Theoretically, both services should produce similar estimates, because the data are provided by the networks themselves.

Executives at both companies say each network provides monthly rate estimates for the cost of a 30-second commercial in each program.

Using electronic systems for monitoring commercials, both companies simply ascribe the estimates for commercial time to the number of units bought by an advertiser.

Occasionally, when networks refuse to comply with requests to provide cost estimates, the companies solicit the information from major ad agencies.

At best, the estimates are rough guidelines. This is especially true because virtually all TV ad costs are negotiated, with the rate estimates used by both services serving merely as guidelines by network sales executives and media buyers.

But in a for compe Arbitron treated as

However bound to a validity of each service elian Assoc Agencies committee

"Our ence stren

lidity of the Dubbed Competitive group plans side compat lices starting

"We prob answers at Bruce Goerl for of medi Masius Ben York, and c mtee.

Mr. Goerl analyze det the compere both services He said th

P&G says: It's gu

By Dagmar Mussey

DUESSELDORF—Procter & Gamble Co. is creating a new market segment in Germany with the introduction of Vick Throat Gums.

If successful in Germany, the product may go world wide. The gum, which has the same benefit as a cough drop, is now starting distribution to grocery stores and pharmacies. It's chewed until it dissolves entirely.

"With the new Vick Throat Gums, P&G is entering an entirely new product category," a P&G spokesman said. Though the product will be placed on shelves near regular chewing gums, a \$280 million market, the medicinal qualities will pit it against players in the \$220 million cough drop market.

"After the German launch is completed, P&G will ultimately roll out in all big European markets," said a

9604373 8798

92 JUN -8 PM 4:49

5/10 - N.Y. SUNDAY NEWS

APPLE SAUCE

BY PAUL ZARILLO

Button, button, he's got the button — & T-shirts, too!

Look at the bright side. In 50 years, Paul Zarillo will have thousands of valuable collectibles.

The dark side? Today he's stuck with thousands of Jerry Brown campaign buttons and T-shirts. And thousands of dollars' worth of outstanding bills.

Zarillo is president of Kimco Industries, a Manhattan firm specializing in the type of doodads that campaigns and corporations love to use as advertising vehicles.

A Brown campaign volunteer ordered 100,000 buttons and 5,000 T-shirts from Kimco. They were emblazoned with the campaign's "We the People" motto, as well as the ubiquitous Brown campaign 800 number.

Now as a rule, businesspeople always obey the first law of Politics: **GET THE MONEY UP FRONT!**

Zarillo did not. "I figured Jerry Brown was different," he told Sauce. "So I gave him the benefit of the doubt."

Wrong.

He got a \$4,000 down payment. The campaign picked up only a fraction of the shirts and buttons. It still owes Kimco and Zarillo's suppliers \$20,000, he says. And while campaign officials have promised to send a check the past two months, Zarillo believes they are simply passing the buck.

21013734096

KIMCO INDUSTRIES, INC.

Sales Promotion Programs • Premiums • Ad Specialties • Incentives

232 Madison Avenue, New York, NY 10016

Tel (212) 683-2011 Fax (212) 683-4944

ACCOUNT NO.	DATE	INVOICE NO.	BALANCE
3445	4/4/92	4388	\$1,278.50

Release Shipment #1

Joe

BILL TO:

Jerry Brown Campaign '92
"Irish"
330 W. 42nd Street
New York NY

SHIP TO:

Jerry Brown Campaign '92
"Irish"
330 W. 42nd Street
New York NY

KIMCO INDUSTRIES, INC.

Sales Promotion Programs • Premiums • Ad Specialties • Incentives

232 Madison Avenue, New York, NY 10016

Tel (212) 683-2011 Fax (212) 683-4944

212-695-7153

Jerry Brown Campaign '92
"Irish"
330 W. 42nd Street
New York NY

INVOICE

INVOICE	DATE
4388	4/4/92

ACCOUNT NO.	DATE SHIPPED	SHIPPED VIA	TERMS	F.O.B.	CUST. P.O. NO.	SALESMAN
3445	4-4-92	Special Means	On Receipt	Our Factory	Irish	PMZ
QUANTITY ORDERED SHIPPED		ITEM NO	DESCRIPTION		UNIT PRICE	EXTENSION
7500	7500		2.25" Round Campaign Button w/ 2/Color imprint in 2 different designs. Q2. \$1,000.00 4/7 Cash PRICES BASED ON 100,000 PIECE RELEASED IN 5-10,000 PIECE LOTS RUSH Charge		\$0.135	\$1,012.50
					\$35.00	\$35.00

DELIVERED
4-4-92

COPY

Subtotal	\$1,047.50
Tax	\$0.00
Shipping	\$231.00
TOTAL	\$1,278.50
Deposit	

Please detach and retain bottom portion for your records. Return top portion with your payment. Be sure to record invoice number on your check. Invoice payments must be received within 10 Days of the invoice date. Payments received after 20 Days will be charged interest at the rate of 2% Per Month.

BALANCE DUE



\$1,278.50

278.50

9604331015

KIMCO INDUSTRIES, INC.

Sales Promotion Programs • Premiums • Ad Specialties • Incentives

232 Madison Avenue, New York, NY 10016

Tel (212) 683-2011 Fax (212) 683-4944

ACCOUNT NO.	DATE	INVOICE	BALANCE
3445	4/4/92	4392	\$996.85

BILL
TO:

Jerry Brown Campaign '92
"Irish"
330 W. 42nd Street
New York NY

SHIP
TO:

Jerry Brown Campaign '92
"Irish"
330 W. 42nd Street
New York NY

KIMCO INDUSTRIES, INC.

Sales Promotion Programs • Premiums • Ad Specialties • Incentives

232 Madison Avenue, New York, NY 10016

Tel (212) 683-2011 Fax (212) 683-4944

212-695-7159

Jerry Brown Campaign '92
"Irish"
330 W. 42nd Street
New York NY

INVOICE

INVOICE	DATE
4392	4/4/92

ACC NO	DATE SHIPPED	SHIPPED VIA	TERMS	F.O.B.	CUST. P.O. NO.	SALESMAN
3445	4-4-92	Best Way	On Receipt	Our Factory		Paul M Zarrillo
QUANTITY ORDERED SHIPPED		ITEM NO	DESCRIPTION		UNIT PRICE	EXTENSION
5000	5000		3 1/2" Button in 4/C process w/ photo of Jerry Brown & flag in background		\$0.19	7. \$950.00
<i>MADE - Adding Plant.</i>			PRICES BASED ON 100,000 PIECE PRICE RELEASED IN 5-10,000 PIECE LOTS			
			<i>copy</i>			

MADE - Holding
in Plant.

COPY

Subtotal	\$950.00
Tax	\$0.00
Shipping	\$46.85
TOTAL	\$996.85
Deposit	

Please detach and retain bottom portion for your records. Return top portion with your payment. Be sure to record invoice number on your check. Invoice payments must be received within 10 Days of the invoice date. Payments received after 20 Days will be charged interest at the rate of 2% Per Month.

BALANCE
DUE



\$996.85

KIMCO INDUSTRIES, INC.

Sales Promotion Programs • Premiums • Ad Specialties • Incentives

232 Madison Avenue, New York, NY 10016

Tel (212) 683-2011 Fax (212) 683-4944

3445	4/4/92	4391	\$2,537.50
------	--------	------	------------

BILL
TO:

Jerry Brown Campaign '92
Joe Pulichino
292 Farrant Terrace
Teaneck NJ 07666

SHIP
TO:

Jerry Brown Campaign '92
"Irish"
330 W. 42nd Street
New York NY

KIMCO INDUSTRIES, INC.

Sales Promotion Programs • Premiums • Ad Specialties • Incentives

232 Madison Avenue, New York, NY 10016

Tel (212) 683-2011 Fax (212) 683-4944

201-836-5927

Jerry Brown Campaign '92

Joe Pulichino

292 Farrant Terrace

Teaneck

NJ 07666

INVOICE

INVOICE	DATE
4391	4/4/92

ACC NO	DATE SHIPPED	SHIPPED VIA	TERMS	P.O.B.	CUST. P.O. NO.	SALESMAN
3445	4-4-92	UPS		Our Factory	IRISH	Paul M Zarrillo
QUANTITY ORDERED	QUANTITY SHIPPED	ITEM NO	DESCRIPTION	UNIT PRICE	EXTENSION	
17500	17500	MADE	3" Round Campaign Button w/ 2 Color imprint in 2 different designs IN OUR WAREHOUSE READY TO SHIP	\$0.145	\$2,537.50	

COPY

Subtotal	\$2,537.50
Tax	\$0.00
Shipping	
TOTAL	\$2,537.50
Deposit	

Please detach and retain bottom portion for your records. Return top portion with your payment. Be sure to record invoice number on your check. Invoice payments must be received within 10 Days of the invoice date. Payments received after 20 Days will be charged interest at the rate of 2% Per Month.

BALANCE
DUE



\$2,537.50

KIMCO INDUSTRIES, INC.

Sales Promotion Programs • Premiums • Ad Specialties • Incentives

232 Madison Avenue, New York, NY 10016

Tel (212) 683-2011 Fax (212) 683-4944

3445	4/4/92	4390	\$1,417.50
------	--------	------	------------

BILL
TO:

Jerry Brown Campaign '92

Joe Pulichino

232 Farrant Terrace

Teaneck

NJ 07666

SHIP
TO:

Jerry Brown Campaign '92

"Irish"

330 W. 42nd Street

New York

NY

KIMCO INDUSTRIES, INC.

Sales Promotion Programs • Premiums • Ad Specialties • Incentives

232 Madison Avenue, New York, NY 10016

Tel (212) 683-2011 Fax (212) 683-4944

201-836-5927

Jerry Brown Campaign '92

Joe Pulichino

232 Farrant Terrace

Teaneck

NJ

07666

INVOICE

Tel (212) 683-2011 Fax (212) 683-4944					Joe Pulichino		INVOICE		DATE						
201-836-5927					232 Farrant Terrace		4390		4/4/92						
					Teaneck NJ		07660								
ACC NO		DATE SHIPPED		SHIPPED VIA		TERMS		F.O.B.		CUST. P.O. NO.		SALESMAN			
3445		4-4-92		UPS								Paul M Zarrillo			
QUANTITY		ITEM NO		DESCRIPTION						UNIT PRICE		EXTENSION			
ORDERED		SHIPPED													
10500		10500		MADE		2.25" Round Campaign Button w/ 2/Color Imprint in 2 different designs						\$0.135		\$1,417.50	
						IN OUR WAREHOUSE READY TO SHIP									
COPY															

COPY

Subtotal	\$1,417.50
Tax	\$0.00
Shipping	
TOTAL	\$1,417.50
Deposit	

Please detach and retain bottom portion for your records. Return top portion with your payment. Be sure to record invoice number on your check. Invoice payments must be received within 10 days of the invoice date. Payments received after 20 days shall be charged interest at the rate of 2% Per Month.

BALANCE
DUE



\$1,417.50

KIMCO INDUSTRIES, INC.

Sales Promotion Programs • Premiums • Ad Specialties • Incentives

232 Madison Avenue, New York, NY 10016

Tel (212) 683-2011 Fax (212) 683-4944

3445	4/4/92	4389	\$4,160.16
------	--------	------	------------

BILL TO: Jerry Brown Campaign '92
"Irish"
330 W. 42nd Street
New York NY

SHIP TO: Jerry Brown Campaign '92
"Irish"
330 W. 42nd Street
New York NY

KIMCO INDUSTRIES, INC.

Sales Promotion Programs • Premiums • Ad Specialties • Incentives

232 Madison Avenue, New York, NY 10016

Tel (212) 683-2011 Fax (212) 683-4944

212-685-7150

Jerry Brown Campaign '92
"Irish"
330 W. 42nd Street
New York NY

INVOICE

INVOICE	DATE
4389	4/4/92

ACC NO	DATE SHIPPED	SHIPPED VIA	TERMS	F.O.B.	CUST. P.O. NO.	SALESMAN
3445	4-4-92	Special Means	RUSH RUSH			
QUANTITY ORDERED	QUANTITY SHIPPED	ITEM NO	DESCRIPTION	UNIT PRICE	EXTENSION	
432	432	KRY	White T-shirts in 100% Cotton Fruit of the Loom w/ 2/Color imprint on front & 1/Color imprint on rear	\$4.34	\$2,000.08	
432	432	KRY	Screen Stars 50/50 T-shirts w/ 2/Color imprint on front & 1/Color imprint on back 1/2 Black shirts & 1/2 Blue shirts	\$4.79	\$2,060.20	

COPY

Subtotal	\$4,160.16
Tax	\$0.00
Shipping	
TOTAL	\$4,160.16
Deposit	

Please detach and retain bottom portion for your records. Return top portion with your payment. Be sure to record invoice number on your check. Invoice payments must be received within 10 Days of the invoice date. Payments received after 20 Days will be charged interest at the rate of 2% Per Month.

BALANCE DUE



\$4,160.16

KIMCO INDUSTRIES, INC.

Sales Promotion Programs • Premiums • Ad Specialties • Incentives

232 Madison Avenue, New York, NY 10016

Tel (212) 683-2011 Fax (212) 683-4944

BALANCE			
3445	4/5/92	4393	\$19,103.44

BILL

TO:

Jerry Brown Campaign '92

Joe Pulichino

292 Farrant Terrace

Teaneck

NJ

07666

SHIP

TO:

Jerry Brown Campaign '92

"Irish"

300 W. 42nd Street

New York

NY

KIMCO INDUSTRIES, INC.

Sales Promotion Programs • Premiums • Ad Specialties • Incentives

232 Madison Avenue, New York, NY 10016

Tel (212) 683-2011 Fax (212) 683-4944

201-836-5927

Jerry Brown Campaign '92

Joe Pulichino

292 Farrant Terrace

Teaneck

NJ

07666

INVOICE

INVOICE	DATE
4393	4/5/92

ACC NO	DATE SHIPPED	SHIPPED VIA	TERMS	F.O.B.	CUST. P.O. NO.	SALESMAN
3445	4-5-92	Best Way	On Receipt	Our Factory		Paul M. Zarillo
QUANTITY ORDERED	QUANTITY SHIPPED	ITEM NO	DESCRIPTION		UNIT PRICE	EXTENSION
216	216	On Hold	White Fruit of the Loom 100% Ctn T-shirts Screened w/ 2/Colors on front & 1/C Rear IN OUR WAREHOUSE		\$4.84	\$4,045.44
2000	2000	On Hold	White Fruit of the Loom 100% Ctn T-shirts Unimprinted IN OUR WAREHOUSE		\$3.70	\$7,400.00
2020	2020	On Hold	Black & Blue Screen Stars Best T-shirts Unimprinted IN OUR WAREHOUSE (@ \$4.70 once imprinted) ALL PURCHASED FOR CAMPAIGN USE		\$3.85	\$10,658.00

Subtotal	\$19,103.44
Tax	\$0.00
Shipping	
TOTAL	\$19,103.44
Deposit	

Please detach and retain bottom portion for your records. Return top portion with your payment. Be sure to record invoice number on your check. Invoice payments must be received within 10 Days of the invoice date. Payments received after 20 Days will be charged interest at the rate of 2% Per Month.

BALANCE
DUE



\$19,103.44

#2849395

9604331025



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 18, 1992

Paul M. Zarrillo
KIMCO Industries, Inc.
232 Madison Avenue
New York, New York 10016

Dear Mr. Zarrillo:

RE: Pre-MUR 265

This is in response to your complaint dated May 26, 1992, against the Jerry Brown for President campaign requesting that the Commission require the Brown campaign to pay KIMCO for goods and services.

Although the Federal Election Commission has jurisdiction over the Federal Election Campaign Act of 1971, as amended ("the Act") and Chapters 95 and 96 of Title 26, U.S. Code, there is no requirement under the Act or Commission regulations that a political committee pay its debts within a certain period. Thus, the Brown campaign's present failure to pay its debts to KIMCO Industries does not appear to constitute a violation under our jurisdiction.

Information contained in your submission, however, raises the issue of whether KIMCO Industries, Inc. may have violated the Act. This issue will be presented to the Commission for its consideration. You will be notified of the Commission's determination in this matter.

Sincerely,

Lawrence M. Noble
General Counsel


BY: Lois G. Lerner
Associate General Counsel

96043731024

RECEIVED
F.E.C.
SECRETARIAT

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

SEP 10 AM 9:40

FIRST GENERAL COUNSEL'S REPORT

SENSITIVE

Pre-MUR 265

STAFF MEMBER George F. Rishel
Jeffrey D. Long
Phillip L. Wise

SOURCE: INTERNALLY GENERATED

RESPONDENTS: KIMCO Industries, Inc.
Paul M. Zarrillo, President

Brown for President
Blaine Quick, as treasurer

RELEVANT STATUTES: 2 U.S.C. § 432(h)
2 U.S.C. § 441b
2 U.S.C. § 434(b)(8)
11 C.F.R. § 100.7(a)(1)(iii)
11 C.F.R. § 100.7(a)(4)
11 C.F.R. § 116.3
11 C.F.R. § 116.4
11 C.F.R. § 116.10

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

This matter was generated by a letter sent to this Office by Paul M. Zarrillo, president of KIMCO Industries, Inc., of New York, attempting to file a complaint against the Brown for President campaign ("Brown campaign") for funds the Brown campaign allegedly owed to KIMCO. The material submitted by Zarrillo raised questions regarding whether KIMCO itself had violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Therefore, rather than treating the letter as an improper complaint pursuant to 11 C.F.R. § 111.5(b), the letter was designated Pre-MUR 265. Following receipt of the customary

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acknowledgment letter, Zarrillo called this Office to protest this treatment because he was "the one getting screwed and now getting looked into."

II. FACTUAL AND LEGAL ANALYSIS

A. The Act and Regulations

The Act prohibits any corporation whatever from making any contribution or expenditure in connection with any federal election, prohibits any candidate or political committee from knowingly accepting such a prohibited contribution or expenditure, and also prohibits any officer of any corporation to consent to making any contribution or expenditure in connection with any federal election. 2 U.S.C. § 441b. Contribution or expenditure is defined to include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money or any services or anything of value. 2 U.S.C. § 441b(b)(2). Commission regulations explain that anything of value includes all in-kind contributions, including the provision of goods or services at less than the usual and normal charge for them. 11 C.F.R. § 100.7(a)(1)(iii).

The regulations also recognize that an incorporated commercial vendor, in its capacity as such, may extend credit to a candidate or his or her committee provided that the credit is extended in the ordinary course of the corporation's business and the terms are substantially similar to extensions of credit to nonpolitical debtors that are of similar risk and size of obligation. 11 C.F.R. § 116.3(b). The regulations further explain that in determining whether credit was extended in the

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ordinary course of business, the Commission will consider whether the commercial vendor followed its established procedures and its past practice in approving the extension of credit, whether the vendor received prompt payment in full if it previously extended credit to the same candidate or committee; and whether the extension of credit conformed to the usual and normal practice in the commercial vendor's trade or industry. 11 C.F.R. § 116.3(c).

Vendors must also make a commercially reasonable effort to collect any debt owed. 11 C.F.R. § 100.7(a)(4). Where these requirements are not met, a corporate contribution may result. See, e.g., 11 C.F.R. §§ 100.7(a)(4) and 116.4. Commission regulations also require a political committee to report a disputed debt with a vendor if the creditor has provided something of value to the political committee. 11 C.F.R. § 116.10. The regulations also set out the method of reporting disputed debts. Id. The Act also requires that all disbursements, except for petty cash disbursements of \$100 or less, must be made by check drawn on a campaign depository. 2 U.S.C. § 432(h).

B. Factual Information

Zarrillo submitted copies of 6 invoices dated April 4 or April 5 totaling \$29,493.95 for campaign buttons and T-shirts. Three of the invoices state the items are to be shipped and billed to the Jerry Brown Campaign '92 at 330 West 42nd Street, New York, NY, with the name "Irish" in the address. One invoice indicates that a cash payment of \$1,000.00 was made on April 7, 1992, for buttons shipped on April 4 with a total invoice price

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of \$1,278.50. The other three invoices state the items are to be shipped to the Jerry Brown Campaign '92, 292 Farrant Terrace, Teaneck, NJ, with the name "Joe Pulichino" in the address, but the items are to be billed to the New York address and "Irish." In a letter to Ron Brown at the Democratic National Committee, Zarrillo identifies "Irish" as Colin McKenna and describes him as representing himself as "assistant national campaign manager."

9 6 0 4 3 7 3 1 0 2 5
Zarrillo also provided copies of two letters, one to Jody Evans at the Brown campaign national headquarters dated April 9 and one to Ron Brown of the DNC dated May 22. In the letter to Evans, Zarrillo asks for payment for the buttons and T-shirts ordered by Irish and notes his inability to get any response from anyone on this debt. In the letter to Ron Brown, Zarrillo asks for Brown's help in getting the Brown campaign to pay the bills and pointing out his inability to get any commitment from the Brown campaign. He also notes two articles that ran in the New York Daily News and Advertising Specialties Magazine, following a press release from KIMCO.

The press release is dated April 24 and addressed "To Whom it may Concern." It states that it wants to bring attention to an example "of the current trend toward contradiction and dishonesty in our political system today." It notes the Brown campaign's emphasis on the "little guy" and how the system "stinks" and needs to be changed to protect the "little guy." It then states:

Jerry Brown wants to run the country. But who's running his campaign? Who's ordering tens of thousands of T-shirts, and buttons, and special custom-designed artwork (from 'the little guys') and NOT PAYING FOR THEM?

KIMCO Industries is one of the little guys that has been given the dubious honor of producing these items for the Brown Campaign. We liked Jerry Brown. He was supporting folks like us, or so we thought. Normally, we would have insisted upon prepayment for any job done for a political candidate, because everyone knows you can't trust these guys, right? But, no. We gave this defender of the people the benefit of the doubt. Well, now we're in a position to tell you: DON'T YOU DO IT.

It then recounts Zarrillo's experiences with Irish, and then states:

So, Jerry Brown only takes contributions of \$100 or less. In that case, how is he going to pay for the (roughly) \$20,000.00 worth of merchandise that has been ordered (just from us) for his campaign? The answer? HE IS NOT GOING TO PAY FOR IT, IS HE? We come to this conclusion after having been given the old soft shoe by Brown Campaign representatives, Kevin McDermott and Kevin Conner. They, at least, have given us something of a \$20,000.00 dance, whereas Brown's official Campaign Manager, Jody Evans has yet to respond with so much as even the simple courtesy of a returned phone call.

It then points out how KIMCO's suppliers are also hurting because it is unable to pay the invoices from them. The press release ends stating:

It looks to us like Jerry's just like all the rest. Thanks for the great ideas, Jer. Thanks, but no thanks. "We the People" will be casting our votes elsewhere.

Zarrillo says he sent the press release to the news media, which resulted in the two articles he enclosed. The articles basically quote Zarrillo and recount the events as he had described them in his letters to Evans and Ron Brown. One article, however, also reports another vendor in Albany had created the T-shirt design but was similarly stiffed by "Irish" of the Brown campaign, although the T-shirt design was used for the order placed with KIMCO.

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A review of the Brown campaign's reports for March, April and May do not show any payment to KIMCO or any debt owed to KIMCO. They do not show any payments to Colin McKenna.

Thus, the source of the \$1,000 cash payment on April 7 to KIMCO cannot be determined. It remains possible that persons in the New York campaign may have been raising and spending funds separate from the authorized committee's campaign depository, especially, given the uncertain origin of the cash payment. The reports do, however, indicate that Kevin McDermott is the assistant treasurer of the Brown campaign. The reports also show payments to Kevin Conner and Joe Pulichino.

C. Conclusion

The above circumstances suggest that KIMCO extended credit to the Brown campaign that differed from its ordinary course of business. Although in a phone conversation with staff of this Office Zarrillo said he does not require prepayment for credit-worthy customers and that Brown's candidacy was not a factor, his press release states otherwise. The Brown campaign received some items for which it did not fully pay, and its apparent agent ordered additional items which were not paid for and thus not shipped. The agent's actions and knowledge are imputable to the Brown campaign. Thus, it appears that KIMCO has made a corporate contribution and the Brown campaign has

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knowingly accepted it in violation of 2 U.S.C. § 441b.¹ In addition, it appears that KIMCO may have further violated Section 441b by distributing a press release that when read as a whole expressly advocated the defeat of Jerry Brown.² Zarrillo, a corporate officer of KIMCO, appears to have also violated 2 U.S.C. § 441b by consenting to and directing the action of KIMCO which resulted in the illegal corporate contributions.

Furthermore, it appears the Brown campaign has violated 2 U.S.C. § 434(b)(8) for failing to report the debt with KIMCO. And, since the single payment to KIMCO was made in cash for \$1,000, it also appears that the Brown campaign has violated 2 U.S.C. § 432(h) by making a disbursement in cash for more than \$100.

D. Proposed Investigation

As part of the proposed investigation, we will send interrogatories and request for documents to the Brown campaign to ascertain Colin McKenna's role in the campaign including arranging for the buttons and T-shirts and his current address as well as the respective roles of Joe Pulichino, Kevin Conner, and Kevin McDermott with respect to the subject transactions, and the source of the funds used to pay KIMCO on April 7, and the

1. One news article also suggests that a similar problem may exist with respect to the Albany, New York, T-shirt design firm. The reports do not show any payment to this firm. Further information will be needed, however, to determine if there is a debt owed to this firm as well.

2. After repeating his criticisms of Brown for not paying for the ordered merchandise and questioning the campaign's tactics and treatment, Zarrillo ended the press release by saying "'We the People' will be casting our votes elsewhere."

addresses for the Brown campaign's New York offices. We will also send interrogatories to KIMCO to ascertain who made the \$1,000 payment to the firm on April 7, to obtain samples of the items at issue, to determine KIMCO's usual policy regarding prepayment for such items, and to ascertain the current status of these items. We will also send questions to the Albany, New York, firm that allegedly created the T-shirt design. Once this information is received, this Office will review it to determine if further investigation including depositions are necessary.

III. RECOMMENDATIONS

1. Open a MUR.
2. Find reason to believe that KIMCO Industries, Inc., and Paul M. Zarrillo each violated 2 U.S.C. § 441b.
3. Find reason to believe that Brown for President and Blaine Quick, as treasurer, violated 2 U.S.C. §§ 432(h), 434(b)(8) and 441b.
4. Approve the attached Factual and Legal Analyses.
5. Approve the appropriate letters.

Lawrence M. Noble
General Counsel

Date

9/17/92

BY:


Lois G. Lerner
Associate General Counsel

Attachments:

1. Referral Materials
2. Brown report excerpts
3. Factual and Legal Analyses (2)

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REPORT OF RECEIPTS AND DISBURSEMENTS
BY AUTHORIZED COMMITTEE OF A
CANDIDATE FOR THE OFFICE OF PRESIDENT

NOTE: This report is to be used by an authorized committee of a candidate seeking nomination or election to the Office of President or Vice President of the United States whether or not public funds are used.

USE FEC MAILING LABEL OR TYPE OR PRINT	1. NAME OF COMMITTEE (include full name) Brown for President	2. IDENTIFICATION NUMBER C00253914
	3. ADDRESS (number and street) ☐ Check box if mailing label is being used 444 S. Occidental Blvd., #421	3. IS THIS REPORT OF RECEIPTS AND DISBURSEMENTS FOR: ☒ Primary ☐ General
	4. CITY, STATE and ZIP CODE Los Angeles, CA 90057	
4. TYPE OF REPORT ("X" appropriate box and complete, if applicable) ☐ Amendment for (Report) ☒ Monthly Report (month) April 1992 ☐ April 15 Quarterly Report ☐ January 31 Year-end Report ☐ July 15 Quarterly Report ☐ Termination Report ☐ October 15 Quarterly Report		☐ Twelfth Day Before Election ☐ Thirtieth Day After Election TYPE OF ELECTION STATE _____ ELECTION DATE _____

COMMITTEE SUMMARY OF RECEIPTS AND DISBURSEMENTS

5. COVERING PERIOD	FROM 4/1/92	THROUGH 4/30/92
SUMMARY	6. CASH ON HAND AT BEGINNING OF THE REPORTING PERIOD	438,134
	7. TOTAL RECEIPTS THIS PERIOD (From Line 22 Column A)	2,754,223
	8. SUBTOTAL (Add Line 6 and 7)	3,192,357
	9. TOTAL DISBURSEMENTS THIS PERIOD (From Line 30 Column A)	2,548,776
	10. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 9 from 8)	643,581
	11. DEBTS AND OBLIGATIONS OWED TO THE COMMITTEE (Itemize All on Schedule C or Schedule D)	-0-
	12. DEBTS AND OBLIGATIONS OWED BY THE COMMITTEE (Itemize All on Schedule C or Schedule D)	617,056
	13. EXPENDITURES SUBJECT TO LIMITATION (From FEC Form 3P, Page 4)	3,921,621
NET YEAR-TO-DATE CONTRIBUTIONS AND EXPENDITURES	14. NET CONTRIBUTIONS (Other than Loans) (Subtract Line 28d Column B from 17a Column B)	4,040,949
	15. NET OPERATING EXPENDITURES (Subtract Line 20a Column B from 23 Column B)	3,675,019

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

TYPE OR PRINT NAME OF TREASURER

Blaine Quick Treasurer

Kevin McDermott, Assistant Treasurer

SIGNATURE OF TREASURER

DATE

5/20/92

For further information, contact:

Federal Election Commission
Toll Free 800-424-9530
Local 376-3120

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. § 437g.

All previous versions of FEC Form 3P are obsolete and should no longer be used.

FEC FORM 3P (2-93)

99 26 00 34 73 57 23 41 20 37 13

DETAIL SUMMARY OF RECEIPTS AND DISBURSEMENTS
(Page 2, FEC FORM 3P)

NAME OF COMMITTEE (in Full)
Brown for President

REPORT COVERING THE PERIOD:
From 4/1/92 Through 4/30/92

I. RECEIPTS

	COLUMN A Total This Period	COLUMN B Calendar Year-to-Date	
16. FEDERAL FUNDS (Itemize on Schedule A-P)	306,788	857,486	16
17. CONTRIBUTIONS (other than loans) FROM:			
(a) Individuals/Persons Other Than Political Committees	1,846,202	4,041,989	17(a)
(b) Political Party Committees	-0-	-0-	17(b)
(c) Other Political Committees	-0-	-0-	17(c)
(d) The Candidate	-0-	-0-	17(d)
(e) TOTAL CONTRIBUTIONS (other than loans) (Add 17(a), 17(b), 17(c) and 17(d))	1,846,202	4,041,989	17(e)
18. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES	-0-	-0-	18
19. LOANS RECEIVED:			
(a) Loans Received From or Guaranteed by Candidate	-0-	-0-	19(a)
(b) Other Loans	600,000	759,800	19(b)
(c) TOTAL LOANS (Add 19(a) and 19(b))	600,000	759,800	19(c)
20. OFFSETS TO EXPENDITURES (Refunds, Rebates, etc.):			
(a) Operating	-0-	2,416	20(a)
(b) Fundraising	-0-	-0-	20(b)
(c) Legal and Accounting	-0-	-0-	20(c)
(d) TOTAL OFFSETS TO EXPENDITURES (Add 20(a), 20(b) and 20(c))	-0-	2,416	20(d)
21. OTHER RECEIPTS (Dividends, Interest, etc.)	1,233	2,132	21
22. TOTAL RECEIPTS (Add 16, 17(e), 18, 19(c), 20(d) and 21)	2,754,223	5,663,823	22

II. DISBURSEMENTS

23. OPERATING EXPENDITURES	1,798,389	3,677,435	23
24. TRANSFERS TO OTHER AUTHORIZED COMMITTEES	-0-	-0-	24
25. FUNDRAISING DISBURSEMENTS	572,629	1,202,585	25
26. EXEMPT LEGAL AND ACCOUNTING DISBURSEMENTS	17,958	57,982	26
27. LOAN REPAYMENTS MADE:			
(a) Repayments of Loans Made or Guaranteed by Candidate	-0-	-0-	27(a)
(b) Other Repayments	159,800	159,800	27(b)
(c) TOTAL LOAN REPAYMENTS MADE (Add 27(a) and 27(b))	159,800	159,800	27(c)
28. REFUNDS OF CONTRIBUTIONS TO:			
(a) Individuals/Persons Other Than Political Committees	-0-	1,040	28(a)
(b) Political Party Committees	-0-	-0-	28(b)
(c) Other Political Committees	-0-	-0-	28(c)
(d) TOTAL CONTRIBUTION REFUNDS (Add 28(a), 28(b) and 28(c))	-0-	1,040	28(d)
29. OTHER DISBURSEMENTS	-0-	100	29
30. TOTAL DISBURSEMENTS (Add 23, 24, 25, 26, 27(c), 28(d) and 29)	2,548,776	5,098,942	30
	-0-	-0-	

29 0 4 3 5 2 4 2 3 2

**ALLOCATION OF PRIMARY EXPENDITURES BY STATE
FOR A PRESIDENTIAL CANDIDATE**

(To Be Used Only in Primary Campaigns Receiving Federal Funds)

1. NAME OF COMMITTEE IN FULL Brown for President		2. IDENTIFICATION NUMBER C00253914
COMMITTEE ADDRESS 444 S. Occidental Blvd., #421		3. NAME OF CANDIDATE Jerry Brown
CITY, STATE AND ZIP CODE Los Angeles, CA 90057		

ALLOCATION BY STATE

STATE	ALLOCATION THIS PERIOD	TOTAL ALLOCATION TO DATE	STATE	ALLOCATION THIS PERIOD	TOTAL ALLOCATION TO DATE
Alabama	-0-	4,000	Nebraska	1,528	1,528
Alaska	-0-	340	Nevada	1,971	2,523
Arizona	1,918	5,212	New Hampshire	1,136	277,958
Arkansas	230	5,230	New Jersey		3,375
California	-0-	2,000	New Mexico		
Colorado	3,729	223,171	New York	907,311	1,185,713
Connecticut	-0-	102,168	North Carolina	599	684
Delaware	-0-	298	North Dakota		
District of Columbia	9,368	9,368	Ohio	8,424	8,791
Florida	-0-	5,475	Oklahoma	-0-	80
Georgia	769	1,439	Oregon	6,728	7,228
Hawaii	-0-	1,500	Pennsylvania	348,333	352,719
Idaho	-0-	3,137	Rhode Island	-0-	52
Illinois	-0-	3,841	South Carolina	-0-	2,500
Indiana	8,497	9,069	South Dakota	-0-	5,188
Iowa	-0-	21,869	Tennessee	-0-	265
Kansas	4,957	5,057	Texas	212	26,631
Kentucky	475	1,475	Utah	-0-	269
Louisiana			Vermont	1,637	10,148
Maine	3,922	25,823	Virginia	2,782	3,882
Maryland	83	1,795	Washington	641	8,564
Massachusetts	11,934	49,720	West Virginia	-0-	2,000
Michigan	2,577	283,267	Wisconsin	14,651	282,240
Minnesota	5,601	13,583	Wyoming	260	260
Mississippi	-0-	825	Puerto Rico		
Missouri	207	708	Guam		
Montana			Virgin Islands		
COLUMN TOTALS	54,267	780,370	COLUMN TOTALS	1,296,213	2,182,598

4. TOTAL ALLOCATED EXPENDITURES	▶	1,350,480	2,962,968
5. TOTAL NON-ALLOCATED EXPENDITURES	▶		714,467
6. TOTAL EXPENDITURES SUBJECT TO LIMITATION (Lines 4 & 5)	▶		3,677,435

NAME OF CANDIDATE OR COMMITTEE (in Full)
Brown For President

A. Operating Expenditures (Line 23 Column B)	3,677,435	
B. Operating Offsets (Line 20a Column B)	2,416	
C. Current Year Net Operating Expenditures (Subtract Line B from A)		3,675,019
D. Prior Year(s) Operating Expenditures	246,701	
E. Prior Year(s) Operating Offsets	99	
F. Prior Year(s) Net Operating Expenditures (Subtract Line E from D)		246,602
G. Fundraising Disbursements (Line 25 Column B)	1,222,585	
H. Offsets to Fundraising Disbursements (Line 20b Column B)	-0-	
I. Current Year Net Fundraising Disbursements (Subtract Line H from G)	1,222,585	
J. Prior Year(s) Fundraising Disbursements	175,926	
K. Prior Year(s) Fundraising Disbursements Offsets	-0-	
L. Prior Year(s) Net Fundraising Disbursements (Subtract Line K from J)	175,926	
M. Total Net Fundraising Disbursements (Add Lines I and L)	1,378,511	
N. 20% Exemption (20% of Operating Expenditure Limit)	5,524,000	
O. Total Fundraising Disbursements Subject to Limit (Subtract Line N from M)	See Instructions Below	-0-
P. Total Expenditures Subject to Limitation (Add Lines C, F and O)	See Instructions Below	3,921,621

INSTRUCTIONS
(Calculated from FEC Form 3P, page 2)

FEC Form 3P, page 4, is for use by a candidate or the principal authorized committee of a candidate, to track operating expenditures subject to limitation during the primary campaign (2 U.S.C. 441a(b)(1)(A)). As soon as possible after the beginning of the calendar year, the Commission will publish the adjusted limits to be used during the election cycle. The 20% fundraising exemption will be based on the published operating expenditure limitation.

- Line A - From FEC Form 3P, (page 2, enter the calendar year-to-date total for operating expenditures.
- Line B - Enter the calendar year-to-date total of offsets to operating expenditures.
- Line C - Subtract Line B from Line A.
- Line D - If reports were filed in a prior year(s), from the year-end report(s), enter the calendar year-to-date total for operating expenditures.
- Line E - If from the year-end report(s) for the prior year(s), enter the calendar year-to-date total for offsets to operating expenditures.
- Line F - Subtract Line E from Line D.
- Line G - From FEC Form 3P, (page 2, enter the calendar year-to-date total for fundraising disbursements.

Line

- Line I - Subtract Line H from Line G to obtain the net fundraising disbursements for the current year.
- Line J - If reports were filed in a prior year(s), from the year-end report(s), enter the calendar year-to-date total for fundraising disbursements.
- Line K - If offsets to fundraising disbursements were received in a prior year(s), from the year-end report(s), enter the calendar year-to-date total.
- Line L - Subtract Line K from Line J.
- Line M - Add Line I and Line L.
- Line N - Enter 20% of the operating expenditure limit as published by the FEC.
- Line O - Subtract Line N from Line M. If the result is less than zero, enter -0-. If greater than zero, enter the amount.
- Line P - Add Line C, Line F, and Line O to obtain the total of operating expenditures made by the Committee subject to 2 U.S.C. 441a(b)(1)(A) limitation.

If the candidate has authorized other political committees, the principal campaign committee must first consolidate the calendar year-to-date receipt and disbursement activity on FEC Form 3P, page 5 (Consolidated Report of Receipts and Disbursements). FEC Form 3P, page 4, is completed using the appropriate column totals from the current and previous calendar year (if any) report(s).

9234234

SCHEDULE B-2

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

ITEMIZED DISBURSEMENTS

Operating Expenditures

Use separate
 schedules(s) for
 for each category
 of the detailed
 summary page

PAGE | OF (Total Pages)

9

LINE NUMBER

23

NAME OF COMMITTEE (is Full)

Brown for President

|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, Address, City, State, Zip Code	Purpose of Disbursement	DATE (MONTH, DAY, YEAR)	Amount of Each Disbursement This Period	Disb. for
Comcast	2906/Media	04-20-92	2,214.25	Primary
205 Levaring Mill Rd.	3133/Media	04-29-92	998.75	Primary
Bala Cynwyd, PA 19004				
Computer Business Center	2903/Computers	04-20-92	272.62	Primary
2811 Ocean Park Bl.				
Santa Monica, CA 90405				
Conner, Kevin	2727/Per Diem	04-03-92	450.00	Primary
9710 Mansal Rd.	2443/Per Diem	04-10-92	450.00	Primary
	3057/Per Diem	04-24-92	450.00	Primary
Beverly Hills, CA 90210	3213/Per Diem	04-29-92	450.00	Primary
	3015/Per Diem	04-17-92	450.00	Primary
Costello, Jon	2845/Per Diem	04-14-92	2,000.00	Primary
2121 Cloverfield Bl. #120				
Santa Monica, CA 90404				
Con, Patricia V.	2599/Reimbursed Office Expense	04-02-92	475.00	Primary
P.O. Box 11973				
Atlanta, GA 30355				
Creel, Shella	2715/Trs	04-03-92	350.00	Primary
1014 N. Glencoe	2454/Trs	04-10-92	350.00	Primary
	3026/Trs	04-17-92	350.00	Primary
Burbank, CA 91504	3067/Trs	04-24-92	350.00	Primary
SUBTOTAL of Disbursements This Page (optional)			\$9,610.62	
TOTAL This Period (last page this line number only)				

99 26 04 35 23 4 20 38

SCHEDULE B-F
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

ITEMIZED DISBURSEMENTS

Use separate
schedules(s) for
for each category
of the detailed
summary page

PAGE | OF (Total Pages)
1 | 2
LINE NUMBER
26

NAME OF COMMITTEE (in Full)
Brown for President

[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, Address, City, State, Zip Code	Purpose of Disbursement	DATE (MONTH, DAY, YEAR)	Amount of Each Disbursement This Period	Disb. for
Brunner, Jennifer 35 E. Livingston Av. Columbus, OH 43215	2300/Tee 3125/Legal Services	04-01-92 04-28-92	3,000.00 5,000.00	Primary Primary
Billard, Joyce 2121 Cloverfield Bl. #120 Santa Monica, CA 90404	2743/Per Diem 2428/Per Diem	04-03-92 04-10-92	600.00 600.00	Primary Primary
Glaser, Jules 444 S Occidental Bl #421 Los Angeles, CA 90017	2465/Accounting Services 2813/Accounting Services	04-14-92 04-14-92	2,181.70 2,181.70	Primary Primary
Klahn, Robert 395 E. Lantana #396 Camarillo, CA 93010	2717/Tee 2452/Tee 1026/Tee 3065/Tee 3220/Tee	04-03-92 04-10-92 04-17-92 04-24-92 04-29-92	300.00 300.00 300.00 300.00 300.00	Primary Primary Primary Primary Primary
McDermott, Maria 1015 W. 30th St. Los Angeles, CA 92261	2714/Tee 2455/Tee 3027/Tee 3064/Tee 3123/Tee	04-03-92 04-10-92 04-17-92 04-24-92 04-29-92	450.00 450.00 450.00 450.00 450.00	Primary Primary Primary Primary Primary
Pease, Lisa 2121 Cloverfield Bl. #120 Santa Monica, CA 90404	2736/Per Diem 2435/Per Diem 3007/Per Diem 3049/Per Diem	04-03-92 04-10-92 04-17-92 04-24-92	100.00 100.00 100.00 100.00	Primary Primary Primary Primary

SUBTOTAL of Disbursements This Page (optional)..... \$17,713.40

TOTAL This Period (last page this line number only).....>

99 26 034 735 23 41 30 43 28

**DEB- 4. OBLIGATIONS
EXCLUDING LOANS**

Page 1
of 1
Summary page.

LINE NUMBER
12

NAME OF COMMITTEE (in Full)	OUTSTANDING BALANCE BEGINNING THIS PERIOD	DATE AND AMOUNT INCURRED THIS PERIOD	PAYMENT THIS PERIOD	OUTSTANDING BALANCE AT CLOSE OF THIS PERIOD
Brown for President				
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor Evans/McDonough Co. 111 Queen Anne Ave. N., #500 Seattle, WA 98109	-0-	-0-	-0-	4,346
Nature of Debt (Purpose): Professional Services				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor Grassroots Systems 7315 Wisconsin Ave., #200 W Bethesda, MD 20814	-0-	-0-	-0-	2,125
Nature of Debt (Purpose): Computer Program				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor Allen's Press Clipping Bureau 215 W. 6th St., 11th Floor Los Angeles, CA 90404	-0-	-0-	-0-	3,143
Nature of Debt (Purpose): Press Clipping				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor Prinzco Productions 9 E. 38th Pl., #300 New York, NY 10016	-0-	-0-	-0-	2,500
Nature of Debt (Purpose): Printing				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor Jerry Brown 2121 Cloverfield Bl. #120 Santa Monica, CA 90404	-0-	4/19/92 372	-0-	372
Nature of Debt (Purpose): Reimbursed Travel Expenses				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor Backus, Meyer & Solomon 116 Lowell St. Manchester, NH 03101	-0-	-0-	-0-	4,370
Nature of Debt (Purpose): Professional Services				
1) SUBTOTALS This Period This Page (optional)				17,056
2) TOTAL This Period (last page this line only)				17,056
3) TOTAL OUTSTANDING LOANS from Schedule C-P (last page only)				600,000
				617,056

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS /DONNA ROACH *DR*
COMMISSION SECRETARY

DATE: SEPTEMBER 23, 1992

SUBJECT: PRE-MUR 265 - FIRST GENERAL COUNSEL'S REPORT
DATED SEPTEMBER 17, 1992.

The above-captioned document was circulated to the
Commission on FRIDAY, SEPTEMBER 18, 1992 at 12:00 P.M.

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

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

This matter will be placed on the meeting agenda
for TUESDAY, SEPTEMBER 29, 1992

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

96043731040

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

KIMCO Industries, Inc., and
Paul M. Zarrillo, President;
Brown for President and
Blaine Quick, as treasurer.

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Pre-MUR 265 (MUR 3632)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session on
September 29, 1992, do hereby certify that the Commission
decided by a vote of 5-1 to take the following actions
with respect to Pre-MUR 265:

1. Open a MUR.
2. Find reason to believe that KIMCO
Industries, Inc. and Paul M. Zarrillo
each violated 2 U.S.C. § 441b, but take
no further action and close the file
with respect to these Respondents.
3. Find reason to believe that Brown for
President and Blaine Quick, as treasurer,
violated 2 U.S.C. §§ 432(h), 434(b)(8),
and 441b, but take no further action with
respect to the violation of 2 U.S.C. § 441b.

(continued)

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Federal Election Commission
Certification for Pre-MUR 265
September 29, 1992

Page 2

4. Approve the Factual and Legal Analyses as recommended in the General Counsel's report dated September 17, 1992
5. Direct the Office of General Counsel to send the appropriate letters pursuant to the actions noted above and the meeting discussion.

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

Attest:

9-30-92
Date

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

96043731042



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 20, 1992

Blaine Quick, Treasurer
Brown for President
2121 Cloverfield Blvd.
Suite #120
Santa Monica, CA 90404

RE: MUR 3632
Brown for President and
Blaine Quick, as treasurer

Dear Mr. Quick:

On September 29, 1992, the Federal Election Commission found that there is reason to believe Brown for President ("Committee") and you, as treasurer, violated 2 U.S.C. §§ 432(h), 434(b)(8), and 441b, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action with respect to the violation of 2 U.S.C. § 441b. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that Brown for Congress' receipt of services, in the form of T-shirts and campaign buttons from KIMCO Industries, Inc., and failure to pay for such, appears to be a violation of 2 U.S.C. § 441b. You should take immediate steps to insure that this activity does not occur in the future.

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 along with answers to the enclosed questions within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

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

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or

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Blaine Quick, Treasurer
Page 2

recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely 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 enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Phillip L. Wise, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Joan D. Aikens

Joan D. Aikens
Chairman

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form
Questions

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Brown for President
Blaine Quick, as treasurer

MUR: 3632

This matter was generated on the basis of information ascertained by the Commission in the normal course of carrying out its supervisory function. 2 U.S.C. § 437g(a)(2).

A. The Act and Regulations

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The Act prohibits any corporation whatever from making any contribution or expenditure in connection with any federal election, and prohibits any candidate or political committee from knowingly accepting such a prohibited contribution or expenditure. 2 U.S.C. § 441b. Contribution or expenditure is defined to include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money or any services or anything of value. 2 U.S.C. § 441b(b)(2). Commission regulations explain that anything of value includes all in-kind contributions, including the provision of goods or services at less than the usual and normal charge for them. 11 C.F.R. § 100.7(a)(1)(iii).

The regulations also recognize that an incorporated commercial vendor, in its capacity as such, may extend credit to a candidate or his or her committee provided that the credit is extended in the ordinary course of the corporation's business and the terms are substantially similar to extensions of credit to nonpolitical debtors that are of similar risk and size of obligation. 11 C.F.R. § 116.3(b). The regulations further

explain that in determining whether credit was extended in the ordinary course of business, the Commission will consider whether the commercial vendor followed its established procedures and its past practice in approving the extension of credit, whether the vendor received prompt payment in full if it previously extended credit to the same candidate or committee; and whether the extension of credit conformed to the usual and normal practice in the commercial vendor's trade or industry. 11 C.F.R. § 116.3(c).

Vendors must also make a commercially reasonable effort to collect any debt owed. 11 C.F.R. § 100.7(a)(4). Where these requirements are not met, a corporate contribution may result. See, e.g., 11 C.F.R. §§ 100.7(a)(4) and 116.4. Commission regulations also require a political committee to report a disputed debt with a vendor if the creditor has provided something of value to the political committee. 11 C.F.R. § 116.10. The regulations also set out the method of reporting disputed debts. Id. The Act also requires that all disbursements, except for petty cash disbursements of \$100 or less, must be made by check drawn on a campaign depository. 2 U.S.C. § 432(h).

B. Factual Information

KIMCO Industries, Inc., issued 6 invoices dated April 4 or April 5 totaling \$29,493.95 for campaign buttons and T-shirts. Three of the invoices state the items are to be shipped and billed to the Jerry Brown Campaign '92 at 330 West 42nd Street, New York, NY, with the name "Irish" in the address. One invoice indicates that a cash payment of \$1,000.00 was made on April 7,

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1992, for buttons shipped on April 4 with a total invoice price of \$1,278.50. The other three invoices state the items are to be shipped to the Jerry Brown Campaign '92, 292 Farrant Terrace, Teaneck, NJ, with the name "Joe Pulichino" in the address, but the items are to be billed to the New York address and "Irish." In a letter to Ron Brown at the Democratic National Committee, Paul M. Zarrillo, President of KIMCO, identifies "Irish" as Colin McKenna and describes him as representing himself as "assistant national campaign manager."

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Zarrillo sent two letters, one to Jody Evans at the Brown campaign national headquarters dated April 9 and one to Ron Brown of the DNC dated May 22. In the letter to Evans, Zarrillo asks for payment for the buttons and T-shirts ordered by Irish and notes his inability to get any response from anyone on this debt. In the letter to Ron Brown, Zarrillo asks for Brown's help in getting the Brown campaign to pay the bills and pointing out his inability to get any commitment from the Brown campaign. Also, two articles ran in the New York Daily News and Advertising Specialties Magazine, following a press release from KIMCO.

The press release is dated April 24 and addressed "To Whom it may Concern." It states that it wants to bring attention to an example "of the current trend toward contradiction and dishonesty in our political system today." It notes the Brown campaign's emphasis on the "little guy" and how the system "stinks" and needs to be changed to protect the "little guy." It then states:

Jerry Brown wants to run the country. But who's running his campaign? Who's ordering tens of thousands of T-shirts, and buttons, and special custom-designed

artwork (from 'the little guys') and NOT PAYING FOR THEM?

KIMCO Industries is one of the little guys that has been given the dubious honor of producing these items for the Brown Campaign. We liked Jerry Brown. He was supporting folks like us, or so we thought. Normally, we would have insisted upon prepayment for any job done for a political candidate, because everyone knows you can't trust these guys, right? But, no. We gave this defender of the people the benefit of the doubt. Well, now we're in a position to tell you: DON'T YOU DO IT.

It then recounts Zarrillo's experiences with Irish, and then states:

So, Jerry Brown only takes contributions of \$100 or less. In that case, how is he going to pay for the (roughly) \$20,000.00 worth of merchandise that has been ordered (just from us) for his campaign? The answer? HE IS NOT GOING TO PAY FOR IT, IS HE? We come to this conclusion after having been given the old soft shoe by Brown Campaign representatives, Kevin McDermott and Kevin Conner. They, at least, have given us something of a \$20,000.00 dance, whereas Brown's official Campaign Manager, Jody Evans has yet to respond with so much as even the simple courtesy of a returned phone call.

It then points out how KIMCO's suppliers are also hurting because it is unable to pay the invoices from them. The press release ends stating:

It looks to us like Jerry's just like all the rest. Thanks for the great ideas, Jer. Thanks, but no thanks. "We the People" will be casting our votes elsewhere.

The press release was sent to the news media, which resulted in the two articles. The articles basically quote Zarrillo and recount the events as he had described them in his letters to Evans and Ron Brown. One article, however, also reports another vendor in Albany had created the T-shirt design but was similarly stiffed by "Irish" of the Brown campaign, although the T-shirt design was used for the order placed with KIMCO.

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A review of the Brown campaign's reports for March, April and May do not show any payment to KIMCO or any debt owed to KIMCO. They do not show any payments to Colin McKenna. Thus, the source of the \$1,000 cash payment on April 7 to KIMCO cannot be determined. It remains possible that persons in the New York campaign may have been raising and spending funds separate from the authorized committee's campaign depository, especially, given the uncertain origin of the cash payment. The reports do, however, indicate that Kevin McDermott is the assistant treasurer of the Brown campaign.

C. Conclusion

The Brown campaign received some items for which it did not fully pay, and its apparent agent ordered additional items which were not paid for and thus not shipped. The agent's actions and knowledge are imputable to the Brown campaign. Thus, it appears that the Brown campaign has knowingly accepted a corporate contribution in violation of 2 U.S.C. § 441b.

Furthermore, it appears the Brown campaign has violated 2 U.S.C. § 434(b)(8) for failing to report the debt with KIMCO. And, since the single payment to KIMCO was made in cash for \$1,000, it also appears that the Brown campaign has violated 2 U.S.C. § 432(h) by making a disbursement in cash for more than \$100.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
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) MUR 3632
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INTERROGATORIES AND REQUEST
FOR PRODUCTION OF DOCUMENTS

TO: Blaine Quick, Treasurer
Brown for President
2121 Cloverfield Blvd.
Suite #120
Santa Monica, CA 90404

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In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 15 days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety, for inspection and copying at the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, D.C. 20463, on or before the same deadline, and continue to produce those documents each day thereafter as may be necessary for counsel for the Commission to complete their examination and reproduction of those documents. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals.

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MUR 3632

Blaine Quick, Treasurer

Page 2

INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January 1992 to October 1992.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

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QUESTIONS

1. State whether Brown for President and/or any representative or agent thereof entered into an agreement with KIMCO Industries, Inc. whereby KIMCO was to supply T-shirts and campaign buttons to the committee.

(a) If the answer is yes submit copies of all written documents evidencing this agreement. Specifically, the written contract, any documents containing the terms of the agreement, and any telephone messages with regard to the agreement

(b) State the names and explain the duties of any and all persons who were parties to and/or negotiated this agreement with KIMCO.

2. Explain the role Colin McKenna had with the Brown Committee.

(a) State whether Colin McKenna requested that KIMCO furnish campaign buttons and T-shirts for the Brown Committee.

(b) State whether Colin McKenna made a \$1,000.00 cash payment to KIMCO.

(c) State why and when this cash payment was made to KIMCO.

(d) State the source of this \$1,000.00 paid to KIMCO.

3. Explain the role Joe Pulichino had with the Brown Committee.

(a) State whether Joe Pulichino requested that KIMCO furnish campaign buttons and T-shirts for the Brown Committee.

(b) State whether Joe Pulichino made a \$1,000.00 cash payment to KIMCO.

(c) State why and when this cash payment was made to KIMCO.

(d) State the source of this \$1,000.00 paid to KIMCO.

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MUR 3632

Blaine Quick, Treasurer

Page 5

4. Explain the role Kevin Conner had with the Brown Committee.

(a) State whether Kevin Conner requested that KIMCO furnish campaign buttons and T-shirts for the Brown Committee.

(b) State whether Kevin Conner made a \$1,000.00 cash payment to KIMCO.

(c) State why and when this cash payment was made to KIMCO.

(d) State the source of this \$1,000.00 paid to KIMCO.

4. Explain the role Kevin McDermott had with the Brown Committee.

(a) State whether Kevin McDermott requested that KIMCO furnish campaign buttons and T-shirts for the Brown Committee.

(b) State whether Kevin McDermott made a \$1,000.00 cash payment to KIMCO.

(c) State why and when this cash payment was made to KIMCO.

(d) State the source of this \$1,000.00 paid to KIMCO.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 20, 1992

Paul M. Zarrillo, President
KIMCO Industries, Inc.
232 Madison Avenue
New York, New York 10016

RE: MUR 3632
KIMCO Industries, Inc., and
Paul M. Zarrillo, President

Dear Mr. Zarrillo:

On September 29, 1992, the Federal Election Commission found reason to believe that KIMCO Industries, Inc. and you, as President, each violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act."). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to KIMCO Industries, Inc., and Paul M. Zarrillo. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that supplying T-shirts and campaign buttons on credit to Brown for President, which is not KIMCO's normal business practice when doing business with political committees, appears to be a violation of 2 U.S.C. § 441b. In addition, it appears KIMCO and you may have further violated 2 U.S.C. § 441b by distributing a press release that when read as a whole expressly advocated the defeat of Jerry Brown. You should take immediate steps to insure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. The confidentiality provisions of 2 U.S.C. §§ 37g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. In the event you wish to waive confidentiality under 2 U.S.C. § 437g(a)(12)(A), written notice of the waiver must be submitted to the Commission. Receipt of the waiver will be acknowledged in writing by the Commission.

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Paul M. Zarrillo, President
Page 2

If you have any questions, please contact Phillip L. Wise,
the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Joan D. Aikens

Joan D. Aikens
Chairman

Enclosure
Factual and Legal Analysis

96043731056

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: KIMCO Industries, Inc. MUR: 3632
Paul M. Zarrillo, President

This matter was generated on the basis of information ascertained by the Commission in the normal course of carrying out its supervisory function. 2 U.S.C. § 437g(a)(2).

A. The Act and Regulations

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The Act prohibits any corporation whatever from making any contribution or expenditure in connection with any federal election, prohibits any candidate or political committee from knowingly accepting such a prohibited contribution or expenditure' and also prohibits any officer of any corporation to making any contribution or expenditure in connection with any federal election. 2 U.S.C. § 441b. Contribution or expenditure is defined to include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money or any services or anything of value. 2 U.S.C. § 441b(b)(2). Commission regulations explain that anything of value includes all in-kind contributions, including the provision of goods or services at less than the usual and normal charge for them. 11 C.F.R. § 100.7(a)(1)(iii).

The regulations also recognize that an incorporated commercial vendor, in its capacity as such, may extend credit to a candidate or his or her committee provided that the credit is extended in the ordinary course of the corporation's business and the terms are substantially similar to extensions of credit

to nonpolitical debtors that are of similar risk and size of obligation. 11 C.F.R. § 116.3(b). The regulations further explain that in determining whether credit was extended in the ordinary course of business, the Commission will consider whether the commercial vendor followed its established procedures and its past practice in approving the extension of credit, whether the vendor received prompt payment in full if it previously extended credit to the same candidate or committee; and whether the extension of credit conformed to the usual and normal practice in the commercial vendor's trade or industry. 11 C.F.R. § 116.3(c). Vendors must also make a commercially reasonable effort to collect any debt owed. 11 C.F.R. § 100.7(a)(4). Where these requirements are not met, a corporate contribution may result. See, e.g., 11 C.F.R. §§ 100.7(a)(4) and 116.4. Commission regulations also require a political committee to report a disputed debt with a vendor if the creditor has provided something of value to the political committee. 11 C.F.R. § 116.10. The regulations also set out the method of reporting disputed debts. Id. The Act also requires that all disbursements, except for petty cash disbursements of \$100 or less, must be made by check drawn on a campaign depository. 2 U.S.C. § 432(h).

B. Factual Information

KIMCO Industries, Inc., issued 6 invoices dated April 4 or April 5 totaling \$29,493.95 for campaign buttons and T-shirts. Three of the invoices state the items are to be shipped and billed to the Jerry Brown Campaign '92 at 330 West

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42nd Street, New York, NY, with the name "Irish" in the address. One invoice indicates that a cash payment of \$1,000.00 was made on April 7, 1992, for buttons shipped on April 4 with a total invoice price of \$1,278.50. The other three invoices state the items are to be shipped to the Jerry Brown Campaign '92, 292 Farrant Terrace, Teaneck, NJ, with the name "Joe Pulichino" in the address, but the items are to be billed to the New York address and "Irish." In a letter to Ron Brown at the Democratic National Committee, Paul M. Zarrillo, President of KIMCO, identifies "Irish" as Colin McKenna and describes him as representing himself as "assistant national campaign manager."

Zarrillo sent two letters, one to Jody Evans at the Brown campaign national headquarters dated April 9 and one to Ron Brown of the DNC dated May 22. In the letter to Evans, Zarrillo asks for payment for the buttons and T-shirts ordered by Irish and notes his inability to get any response from anyone on this debt. In the letter to Ron Brown, Zarrillo asks for Brown's help in getting the Brown campaign to pay the bills and pointing out his inability to get any commitment from the Brown campaign. Also, two articles ran in the New York Daily News and Advertising Specialties Magazine, following a press release from KIMCO.

The press release is dated April 24 and addressed "To Whom it may Concern." It states that it wants to bring attention to an example "of the current trend toward contradiction and dishonesty in our political system today." It notes the Brown campaign's emphasis on the "little guy" and how the system

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"stinks" and needs to be changed to protect the "little guy."

It then states:

Jerry Brown wants to run the country. But who's running his campaign? Who's ordering tens of thousands of T-shirts, and buttons, and special custom-designed artwork (from 'the little guys') and NOT PAYING FOR THEM?

KIMCO Industries is one of the little guys that has been given the dubious honor of producing these items for the Brown Campaign. We liked Jerry Brown. He was supporting folks like us, or so we thought. Normally, we would have insisted upon prepayment for any job done for a political candidate, because everyone knows you can't trust these guys, right? But, no. We gave this defender of the people the benefit of the doubt. Well, now we're in a position to tell you: DON'T YOU DO IT.

It then recounts Zarrillo's experiences with Irish, and then states:

So, Jerry Brown only takes contributions of \$100 or less. In that case, how is he going to pay for the (roughly) \$20,000.00 worth of merchandise that has been ordered (just from us) for his campaign? The answer? HE IS NOT GOING TO PAY FOR IT, IS HE? We come to this conclusion after having been given the old soft shoe by Brown Campaign representatives, Kevin McDermott and Kevin Conner. They, at least, have given us something of a \$20,000.00 dance, whereas Brown's official Campaign Manager, Jody Evans has yet to respond with so much as even the simple courtesy of a returned phone call.

It then points out how KIMCO's suppliers are also hurting because it is unable to pay the invoices from them. The press release ends stating:

It looks to us like Jerry's just like all the rest. Thanks for the great ideas,

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Jer. Thanks, but no thanks. "We the People" will be casting our votes elsewhere.

The press release was sent to the news media, which resulted in the two articles. The articles basically quote Zarrillo and recount the events as he had described them in his letters to Evans and Ron Brown. One article, however, also reports another vendor in Albany had created the T-shirt design but was similarly stiffed by "Irish" of the Brown campaign, although the T-shirt design was used for the order placed with KIMCO.

A review of the Brown campaign's reports for March, April and May do not show any payment to KIMCO or any debt owed to KIMCO. They do not show any payments to Colin McKenna. Thus, the source of the \$1,000 cash payment on April 7 to KIMCO cannot be determined. The reports do, however, indicate that Kevin McDermott is the assistant treasurer of the Brown campaign.

C. Conclusion

The above circumstances suggest that KIMCO extended credit to the Brown campaign that differed from its ordinary course of business. Although in a phone conversation with staff of this Office Zarrillo said he does not require prepayment for credit-worthy customers and that Brown's candidacy was not a factor, his press release states otherwise. The Brown campaign received some items for which it did not fully pay, and its apparent agent ordered additional items which were not paid for and thus not shipped. The agent's actions and knowledge are imputable to the Brown campaign. Thus, it appears that KIMCO has made a corporate contribution in violation of 2 U.S.C.

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§ 441b. In addition, it appears that KIMCO may have violated Section 441b by distributing a press release that when read as a whole expressly advocated the defeat of Jerry Brown.¹ Zarrillo, a corporate officer of KIMCO, appears to have also violated 2 U.S.C. § 441b by consenting to and directing the actions of KIMCO which resulted in the illegal corporate contributions.

9 6 0 4 3 7 3 1 0 6 2

1. After repeating his criticisms of Brown for not paying for the ordered merchandise and questioning the campaign's tactics and treatment, Zarrillo ended the press release by saying "We the People' will be casting our votes elsewhere."



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 19, 1992

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Blaine Quick, Treasurer
Brown for President
2121 Cloverfield Blvd.
Suite #120
Santa Monica, CA 90404

RE: MUR 3632
Brown for President and
Blaine Quick, as treasurer

Dear Mr. Quick:

On October 20, 1992, you were notified that the Federal Election Commission, on September 29, 1992, found reason to believe Brown for President and Blaine Quick, as treasurer violated 2 U.S.C. §§ 432(h), 434(b)(8), and 441b. Enclosed are copies of the material that was sent to you at that time. Under the Federal Election Campaign Act of 1971, as amended, and Commission regulations, you have an opportunity to demonstrate that no action should be taken against Brown for President and Blaine Quick, as treasurer.

A review of our files indicates that to date you have not responded to the Commission's findings. Unless we receive a response from you within 10 days, this matter will proceed to the next stage of the enforcement process.

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

Sincerely,

Phillip L. Wise
Phillip L. Wise
Attorney

Enclosures

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We the People...

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December 2, 1992

Phillip L. Wise
Attorney
Federal Election Commission
Washington, D.C. 20463

MUR3632

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92 DEC -7 PM 4:22

Dear Mr. Wise:

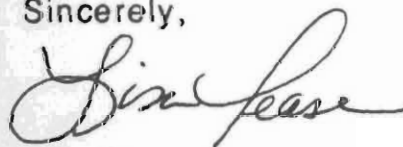
You recently informed the Brown for President Campaign of a proposed violation of 2 U.S.C. §§ 432(h), 434(b)(8), and 441b provisions of the Federal Election Campaign Act of 1971.

A letter dated October 20, 1992 was sent to the Brown for President treasurer Blaine Quick, who was out of town at the time. Upon his return he forwarded said letter to Jodie Evans, the Campaign Manager, who received the letter just before the Thanksgiving holiday.

Since we have not yet had time to review the accusations with an attorney, we would like to request an extension to prepare our response. Our campaign lawyer is currently out of state for the remainder of this week and will not return until December 7, 1992. Please grant us as much time as is customary and reasonable.

Thank you very much for your help in this matter.

Sincerely,



Lisa Pease
Brown for President

Brown for President

2121 Cloverfield Blvd., Suite 120
Santa Monica, CA 90404-5277

tel 213-449-1992 fax 213-449-1996

Faxed to 202-219-3923
12/2/92

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 7, 1992

Blaine Quick, Treasurer
Brown for President Committee
P.O. Box 8830
Rancho Santa Fe, CA 92067

RE: MUR 3632

Dear Mr. Quick:

This is in response to the attached letter dated December 2, 1992, from Lisa Pease which we received on December 2, 1992, requesting an extension to respond to the Commission's finding. After considering the circumstances presented in this letter, the Office of the General Counsel has granted the requested extension, for 20 days. Accordingly, your response is due by the close of business on December 22, 1992.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

Phillip L. Wise

Phillip L. Wise
Attorney

Enclosure

cc: Jodie Evans
Lisa Pease

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12-28-92 2:52PM

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OGC 8077
202 219 3923/11 1LAW OFFICES OF
OXMAN AND JAROSCAK14126 EAST ROSECRANS BOULEVARD
SANTA FE SPRINGS, CALIFORNIA 90670TELEPHONE (310) 921-8088
FAX (310) 921-2888FEDERAL
92 DEC 28 PM 5:00

TO: Mr. Phillip Wise FAX NO. (202) 219-3923
Federal Election Comm'n

DATE: December 28, 1992 TIME: 2:00 p.m.

RE: MUR No. 3632 PAGES: 1
Kimco Industries
Brown for President Campaign

Dear Wise:

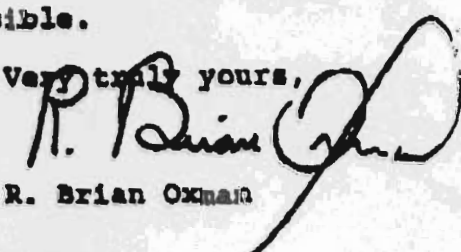
We are in need of an extension to respond to the complaint and the interrogatories in the above-entitled action. We telephoned the Commission today to request a extension. However, you were not in the office.

We have prepared the Campaign's responses. However, we are unable to submit them for filing because they have not been reviewed by the Treasurer, Blain Quick, or the Campaign Manager, Ms. Jodie Evans. Ms. Evans is out of the state and we have not been able to reach her. Mr. Quick is also on vacation.

We would appreciate an extension of time to January 8, 1993, to file the response. We believe Ms. Evans and Mr. Quick will have returned by that date and we will then be able to obtain their signatures and approvals.

Please contact as soon as possible.

Very truly yours,


R. Brian Oxman

RBO:ma

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FEDERAL ELECTION COMMISSION

WASHINGTON, D C 20463

December 29, 1992

FAX NO. (310) 921-2298

R. Brian Oxman, Esquire
Law Offices of Oxman and Jaroscak
14126 East Rosecrans Boulevard
Santa Fe Springs, California 90670

RE: MUR 3632
Brown for President Committee
and Blaine Quick, as
treasurer

Dear Mr. Oxman:

This is in response to your letter, dated December 28, 1992, requesting additional time, on behalf of your clients, to respond to the Commission's finding, until January 8, 1993. Your letter also indicates that the responses are prepared and you are awaiting approval from your vacationing clients. Based on the foregoing, the Office of the General counsel has granted your requested extension. Accordingly, your response is due by the close of business on January 8, 1993.

If you have any questions, please contact me at
(202) 219-3400.

Sincerely,

Phillip L. Wise
Phillip L. Wise
Attorney

96043731067

LAW OFFICES OF
OXMAN AND JAROSCAK
14126 EAST ROSECRANS BOULEVARD
SANTA FE SPRINGS, CALIFORNIA 90670
(213) 921-5058
TELECOPIER (213) 921-2298

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JAN 11 10 57 AM '93

January 8, 1993

Mr. Philip L. Wise
Federal Election Commission
Room 659
999 "E" Street N.W.
Washington, D.C. 20463

Re: Kimco Industries v. Brown for President, Federal
Election Commission Case No. MUR 3632

Dear Mr. Wise:

We are in receipt of your letter dated November 19, 1992, to Blaine Quick, Treasurer of the Brown for President Campaign, concerning Kimco Industries.

On July 14, 1992, Kimco Industries filed a lawsuit in the Civil Court of the City of New York against Governor Edmund G. Brown, Jr., personally, seeking \$13,144.65, for goods and materials (T-Shirts) it claimed were sold and delivered to Governor Brown. Kimco Industries personally served Governor Brown with the Summons on July 15, 1992, during the National Democratic Convention in New York City. A copy of the Summons is attached as Exhibit "A."

On August 26, 1992, Governor Brown filed an Answer to the Summons denying the allegations. The Answer stated neither he nor the Brown for President Campaign had received any goods or merchandise from Kimco Industries and no goods or merchandise were ever ordered from Kimco Industries by Governor Brown or the Brown for President Campaign. Kimco Industries took the order from Collin "Irish" McKenna and was paid by a personal check from Collin "Irish" McKenna for the personal account of Collin "Irish" McKenna. Kimco Industries knew the order was not from Governor Brown or the Brown for President Campaign. A copy of the Answer is attached as Exhibit "B."

On August 26, 1992, Governor Brown and the Brown for President Campaign filed a Cross-complaint for indemnification against Collin "Irish" McKenna. Governor Brown also sought a declaration from the court that Kimco Industries knew the purchase of goods and merchandise placed by Collin "Irish" McKenna was for the personal account of Mr. McKenna and not Governor Brown or the Brown for President Campaign. A copy of the Cross-complaint is attached as Exhibit "C."

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Mr. Philip L. Wise
Federal Election Commission
January 8, 1993
Page 2

The Brown for President Campaign did not order any of the goods and merchandise which Kimco Industries delivered to Collin "Irish" McKenna. Neither Governor Brown nor the Brown Campaign paid for any of the goods and merchandise ordered by Collin "Irish" McKenna. The only payment Kimco Industries ever received was \$1,000.00 from the personal account and for the personal account of Collin "Irish" McKenna.

Kimco Industries delivered the goods and merchandise, consisting of T-Shirts, to the Brown for President Campaign office in New York. Collin "Irish" McKenna sold some of the items for his own account and kept all of the proceeds for his own account. Whatever was found on the premises of the New York office was promptly returned to Kimco Industries with an explanation the Brown for President Campaign did not order this merchandise and the Campaign does not engage in the ordering of campaign merchandise such as T-Shirts or any other such items.

Neither the New York Campaign Manager, Don McDonough nor the National Campaign Manager, Ms. Jodie Evans, who were the only persons who could authorize campaign expenditures, were involved in this transaction in any way. (See McDonough statement attached as Exhibit "D."). The merchandise was returned in May, 1992. To our knowledge, Kimco Industries is now in possession of the goods and merchandise (T-Shirts).

Kimco Industries' complaint suffers from the following omissions and inconsistencies:

(1) Kimco Industries sued Governor Brown in New York State Court for \$13,144.65. (See Exhibit "A."). In its filing with the Commission Kimco Industries requests \$29,493.95. (Attachment to Joan Aikens Letter dated October 20, 1992). Not only is Kimco Industries inconsistent with its requests for payment, but also it is knowingly including invoices from other sources which it knows were never ordered by Governor Brown or the Brown for President Campaign. None of the invoices were ever ordered by Governor Brown or the Brown for President Campaign.

(2) Michael Bourbeau, who assisted in the management of the campaign in New York, personally directed the goods and merchandise be removed from the Brown for President Campaign offices. (See Exhibit "E"). The undated newspaper article supplied to us by the Commission entitled

Mr. Philip L. Wise
Federal Election Commission
January 8, 1993
Page 3

"Brown's Unpaid Bill is Primary Concern for T-Shirt Supplier" by Steven Colford, acknowledges the Brown Campaign does not have these items and states: "Now he [Paul Zarillo, Kimco Industries' President] has mountains of Jerry Brown buttons and T-Shirts on the floor of his New Jersey warehouse" Neither Governor Brown nor the Campaign have any of the T-Shirts, goods, or merchandise. Not only is the Campaign not obligated to pay for goods it never ordered, but also there is no violation of the Federal Election Campaign Act because we did not receive or use any of these items. (See Declaration of Cristine Hanley attached as Exhibit "F"). No unlawful corporate contribution occurred and no violation of 4 U.S.C. section 441b took place.

(3) The \$1,000.00 payment to Kimco Industries was from Collin "Irish" McKenna. Kimco Industries has refused to produce a copy of that payment because it knows it came from Mr. McKenna and not the Brown for President Campaign. Kimco Industries is playing a game with Governor Brown and the Commission because it knows neither Governor Brown nor the Campaign ordered these goods. (See Declaration of Robert Green attached as Exhibit "G").

(4) The suggestion from Kimco Industries that Collin "Irish" McKenna represented himself at the "Assistant National Campaign Manager" strains credulity. (April 24, 1992 Press Release from Kimco Industries). Mr. McKenna was an unpaid volunteer in the New York Office who came and went as he pleased and had no responsibilities or position with the Campaign other than a volunteer. He answered telephones, stuffed envelopes, and handed out campaign literature along with thousands of other volunteers.

(5) The Brown for President Campaign has always maintained its checking account in compliance with 4 U.S.C. section 432(h). No violation of section 432(h) occurred because the \$1,000.00 payment was from Mr. McKenna personally for his own personal benefit.

(6) Kimco Industries has sued Governor Brown and the Brown for President Campaign in New York State Court. This is a civil matter for the State courts and should not be litigated in the Federal Election Commission. No Federal Election Campaign Act issue is involved in this matter and it is a dispute created by the fact Mr. McKenna has not paid Kimco Industries and Kimco Industries is looking for someone else to pay Mr. McKenna's debt.

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Mr. Philip L. Wise
Federal Election Commission
January 8, 1993
Page 4

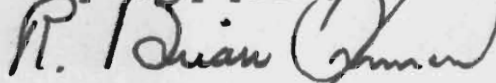
(7) The \$13,144.65 claim Kimco Industries filed in the New York Court has not been included on the Brown for President Campaign reports to the Commission because (a) the claim was against Governor Brown personally and individually, not the Campaign, and (b) neither Governor Brown nor the Campaign ordered these goods. Governor Brown and the Brown for President Campaign do not owe anything to Kimco Industries. No violation of 4 U.S.C. section 434(b) (8) has occurred.

(8) Throughout the entire campaign, the Brown for President Campaign ordered no T-Shirts, campaign buttons, or other such goods. There was always an explicit Campaign policy that no such purchases would take place. Individuals who wished to make such purchases and sell the T-Shirts for their own benefits were free to make such purchases. The Campaign never directed, controlled, or coordinated any such activities and did not participate in merchandising of such items at any time. Kimco Industries knew this and knew it was dealing individually with Mr. McKenna. (See Statement from Kevin Connor attached as Exhibit "H").

(9) This vendor did not utilize the normal method of dealing with political campaigns. It did not secure a purchase order from the Campaign nor any documentation from the National Campaign Headquarters or the New York Headquarters. Kimco Industries dealt with a volunteer having no position in the Campaign and knew it was not dealing with the Campaign because of Collin "Irsish" McKenna's inability to draw checks or secure purchase orders. Kimco Industries is attempting to blame the Brown Campaign for its lack of good business practice.

The Brown for President Campaign will supply the Commission with all information it has requested. We request this matter be dismissed because no Federal Election Campaign Act issue is involved and the Brown Campaign returned all of the goods and merchandise to Kimco Industries explaining it did not order the items. Please contact us if you need additional information.

Very truly yours,



R. Brian Oxman

RBO:ma

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VERIFICATION

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

)
) ss.
)

I, R. Brian Oxman, declare and say:

I am an attorney at law admitted to practice before all the courts of the State of California and I am the attorney for respondent, the Brown for President Campaign.

I have read the foregoing letter dated December 21, 1992, answer the complaint before the Federal Election Commission in case number MUR 3632 and know its contents and that it is true of my own knowledge, except as to those matter which are stated on information and belief and as to those matter I believe them to be true.

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct.

Executed this 8th day of January, 1993, at Santa Fe Springs, California.

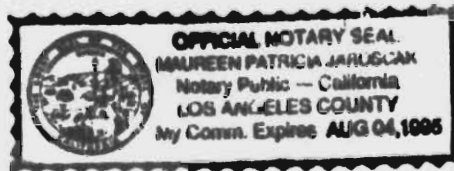
R. Brian Oxman

R. Brian Oxman

SUBSCRIBED AND SWORN TO BEFORE ME

THIS 8th DAY OF Jan 1993.

Maureen Patricia Jarugan
NOTARY PUBLIC



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FROM WE THE PEOPLE

T-206 P.02

BLUMBERG, INC., LAW BLANK PUBLISHERS
80 EXCHANGE PL. AT BROADWAY, N. Y. C. 10004

**CIVIL COURT OF THE CITY OF NEW YORK,
COUNTY OF NEW YORK**

Exhibit A

KIMCO INDUSTRIES, INC.,

Index No.

Summons

Plaintiff(s)

Plaintiff's Residence

Address: 232 Madison Avenue
New York, NY 10016

against

JERRY BROWN, doing business as
JERRY BROWN CAMPAIGN '92,

Defendant(s)

The basis of the venue designated is:
Plaintiff's principal place of
doing business is in New York
County

To the above named defendant(s)

You are hereby summoned to appear in the Civil Court of the City of New York,
County of New York at the office of the Clerk of the said Court at 111 Centre St., New
York, NY 10013
in the County of New York City and State of New York, within the time provided by law as
noted below and to file your answer to the complaint with the Clerk: upon your failure to answer, judgment
will be taken against you for the sum of \$ 13,144.65 with interest thereon from the first
day of July 19 92 together with the costs of this action.

Dated, New York, New York
July 14, 1992

Defendant's Address:

8 Chelsea Studios
221 West 26th St.
New York, NY 10001

GOLDSTEIN, ZUCKER & FLYNN
Attorney(s) for Plaintiff(s)

Post Office Address and Telephone Number
111 West 57th St.--1400
New York, NY 10019
Tel: 212/757-6167

NOTE: The law provides that: (a) If this summons is served by its delivery to you personally within the City of New York, you must appear
and answer within TWENTY days after such service; or
(b) If this summons is served by any means other than personal delivery to you within the City of New York, you must appear and answer
within THIRTY days after proof of service thereof is filed with the Clerk of this Court.

INDORSED COMPLAINT

A statement of the nature and substance of the plaintiff's cause of action is as follows:

1. Goods sold and delivered in the sum of \$13,144.65.
2. Account stated.
3. Breach of contract.

GOLDSTEIN, ZUCKER & FLYNN
Attorney(s) for Plaintiff

1 R. Brian Oxman
 2 Maureen Jaroscak
 3 14126 East Rosecrans Boulevard
 4 Santa Fe Springs, California 90670
 5 (310) 921-5058 or (310) 921-7881

6 Attorneys pro hac vice for defendant,
 7 Edmund G. Brown, Jr.

8 CIVIL COURT OF THE CITY OF NEW YORK
 9 COUNTY OF NEW YORK

10
 11 KIMCO INDUSTRIES, INC.,

12 Plaintiff,

13 v.

14 JERRY BROWN, doing business as
 15 JERRY BROWN CAMPAIGN '92,

16 Defendants.
 17

18 Index No. *M19-92* Unknown

19 GOVERNOR BROWN'S ANSWER TO
 20 COMPLAINT

21 Defendant, Governor Edmund G. Brown, Jr., sued herein as
 22 Jerry Brown, sdoing businessas the Jerry Brown Campaing '92,
 23 submits the following answer to the Indorsed Complaintr.

24 1. Answering paragraph 1 of the Indorsed Complaint,
 25 Governor Brown denies generally and specitically, conjunctively
 26 and disjunctively, each and every allegaton contained in the
 27 paragraph.

28 2. Answering paragraph 2 of the Indorsed Complaint,
 Governor Brown denies generally and specitically, conjunctively
 and disjunctively, each and every allegaton contained in the
 paragraph.

1 3. Answering paragraph 3 of the Indorsed Complaint,
2 Governor Brown denies generally and specitically, conjunctively
3 and disjunctively, each and every allegaton contained in the
4 paragraph.

5 4. Answering all other unknown paragraphs and allegations
6 of the complaint, Governor Brown alleges the copy of the Summons
7 is incomplete and there may be other unknown allegations of the
8 Indorsed Complaint, they therefore denies generally and
9 specitically, conjunctively and disjunctively, each and every
10 allegaton contained in the complaint.

11 FIRST AFFIRMATIVE DEFENSE

12 (To the Entire Complaint for Failure of Consideration)

13 5. Governor Brown has received no goods, services, or other
14 consideration from plaintiff. Governor Brown has had no contact,
15 correspondence, or communication with plaintiff and Governor
16 Brown has placed nor order for goods, services, or anything else
17 of value with plaintiff. Governor Brown has engaged in no
18 business or other activity whereby goods, services, or anything
19 else of value would be purchased from plaintiff and no agent,
20 representative, or employee has made any such order or purchase
21 of any goods, services, or anything else of value from plaintiff.

22 SECOND AFFIRMATIVE DEFENSE

23 (To the Entire Complaint for Unclean Hands and Estoppel)

24 6. The goods sold and delivered as alleged in the complaint
25 were T-shirts supporting the election of Governor Brown as
26 President of the United States and the order for such goods and
27 merchandise was placed with plaintiff by Collin "Irish" McKenna.
28 At the time and place of the order plaintiff knew Governor Brown

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1 was not placing the order and that Collin "Irish" McKennawas
2 neither the agent, representative, or employee for Governor
3 Brown. Plaintiff knew Governor Brown did not place the order and
4 that his campaign for President of the United States did not
5 engage in the purchase of campaign items such as T-Shirts, bumper
6 stickers, or other campaign merchandise.

7 7. Plaintiff represented and warranted to Collin "Irish"
8 McKenna that it was aware the purchase was not from Governor
9 Brown and that Governor Brown was not liable for payment of the
10 order. Plaintiff represented and warranted it understood the
11 person responsible for the order of goods and merchandise was
12 Collin "Irish" McKenna and that Collin "Irish" McKenna was acting
13 wholly independent of Governor Brown and his campaign for
14 President of the United States. Plaintiff is guilty of unclean
15 hands in seeking to assert liability against Governor Brown and
16 plaintiff is estopped from making any claim of Governor Brown's
17 individual liability on such debt.

18 THIRD AFFIRMATIVE DEFENSE

19 (To the Entire Complaint for Non-Liability Under the Federal
20 Election Campaign Act)

21 8. Pursuant to the Federal Election Campaign Act, 2 U.S.C.
22 § 431 et seq., Governor Brown is not individually responsible or
23 liable for any of the debts or obligations incurred in connection
24 with the activities of his authorized and independent political
25 committee or any of the actions taken by persons acting on behalf
26 of his authorized political committee. Governor Brown had no
27 contact or communication of any kind with plaintiff and received
28 no goods, merchandise, or services from plaintiff. Governor

1 Brown is not liable to plaintiff for the debts and obligations
2 incurred by persons purporting to act on behalf of the political
3 committees to elect Governor Brown President.

4 FOURTH AFFIRMATIVE DEFENSE

5 (To the Entire Complaint for Absence of Indispensible Party)

6 9. Collin "Irish" McKenna is an indispensable party to this
7 proceeding and complete justice cannot be had in the absence of
8 this individual being a party before the court. Collin "Irish"
9 McKenna is the primary and exclusive actor in connection with the
10 order for goods and merchandise placed with plaintiff and Collin
11 "Irish" McKenna is primarily and actively liable on the debt, if
12 any, which is owed to plaintiff. Collin "Irish" McKenna must be
13 joined as a party to this proceeding in order to avoid multiple,
14 duplicate, and numerous legal proceedings and to avoid
15 inconsistent liabilities between the persons now before the
16 court.

17 WHEREFORE, Edmund G. Brown, Jr., prays for judgment as
18 follows:

- 19 A. Plaintiff taken nothing by way of its complaint;
20 B. Plaintiff's complaint be dismissed;
21 C. Governor Brown be awarded his costs of suit incurred in

22 ////

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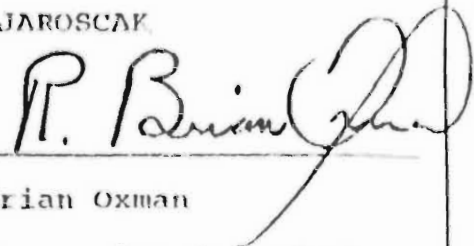
1 this action;

2 D. For such further relief the court deems appropriate.

3
4 DATED: August 26, 1992

5 R. BRIAN OXMAN

6 MAUREEN JAROSCAK

7
8 By: 

9 R. Brian Oxman

10 Attorneys for defendant,

11 Edmund G. Brown, Jr.

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1 R. Brian Oxman
 2 Maureen Jaroscak
 3 14126 East Rosecrans Boulevard
 4 Santa Fe Springs, California 90670
 5 (310) 921-5058 or (310) 921-7881

6 Attorneys pro hac vice for defendant,
 7 and counter-claimant, Edmund G. Brown, Jr.

8
 9 CIVIL COURT OF THE CITY OF NEW YORK
 10 COUNTY OF NEW YORK

11 KIMCO INDUSTRIES, INC.,)

2198-92
 Index No. Unknown

12 Plaintiff,)

COUNTER-CLAIM FOR DECLARATORY
 RELIEF AND INDEMNIFICATION

13 v.)

14 JERRY BROWN, doing business as)
 15 JERRY BROWN CAMPAIGN '92,)

16 Defendants.)
 17)

18 Counter-claimant, Governor Edmund G. Brown, Jr., submit the
 19 following Counterclaim against defendants, and each of them.

20 PARTIES

21 1. On August 26, 1992, counter-claimant, Governor Edmund G.
 22 Brown, Jr., was and now is a resident of the State of California.

23 2. On that date, counter-defendant Collin "Irish" McKenna,
 24 was and now is a resident of the City of Portland, State of
 25 Maine;

26 3. On that date, counter-defendant, Kimco Industries, Inc.,
 27 was and now is a corporation organized and existing under the
 28 laws of the State of New York and engaged in business in the

1 County of New York, State of New York.

2 STATEMENT OF THE CASE

3 4. On an unknown date, counter-defendant Collin "Irish"
4 McKenna placed an order with defendant, Kimco Industries, for
5 goods and merchandise in the form of T-Shirts carrying a printed
6 message promoting the election of Edmund G. Brown, Jr., for
7 President of the United States. Governor Brown does not know the
8 nature of the order, the amount of the order, or the terms and
9 conditions of the order. Governor Brown is informed and believes
10 that sometime after the order was placed the order was filled by
11 defendant Kimco Industries delivering the goods and merchandise to
12 counter-defendant Collin "Irish" McKenna.

13 5. At the time and place of the order counter-defendant
14 Kimco Industries knew Governor Brown was not placing the order
15 and that counter-defendant Collin "Irish" McKenna was neither the
16 agent, representative, or employee for Governor Brown. Coun-
17 ter-defendant Kimco Industries knew Governor Brown did not place
18 the order and that his campaign for President of the United
19 States did not engage in the purchase of campaign items such as
20 T-Shirts, bumper stickers, or other campaign merchandise.
21 Counter-defendant Kimco Industries knew the items were solely and
22 exclusively being purchased by counter-defendant Collin "Irish"
23 McKenna based on the promise and representation from coun-
24 ter-defendant Collin "Irish" McKenna that he would pay for the
25 items.

26 6. Counter-defendant Kimco Industries represented and
27 warranted to counter-defendant Collin "Irish" McKenna that it was
28 aware the purchase was not from Governor Brown and that Governor

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1 Brown was not liable for payment of the order. Counter-defendant
2 Kimco Industries represented and warranted it understood the
3 person responsible for the order of goods and merchandise was
4 counter-defendant Collin "Irish" McKenna and that coun-
5 ter-defendant Collin "Irish" McKenna was acting wholly indepen-
6 dent of Governor Brown and his campaign for President of the
7 United States. Counter-defendant Kimco Industries is guilty of
8 unclean hands in seeking to assert liability against Governor
9 Brown and counter-defendant Kimco Industries is estopped from
10 making any claim of Governor Brown's individual liability on such
11 debt.

12 7. On July 14, 1992, counter-defendant Kimco Industries
13 filed a Summons and Indorsed Complaint with the Civil Court of
14 the City of New York, County of New York, which alleged Governor
15 Brown was liable to counter-defendant Kimco Industries for the
16 goods sold and delivered to counter-defendant Collin "Irish"
17 McKenna. Plaintiff alleged an account had been stated with
18 Governor Brown and that Governor Brown breached a contract with
19 counter-defendant Kimco Industries. Plaintiff sought damages in
20 the amount of \$13,144.65.

21 FIRST CAUSE OF ACTION

22 (For Declaratory Relief against Counter-defendant Kimco
23 Industries)

24 8. Governor Brown refers to paragraph 1, and paragraphs 3
25 through 7, inclusive, and incorporates them into this claim.

26 9. An actual controversy now exists between Governor Brown
27 and counter-defendant Kimco Industries by reason of coun-
28 ter-defendant Kimco Industries' negligent and intentional conduct

9 6 0 4 3 7 3 1 0 8 2

1 of accepting an order for goods and merchandise from coun-
2 ter-defendant Collin "Irish" McKenna knowing Governor Brown was
3 not responsible for such order. Governor Brown has received no
4 goods, services, or other consideration from counter-defendant
5 Kimco Industries. Governor Brown has had no contact, correspon-
6 dence, or communication with counter-defendant Kimco Industries
7 and Governor Brown has placed no order for goods, services, or
8 anything else of value with plaintiff. Governor Brown has
9 engaged in no business or other activity whereby goods, services,
10 or anything else of value would be purchased from coun-
11 ter-defendant Kimco Industries and no agent, representative, or
12 employee has made any such order or purchase of any goods,
13 services, or anything else of value from counter-defendant Kimco
14 Industries.

15 10. A judicial determination of the rights and duties of
16 the parties is appropriate at this time in order to allow all
17 parties to know their responsibility and liability for the debt
18 claimed by counter-defendant Kimco Industries. A judicial
19 determination of such rights is appropriate because pursuant to
20 the Federal Election Campaign Act, 2 U.S.C. § 431 et seq.,
21 Governor Brown is not individually responsible or liable for any
22 of the debts or obligations incurred in connection with the
23 activities of his authorized and independent political committee
24 or any of the actions taken by persons acting on behalf of his
25 authorized political committee.

26 11. Governor Brown requests the court to declare Governor
27 Brown is not liable to counter-defendant Kimco Industries for the
28 debts and obligations incurred by counter-defendant Collin

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1 "Irish" McKenna or incurred by any persons dealing with coun-
2 ter-defendant Kimco Industries and purporting to act on behalf of
3 the political committees to elect Governor Brown President.

4 SECOND CAUSE OF ACTION

5 (For Indemnification against counter-defendant McKenna)

6 12. Governor Brown refers to paragraphs 1 through 2, and
7 paragraphs 4 through 7, inclusive, and incorporates them into
8 this claim.

9 13. The conduct of counter-defendant Collin "Irish" McKenna
10 was primary and active in incurring the debt with counter-
11 defendant Kimco Industries for goods and merchandise. Governor
12 Brown engaged in no conduct which resulted in the debt being
13 incurred with counter-defendant Kimco Industries. Governor Brown
14 has no liability to counter-defendant Kimco Industries whereas
15 counter-defendant Collin "Irish" McKenna has full and total
16 responsibility for the debt.

17 14. Governor Brown requests a judgment against coun-
18 ter-defendant Collin "Irish" McKenna for full equitable indemni-
19 fication for all debts, obligations, damages, injuries, good
20 faith settlement, attorney's fees, or other costs and expenses he
21 may incur by reason of the complaint filed against him by coun-
22 ter-defendant Kimco Industries. of Govern

23 WHEREFORE, counter-claimant, Edmund G. Brown, Jr., prays for
24 judgment as follows:

25 A. On the First Cause of Action for Declaratory Relief, for
26 a judgment against counter-defendant Kimco Industries declaring
27 Governor Brown is not liable to counter-defendant Kimco Indus-
28 tries for the debts and obligations incurred by counter-defendant

1 Collin "Irish" McKenna or incurred by any persons dealing with
2 counter-defendant Kimco Industries and purporting to act on
3 behalf of the political committees to elect Governor Brown
4 President;

5 B. On the Second Cause of Action for Indemnification, for a
6 judgment against counter-defendant Collin "Irish" McKenna for
7 full equitable indemnification for all debts, obligations,
8 damages, injuries, good faith settlement, attorney's fees, or
9 other costs and expenses Governor Brown may incur by reason of
10 the complaint filed against him by counter-defendant Kimco
11 Industries;

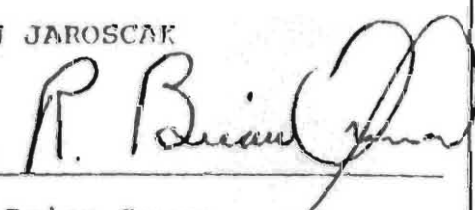
12 C. For the costs of suit incurred in this action;

13 D. For such further relief the court deems appropriate.
14

15 DATED: August 26, 1992

R. BRIAN OXMAN

MAUREEN JAROSCAK

17 By: 
18

19 R. Brian Oxman

20 Attorneys for counter-
21 claimant, Edmund G. Brown,
22 Jr.
23
24
25
26
27
28

Exhibit D



Evans/McDonough Company Inc.

BERKELEY, CA
1600 Shattuck Ave.
Suite # 224A
Berkeley, CA 94709
Fax: (510) 649-7642
Tel: (510) 549-6900

SEATTLE, WA
111 Queen Anne Ave. N.
Suite # 500
Seattle, WA 98109
Fax: (206) 282-2704
Tel: (206) 282-2454

January 8, 1993

To whom it may concern:

I served as the New York State Coordinator for the Brown for President campaign during the 1992 Presidential primary campaign. In that position I was given direct authority for all campaign operations in New York state.

During that campaign I met, on one brief occasion, a man named Colin McKenna, also known as "Irish". I understood him to be a volunteer who had walked into the Brown for President campaign storefront headquarters in Manhattan. He and another man, whose name I don't remember, gave me a ride to where I was staying. From this brief exposure to Mr. McKenna, I observed from his behavior that he may have been suffering from some kind of emotional or psychological disorder.

Mr. McKenna certainly had no authorization from me to act in anyway on behalf of the Brown for president campaign. Specifically, I gave no one, including Mr. McKenna, authorization to order any merchandise for the campaign. I was given instructions by Jody Evans that the campaign not conduct any selling or distribution of merchandise in exchange for campaign contributions.

If you have any questions please call.

Sincerely,

Don McDonough

DECLARATION OF MICHAEL C. BOURBEAU

I, Michael C. Bourbeau, declare and say:

1. I am an attorney at law license to practice law in the States of Massachusetts and California and all federal courts therein and I was the former campaign manager in Massachusetts, Rhode Island, New Hampshire, Pennsylvania, and Indiana. I submit this declaration to the Federal Election Commission concerning the transactions involving Collin "Irish" McKenna and his sales of T-Shirts.

2. I first met Irish in Maine during the end of February, 1992. I have to describe him as a "bum" because he looked like a street person who was unshaven and unkept. He had no responsibilities with the campaign in Maine and was not hired by the campaign. He was strictly a volunteer.

3. The next time I saw him was a few weeks later in Massachusetts. He came there with his son and "bummed" money from my brother, Mark Bourbeau, and myself for food and shelter. We gave him approximately \$50.00 from our personal funds. His only activities in Massachusetts were handling out flyers. He hung around the office and used the office as a place to sleep. My brother gave him money for bus fare and put him and his son on a bus to go home to Maine. We did not want him sleeping on the office floor.

4. I next saw him the day before the New York Primary at a meeting of volunteers. Irish was one of 500 to 1,000 volunteers. I knew nothing about T-Shirt sales and never gave permission of any kind concerning T-Shirt sales. Irish

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was not part of the campaign staff and had no position in the campaign other than a volunteer.

5. Irish showed up about four (4) days later in Philadelphia with a truck which included a bunch of T-Shirts which he put in the office. I got a phone call from California telling me there was a problem with T-Shirt sales and the campaign must not sell T-Shirts. I then told all of the volunteers to get the T-Shirts out of the office. Irish then removed all of the T-Shirts.

6. The next encounter I had with Irish was at a campaign event in Philadelphia approximately a week later. He was selling T-Shirts. I talked to him and I told him the campaign must not be involved in selling T-Shirts. Irish told me he was doing the sale of T-Shirts on his own.

7. Approximately three (3) or four (4) days later I met him at the campaign office in Philadelphia and he told me that he had turned over T-Shirt money to me. I told him he was a liar. He then said he gave the money to Bob McLaughlin. I asked Bob McLaughlin and he said he had never received any money from Irish. Jay Jacoise said to Irish that they were looking for Irish in New York because he had not paid for the shirts. I told him to get out of the office because he was a thief and a liar.

8. At the same time we told him to get out of the office, a volunteer, whose name I cannot recall, complained to me that Irish had stolen a credit card from her. This was intolerable and I wanted to make sure Irish was never seen anywhere near the campaign.

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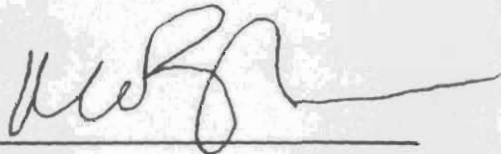
9. On the election night in Philadelphia, April 28, 1992, Irish showed up at a union hall for an election night party. Jay Jacobse started to yell at him again calling him a liar and a thief. We asked him to leave.

10. The last time I saw him was during the National Democratic Convention the week of July 13, 1992, at a Brown for President gathering. Jodie Evans and Christine Hanley were present. Christine Hanley asked him to repeat what he had said to her. Irish said he had given me money from the T-Shirt sales. I told him he was a liar. He then changed his story and said he had given the money to someone else and he couldn't remember their name. I then agreed with Christine that this man was a total incompetent.

11. The campaign did not authorize anyone to acquire and/or distribute any buttons, bumper stickers, or T-Shirts, least of all sell such items on behalf of the campaign. To my knowledge, no proceeds from any sale of any souvenir were ever utilized by the campaign to finance any campaign related costs. The staff and volunteers were told that no T-Shirts or other campaign souvenirs were authorized to be sold and/or distributed on behalf of the campaign.

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct.

Executed this 8 day of January, 1993, at Woodland Hills California.



Michael C. Bourbeau

DECLARATION OF CHRISTINE HANLEY

I, Christine Hanley, declare and say:

1. I am a resident of the City of San Francisco, State of California, and I am the former Operations Director for the Brown for President Campaign. I submit this declaration to the Federal Election Commission concerning the transactions between Collin "Irish" McKenna and Kimco Industries, Inc.

2. I was made aware of the fact Collin "Irish" McKenna was selling T-Shirts out of one of our three (3) or four (4) headquarters in New York during the weeks before the April 7, 1992, New York Primary. Upon learning of this, Michael Borbeau and Kevin Connor instructed Mr. McKenna to stop selling the T-Shirts. Some of the T-Shirts which remained unsold were stored in one of the New York offices and subsequently taken from the office by persons unknown, although we believe it was Mr. McKenna.

3. During the week of July 13, 1992, I attended the National Democratic Convention in New York. During one of the Brown for President gatherings Mr. McKenna appeared and I spoke to him. I asked him about the T-Shirts and Kimco Industries.

4. He said that he had sold the T-Shirts with the knowledge of Michael Borbeau, Kevin Connor, and someone else whose name I did not recognize nor remember. He said that he turned over the money to Michael Borbeau. Mr. Borbeau was then summonsed to the meeting.

5. When Mr. Borbeau arrived I asked Mr. McKenna to

repeat the allegation to Michael Borbeau's face. Mr. Borbeau told Mr. McKenna it was not true and "That's a lie." Mr. McKenna then change his story and said that he had not given the money to Mr. Borbeau. Rather, he gave the money to someone else in Mr. Borbeau's presence. Mr. Borbeau said "I never saw that. That's a lie and you know it."

6. Mr. McKenna meekly reiterated he gave it to this other person. I asked what happened to the money. He said that the money was spent on food for campaign workers, housing expenses for them to stay overnight at a shelter, and bus and train fare for volunteers to get home.

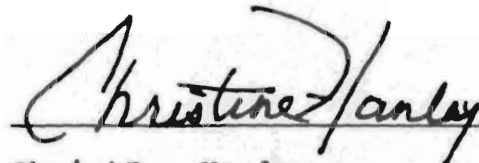
7. Based on this conversation with Mr. McKenna I concluded that Mr. McKenna was incapable of telling the truth and kept changing his story. It was impossible to know what he had done with the money. We could never clarify what he did with the money. I was certain the money did not come into the campaign or any campaign account. I was also certain the money was not spent in conjunction with any authorized campaign expenditures.

8. Mr. McKenna's activities were not authorized by the campaign or anyone associated with the campaign. His activities were independent and not directed or coordinated by the campaign. He was an unstable personality who changed his story at every opportunity, particularly when confronted by Michael Borbeau. Mr. McKenna did not act for the Brown for President Campaign in any manner and particularly with respect to these T-Shirts he sold on his own. He apparently used the money to defer the personal expenses of his friends

and not for any campaign purposes.

I declare under penalty of perjury under the laws of
the State of California.

Executed this 7 day of January, 1993, at San
Francisco, California.


Christine Hanley

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May 29, 1992

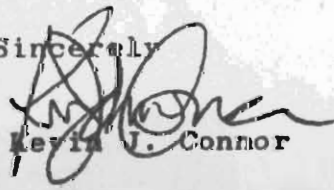
To: Christine Hanlon
From: Kevin Connor
Re: T-Shirt sales in New York

The following is an account of the events surrounding the sales of Brown for President T-shirts in New York during the three week period before the primary there in April, as I know them.

1. Any person that inquired with me about Brown for President T-shirt sales was told that, "The Brown campaign did not engage in the selling of T-shirts, however any volunteer that would like to sell them could do so on their own." Further more, any profits that might be produced from such sales would not be accepted as campaign contributions.
2. Designs for T-shirts were neither produced by or approved by the Brown for President campaign. All designs were unauthorized and produced by volunteers.
3. In New York there was a T-shirt design used on many T-shirts sold there. I later found out this was a pirated design. I understand that this design came over the fax machine from Kevin McDermont in the California campaign headquarters. As the campaign does not engage in T-shirt sales I would not pay attention to such a fax. I am told, after the fact that this was a copyrighted design wich was stolen by a volunteer who calls himself "Irish".
4. At no time did I authorize the purchase or sales of T-shirts on behalf of Brown for President. In particular I did not authorize "Irish" to do so. Furthermore I did not give "Irish" any official title or responsibility in the campaign.
5. I know of no instance where monies from T-shirt sales were used to pay campaign expenses.
6. I was not involved in any way in the accounting of monies collected from T-shirt sales.

If there are any further questions regarding this issue or the issues arising from it please feel free to call me at my home (310) 274-6600.

Sincerely,


Kevin J. Connor

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Exhibit H

DECLARATION OF ROBERT L. GREENE

I, Robert L. Greene declare and say:

1. I am an attorney at law admitted to practice before all the courts of the State of New York and I am the former Volunteer Coordinator for Lower Manhattan in the Brown for President Campaign. I submit this declaration to the Federal Election Commission concerning the transactions involving T-Shirt sales in New York by a man named "Irish."

2. During the last two (2) weeks prior to the New York Primary on April 7, 1992, I was asked to coordinate volunteers out of the office on East Houston Street in New York. When I arrived at the office I found a number of "street" people who had attached themselves to the office. A man named "Irish" was among four (4) or five (5) people who had followed the campaign to New York from other states. There were sleeping on the floor in the office and had no other visible means of support. *Some of them* *much* They appeared to be under the influence of narcotics ~~most~~ of the time.

3. These individuals were selling various buttons, T-shirts, and bumper stickers from the office. They said they would give one-half (1/2) of the money to the campaign. However, the money was clearly separate from the campaign and it went into a jar which was kept on a table in the office for their personal expenses or into the pocket of a man named Bill, who was from Connecticut and who was one of the group I have described as "street people." The money belonged to these individuals and it was definitely not

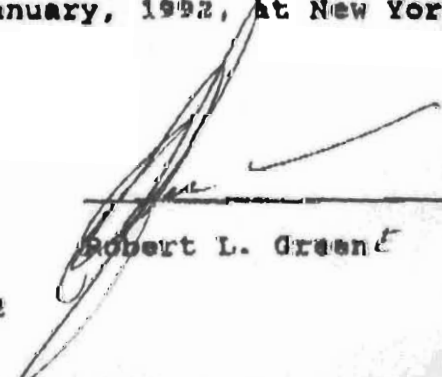
money which belonged to or was used by the Brown for President Campaign. *I have no knowledge of any of the money from T-shirt sales ever being given to the Campaign.*

4. One day three (3) men in a van showed up looking for Bill and Irish. They said Bill and Irish owed them money for T-shirts they had made for them. I identified myself and my position to them and told them that Bill had left the state with some young women ^A he had met. I was not asked to pay the bill for the T-Shirts and these men were not looking for me or anyone from the Campaign itself. They were looking for Bill and Irish who owed them money.

5. This group of people, which included Irish and Bill, were definitely not controlled or coordinated by the campaign. They were abusive toward the campaign management and complained continuously about how the campaign was being run. They said they would get Jerry Brown elected by themselves. I complained to the leadership of the campaign, including Denise Fitzgerald, the Volunteer Coordinator, and was told these people were "hangers on" and there was nothing anyone could do with them. I was told to ignore them. This was difficult to do because they were hostile to the campaign and took directions from no one.

I declare under penalty of perjury under the laws of the State of New York the foregoing is true and correct.

Executed this 2 day of January, 1992, at New York, New York.


Robert L. Green

LAW OFFICES OF
OXMAN AND JAROSCAK
14126 EAST ROSECRAUS BOULEVARD
SANTA FE SPRINGS, CALIFORNIA 90670
(213) 921-5058
TELECOPIER (213) 921-2298

January 8, 1993

Mr. Philip L. Wise
Federal Election Commission
Room 659
999 "E" Street N.W.
Washington, D.C. 20463

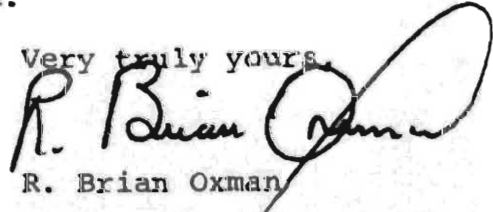
Re: Kimco Industries v. Brown for President, Federal
Election Commission Case No. MUR 3632

Dear Mr. Wise:

Accompanying this letter are the Brown for President
Committee's Answers to Interrogatories and Request for
Documents served on Blaine Quick, Treasurer, on November
19, 1992.

Thank you for your assistance.

Very truly yours,


R. Brian Oxman

RBO:ma
Enclosure

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ANSWERS TO INTERROGATORIES AND REQUEST FOR DOCUMENTS

INTERROGATORY NO. 1:

State whether Brown for President and/or any representative or agent thereof entered into an agreement with KIMCO Industries, Inc. whereby KIMCO was to supply T-shirts and campaign buttons to the committee.

ANSWER TO INTERROGATORY NO. 1:

Neither the Brown for President Campaign nor any authorized agent or representative of the Campaign entered into any agreement with Kimco Industries, Inc., to purchase goods, merchandise, T-Shirts, or campaign buttons.

INTERROGATORY NO. 1(a):

If the answer is yes submit copies of all written documents evidencing this agreement. Specifically, the written contract, any documents containing the terms of the agreement, and any telephone messages with regard to the agreement.

ANSWER TO INTERROGATORY NO. 1(a):

There are no documents which evidence or reflect any agreement between the Brown for President Campaign and Kimco Industries, Inc. However, there are several documents which evidence the fact the Brown for President Campaign was aware "after the fact" that Collin "Irish" McKenna had purchased T-Shirts from Kimco Industries and that the Brown for President Campaign informed Kimco Industries it had not purchased the items nor would it take receipt of the items.

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The Brown for President Campaign instructed Collin "Irish" McKenna to remove all T-Shirts from its premises and to return all such items to Kimco Industries. It has been litigating its liability over a \$13,144.65 purported bill in New York State Court with Kimco Industries. All of these documents are attached to this Response.

INTERROGATORY NO. 1(b):

State the names and explain the duties of any and all persons who were parties to and/or negotiated this agreement with KIMCO.

ANSWER TO INTERROGATORY NO. 1(b):

There was no agent or representative who negotiated with Kimco Industries because there was no purchase by the Brown for President Campaign from Kimco Industries. Kimco Industries dealt directly with Collin "Irish" McKenna who was a volunteer in the Brown for President Campaign office in New York. He was not a staff member and he had no official position with the Campaign other than a volunteer. Collin "Irish" McKenna purchased the T-Shirts with his own \$1,000.00 and for his own personal account. His address is as follows:

Collin McKenna
P.O. Box 1331
Portland, Maine 01104

INTERROGATORY NO. 2:

Explain the role Colin McKenna had with the Brown Committee.

ANSWER TO INTERROGATORY NO. 2:

Mr. McKenna was an unpaid volunteer in the New York Office who came and went as he pleased and had no responsibilities or position with the Campaign other than a volunteer. He answered telephones, stuffed envelopes, and handed out campaign literature along with thousands of other volunteers. However, he held no official position and was never paid anything by the Brown for President Campaign.

INTERROGATORY NO. 2(a):

State whether Colin McKenna requested that KIMCO furnish campaign buttons and T-Shirts for the Brown Committee.

ANSWER TO INTERROGATORY NO. 2(a):

To our knowledge no such request was ever made. Mr. McKenna was not authorized to make such a request. No funds were ever given to him or anyone else with which to facilitate or make such a request. He was specifically instructed by the New York Campaign he had no such authority. Mr. McKenna made a request to Kimco Industries to supply him with T-Shirts for his own personal account for which he paid for personally with a \$1,000.00 deposit.

INTERROGATORY NO. 2(b):

State whether Colin McKenna made a \$1,000.00 cash payment to KIMCO.

ANSWER TO INTERROGATORY NO. 2(b):

Yes. We have been told by Mr. McKenna he made such a

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payment. It was from his own funds. However, he told us it was by a personal check.

INTERROGATORY NO. 2(c):

State why and when this cash payment was made to KIMCO

ANSWER TO INTERROGATORY NO. 2(c):

Mr. McKenna informed us it was a payment by his personal check. It was made sometime in March, 1992. It was made for the purpose of Mr. McKenna purchasing Brown for President T-Shirts which he planned to sell at Brown for President rallies for his own personal account.

INTERROGATORY NO. 2(d):

State the source of this \$1,000.00 paid to KIMCO.

ANSWER TO INTERROGATORY NO. 2(d):

The funds were from the personal checking account of Collin "Irish" McKenna.

INTERROGATORY NO. 3:

Explain the role Joe Pulichino had with the Brown Committee.

ANSWER TO INTERROGATORY NO. 3:

Mr. Pulichino oversaw the ballot access operation in New York City during the months of February and March, 1992, and was active in the New York Campaign as a volunteer.

INTERROGATORY NO. 3(a):

State whether Joe Pulichino requested that KIMCO furnish campaign buttons and T-Shirts for the Brown Committee.

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ANSWER TO INTERROGATORY NO. 3(a):

No.

INTERROGATORY NO. 3(b):

State whether Joe Pulichino made a \$1,000.00 cash payment to KIMCO.

ANSWER TO INTERROGATORY NO. 3(b):

No.

INTERROGATORY NO. 3(c):

State why and when this cash payment was made to KIMCO

ANSWER TO INTERROGATORY NO. 3(c):

It was not made by Mr. Pulichino. It was made by Collin "Irish" McKenna for his own account to purchase T-Shirts which he personally planned to sell for a personal profit.

INTERROGATORY NO. 3(d):

State the source of this \$1,000.00 paid to KIMCO.

ANSWER TO INTERROGATORY NO. 3(d):

Collin "Irish" McKenna. No such payment was made by Mr. Pulichino.

INTERROGATORY NO. 4:

Explain the role Kevin Conner had with the Brown Committee.

ANSWER TO INTERROGATORY NO. 4:

Mr. Conner was the field coordinator for the national campaign and coordinated field and grass roots activities in various states. He was active from mid-January, 1992, to mid-May, 1992.

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INTERROGATORY NO. 4(a):

State whether Kevin Connor requested that KIMCO furnish campaign buttons and T-Shirts for the Brown Committee.

ANSWER TO INTERROGATORY NO. 4(a):

No.

INTERROGATORY NO. 4(b):

State whether Kevin Connor made a \$1,000.00 cash payment to KIMCO.

ANSWER TO INTERROGATORY NO. 4(b):

No.

INTERROGATORY NO. 4(c):

State why and when this cash payment was made to KIMCO

ANSWER TO INTERROGATORY NO. 4(c):

It was not made by Mr. Connor. It was made by Collin "Irish" McKenna for his own account to purchase T-Shirts which he personally planned to sell for a personal profit.

INTERROGATORY NO. 4(d):

State the source of this \$1,000.00 paid to KIMCO.

ANSWER TO INTERROGATORY NO. 4(d):

Collin "Irish" McKenna. No such payment was made by Mr. Connor.

INTERROGATORY NO. 5:

Explain the role Kevin McDermott had with the Brown Committee.

ANSWER TO INTERROGATORY NO. 5:

Mr. McDermott was the assistant treasurer who oversaw matching fund operations and contribution deposits from the

Los Angeles office of the national campaign. He had no involvement in the New York campaign.

INTERROGATORY NO. 5(a):

State whether Kevin McDermott requested that KIMCO furnish campaign buttons and T-Shirts for the Brown Committee.

ANSWER TO INTERROGATORY NO. 5(a):

No.

INTERROGATORY NO. 5(b):

State whether Kevin McDermott made a \$1,000.00 cash payment to KIMCO.

ANSWER TO INTERROGATORY NO. 5(b):

No.

INTERROGATORY NO. 5(c):

State why and when this cash payment was made to KIMCO

ANSWER TO INTERROGATORY NO. 5(c):

It was not made by Mr. McDermott. It was made by Collin "Irish" McKenna for his own account to purchase T-Shirts which he personally planned to sell for a personal profit.

INTERROGATORY NO. 5(d):

State the source of this \$1,000.00 paid to KIMCO.

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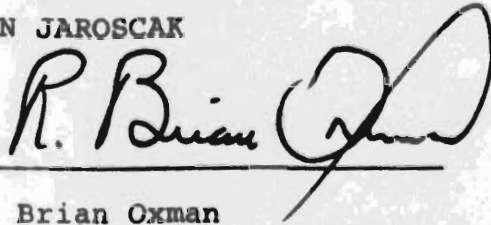
ANSWER TO INTERROGATORY NO. 5(d):

Collin "Irish" McKenna. No such payment was made by
Mr. McDermott.

DATED: January 8, 1993

R. BRIAN OXMAN

MAUREEN JAROSCAK

By: 

R. Brian Oxman
Attorneys for respondent,
Brown for President
Campaign

96043731104

VERIFICATION

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

)
) ss.
)

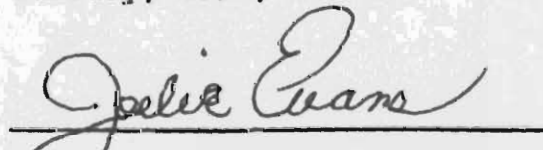
I, Jodie Evans, declare and say:

I am a resident of the County of Los Angeles and I am the Campaign Manager of the Brown for President Campaign. I have the permission and consent of the Brown for President Campaign to make this verification and I make this Verification on behalf of the Campaign.

I have read the foregoing Answers to Interrogatories and Request for Documents and I know its contents and that it is true of my own knowledge, except as to those matters which are stated on information and belief and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct.

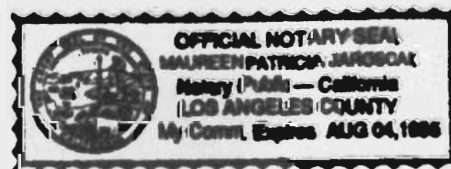
Executed this 8th day of January, 1993, at Santa Monica, California.


Jodie Evans

SUBSCRIBED AND SWORN TO BEFORE ME

THIS 8th DAY OF Jan.....1993


NOTARY PUBLIC



Landmark Strategies

January 4, 1993

To whom it may concern:

Through the winter and spring of 1991-92, the Brown for President Committee rented a small office in our office suite from which it ran its national delegate selection program.

Since work performed in the Brown delegate selection office was ongoing throughout the primary season, many of the campaign staff and volunteers, after finishing assignments in New England and the northeastern United States, passed through the office on their way to work or volunteer in primaries and caucuses in Maryland, the District of Columbia, Virginia and other southeastern states. During this time, I had the opportunity to meet and become acquainted with a number of the staff and volunteers.

Shortly before the Virginia caucuses, three people representing themselves as Brown campaign staff from New York appeared at our office. I recall that one man's name was Jay, and another one was called "Irish." I do not recall the third man's name.

All three of these men were among the most unlikely campaign staff people I had ever encountered. Not only were they unshaven, unbathed and dressed in filthy clothes, they were abrasive and argumentative. They brought with them a large black Labrador that they insisted on bringing into the office with them.

The man called "Irish" was older than the other two, perhaps in his fifties, and by far the dirtiest. He had long, greasy gray hair and was dressed as though he was a Grateful Dead follower. He spoke incoherently. He looked and acted like some of the homeless people you see on the streets who have fallen out of the mental health system.

As we recognized immediately that these people could not possibly be Brown campaign staff, or even viable volunteers, we spent the rest of the day doing our best to get them to leave without provoking a fight. As the day wore on, they seemed to become inebriated and increasingly argumentative, making it all the harder to move them out.

During the course of the afternoon, one Brown for President staff person, Michael Sweet, noticed that several items were missing from his desk drawers, including a notebook that contained all of his contacts and their addresses and phones. Since "Irish" was sitting at Michael's desk during much of the day, Michael inquired of "Irish" as to whether he knew what had happened to the missing items. Irish and his friends, obviously taking offense, started a loud argument. Fearing an impending fight, a couple of us went into the room to settle things down. Shortly thereafter, Irish stormed out of the room, first unloading his bag, which contained the missing items from Michael's desk, tossing these items onto the floor.

Michael and I stayed here with these people until well past midnight that night, until we were able to convince them to leave the office and after we watched them drive away. I recall that we were concerned for a day or two thereafter that they would return and cause more problems.

I have not encountered either Irish or his two friends since that time.

It was some time after this that I was made aware of the New York "t-shirt escapade" and the involvement of "Irish" in it. I remember wondering how any vendor would trust a man who looked, smelled, spoke and acted like "Irish" on faith - for any amount of money - let alone the large amount in question. Since my experience working with New York vendors has been that they are among the most "street smart," working on one basis, cash up front, I must state my suspicion that this whole situation seems most implausible to me.

Jeffrey R. Ely
1/5/93
Date

96043731107

PRESS RELEASE

Contact: Mark Nykanen (310) 449-1992 ext. 1918

The Brown for President Campaign wishes to extend its concern and regret to Mr. Charles Winslow of Forsyth, Winslow and Bullard in Albany, NY. and Mr. Paul Zarrillo of Kimco, Inc. in Manhattan, NY.

It appears that one of Mr. Winslow's t-shirt designs was copied by a volunteer on the Brown for President Campaign in New York City. Mr. Winslow faxed his t-shirt design to our Santa Monica Headquarters sometime before our New York campaign. Brown for President did not solicit this design and since it has been a Brown for President policy to not produce campaign merchandise the design was refused.

Mr. Winslow decided to produce the t-shirt through his company. This enterprise was not authorized by the Brown for President Campaign.

In March and April, one of our volunteers in New York, known to us as Irish (whose real name is Colin McKenna, in Banglor Maine) designed and produced a t-shirt using a copy of Mr. Winslow's design. He ordered the t-shirts from Kimco, Inc. in New York and has not paid Kimco for the t-shirts to date.

Mr. Winslow and others allege to having seen Irish sell his copy of Winslow's t-shirt at Brown for President events in New York and Philadelphia. These actions also were not authorized by the Brown for President Campaign.

When Brown for President spoke to Mr. Winslow he pointed out the ramifications of Irish's actions on his business. Mr. Winslow stated, "Not only did Irish use my design without authority, but he produced an inferior quality t-shirt. A prospective client of ours saw Irish's shirt, assumed it was one of ours, and decided not to place an order with us. This has hurt us financially as well as hurt our reputation."

It remains the policy of the Brown for President campaign not to sell merchandise for contributions to the campaign. Brown for President will not condone or allow the sale of the copied t-shirt.

Brown for President also offers its assistance to Kimco, Inc. in their attempt to collect from Mr. McKenna for the t-shirts he purchased from them. If anyone knows the whereabouts of Mr. Colin McKenna (aka Irish) please call the Brown for President Headquarters at (310) 449-1992 ext. 1984.

Brown for President 2121 Cloverfield Blvd. Ste. 120, Santa Monica, California 90404

FAX MESSAGE

April 18, 1992

pg 1 of 4

TO: KEVIN McDERMOTT /TREASURER/ BROWN '92 310 449-1903

FROM: ANTHONY COUNTEY 212 824- 0333 fax 212 741 3084 phone

RE: NEW YORK CITY REPORT

Dear Kevin;

Let me say that I would have sent this report through on the 9th had I not gotten the impression from Deiling that the problem was appreciated being pointed up and now dealt with. On the 9th I spoke on the phone with Denise Fitzgerald and expressed my interest in attending the "Steering Committee" meeting and my willingness to be a participant in any future New York organizing decisions. I have to say her response, perhaps justified, was "what gives you the right". On Saturday the 11th she told me the meeting, of necessity, had to be closed, "to quell the factionalism brewing". I told her if she had decisions to make or discussions to have that I could not be trusted to be present for then they were making decisions that I could not trust. (Perhaps I'm a bit thin skinned) This rolled off her proverbial ducks back.

REPORT 1- THE MERCHANDISING SITUATION

This situation developed under the operations of Deiling and Liz in the 42nd St office. Bill arrived late and Jacob seemed to be disinterested in the whole thing and left before anything interesting happened. I only asked if the accounts could be justified. You will have to ask Deiling or Liz who called the cops, my impression was that it was Liz. She had Joe Pellacino on the phone and told me he had ordered her to do whatever necessary to get everything back in. In my experience in organizing this is the first time I ever saw police called by anyone in the organization for any reason. Two NYPD cops came in the office and made Irish empty the truck back into the office. They must have a report.

Irish (he told me his real name was Colin R. McKenna and that he worked directly with Kevin Conner) was running T-shirt sales out of the New York office. He had Kimco in New York manufacturing Buttons and T-Shirts for him. [As an aside I also found out that someone named Mark was ordering buttons from Slater Inc., I work with this company as well and could get you a complete report if you don't know about this (or who Mark is), they're hard to get on the phone, you've got to know somebody (it is a union shop, thank you). Irish had received 7,500 buttons and 864 T-shirts, this I saw on an order form Irish would not let us copy. Kimco Industries Inc., 232 Madison Ave., 683-2011. When Irish left New York he had eight boxes of shirts that he said contained 576 shirts. He said he had no money, that the office received it all, they denied it, if they did it would have been \$ 2880.00 plus button money, he would have receipts for any money the office took. Irish also gave me stories; Letter Carriers Union took a thousand dollars

9604373109

worth of buttons and T-shirts, no one in the office could confirm this. He also told me he had spent \$200 getting Jerry's car out of somewhere, \$150 for Veronica's Car...?, gave \$350 to Cathy G. (I assume this is Cathy Goday), \$100 to the 42nd St. office (both Bill and Deling denied this, I know Deling put vouchers in for the small expenditures she financed from the can), and four bags of buttons went missing (the number of which I could not establish). I realize this is a bit confusing but in the circumstances it's as good as I could get. Colin was not cooperative.

REPORT 2 - WHITES ONLY FLYER

This flyer lost votes. Targeted at the Black community. Ordered and designed by Don McDunna and Don Lesser. Forty-two cases were delivered to 42nd St. I found about eight cases left after the primary. There were some left at Houston St. They were still at 42nd St. on Saturday 4/11. I was told they were still scheduled for destruction. A copy follows. I sent a hard copy to Ron Dorn last week, I'm sure you could get your hands on it.

REPORT 3- OFFICE PROCEDURE

Bill never counted anything that he signed for, he told me himself. He had the file for all the office expenses and deliveries. This was unreal to me.

What it was. Get a copy of the minutes of the volunteers meeting. My reports on this are that we lost a few volunteers. I have been helping the Dump D'Amato people in their fund-raising work and they will follow this season of elections with an organization for Social Change. They are spending most of their time registering voters and are young and on the ball. They could really use a copy of Brown '92 New York data base. Please see if you can get it released to me or Eddie as soon as possible, at least following the convention, we have there at least 80% non-registered voters who know how to vote and we would all like to see them registered and volunteering.

We have only begun to fight and the resources we have are extremely valuable. Let us not waste them. We have many congressional, senatorial, state and local elections before 1996 when we will certainly have the presidency, perhaps as a re-election campaign. We must stay on it. We have the issues and can maintain the commitment if it is handled right. Real commitment works together. We will win. The truth will prevail.

Thank you for your interest. I look forward to your response. Not necessarily in this detail. Incidentally besides the receipt I sent through Bob Kohn for flyers on 4/10 there will be a receipt for \$80 in video duping at Active Video Eddie will be getting to you. He has been showing them in P.A. Perhaps Caroline, Eddie's steady, has picked up the bill and sent it. I'll find out.

Yours,

Anthony C. ...

96043731110

To Jodie Evans:

From: Kevin McDermott

April 14, 1992

RE: T-Shirt Sales on the East Coast

I was contacted by a Mr. Charles Winslow of Albany, New York originally in December. He represented a t-shirt design and production company, who wanted brown business, and faxed to my attention a few preliminary designs. This included a "Calvin & Hobbes" design as well as a "White House" design.

A preliminary decision was made not to have merchandise on a national scale, but that he could sell his shirts at our events and to contact our East Coast offices for further input. I faxed all the information I had, including the preliminary designs, to Kevin Connor. That finished my contact with Mr. Winslow.

Yesterday I was contacted by a furiously upset Mr. Winslow who had discovered that a cheap knock-off of his "White House" design was being sold by Brown campaign staffers and volunteers at headquarters and events on the East Coast, especially New York. There are literally thousands of these shirts floating around. A few came back with John Parres from New York. I have seen this T-Shirt. It is a copy of a Fax copy (obviously so) with the copyright mark and artist's signature **whited out**. Mr. Winslow and his partners are threatening to sue and go immediately to the press, if we do not remedy this situation to their satisfaction.

I then contacted Michael Bourbeau at Philadelphia Headquarters, as a couple thousand of the t-shirts had turned up there. Mr. Bourbeau blamed it all on a volunteer from Maine named "Irish". He also said when I asked him if he was selling any t-shirts; "But, how our are volunteers supposed to eat? They all work very hard for Jerry Brown." I asked him promise me not to sell any more t-shirts, and have "Irish" contact me A.S.A.P., I then told Mr. Winslow that I was on top of the problem, and would contact him as soon as I had some answers. At this time he was still amicable to our cause.

I was never contacted by "Irish" and my further attempts to reach Mr. Bourbeau were ignored. An official fax spelling out Mr. Winslow's intentions were faxed to me, and I went to Maura to get to the bottom of this. She then got a hold of Mr. Bourbeau who assured her that they were not selling t-shirts, and that he would contact me immediately. To date I have yet to receive any response from Michael Bourbeau.

9604373111

I was woken up this morning by an irate Charles Winslow who had sent a man to the Philadelphia headquarters to check up on us. All day long today there has been a big sign in the office advertising "Brown Campaign t-shirts". These shirts are of course the stolen "White House" design. Then this contact of Winslow's went to a Philadelphia Department store that they were trying to get an order from. This department store had already been approached by "Irish" and had the stolen design on display and for sale. Basically, the kid gloves are off with Winslow and his partners.

Upon further investigation, phone interviews with John Parres and others from the east coast, it is alleged that the t-shirt business created a large slush fund that was basically used to fund the day-to-day operations of the New York campaign. In fact over and over again "Irish" is portrayed in a heroic light. That his sale of these t-shirts is the only thing that kept the New York City office running. That he leased the fax machines and copiers with this money is verified. I heard from three different sources that: "Irish did all the jobs that K. Connor was supposed to be doing, but didn't." I asked "why didn't he?" "He was never there."

Do you know of the incident where K. Connor and "Irish" got into a shouting match over \$2,500.00 in t-shirt proceeds? Kevin was demanding the money, and "Irish" was refusing to turn it over. K. Connor then called the New York Police Department who came to our New York office and forced "Irish" to give the money to him. I heard the same details of this story from a few sources.

Mr. Winslow has a few demands to settle this amicably:

1. Name of screenprinter who did the work.
2. How many have been produced?
3. Where have these t-shirts been sold and at what events?
4. How many have been sold?
5. Copies of all the invoices.
6. How many are left and where are they?

Who is "Irish"?

How do I respond to this?

9604373112

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To: Kevin McDermott
From: Kathe Godette *Kathe Godette*
Re: Kevin Connor's memo re: T-Shirt sales in New York

The following is information which I have regarding t-shirt sales in New York--in terms of Kevin Connor's memo.

When I arrived in New York, Irish was working in the Park Avenue office with Kevin Connor. Irish clearly was one of the office leaders, and said that he had come from Maine. Irish bossed everyone--it was Kevin who introduced us.

When we moved our campaign to 42nd street Irish went with us. It was my understanding that Irish was in charge of the sale of T-Shirts--he set up a table in the middle of the headquarters, distributed the shirts from there, re-ordered others, supervised the volunteers who were selling them. It was my understanding that he acted for the campaign.

During the time in New York, money was extremely limited. There was no copying paper, supplies were minimal, no coffee machine, no toilet paper. My understanding was that the shirt money went to pay for office/campaign supplies. I know that some of the money was used to pay for materials--this with Kevin Connor's knowledge. As a matter of fact, it was my understanding that many of the leaflets were ordered with the t-shirt money--Many times Kevin simply disappeared--no one could find him for hours, even several days at a time. Irish used the shirt money to keep the campaign going--he even bought an old battered car, so that materials could be driven to various parts of the state.

Many volunteers were getting their cars towed and Irish used the money to pay these fee's. About 2 days before the primary, Kevin called me and asked me if I had Irish's money, and that someone needed it. I told him that Colin had already called me, and that I had paid the parking tickets as requested. This all is sort of fuzzy, but I can't recall anyone NOT knowing that Irish was using the shirt money for campaign expenses. At that time I did not know that the sale of T-shirts was separate from the campaign. As far as I knew, Irish was as important a person in the campaign as Joe Pulichino--Kevin never made any effort to define anyone's jobs or responsibilities.

John Parres has video of the New York office, which clearly shows Irish at his stand of T-Shirts. Irish was an integral part of the New York campaign, and a wonderful friend to us all. He should not be held accountable for something which he was allowed to do--all of us--Kevin, Joe, volunteers, went to Irish for supplies, etc. Kevin had to have known what was going on...anytime anyone asked him (Kevin) a question he'd say, "Ask Irish."

96043113

Oh, the money Irish collected for the sales of the shirts was kept locked up in campaign files. The office manager. (Joe Pulichino's) girlfriend had the key. Later Jacob had the key. Irish might have had a copy also. In other words, the sale of t-shirts was part of the New York campaign.

You might want to talk to Robert L. Greene, atty. about t-shirt sales. He managed the Village campaign office. (710) 237-6036

(212) 682-2280.

684-6542

Sent

Robert Greene
15 East 26th Street
New York NY 10010

Spoke to him by phone 12/3

His impression was that t-shirts were always sold by volunteers.

I asked him for a written statement - he said in two weeks he'd have time to do that & I could call to remind him.

9604373114

December 3, 1992

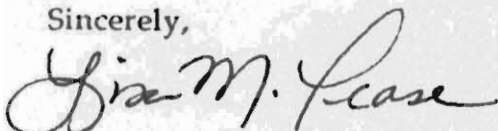
Mr. Kevin Connor
9718 Hensal Road
Beverly Hills, CA 90210

Dear Mr. Connor:

I am researching the facts behind the purchase and sale of the t-shirts during the New York campaign. In looking over the files I have found several conflicting statements and hope you can clear up any misunderstandings. In your own statement to Christine Hanlon (Hanley, I assume), you stated that to your knowledge there was "no instance where monies from the t-shirt sales were used to pay campaign expenses." However, Kathe Godette states that "I know that some of the money was used to pay for materials--this with Kevin Connor's knowledge." Kevin McDermott, in a memo to Jodie, said, "That he [Irish] leased the fax machines and copiers with this money is verified."

Please reread your own statement to us, as well as the remarks from Kathe Godette and Kevin McDermott and respond. The FEC is on our tail about this. Any help you can provide would be extremely appreciated. Please write or call me after you had a chance to look over these materials and to clarify your thoughts on this matter. Thank you.

Sincerely,



Lisa Pease
Brown for President

Brown for President
643 East Channel Road
Santa Monica, CA 90402
310-454-9905

9604373115

FORSYTH, WINSLOW and BULLARD**60 DOTT AVENUE ALBANY, NEW YORK 12205****PHONE: (518) 459-2616****FAX : (518) 438-7282**

Mr. Kevin McDermott
Brown for President
2121 Cloverfield Blvd.
Santa Monica, Ca 90404
April 13, 1992

Dear Mr. McDermott,

Thank you for taking time out of your busy schedule to address the problems arising from the unauthorized use of the design which I had faxed to you on February 18, 1992.

There can be little doubt that the design which I sent to you is that which is on the shirts which are being distributed on such a wide scale. The design which I had faxed to you was in draft form, and on shirts which we have produced and authorized to produce, we had improved the graphics.

The design which was sent to you is protected under copyright laws and is the expressed property of Forsyth, Winslow and Bullard and myself, Charles E. Winslow. The design was not, and is not to be reproduced, in whole or in part- or a variation there of, without the expressed written authorization and permission of the owners of the design.

The reproduction of the design without written authorization and permission of the owners of the design constitutes copyright infringement and theft of the design.

As I had indicated in the proposals which we had faxed to you, our partnership supported the campaign and had expected to benefit from the prestige and exposure which is unavoidable when associated with a national campaign. Although I would like to point out that we did not want to blatantly take credit for the shirts, as other businesses who have printed their logos had, we had been asking potential clients if they had seen or purchased one of the shirts we had designed.

Instead of gaining from our support of the campaign our partnership is now being harmed by it. The poor quality of the print on the shirts in question, coupled with their wide scale distribution and sale of these shirts is causing our partnerships reputation unacceptable damage. In addition these shirts are causing our partnership to violate agreements with individuals and businesses which we have agreed to license to reproduce the design.

I was quite shocked to learn that the design which I had submitted to the campaign had been stolen. I had been lead to believe that the Mr. Brown was basing his campaign on honesty and integrity. As the conduct of the campaign, or individuals connected to the campaign is a direct reflection on the candidate - is this an example of the honesty and integrity which is to be expected from the Brown administration once it is elected?

9604373116

Because of the damage that the unauthorized shirts is causing our business we will take all steps necessary to halt the production, distribution and sale of all products bearing unauthorized versions and copies of our designs.

We will also take all steps necessary to reverse or compensate for the harm done to our business by having such poor quality copies of our design distributed on such a wide scale.

Because we, despite this, still believe in Mr. Brown it is our hope that we can reach an understanding and have to an acceptable arrangement which will allow the campaign will continue to benefit from the continued use of the design.

Sincerely,

CHARLES E. WINSLOW

Charles E. Winslow
Senior Partner

C.C.

Edmond Brown

James Forsyth

Daryl Bullard

Thomas R. Stevens, Esq.

David Dylis, Esq.

9604373117

FORSYTH, WINSLOW and BULLARD

60 DOTT AVENUE ALBANY, NEW YORK 12205

PHONE: (518) 459-2616

FAX : (518) 438-7282

Mr. Kevin McDermott
Brown for President
2121 Cloverfield Blvd.
Santa Monica, Ca 90404
April 27, 1992

Dear Mr. McDermott,

My partners and I are becoming increasingly disillusioned by the conduct of the campaign. As I had informed you and the Deputy Campaign Manager, Kevin Conner, our partnership's reputation, as well as my own, has been damaged as a direct result of the actions of the campaign.

It is becoming very apparent that our expectation that the campaign was to be conducted in a respectable manor was ill-founded. Our requests for information relating to the pirated shirts has been ignored. After we had been told that the shirts were not being sold at campaign offices- they were. An individual we were told was responsible for having the pirated shirt printed continues to be allowed to operate on behalf of the campaign. Instead of making even a minimal attempt to rectify the problems which the campaign has caused my partners and I, by allowing the design which I faxed to you to become public, we instead our insulted by the lip-service and apparent lies which the campaign sees fit to feed us.

On Saturday, April 18, 1992, my partner, James Forsyth, and I had a conference call with Mr. Kevin Conner. At that time Mr. Conner had offered a proposal on how this situation could be resulted. We had understood that Mr. Conner was going to call us on Wednesday, April 22 in order to give us a progress report. To date we have not received any calls, and as he is back on the campaign trail. We have some difficulty believing that he, or the campaign, ever intended to try to find a mutually agreeable solution to this problem.

I must admit, however, that even after three conversations with Mr. Conner, I am still a little confused as to whether he was acting in an official capacity when he was talking to us, or as an individual. If he was acting in a dual capacity, at which times was he operating as which?

As I have told you, and him, this seems to be a reoccurring problem in your campaign. On several occasions we were led to believed that campaign coordinators, on both state and local levels, were acting in an official capacity when, in fact, they "apparently" were not.

In retrospect I know I should be shocked on how many occasions these same people acted in an "unauthorized" manor when it came to ensuring that the proceeds from the sale of campaign memorabilia made its way into the campaign coffers.

9 6 0 4 3 7 3 1 1 9

a design which I had sent to you, in good faith, was also "unauthorized." The design in question had been one of two designs, both of which were in draft form, which were included in a proposal which I had faxed to you on February, 18th. The actions of the campaign allowed one of these drafts to "apparently" become available to an individual who "on his own initiative" began to mass produce and distribute shirts bearing my design.

As a result our business, and my personal, reputation is being harmed by these pirated shirts. The poor quality of the copy, and the materials used, coupled with the fact that they have been, and are still, being distributed and sold on a wide scale in markets which we serve is damaging our business and has already caused financial loss.

We find ourselves in this unacceptable position because of the actions of the campaign. We sent the design, and the proposal, in good faith. I was told by Mr. Conner that an individual named "Irish" had stolen a copy of a fax which was sent to him from the Campaign Headquarters. This revelation raises some serious questions. These include, but certainly are not limited to, the following.

1) During the time that our proposal was being considered by the National Campaign the Campaign in New York City did not have an office, or even a fax machine, available in New York. Mr. Conner was also not in New York. On what date, and to which location, was a copy of our proposal sent? If the proposal was distributed after Maura O'Flynn rejected it, for what purpose was it distributed?

2) If the proposal was distributed to Mr. Conner at the time it was being discussed by the National Campaign, why is it that the shirts bearing the "stolen" design only started to show up after our version of the shirts had been successfully sold at events in New York City? I have also found out that "Irish" ordered the shirts in question well after we had produced ours. In what time period did "Irish" "steal" the faxed copy? Before our version of the shirts had been sold in New York? Before the Campaign moved to New York? When?

3) Given the nature of Presidential Campaigns, and the long track record of rival campaigns trying to gather information about their opponents, why is it that our proposal was left in a position where sections of it could be reviewed by "unauthorized" individuals and sections of it removed?

4) As there is an perceived confidentiality when a proposal is provided for review, how is it that our proposal was left in a position where sections of it could be, as they have been, made public. Who is responsible for it becoming public?

5) Why is it that even after the Campaign was aware that the shirts were pirated the office in Philadelphia continued to sell them? Why is it that they continued to sell the shirts in a campaign office? Our representative in Philadelphia had been informed by a volunteer there that these shirts were sold out, and that she could still purchase them else where.

6) After Mr. Conner had specifically told us that "Irish" was going to be barred from participating further in the Campaign, we have learned that he continues to operate in the semi-official, or official, capacity as he had in New York. Why? This causes us to believe that the Campaign was aware of his actions, and that the Campaign has sanctioned his activities.

These are just a few questions which we want, and will find, answers to.

It appears that the campaign, at the very least, acted in a careless, callous, and negligent manor, the end result of this is our partnership's and my own, reputation has been damaged in markets which we have contacts and conduct business.

The actions of the Campaign to date are causing my partners and I to re-evaluate our support of Jerry Brown. Not only has the campaign been giving us what amount to lip-service, it is becoming very apparent that we are not being told the truth.

We had believed that the campaign was based upon honesty, integrity, and that "Take Back America" was referring to the ending of the political "we will do what we want" attitude. It is becoming increasingly apparent that we were mistaken.

I personally had hoped that this matter could have been resolved to our mutual satisfaction, and we would have been easily satisfied. We made requests for information that were reasonable. We made requests for actions that were reasonable. We have received lip-service. We are not even sure at this point if this lip-service was authorized or not.

We are rapidly loosing patents with this whole ordeal. As the Campaign appears to be unwilling to make even a token attempt at trying to rectify the problems which has been cause our business will be forced to use any and all recourse necessary to rectify this situation.

Having a design which we had specifically sent to the National Campaign appear on shirts, without our approval, and the run-around that we have been getting, should make a good story. It was our hope that we would have only wanted to tell it to our grandchildren.

I remain very truly yours,



Charles E. Winslow
Senior Partner

cc:

Edmond Brown
James Forsyth
Dwight Bullard
Thomas R. Stover, Esq.

96043731120

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:

) MUR

3632

Brown for President and Blaine Quick, as treasurer

SENSITIVE

GENERAL COUNSEL'S REPORT

I. GENERATION OF THE MATTER

The Office of the General Counsel received numerous complaints from individuals alleging, inter alia, that various political campaign committees involved with the 1992 presidential campaign of Governor Edmund Jerry Brown were failing to reimburse certain expenses incurred by individuals on behalf of the presidential committees.

With the exception of MUR 3632,
none of the matters in this report have before been

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presented to the Commission.² After reviewing the relevant provisions of the Statute and Regulations this report addresses individually the matters as they pertain to first, the campaign of Mr. Brown

II. FACTUAL & LEGAL ANALYSIS

A. The Law

According to the Federal Election Campaign Act of 1971, as amended ("the Act"), a contribution or expenditure is defined to include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money or any services or anything of value to any candidate, campaign committee, political party or organization in connection with any federal election. 2 U.S.C. § 441b(b)(2). The Act makes it illegal for a person to make contributions to any candidate with respect to any election for Federal office which, in the aggregate, exceed \$1,000, and makes it illegal for a political committee to knowingly accept such a contribution. 2 U.S.C. §§ 441a(a)(1)(A) and 441a(f).

The value of services provided without compensation by any individual who volunteers on behalf of a candidate or political committee is not considered a contribution. 2 U.S.C. § 431(9)(B)(vi). However, the costs incurred by an individual from personal funds for providing goods or services on behalf of a

2. In MUR 3632, the Commission has found reason to believe that KIMCO Industries, Inc., Paul Zarrillo and Brown for President and Blaine Quick, as treasurer, violated the Act. This report also presents recommendations to assure that MUR 3632 (Pre-MUR 265) conforms to the court's opinion in FEC v. NRA Political Victory Fund, 6 F.3d 821 (D.C. Cir. 1993), petition for cert. filed, 62 U.S.L.W. 3511 (U.S. Jan. 18, 1994) (No. 93-1151).

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candidate are considered contributions in-kind. Therefore, if an individual performs a service or provides goods in cooperation with the committee, the value of such are considered to be "in-kind" contributions. As such the expenses are subject to the limits of the Act and must be reported by the committee both as contributions received and expenditures. 11 C.F.R. § 109.1.

Exempted from the definition of a contribution are any unreimbursed payments from a volunteer's personal funds for usual and normal subsistence expenses incidental to volunteer activity. Also exempted from the definition of contribution are unreimbursed transportation expenses by an individual on behalf of a candidate, provided the expenses do not exceed \$1,000 with respect to any single election in a calendar year. 11 C.F.R. § 100.7(b)(8). Non-exempt transportation and subsistence cost while traveling on behalf of a candidate or committee are contributions unless the individual is reimbursed within thirty days (sixty days for credit card purchases). 11 C.F.R. § 116.5. Political committees shall treat as debts such obligations until the individual is reimbursed or a debt settlement plan review is completed. 11 C.F.R. § 116.5(d).

The Act defines a political committee to be any group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year. 2 U.S.C. § 431(4). Political committees are required under the Act to register and file periodic financial disclosure reports to the Federal Election Commission. 2 U.S.C. §§ 433 and 434.

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According to 2 U.S.C. § 434(b)(8), political committees filing reports under the Act shall disclose the amount and nature of outstanding debts and obligations owed by or to such political committees. Furthermore, a political committee shall report a disputed debt, (provided the creditor has provided something of value) and shall continue to disclose the debt on the appropriate reports until the dispute is resolved. 11 C.F.R. § 116.10(a).

With regard to salary payments to campaign staff, if a political committee does not pay an employee for services rendered to the political committee in accordance with an employment contract or a formal or informal agreement to do so, the unpaid amount either may be treated as a debt owed by the committee to the employee or, provided that the employee signs a written statement agreeing to be considered a volunteer, converted to a volunteer services arrangement, and thereby the unpaid amount shall not be considered a contribution. The political committee must continue to report the obligation until either the debt settlement is approved, the employee agrees to convert to become a volunteer, or the committee pays the debt. 11 C.F.R. § 116.6.

The Act prohibits any corporation whatever from making any contribution or expenditure in connection with any federal election and prohibits any candidate or political committee from knowingly accepting such a prohibited contribution or expenditure. 2 U.S.C. § 441b.

Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate through any general

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public political advertising, such communication shall clearly state who paid for the communication. 2 U.S.C. § 441d(a). Bumper stickers and similar small items upon which a disclaimer can not be conveniently printed are exempted from carrying a disclaimer. 11 C.F.R. § 110.11(a)(2).

A political committee may maintain a petty cash fund for disbursements not in excess of \$100 to any person in connection with a single purchase or transaction. 2 U.S.C. § 432(h)(2).

B. The Matters Under Review (MURs)

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PAGES 6 THRU 10 DO NOT PERTAIN TO THIS MATTER.

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MUR 3632

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This matter came before the Commission in the form of a complaint filed on June 8, 1992, by Paul M. Zarrillo, president of KIMCO Industries, Inc., of New York. The complaint in MUR 3632 alleges that Brown for President has not paid \$28,493 that it allegedly owes to KIMCO for the production of campaign materials.⁶ On September 29, 1992, the Commission found reason to believe that the Brown Committee violated 2 U.S.C. § 434(b)(8) for failing to report a disputed debt with KIMCO and 2 U.S.C. § 432(h) for making a disbursement in cash for more than \$100.⁷ For the Commission's

6. KIMCO Industries, Inc. has filed a suit against Jerry Brown, doing business as Jerry Brown Campaign '92, in the Civil Court of New York City for goods sold and delivered in the sum of \$13,144.65 (the discrepancy between this amount and the amount claimed in the complaint is unexplained). Brown has filed a counter-claim for damages and costs, to which KIMCO filed an answer on February 23, 1993. According to the court clerk the plaintiff has not yet filed a Notice of Trial.

7. The Commission also found reason to believe that KIMCO made a corporate contribution to Brown for President and that the Brown Committee knowingly accepted it, both in violation of 2 U.S.C. § 441b, and that Paul Zarrillo, a corporate officer of KIMCO, violated 2 U.S.C. § 441b by consenting to and directing the action of KIMCO which resulted in the illegal corporate contributions. The Commission voted to take no

information, this Office has attached the certification in this matter dated September 30, 1992. See Attachment 6.

On October 20, 1992, this Office mailed Interrogatories to the Brown Committee to ascertain who ordered and paid for the KIMCO produced campaign materials. In response to the Commission's Interrogatories, the Brown Committee stated that a volunteer named Collin "Irish" McKenna placed the order and purchased with his personal funds the subject campaign T-shirts and buttons. Attachment 7. The Committee argues that because the T-shirts and buttons were purchased by a volunteer who did not obtain authorization to make the expenditure (which they add was against the Brown Committee's policy of selling souvenirs for contributions) the Committee is not liable for the debt owed to KIMCO and consequently should not be held in violation of the Act for not reporting the debt and spending over \$100 in cash.

It initially appeared that Mr. McKenna was acting as an agent of the Brown campaign when he placed the orders with KIMCO. According to the Brown Committee response, McKenna used his personal funds to make the original \$1,000 purchase of the campaign materials.

(Footnote 7 continued from previous page)
further action on the 441b violations against the Brown Committee, KIMCO, and Zarrillo. The Commission also voted to close the file as it pertains to KIMCO and Zarrillo. Accordingly, this report makes no recommendations with respect to the section 441b violations. See General Counsel's Report, dated September 17, 1992. However, consistent with the NRA decision, this report does contain recommendations for revoting the 2 U.S.C. §§ 434(b)(8) and 432(h) reason to believe findings.

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Although the Brown campaign claims that it never authorized this purchase, the fact that McKenna was a campaign volunteer makes the circumstances surrounding this disbursement remain unclear. With regard to their failure to report a debt, the Brown Committee was made well aware by KIMCO's invoices, newspaper articles, and ultimately by the filing of a civil suit, that KIMCO held Brown for President responsible for the amount owed. Therefore, consistent with the Commission's November 9, 1993 decisions concerning compliance with the NRA opinion, and based on the complaint filed in this matter and response thereto, this Office recommends that the Commission revoke its earlier determinations involving this matter to:

- (1) find reason to believe that Brown for President and Blaine Quick, as treasurer, violated 2 U.S.C § 432(h);
- (2) find reason to believe that Brown for President and Blaine Quick, as treasurer, violated 2 U.S.C. § 434(b)(8).

This Office will notify the Respondents of the Commission's actions.⁸

8. This report does not recommend a revote for approval of the original MUR 3632 Factual and Legal Analysis, but instead will recommend approval of a new Factual and Legal Analysis

PAGES 14 THRU 15 DO NOT PERTAIN TO THIS MATTER.

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Conclusion; Brown MUR

What is apparent from all of these MURs is that the Brown Committee was often not monitoring the conduct of its volunteers. In several instances the Brown Committee appears to have engaged in conduct that would have these volunteers believe that the campaign would reimburse them for activity undertaken in support of Brown's candidacy. Thus, focusing on the Brown campaign as the responsible party in these matters would be the most prudent use of the Commission's resources in this case. Accordingly, this Office recommends that the Commission find reason to believe that Thomas Lingenfelter violated 2 U.S.C. § 441a(a)(1)(A), but take no further action and send an admonishment letter.¹⁰

Regarding the Brown Committee however, this Office recommends that the Commission enter into pre-probable cause conciliation with Brown for President and Blaine Quick, as treasurer.

10. This recommendation to take no further action is consistent with the earlier treatment of KIMCO.

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PAGES 17 THRU 27 DO NOT PERTAIN TO THIS MATTER.

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III. RECOMMENDATIONS

In the context of MUR 3632, find reason to believe that Brown for President and Blaine Quick, as treasurer, violated 2 U.S.C. §§ 432(h) and 434(b)(8).

With regard to MUR 3632 enter into pre-probable cause conciliation with Brown for President and Blaine Quick, as treasurer, and approve the attached Factual and Legal Analysis and Conciliation Agreement.

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Approve the appropriate letters.

Lawrence M. Noble
General Counsel

5/20/94
Date

BY:


Lois G. Berner
Associate General Counsel

Staff assigned: Jeffrey Long

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Brown for President and Blaine
Quick, as treasurer

)
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) MUR
) 3632
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CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election
Commission, do hereby certify that on May 26, 1994, the
Commission decided by a vote of 4-0 to take the following
actions in MUR 3632

(continued)

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Federal Election Commission
Certification for MUR

3632

Page 2

May 26, 1994

In the context of MUR 3632, find reason to believe that Brown for President and Blaine Quick, as treasurer, violated 2 U.S.C. §§ 432(h) and 434(b)(8).

With regard to MUR 3632 enter into pre-probable cause conciliation with Brown for President and Blaine Quick, as treasurer, and approve the Factual and Legal Analysis and Conciliation Agreement.

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(continued)

Federal Election Commission
Certification for MUR

3632

Page 3

May 26, 1994

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Approve the appropriate letters, as
recommended in the General Counsel's Report
dated May 20, 1994.

Commissioners Aikens, Elliott, Potter, and Thomas voted
affirmatively for the decision; Commissioners McDonald and
McGarry did not cast votes.

Attest:

5-26-94

Date

for Delores Hardy
Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Mon., May 23, 1994 9:55 a.m.
Circulated to the Commission: Mon., May 23, 1994 4:00 p.m.
Deadline for vote: Thurs., May 26, 1994 4:00 p.m.

bjr



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

JUNE 6, 1994

R. Brian Oxman, Esquire
Oxman and Jaroscak
14126 East Rosecrans Boulevard
Sante Fe Springs, CA 90670

RE: MUR 3632
Brown for President and
Blaine Quick, as treasurer

Dear Mr. Oxman:

On April 22, 1992, and February 8, 1993, the Federal Election Commission notified your clients, Brown for President and Blaine Quick, as treasurer ("Committee"),

alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). Copies of the complaints were forwarded to your clients at that time. In addition, on October 20, 1992, the Commission notified your clients that it had found reason to believe they violated 2 U.S.C. §§ 432(h), 434(b)(8) and 441b with regard to MUR 3632.

As you may be aware, on October 22, 1993, the D.C. Circuit declared the Commission unconstitutional on separation of powers grounds due the presence of the Clerk of the House and the Secretary of the Senate or their designees as members of the Commission. FEC v. NRA Political Victory Fund, 6 F.3d 821 (D.C. Cir. 1993), petition for cert. filed, (U.S. No. 93-1151, Jan. 18, 1994). Since the decision was handed down, the Commission has taken several actions to comply with the Court's decision. While the Commission petitions the Supreme Court for a writ of certiorari, the Commission, consistent with that opinion, has remedied any possible constitutional defect identified by the Court of Appeals by reconstituting itself as a six member body without the Clerk of the House and the Secretary of the Senate or their designees. In addition, the Commission has adopted specific procedures for revoting or ratifying decisions pertaining to open enforcement matters.

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R. Brian Oxman, Esquire
Page 2

With regard to MUR 3632, on May 26, 1994, the Commission revoted to find reason to believe that Brown for President and Blaine Quick, as treasurer, violated 2 U.S.C. §§ 432(h) and 434(b)(8).

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 receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, 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 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.

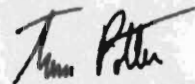
This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

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R. Brian Oxman, Esquire
Page 3

If you have any questions, please contact Jeffrey Long, the staff member assigned to this matter, at (202) 219-3690.

For the Commission,



Trevor Potter
Chairman

Enclosure
Factual & Legal Analysis
Conciliation Agreement

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENTS:

MURs:

3632

Brown for President and
Blaine Quick, as treasurer

These matters were generated by complaints filed by

Paul Zarrillo

The complaints

involve, inter alia, the failure of Brown for President and Blaine Quick, as treasurer ("Brown Committee"), to reimburse certain expenses incurred by individuals on behalf of the Brown presidential campaign.

A. The Law

According to the Federal Election Campaign Act of 1971, as amended ("the Act"), a contribution or expenditure is defined to include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money or any services or anything of value to any candidate, campaign committee, political party or organization in connection with any federal election. 2 U.S.C. § 441b(b)(2). The Act makes it illegal for a person to make contributions to any candidate with respect to any election for Federal office which, in the aggregate, exceed \$1,000, and makes it illegal for a political committee to knowingly accept such a contribution. 2 U.S.C. §§ 441a(a)(1)(A) and 441a(f).

The value of services provided without compensation by any individual who volunteers on behalf of a candidate or political committee is not considered a contribution. 2 U.S.C.

§ 431(9)(B)(vi). However, the costs incurred by an individual

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from personal funds for providing goods or services on behalf of a candidate are considered contributions in-kind. Therefore, if an individual performs a service or provides goods in cooperation with the committee, the value of such are considered to be "in-kind" contributions. As such the expenses are subject to the limits of the Act and must be reported by the committee both as contributions received and expenditures. 11 C.F.R. § 109.1.

Exempted from the definition of a contribution are any unreimbursed payments from a volunteer's personal funds for usual and normal subsistence expenses incidental to volunteer activity. Also exempted from the definition of contribution are unreimbursed transportation expenses by an individual on behalf of a candidate, provided the expenses do not exceed \$1,000 with respect to any single election in a calendar year. 11 C.F.R § 100.7(b)(8). Non-exempt transportation and subsistence cost while traveling on behalf of a candidate or committee are contributions unless the individual is reimbursed within thirty days (sixty days for credit card purchases). 11 C.F.R. § 116.5. Political committees shall treat as debts such obligations until the individual is reimbursed or a debt settlement plan review is completed. 11 C.F.R. § 116.5(d).

According to 2 U.S.C. § 434(b)(8), political committees filing reports under the Act shall disclose the amount and nature of outstanding debts and obligations owed by or to such political committees. Furthermore, a political committee shall report a disputed debt, (provided the creditor has provided something of

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value) and shall continue to disclose the debt on the appropriate reports until the dispute is resolved. 11 C.F.R. § 116.10(a).

With regard to salary payments to campaign staff, if a political committee does not pay an employee for services rendered to the political committee in accordance with an employment contract or a formal or informal agreement to do so, the unpaid amount either may be treated as a debt owed by the committee to the employee or, provided that the employee signs a written statement agreeing to be considered a volunteer, converted to a volunteer services arrangement, and thereby the unpaid amount shall not be considered a contribution. The political committee must continue to report the obligation until either the debt settlement is approved, the employee agrees to convert to become a volunteer, or the committee pays the debt. 11 C.F.R. § 116.6.

A political committee may maintain a petty cash fund for disbursements not in excess of \$100 to any person in connection with a single purchase or transaction. 2 U.S.C. § 434(h)(2).

B. The Analysis

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PAGE 4 DOES NOT PERTAIN TO THIS MATTER.

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MUR 3632

This matter came before the Commission in the form of a complaint filed on June 8, 1992, by Paul M. Zarrillo, president of KIMCO Industries, Inc., of New York. The complaint in MUR 3632 alleges that Brown for President has not paid \$28,493 that it allegedly owes to KIMCO for the production of campaign materials.

On October 20, 1992, this Office mailed Interrogatories to the Brown Committee to ascertain who ordered and paid for the KIMCO produced campaign materials. In response to the Commission's Interrogatories, the Brown Committee stated that a volunteer named Collin "Irish" McKenna placed the order and purchased with his personal funds the subject campaign T-shirts and buttons. The Committee argues that because the T-shirts and buttons were purchased by a volunteer who did not obtain authorization to make the expenditure (which, they add, was against the Brown Committee's policy of selling souvenirs for contributions) the Committee is not liable for the debt owed to KIMCO and consequently also should not be held in violation of the Act for not reporting the debt and spending over \$100 in cash.

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With regard to the Brown Committee making a cash disbursement in excess of \$100, it initially appeared that Mr. McKenna was acting as an agent of the Brown campaign when he placed the orders with KIMCO. According to the Brown Committee response, McKenna used his personal funds to make the original \$1,000 purchase of the campaign materials. Although the Brown campaign states that it never authorized this purchase, the fact that McKenna was a campaign volunteer makes the circumstances surrounding this disbursement remain unclear. In addition, the Brown Committee was made well aware by KIMCO's invoices, newspaper articles, and ultimately by the filing of a civil suit, that KIMCO held Brown for President responsible for the amount owed.

Therefore, there is reason to believe that Brown for President and Blaine Quick, as treasurer, violated 2 U.S.C § 432(h) and 2 U.S.C. § 434(b)(8).

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FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

In the Matter of

FEB 23 2 31 PM '96

Brown for President and
Blaine Quick, as treasurer

)
) MURs 3507, 3632, 3736
)

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On May 26, 1994, the Commission found reason to believe that the Brown Committee violated 2 U.S.C. §§ 432(h), 434(b), 434(b)(B), and 441a(f) in connection with that Committee's failure to report certain disputed debts. This Office presented to the Brown Committee the Commission's offer to conciliate these matters in a letter dated June 6, 1994.

This report briefly

discusses the three matters and, in light of the age of these matters and the relatively small amount of money involved, rather than conducting an investigation the Office of General Counsel recommends that the Commission take no further action against the Brown Committee and close the files.

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II. MUR SUMMARIES

a. MUR 3507

At issue is the allegation that the Brown Committee received an excessive contribution from Thomas Lingenfelter, a Brown for President volunteer, in the form of unreimbursed shipping and utility charges that Lingenfelter indicated were expenses incurred on behalf of the Brown Committee. The Committee argues that it had no ties to Lingenfelter after an initial reimbursement and letter asking the volunteer to either comply with the Committee's reporting requirements or sever any official relationship. Lingenfelter has failed to provide evidence of his attempts to be paid, providing only a copy of a billing statement addressed to Brown for President. Without investigating whether or not Lingenfelter made additional requests for reimbursement to the Brown Committee, it can not be shown that the Brown Committee accepted the excessive in-kind contribution in violation of 2 U.S.C. § 441a(f), or that the Brown Committee had knowledge of any disputed debt to be reported.

b. MUR 3632

The issues in this MUR are a \$28,493 disputed debt between the Committee and a vendor and the disbursement of cash in excess of \$100, both of which were apparently initiated by a volunteer campaign worker using his personal funds. Further complicating this matter during negotiations is the fact that the Committee's responsibility for the disputed debt with the vendor remains the subject of civil litigation.

c. MUR 3736

The disputed debt in this matter again involves reimbursements to a volunteer. The Brown Committee contends that it never agreed to reimburse its volunteer Larry Kaplan for his travel expenses as he has alleged, except for specific expenses consistent with its policy applied to all other volunteers and agreed to in advance. The amount of money in dispute between the Brown Committee and Mr. Kaplan is \$2,950.

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The Brown Committee has little current activity and appears to be removed from the electoral process. Their 1995 Year End Report discloses \$1,078 cash on hand at the beginning of the period; \$0 receipts; \$3 total reimbursements; \$1,074 cash on hand at the end of the period. Given the amount of time spent thus far on a small amount of money relative to other matters before the Commission, and the amount of time an investigation would involve to establish what appear to be reporting violations from the 1992 election cycle, the Office of General Counsel recommends that the Commission expend no further resources and close these matters.

III. RECOMMENDATIONS

1. Take no further action against Brown for President and Blaine Quick, as treasurer.
2. Close the files in MURs 3507, 3632 and 3736.
3. Approve the appropriate letters.

Lawrence M. Noble
General Counsel

Date 2/22/96

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

Staff Assigned: Jeffrey Long

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Brown for President and) MURs 3507, 3632, 3736
Blaine Quick, as treasurer.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on February 29, 1996, the Commission decided by a vote of 4-0 to take the following actions in MURs 3507, 3632, 3736:

1. Take no further action against Brown for President and Blaine Quick, as treasurer.
2. Close the file in MURs 3507, 3632, 3736.
3. Approve the appropriate letters, as recommended in the General Counsel's Report dated February 22, 1996.

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

Attest:

2/29/96
Date

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

Received in the Secretariat: Fri., Feb. 23, 1996 2:31 p.m.
Circulated to the Commission: Mon., Feb. 26, 1996 11:00 a.m.
Deadline for vote: Thurs., Feb. 29, 1996 4:00 p.m.

lrd

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 5, 1996

CONFIDENTIAL

Paul M. Zarrillo, President
KIMCO Industries, Inc.
232 Madison Avenue
New York, New York 10016

RE: MUR 3632
Brown for President and Blaine Quick,
as treasurer

Dear Mr. Zarrillo:

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

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

Sincerely,

Jeffrey D. Long
Paralegal

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3632

DATE FILMED 4-3-96 CAMERA NO. 3

CAMERAMAN JML

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