



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4311

DATE FILMED 12-4-96 CAMERA NO. 4

CAMERAMAN JMN

96043770615



October 17, 1995

General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Complainant:
Congressman Bob Filner
Bob Filner for Congress
P.O. Box 127868
San Diego, CA 92112

Respondent:
Juan Vargas for Congress
1171 24th Street
San Diego, CA 92102
No FEC#

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Oct 23 12 01 PM '95

To Whom it May Concern:

Juan Vargas, an incumbent Member of the San Diego City Council, has been running an active campaign for Congress in California's 50th Congressional District in direct violation of at least two Federal Election Commission campaign laws:

1. He filed a "Statement of Candidacy" form well after the time he spent more than \$5,000.00 in support of his campaign.
2. He has apparently spent money collected for his recent (unopposed) election to the San Diego City Council for his Congressional campaign.

Since these apparently illegal actions will have a direct impact on the upcoming primary election, we need an immediate investigation of this situation.

On September 20, 1995, the day after San Diego's municipal primary election in which Mr. Vargas was re-elected to the City Council (without opposition), large quantities of the enclosed brochure were seen in public (attachment #1) and several full-time staff members began to work in a Congressional campaign office (see attachment #2, a news article regarding the scale of his Congressional campaign).

By any reasonable observation, Mr. Vargas' expenditures far exceeded the \$5,000.00 threshold defining a candidate pursuant to CFR 431.2(a), and he should have filed a Statement before October 13.

Examination of official expenditure reports filed for San Diego's municipal primary election on September 19, 1995 give a plausible explanation of where funds were obtained for the brochure's production (printing, layout, art work, photos, etc.) and for the planning of a Congressional campaign announced on the very night of the election.

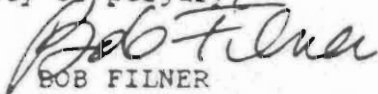
Although Mr. Vargas had no opposition in his campaign for re-election to the San Diego City Council, official reports through September 2, 1995 reveal (attachment #3) total expenditures of \$69,116.58. At least \$15,349.06 was paid to a campaign consultant, The Primacy Group. Other large sums were spent on staff members, office rent, and other overhead.

Since Mr. Vargas had no opposition in the municipal primary election, and since his campaign for Congress was publicly apparent on the day after that election, one can only surmise that these extraordinarily large expenditures on a campaign consultant and other personnel for an uncontested election were, in fact, spent for the federal election.

According to FEC guidelines, "a candidate's federal committee may not accept funds or assets transferred from a committee established by the same candidate for a nonfederal election campaign."

Since the Congressional primary election is only five months away, the actions described above will have a direct impact on the outcome. An immediate investigation is warranted.

Signed and sworn under penalty of perjury,


BOB FILNER
Member of Congress

Sworn to before me and subscribed in my presence this 17th day of October, 1995.



CAROLINE F. KLEMP
Notary Public, District of Columbia
My Commission Expires April 30, 2000

96043770617



October 17, 1995

Oct 20 2 10 PM '95

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Complainant:
Congressman Bob Filner
Filner for Congress
P.O. Box 127868
San Diego, CA 92112

Respondent:
The Primacy Group
c/o Juan Vargas for Congress
1171 24th Street
San Diego, CA 92102
No FEC#

To Whom it May Concern:

This is in reference to the Congressional campaign of Mr. Juan Vargas in California's 50th Congressional District.

A separate complaint has been filed alleging that, in violation of FEC regulations, Mr. Vargas spent money collected for his recent (unopposed) election to the San Diego City Council for his Congressional campaign.

This complaint is in regard to Mr. Vargas' political consultant, The Primacy Group, which knowingly and illegally used funds collected for a non-federal election for a federal election.

Although Mr. Vargas had no opposition in his campaign for re-election to the San Diego City Council, official reports through September 2, 1995 reveal (attachment #1) total expenditures of \$69,116.58. At least \$15,349.06 was paid to a campaign consultant, The Primacy Group. Other large sums were spent on staff members, office rent, and other overhead.

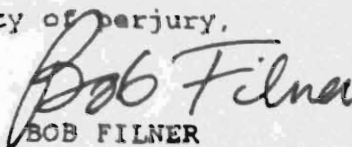
Since Mr. Vargas had no opposition in the municipal primary election, and since his campaign for Congress was publicly apparent on the day after that election, one can only surmise that these extraordinarily large expenditures on a campaign consultant and other personnel for an uncontested election were, in fact, spent for the federal election.



The Primacy Group, an experienced campaign organization, knowingly violated FEC guidelines which state, "a candidate's federal committee may not accept funds or assets transferred from a committee established by the same candidate for a nonfederal election campaign."

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BOB FILNER
Member of Congress

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CAROLINE F. KEMP
Notary Public, District of Columbia
My Commission Expires April 30, 2000

96043770619



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 13, 1996

The Honorable Bob Filner
Bob Filner U.S. Congress
P.O. Box 127868
San Diego, California 92112

Dear Mr. Filner:

On February 5, 1996, the Commission received a copy of your FAX transmission to the San Diego City Attorney dated October 17, 1995, regarding alleged violations of the Federal Election Campaign Act of 1971, as amended ("the Act") by Mr. Juan Vargas and the Primacy Group. The information forwarded by the San Diego City Attorney's Office also included a 32 page FAX transmission dated November 3, 1995.

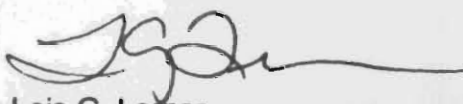
It is the Commission's practice not to accept FAX transmissions as complaints due to the statutory requirements that complaints be signed and sworn to in the presence of a notary public and notarized. See 2 U.S.C. § 437g(a)(1). In order to file a legally sufficient complaint otherwise meeting the requirements of 2 U.S.C. § 437g(a)(1) and 11 C.F.R § 111.4, you must submit an original complaint bearing an original signature and the notary's original jurat.

We regret the inconvenience that these requirements may cause you, but we are not empowered to proceed with a compliance action unless all the statutory requirements are fulfilled.

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

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

9604377062C

SUSAN M. HEATH
SENIOR CHIEF DEPUTY CITY ATTORNEY
DAVID C. JAMES
CHIEF DEPUTY CITY ATTORNEY

OFFICE OF
THE CITY ATTORNEY
CITY OF SAN DIEGO

John W. Witt
CITY ATTORNEY

CRIMINAL DIVISION
CONSUMER AND ENVIRONMENTAL
PROTECTION UNIT
1200 THIRD AVENUE, SUITE 700
SAN DIEGO, CALIFORNIA 92101-4106
TELEPHONE (619) 533-5500
FAX (619) 533-5504

February 1, 1996

Lawrence Noble
General Counsel
Federal Election Commission
999 E Street NW Suite 657
Washington, DC 20463

Dear Mr. Noble:

Vargas For Congress '96

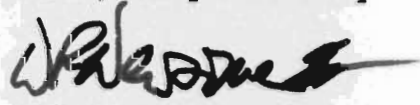
After contacting your office, we were instructed to mail the enclosed complaint to you insofar as the violations alleged fall within the exclusive jurisdiction of your agency.

Enclosed please find a letter from Congressman Filner as well as Schedules of Payments and Contributions. If, in the future, there is anything else my office can assist you with, please contact me.

Sincerely yours,

JOHN W. WITT, City Attorney

By


William R. Newsome III
Head Deputy City Attorney

WRN:BO:rw
Enclosures
cc Bob Filner For Congress
Attn: Sam Ward

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

FEB 5 10 53 AM '96

9604370621



ATTORNEY

OCT 23 11 34 AM '95

October 17, 1995

WAS

John Witt, City Attorney
City of San Diego
202 C Street
San Diego, CA 92101

Complainant:
Congressman Bob Filner
Bob Filner for Congress
P.O. Box 127868
San Diego, CA 92112

Respondent:
The Primacy Group
c/o Juan Vargas for Congress
1171 24th Street
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No FEC#

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Signed and sworn under penalty of perjury.


BOB FILNER
Member of Congress

Sworn to before me and subscribed in my presence this 17th day of October, 1995.



CAROLINE F. KLEMP
Notary Public, District of Columbia
My Commission Expires April 30, 2000

96043770623



FACSIMILE TRANSMITTAL SHEET

TO: Bill Newsome

Date: _____

Company: City Attorney's office

Time: _____

From: Sam Ward

Fax #: 533-5506

Number of Pages (including this page): 32

Note: _____

If this transmittal is not received in its entirety, please
contact Sam Ward at (619) 479-1994.

P. O. Box 127868 * San Diego, CA 92112 * Tel: 619/479-1994 * FAX: 619/479-1986

Printed on Recycled Paper

Paid for by Bob Filner for Congress



11-03-95 10:38AM P001 #43

96043770624

Juan Vargas

Old-Fashioned Values

- Born in National City, Juan is one of 10 children.
- Juan earned a scholarship to USD and graduated Magna Cum Laude.
- Juan studied for 4 years to become a Catholic priest.
- Juan worked in Gang Prevention Programs at Christ the King Church.
- Juan left the seminary to attend Harvard Law School where he graduated in 1991.
- Elected to the San Diego City Council in 1993, Juan became Deputy Mayor in 1995.



A Better Future for All of Us.

PROTECT MEDICARE. Juan's parents have worked their whole lives. As they grow older, they plan to rely upon Medicare and Juan is horrified by recent attempts in Congress to cut Medicare benefits to pay for a tax cut for the wealthy. Juan will make the fight to protect Medicare his top priority in Congress.

PRESERVE EDUCATION. Juan knows full well how access to education can unlock the door to the American Dream. He is outraged by Congressional efforts to cut educational funding and will fight to preserve the funds that make a college education possible for all our young people.

CLEAN UP POLITICS. Juan has signed a "Clean Campaign Pledge." He believes the American people are sick and tired of nasty, negative campaigns. Juan will NOT make any personal attacks on his opponents and has urged the voters to insist on issue-oriented campaigning.

RESTORE AMERICAN VALUES. What kind of society, Juan asks, permits people to burn the flag and an 8-year-old to see a dozen murders on TV in a half hour? Juan will lead efforts to pressure TV for more wholesome children's programming. After all, the values of tomorrow's leaders are being learned from TV today.

We Can Bring Back the American Dream!



Juan and Adrienne Vargas

Juan and Adrienne Vargas were married in 1990. They met while Juan was studying for his Masters and teaching inner city youth at Fordham University. They are expecting their first child this spring.

Paid for by Vargas for Congress '96, Deanna Lippel, Treasurer

"I am running for Congress because I want to give something back to the community that has been so good to me. I was born in this district. The people I now represent on the City Council live in this district. I want to go to Washington and work on the critical problems that affect our lives and our community. I know that I can make a difference. I ask for your vote on election day."

Juan Vargas

VARGAS
CONGRESS

The American Dream!

Maneuvering by Vargas stuns his fellow Democrats

Politics: Challenging Filner for Congress

BY MIKE ALLEN
Staff Writer

After being reelected to the San Diego City Council last month, Juan Vargas has now set his sights on unseating fellow Democrat Rep. Bob Filner in the 50th Congressional District.

Ralph Inzunza, Vargas' campaign manager, said his boss is running "to reform Washington and the track that it's currently on."

Vargas, a 34-year-old attorney who was elected for the third time to the Eighth Council District Sept. 19 and for the second time without opposition, has been holding signs announcing his candidacy to early morning commuters in the South Bay for several weeks.

Through a staff person, he declined to be interviewed for this article.

Ana Molina, Vargas' chief of staff, said he is not giving interviews on his candidacy, although he did grant an interview to *The San Diego Union-Tribune*.

Inzunza said a lot of Vargas' constituents have been urging him to run for Congress, "so that's what we're doing."

The Vargas for Congress office in National City has been open since late September, and is staffed with three of his former council staff members, including former chief of staff Inzunza.

Filner, who was elected in 1992 and reelected last year, said he was a little surprised when he found out about Vargas' political ambitions.

"Obviously, in a democracy anybody is welcome to run, but Juan endorsed me last

year and he never indicated any displeasure with me so I don't understand what's going on," he said.

This isn't the first time Vargas and Filner have run against each other. In the 1992 Democratic primary, Filner bested a field that included former state Sen. Wadde Deddeh and former Congressman Jim Bates. Vargas finished fourth in that race, but came back the following year and won a special election to replace Filner on the city council.

Attorney Mike Aguirre, the man Vargas defeated in that race, said he is unhappy about what he considers an immature decision by Vargas.

"I think this shows an immaturity on his part," Aguirre said. "He seems more interested in running for office than in building the kind of infrastructure that the district needs."

"I think Juan is an excellent city council-

man and he could be the mayor of San Diego someday, and I hope that he is, but I think he's doing something that's not in the best interests of the people of the Eighth District."

Filner said Vargas' decision to run will have a negative effect on a Democratic candidate in the general election.

"He's making sure the Democratic candidate, whoever it is, is weakened because obviously we have to spend resources and that takes away money from the general election," he said.

Bob Glaser, a political consultant to Democratic candidates, said Vargas will be facing an uphill battle against Filner, known as a tireless and determined campaigner.

"Unseating an incumbent congressional member is an incredibly task, but I've seen Vargas' campaign style and I think this will be a very serious challenge," he said.

Gensia gives up drug, but gains a tidy \$50M

BY BRADLEY J. FIXES
Staff Writer

Gensia, Inc. got a much-needed \$50 million boost last week from a revised drug development deal with Upjohn Co.

Under the agreement, Upjohn will make the \$50 million payment to Gensia. In return Upjohn will gain exclusive rights to commercialize drugs it had been developing with Gensia under a previous agreement.

Gensia will retain rights to market three already developed drugs under the agreement, which must be approved by Upjohn's board

Judge Us By
The Companies
We Keep.

4 2 9 0 7 7 8 0 9 6

Officeholder, Candidate,
and Controlled Committee
Campaign Statement — Long Form

(Government Code Sections 84700-84716.5)

SEE INSTRUCTIONS ON REVERSE

Check one of the following boxes to indicate the type of statement being filed:

- ☒ Pre-election Statement
☐ Supplemental Pre-election Statement (Attach a completed Form 495 to this statement.)
☐ Special Odd-Year Campaign Report
☐ Semi-annual Statement
☐ Termination Statement (Attach a completed Form 413 to this statement.)

Officeholder, Candidate, and Controlled Committee
Included in this Statement

NAME OF OFFICEHOLDER OR CANDIDATE

JUAN CARLOS VARGAS

OFFICE/TOUCHED OFFICE (INCLUDE LOCATION AND DISTRICT NUMBER AND CITY/STATE)

SAN DIEGO CITY COUNCIL DISTRICT 8

RESIDENTIAL OR BUSINESS ADDRESS (NO. AND STREET)

1171 24TH STREET

CITY

SAN DIEGO

STATE

CA

ZIP CODE

92102

AREA CODE/DAYTIME PHONE

(619)

295-4333

COMMITTEE NAME

FRIENDS OF JUAN VARGAS '95

I.D. NUMBER

943824

COMMITTEE ADDRESS (NO. AND STREET)

3609 FOURTH AVENUE

CITY

SAN DIEGO

STATE

CA

ZIP CODE

92103

AREA CODE/DAYTIME PHONE

(619)

295-6923

NAME OF TREASURER

DEANNA LIEBERGOT

RESIDENTIAL ADDRESS OF TREASURER (NO. AND STREET)

11187 CAMINO RUIZ #78

CITY

SAN DIEGO

STATE

CA

ZIP CODE

92126

AREA CODE/DAYTIME PHONE

(619)

295-6923

III Verification

I have used all reasonable diligence in preparing this statement. I have reviewed the statement and to the best of my knowledge the information contained herein and in the attached schedules is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 9-6-95

DATE

AT

SAN DIEGO, CALIFORNIA

CITY AND STATE

By

Deanna Liebergot

SIGNATURE OF TREASURER

An officeholder or candidate who controls a committee must also verify the campaign statement. I have used all reasonable diligence and to the best of my knowledge the treasurer has used all reasonable diligence in preparing this statement. I have reviewed the statement and to the best of my knowledge the information contained herein and in the attached schedules is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 9-6-95

DATE

AT

SAN DIEGO, CALIFORNIA

CITY AND STATE

By

Juan Vargas

SIGNATURE OF CANDIDATE/OFFICEHOLDER

Executed on

DATE

AT

CITY AND STATE

By

SIGNATURE OF CANDIDATE/OFFICEHOLDER

Executed on

DATE

AT

CITY AND STATE

By

SIGNATURE OF CANDIDATE/OFFICEHOLDER

FOR INFORMATION REQUIRED TO BE PROVIDED TO YOU PURSUANT TO THE INFORMATION PRACTICES ACT OF 1977, SEE INFORMATION MANUAL ON CAMPAIGN DISCLOSURE REQUIREMENTS OF THE POLITICAL CAMPAIGN ACT.

COVER PAGE - LONG FORM

Statement covers period from 8-6-95 through 9-2-95 Date of election if applicable: (Month, Day, Year) 9-19-95	RECEIVED CITY CLERK'S OFFICE 95 SEP -7 PH 4:26 SAN DIEGO, CALIF. Jr	Page 1 of 6 For Official Use Only
--	---	--------------------------------------

II Other Committees Not Included in this Statement: List any other committees not included in this consolidated statement that are controlled by you and any committees of which you have knowledge that are primarily formed to receive contributions or to make expenditures on behalf of your candidacy.

COMMITTEE NAME	I.D. NUMBER
NAME OF TREASURER	CONTROLLING COMMITTEE ☐ YES ☐ NO
COMMITTEE ADDRESS	(NO. AND STREET)
CITY	STATE ZIP CODE AREA CODE/DAYTIME PHONE
COMMITTEE NAME	I.D. NUMBER
NAME OF TREASURER	CONTROLLING COMMITTEE ☐ YES ☐ NO
COMMITTEE ADDRESS	(NO. AND STREET)
CITY	STATE ZIP CODE AREA CODE/DAYTIME PHONE

Attach additional information on appropriately labeled continuation sheets.

11-03-95 10:40AM P005 #44

Campaign Disclosure Statement Summary Page

Type or print in ink.
Amounts may be rounded
to whole dollars.

SUMMARY PAGE

SEE INSTRUCTIONS ON REVERSE

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS

FRIENDS OF JUAN VARGAS '95

Statement covers period
from 8-6-95
through 9-2-95

Page 2 of 5

I.D. NUMBER
943824

Contributions Received

		Column A TOTAL THIS PERIOD (FROM ATTACHED SCHEDULES)	Column B TOTAL PREVIOUS PERIOD (SEE NOTE BELOW)	Column C TOTAL TO DATE (ADD COLUMNS A + B)
1. Monetary Contributions	Schedule A, Line 3	\$ 300.00	\$ 70,757.32	\$ 71,057.32
2. Loans Received	Schedule D, Line 7			
3. SUBTOTAL CASH CONTRIBUTIONS	Add Lines 1 + 2	\$ 300.00	\$ 70,757.32	\$ 71,057.32
4. Non-monetary Contributions	Schedule C, Line 3			
5. SUBTOTAL CONTRIBUTIONS (Exclude Enforceable Promises)	Add Lines 3 + 4	\$ 300.00	\$ 70,757.32	\$ 71,057.32
6. Enforceable Promises (Exclude Loan Guarantees, Line 18 below)	Schedule D, Line 7	\$ 300.00	\$ 70,757.32	\$ 71,057.32
7. TOTAL CONTRIBUTIONS RECEIVED	Add Lines 5 + 6	\$ 300.00	\$ 70,757.32	\$ 71,057.32

Expenditures Made

8. Cash Payments (Other than Loans Made)	Schedule E, Line 3	\$ 5,150.73	\$ 63,965.95	\$ 69,116.68
9. Loans Made	Schedule H, Line 7			
10. SUBTOTAL CASH PAYMENTS	Add Lines 8 + 9	\$ 5,150.73	\$ 63,965.95	\$ 69,116.68
11. Accrued Expenses (Unpaid Bills)	Schedule F, Line 5			
12. TOTAL EXPENDITURES MADE	Add Lines 10 + 11	\$ 5,150.73	\$ 63,965.95	\$ 69,116.68

Current Cash Statement

13. Beginning Cash Balance	Previous Summary Page, Line 17	\$ 6,877.37
14. Cash Receipts	Column A, Line 3 above	300.00
15. Miscellaneous Increases to Cash	Schedule I, Line 4	
16. Cash Payments	Column A, Line 10 above	5,150.73
17. ENDING CASH BALANCE	Add Lines 13 + 14 + 15, then subtract Line 16	\$ 2,026.64

If this is a termination statement, line 17 must be zero.

* From previous Statement Summary Page, Column C. However, if this is the first report filed for the calendar year, Column B should be blank except for Loans Received (Line 2), Enforceable Promises (Line 6), Loans Made (Line 9), and Accrued Expenses (Line 11).

Summary for Candidates in Both June and November Elections

18. LOAN GUARANTEES RECEIVED Schedule B, Part I, Column (b) \$

Cash Equivalents and Outstanding Debts

19. Cash Equivalents See Instructions on reverse \$

20. Outstanding Debts Add Line 2 + Line 11 in Column C above \$

21. Contributions Received 7/1 through 6/30 7/1 to Date
22. Expenditures Made 7/1 through 6/30 7/1 to Date

6090727096

11-03-95 10:40AM P006 #44

Schedule E Payments and Contributions (Other Than Loans) Made

Type or print in ink.
Amounts may be rounded
to whole dollars.

SCHEDULE E

SEE INSTRUCTIONS ON REVERSE

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS

FRIENDS OF JUAN VARGAS '95

Statement covers period		Page 4 of 6
from 8-6-95	through 9-2-95	
I.D. NUMBER		943824

CODES FOR CLASSIFYING EXPENDITURES

If one of the following codes accurately describes the expenditure, you may enter the code and leave the "Description of Payment" column blank. Refer to the back of Schedule E-Continuation Sheet for detailed explanations of each category.

- | | | |
|--|--|--|
| "C" - MONETARY AND IN-KIND (NON-MONETARY) CONTRIBUTIONS TO OTHER CANDIDATES AND COMMITTEES | "B" - BROADCAST ADVERTISING | "G" - GENERAL OPERATIONS AND OVERHEAD |
| "I" - INDEPENDENT EXPENDITURES | "N" - NEWSPAPER AND PERIODICAL ADVERTISING | "T" - TRAVEL, ACCOMMODATIONS AND MEALS (MUST BE DESCRIBED) |
| "L" - LITERATURE | "O" - OUTSIDE ADVERTISING | "P" - PROFESSIONAL MANAGEMENT AND CONSULTING SERVICES |
| | "S" - SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS | |
| | "F" - FUNDRAISING EVENTS | |

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION
(IF COMMITTEE, IN ADDITION TO COMMITTEE'S NAME AND ADDRESS, INITIAL D. NUMBER OR, IF N.O.D. NUMBER HAS BEEN ASSIGNED, INITIAL TREASURER'S NAME AND ADDRESS)

IMPORTANT: DO NOT ITEMIZE THE PAYMENT OF ACCRUED EXPENSES ON SCHEDULE E. REPORT ONLY THE LUMP SUM OF SUCH PAYMENTS ON LINE 4 OF THE SUMMARY SECTION BELOW.

CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
F			450.00
G			800.00
F			655.66

DANIEL A. LAWTON
3840 SEQUOIA ST, SAN DIEGO, CA 92109

RICHARD D'ASCOLI
1171 - 24TH STREET, SAN DIEGO, CA 92102

JEAN ANDREWS
4855 ALBERSON COURT, SAN DIEGO, CA 92130

Important: Contributions and expenditures made out of campaign funds to or on behalf of other officeholders, candidates, committees, or ballot measures must also be entered on the Allocation Page, Part 1.

SUBTOTAL \$ 1,905.66

Payments and Contributions Made Summary

- | | |
|---|-------------------|
| 1. Payments made this period of \$100 or more. (Include all Schedule E subtotals.) | \$ 4,933.56 |
| 2. Payments made this period of under \$100. (Do not itemize.) | \$ 219.17 |
| 3. Total interest paid this period on outstanding loans. (Enter amount from Schedule D, Part I, Column (d).) | \$ |
| 4. Total accrued expenses paid this period. (Do not itemize. Enter amount from Schedule F, Line 4.) | \$ |
| 5. Total payments made this period. (Add Lines 1, 2, 3, and 4. Enter here and on Summary Page, Column A, Line 8.) | TOTAL \$ 5,152.73 |

**Schedule E
(Continuation Sheet)
Payments and Contributions
(Other Than Loans) Made**

SEE INSTRUCTIONS ON REVERSE

Type or print in ink.
Amounts may be rounded
to whole dollars.

SCHEDULE E (cont.)

Statement cover period		Page <u>5</u> of <u>6</u>
from <u>8-5-95</u>	through <u>9-2-95</u>	

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS FRIENDS OF JUAN VARGAS '95

LD NUMBER
943824

CODES FOR CLASSIFYING EXPENDITURES

"C" -- MONETARY AND IN-KIND (NON-MONETARY)
CONTRIBUTIONS TO OTHER CANDIDATES
AND COMMITTEES

"I" -- INDEPENDENT EXPENDITURES
"L" -- LITERATURE

"B" -- BROADCAST ADVERTISING

"N" -- NEWSPAPER AND PERIODICAL ADVERTISING

"O" -- OUTSIDE ADVERTISING

"S" -- SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS

"F" -- FUNDRAISING EVENTS

"G" -- GENERAL OPERATIONS AND OVERHEAD

"T" -- TRAVEL, ACCOMMODATIONS AND MEALS
(MUST BE DESCRIBED)

"P" -- PROFESSIONAL MANAGEMENT AND CONSULTING
SERVICES

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION
(If committee, in addition to committee's name and address, enter LD number or, if no LD,
household address (or, if not a household, street address and zip code))

	CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
RICHARD D'ASCOLI 1171 - 24TH STREET, SAN DIEGO, CA 92102	I.			263.10
ALI LE COOPER 6560 MONTEZUMA RD, 111, SAN DIEGO, CA 92115	G			500.00
GEORGE BALGOS 2882 DUSK DRIVE, SAN DIEGO, CA 92139-2918	G			500.00
RICHARD D'ASCOLI 1171 - 24TH STREET, SAN DIEGO, CA 92102	G			412.80
ALI LE COOPER 6560 MONTEZUMA RD, 111, SAN DIEGO, CA 92115	G			250.00

1 2 9 0 6 6 8 2 0 9 6

SUBTOTAL \$ 1,925.90

**Schedule E
(Continuation Sheet)
Payments and Contributions
(Other Than Loans) Made**

SEE INSTRUCTIONS ON REVERSE

Type or print in ink.
Amounts may be rounded
to whole dollars.

SCHEDULE E (cont.)

NAME OF OFFICIAL/HOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS FRIENDS OF JUAN VARGAS '95

Statement covers period

from 8-6-95

through 9-2-95

Page 6 of 6

I.D. NUMBER

943824

CODES FOR CLASSIFYING EXPENDITURES

- *C* -- MONETARY AND IN-KIND (NON-MONETARY)
CONTRIBUTIONS TO OTHER CANDIDATES
AND COMMITTEES
- *I* -- INDEPENDENT EXPENDITURES
- *L* -- LITERATURE

- *B* -- BROADCAST ADVERTISING
- *N* -- NEWSPAPER AND PERIODICAL ADVERTISING
- *O* -- OUTSIDE ADVERTISING
- *S* -- SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS
- *F* -- FUNDRAISING EVENTS

- *G* -- GENERAL OPERATIONS AND OVERHEAD
- *T* -- TRAVEL, ACCOMMODATIONS AND MEALS
(MUST BE DESCRIBED)
- *P* -- PROFESSIONAL MANAGEMENT AND CONSULTING
SERVICES

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION
BY COMMITTEE, IN ADDITION TO COMMITTEE'S NAME AND ADDRESS, (INITIALS, NUMBER OR, IF HOLD,
NUMBER HAS BEEN ASSIGNED, EITHER PAYEE'S NAME AND ADDRESS)

CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
G		MONTGOMERY PLAZA 6910A MIRAMAR RD., STE. 200 SAN DIEGO, CA 92121	600.00
G		GEORGE BALGOS 2882 DUSK DRIVE, SAN DIEGO, CA 92139-2918	500.00

9604370632

SUBTOTAL 1,100.00

**and Controlled Committee
Campaign Statement — Long Form**
(Government Code Sections 84200-84216.5)

SEE INSTRUCTIONS ON REVERSE

Check one of the following boxes to indicate the type of statement being filed:

- ☒ Pre-election Statement
☐ Supplemental Pre-election Statement (Attach a completed Form 495 to this statement.)
☐ Special Odd-Year Campaign Report
☐ Semi-annual Statement
☐ Termination Statement (Attach a completed Form 415 to this statement.)

Statement covers period
from 7-1-95
through 8-5-95
Date of election if applicable:
(Month, Day, Year)
8-19-95

Date Stamp
RECEIVED
CITY CLERK'S OFFICE
95 AUG -8 PM 3:50
SAN DIEGO, CALIF.

Page 1 of 10
For Official Use Only

**Officeholder, Candidate, and Controlled Committee
Included in this Statement**

NAME OF OFFICEHOLDER OR CANDIDATE

JUAN CARLOS VARGAS

OFFICE (DO NOT INCLUDE LOCATION AND DISTRICT NUMBER IF APPLICABLE)

SAN DIEGO CITY COUNCIL, DISTRICT 8

RESIDENTIAL OR BUSINESS ADDRESS (NO. AND STREET)

1171 24TH STREET

CITY STATE ZIP CODE AREA CODE/DAYTIME PHONE
SAN DIEGO CA 92102 (619) 235-4333

COMMITTEE NAME I.D. NUMBER

FRIENDS OF JUAN VARGAS '95

943824

COMMITTEE ADDRESS (NO. AND STREET)

3609 FOURTH AVENUE

CITY STATE ZIP CODE AREA CODE/DAYTIME PHONE
SAN DIEGO CA 92103 (619) 295-5923

NAME OF TREASURER

DEANNA LIEBERGOT

PERMANENT ADDRESS OF TREASURER (NO. AND STREET)

1187 CAMINO RUIZ #78

CITY STATE ZIP CODE AREA CODE/DAYTIME PHONE
SAN DIEGO CA 92126 (619) 4295-6923

Other Committees Not Included in this Statement: List any other committees not included in this consolidated statement that are controlled by you and any committees of which you have knowledge that are primarily formed to receive contributions or to make expenditures on behalf of your candidacy.

COMMITTEE NAME	I.D. NUMBER
NAME OF TREASURER	CONTROLLED COMMITTEE ☐ YES ☐ NO
COMMITTEE ADDRESS (NO. AND STREET)	
CITY STATE ZIP CODE AREA CODE/DAYTIME PHONE	
COMMITTEE NAME	I.D. NUMBER
NAME OF TREASURER	CONTROLLED COMMITTEE ☐ YES ☐ NO
COMMITTEE ADDRESS (NO. AND STREET)	
CITY STATE ZIP CODE AREA CODE/DAYTIME PHONE	

Attach additional information on appropriately labeled continuation sheets.

III Verification

I have used all reasonable diligence in preparing this statement. I have reviewed the statement and to the best of my knowledge the information contained herein and in the attached schedules is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 7-8-95 At SAN DIEGO, CALIFORNIA
DATE CITY AND STATE

By Deanna Liebergot
SIGNATURE OF TREASURER

An officeholder or candidate who controls a committee must also verify the campaign statement. I have used all reasonable diligence and to the best of my knowledge the treasurer has used all reasonable diligence in preparing this statement. I have reviewed the statement and to the best of my knowledge the information contained herein and in the attached schedules is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 7-8-95 At SAN DIEGO, CALIFORNIA
DATE CITY AND STATE

By Juan Vargas
SIGNATURE OF CANDIDATE/OFFICEHOLDER

Executed on _____ At _____
DATE CITY AND STATE

By _____
SIGNATURE OF CANDIDATE/OFFICEHOLDER

Executed on _____ At _____
DATE CITY AND STATE

By _____
SIGNATURE OF CANDIDATE/OFFICEHOLDER

FOR INFORMATION REQUIRED TO BE PROVIDED TO YOU PURSUANT TO THE INFORMATION PRACTICES ACT OF 1977, SEE INFORMATION MANUAL ON CAMPAIGN DISCLOSURE PROVIDED BY THE POLITICAL PRACTICES ACT.

2 2 9 0 2 2 0 9 6

State of California Fair Political Practices Commission

11-03-95 10:40AM P010 #44

Campaign Disclosure Statement Summary Page

Type or print in ink.
Amounts may be rounded
to whole dollars.

SUMMARY PAGE

SEE INSTRUCTIONS ON REVERSE

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS

FRIENDS OF JUAN VARGAS '95

Statement covers period

from 7-1-95

through 8-5-95

Page 2 of 10

I.D. NUMBER

943824

Contributions Received

		Column A TOTAL THIS PERIOD (FROM ATTACHED SCHEDULES)	Column B* TOTAL PREVIOUS PERIOD (SEE NOTE BELOW)	Column C TOTAL TO DATE (ADD COLUMNS A & B)
1. Monetary Contributions	Schedule A, Line 3	\$ 4,125.00	\$ 66,632.32	\$ 70,757.32
2. Loans Received	Schedule B, Line 7			
3. SUBTOTAL CASH CONTRIBUTIONS	Add Lines 1 + 2	\$ 4,125.00	\$ 66,632.32	\$ 70,757.32
4. Non-monetary Contributions	Schedule C, Line 3	215.00	464.43	679.43
5. SUBTOTAL CONTRIBUTIONS (Exclude Enforceable Promises)	Add Lines 3 + 4	\$ 4,340.00	\$ 67,096.75	\$ 71,436.75
6. Enforceable Promises (Exclude Loan Guarantees, Line 18 below)	Schedule D, Line 7			
7. TOTAL CONTRIBUTIONS RECEIVED	Add Lines 5 + 6	\$ 4,340.00	\$ 67,096.75	\$ 71,436.75

Expenditures Made

8. Cash Payments (Other than Loans Made)	Schedule E, Line 5	\$ 15,442.40	\$ 48,523.55	\$ 63,965.95
9. Loans Made	Schedule F, Line 7			
10. SUBTOTAL CASH PAYMENTS	Add Lines 8 + 9	\$ 15,442.40	\$ 48,523.55	\$ 63,965.95
11. Accrued Expenses (Unpaid Bills)	Schedule G, Line 5			
TOTAL EXPENDITURES MADE	Add Lines 10 + 11	\$ 15,442.40	\$ 48,523.55	\$ 63,965.95

Current Cash Statement

13. Beginning Cash Balance	Previous Summary Page, Line 17	\$ 18,194.77
14. Cash Receipts	Column A, Line 3 above	4,125.00
15. Miscellaneous Increases to Cash	Schedule I, Line 1	
16. Cash Payments	Column A, Line 10 above	15,442.40
17. ENDING CASH BALANCE	Add Lines 13 + 14 + 15, then subtract Line 16	\$ 6,877.37

* From previous Statement Summary Page, Column C. However, this is the first report filed for the calendar year, Column B should be blank except for Loans Received (Line 2), Enforceable Promises (Line 6), Loans Made (Line 9), and Accrued Expenses (Line 11).

Summary for Candidates in Both June and November Elections

	1/1 through 6/30	7/1 to Date
21. Contributions Received	\$	
22. Expenditures Made	\$	

If this is a termination statement, Line 17 must be zero.

ENDING CASH BALANCE SHOULD NOT BE A NEGATIVE AMOUNT

18. LOAN GUARANTEES RECEIVED Schedule D, Part I, Column (b) \$

Cash Equivalents and Outstanding Debts

19. Cash Equivalents See Instructions on reverse \$

20. Outstanding Debts Add Line 2 + Line 11 in Column C above \$ 6,877.37

Schedule E Payments and Contributions (Other Than Loans) Made

Type or print in ink.
Amounts may be rounded
to whole dollars.

SCHEDULE E

SEE INSTRUCTIONS ON REVERSE

Statement covers period
from 7-1-95
through 8-5-95

Page 6 of 10

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS

FRIENDS OF JUAN VARGAS

I.D. NUMBER

943824

CODES FOR CLASSIFYING EXPENDITURES

If one of the following codes accurately describes the expenditure, you may enter the code and leave the "Description of Payment" column blank. Refer to the back of Schedule E-Continuation Sheet for detailed explanations of each category.

"C" - MONETARY AND IN-KIND (NON-MONETARY)
CONTRIBUTIONS TO OTHER CANDIDATES
AND COMMITTEES

"I" - INDEPENDENT EXPENDITURES

"L" - LITERATURE

"B" - BROADCAST ADVERTISING

"N" - NEWSPAPER AND PERIODICAL ADVERTISING

"O" - OUTSIDE ADVERTISING

"S" - SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS

"F" - FUNDRAISING EVENTS

"G" - GENERAL OPERATIONS AND OVERHEAD

"T" - TRAVEL, ACCOMMODATIONS AND MEALS
(MUST BE DESCRIBED)

"P" - PROFESSIONAL MANAGEMENT AND CONSULTING
SERVICES

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION
(If COMMITTEE, IN ADDITION TO COMMITTEE'S NAME AND ADDRESS, ENTER I.D. NUMBER OR, IF N.O.D.,
NUMBER HAS BEEN ASSIGNED, IN SPATIAL SUITE'S NAME AND ADDRESS)

IMPORTANT: DO NOT ITEMIZE THE PAYMENT OF ACCRUED EXPENSES ON SCHEDULE E.
REPORT ONLY THE LUMP SUM OF SUCH PAYMENTS ON LINE 4 OF THE SUMMARY SECTION BELOW.

	CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
SAMSONS 501 501 W. BROADWAY, SAN DIEGO, CA 92101	F			220.69
RICHARD D'ASCOLI 1171 - 24TH STREET, SAN DIEGO, CA 92102	G			800.00
SAME AS ABOVE	F			332.31

Important: Contributions and expenditures made out of campaign funds to or on behalf of other
officeholders, candidates, committees, or ballot measures must also be entered on the Allocation Page, Part I.

SUBTOTAL \$ 1,353.00

Payments and Contributions Made Summary

1. Payments made this period of \$100 or more. (Include all Schedule E subtotals.)	\$ 15,258.49
2. Payments made this period of under \$100. (Do not itemize.)	\$ 183.91
3. Total interest paid this period on outstanding loans. (Enter amount from Schedule D, Part II, Column (d).)	\$
4. Total accrued expenses paid this period. (Do not itemize. Enter amount from Schedule F, Line 4.)	\$
5. Total payments made this period. (Add Lines 1, 2, 3, and 4. Enter here and on the Summary Page, Column A, line 8.)	TOTAL \$ 15,442.40

Schedule E
(Continuation Sheet)
Payments and Contributions
(Other Than Loans) Made

SEE INSTRUCTIONS ON REVERSE

Type or print in ink.
 Amounts may be rounded
 to whole dollars.

SCHEDULE E (cont.)

Statement covers period		Page 7 of 10	
from 7-1-95	through 8-5-95		
I.D. NUMBER		943824	

NAME OF OFFICER/HOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS

FRIENDS OF JUAN VARGAS '95

CODES FOR CLASSIFYING EXPENDITURES

- | | | |
|--|--|--|
| - MONETARY AND IN-KIND (NON-MONETARY) CONTRIBUTIONS TO OTHER CANDIDATES AND COMMITTEES | "B" - BROADCAST ADVERTISING | "G" - GENERAL OPERATIONS AND OVERHEAD |
| "I" - INDEPENDENT EXPENDITURES | "N" - NEWSPAPER AND PERIODICAL ADVERTISING | "T" - TRAVEL, ACCOMMODATIONS AND MEALS (MUST BE DESCRIBED) |
| "L" - LITERATURE | "O" - OUTSIDE ADVERTISING | "P" - PROFESSIONAL MANAGEMENT AND CONSULTING SERVICES |
| | "S" - SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS | |
| | "F" - FUNDRAISING EVENTS | |

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION
 (IF COMMITTEE, IN ADDITION TO COMMITTEE'S NAME AND ADDRESS, ENTER ID, FURNISHER OR, IF HOLO,
 IF COMMITTEE HAS BEEN ASSIGNED, ENTER TREASURER'S NAME AND ADDRESS)

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION	CODE	DESCRIPTION OF PAYMENT	AMOUNT PAID
JEAN ANDREWS 4855 ALBERSON COURT, SAN DIEGO, CA 92130	F		2,180.58
PACIFIC BELL PAYMENT CENTER, VAN NUYS, CA 91388-0001	G		102.96
RALPH INZUNZA 3037 CAGLE STREET, NATIONAL CITY, CA 91958	F		484.68
ALI LIE COOPER 6560 MONTEZUMA RD. 111, SAN DIEGO, CA 92115	G		500.00
GEORGE BALGAS	G		500.00

92901127096

SUBTOTAL - 3 3,768.22

Schedule E
(Continuation Sheet)
Payments and Contributions
(Other Than Loans) Made

SEE INSTRUCTIONS ON REVERSE

Type or print in ink.
Amounts may be rounded
to whole dollars.

SCHEDULE E (cont.)

Statement covers period from <u>7-1-95</u> through <u>8-5-95</u>		Page <u>8</u> of <u>10</u>
NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE JUAN VARGAS FRIENDS OF JUAN VARGAS '95		LD. NUMBER 943824

CODES FOR CLASSIFYING EXPENDITURES

- | | | |
|--|--|--|
| <p>● MONETARY AND IN-KIND (NON-MONETARY) CONTRIBUTIONS TO OTHER CANDIDATES AND COMMITTEES</p> <p>● INDEPENDENT EXPENDITURES</p> <p>● LITERATURE</p> | <p>● BROADCAST ADVERTISING</p> <p>● NEWSPAPER AND PERIODICAL ADVERTISING</p> <p>● OUTSIDE ADVERTISING</p> <p>● SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS</p> <p>● FUNDRAISING EVENTS</p> | <p>● GENERAL OPERATIONS AND OVERHEAD</p> <p>● TRAVEL, ACCOMMODATIONS AND MEALS (MUST BE DESCRIBED)</p> <p>● PROFESSIONAL MANAGEMENT AND CONSULTING SERVICES</p> |
|--|--|--|

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION
IF COMMITTEE, IN ADDITION TO COMMITTEE'S NAME AND ADDRESS, ENTER LD. NUMBER (A OR V) AND LD. NUMBER (W) BEEN ASSIGNED, ENTER TAXPAYER'S NAME AND ADDRESS

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION IF COMMITTEE, IN ADDITION TO COMMITTEE'S NAME AND ADDRESS, ENTER LD. NUMBER (A OR V) AND LD. NUMBER (W) BEEN ASSIGNED, ENTER TAXPAYER'S NAME AND ADDRESS	CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
THE PRIMACY GROUP 3609 FOURTH AVENUE, SAN DIEGO, CA 92103	P			2,015.83
RICHARD D'ASCOLI 1171 - 24TH STREET, SAN DIEGO, CA 92102	F			129.03
SAME AS ABOVE	P			400.00
SAME AS ABOVE	P			400.00
ALI LE COOPER 6560 MONTEZUMA RD. 111, SAN DIEGO, CA 92115	G			511.17

7 2 9 4 0 7 7 2 4 0 9 6

SUBTOTAL 3,456.03

Schedule E
(Continuation Sheet)
Payments and Contributions
(Other Than Loans) Made

Type or print in ink.
 Amounts may be rounded
 to whole dollar.

SCHEDULE E (cont)

SEE INSTRUCTIONS ON REVERSE

Statement covers period from 7-1-95 through 8-5-95	Page 9 of 10
--	----------------------------

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

I.D. NUMBER

JUAN VARGAS

FRIENDS OF JUAN VARGAS '95

943824

CODES FOR CLASSIFYING EXPENDITURES

- | | | |
|---|---|---|
| "C" - MONETARY AND IN-KIND (NON-MONETARY) CONTRIBUTIONS TO OTHER CANDIDATES AND COMMITTEES | "D" - BROADCAST ADVERTISING | "G" - GENERAL OPERATIONS AND OVERHEAD |
| "I" - INDEPENDENT EXPENDITURES | "N" - NEWSPAPER AND PERIODICAL ADVERTISING | "T" - TRAVEL, ACCOMMODATIONS AND MEALS (MUST BE DESCRIBED) |
| "L" - LITERATURE | "O" - OUTSIDE ADVERTISING | "P" - PROFESSIONAL MANAGEMENT AND CONSULTING SERVICES |
| | "S" - SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS | |
| | "F" - FUNDRAISING EVENTS | |

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION
 (If COMMITTEE, IN ADDITION TO COMMITTEE'S NAME AND ADDRESS, ENTER I.D. NUMBER OR IF HOLD.
 COMMITTEE, ENTER ALIQUOT, THY (A TAXPAYER'S NAME AND ADDRESS)

CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
G		GEORGE BALGAS 2882 DUSK DRIVE, SAN DIEGO, CA 92139-2918	500.00
G		BILL REDMAN 3949 RUFFIN RD. STE. D SAN DIEGO, CA 92123	1,254.85
		KELLY BURT 14224 HARROW PL., POWAY, CA 92064	100.00
		REFUND CONTRIBUTION	
G		RICHARD D'ASCOLI 1171 - 24TH STREET, SAN DIEGO, CA 92102	800.00
F		SAME AS ABOVE	250.05

8 2 9 0 7 7 2 4 0 9 6

SUBTOTAL 3

Schedule E
Continuation Sheet
Payments and Contributions
Other Than Loans) Made

SEE INSTRUCTIONS ON REVERSE

Type or print in ink.
 Amounts may be rounded
 to whole dollars.

SCHEDULE E (cont.)

Statement covers period from 7-1-95	Page 10 of 10
through 8-5-95	

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS

FRIENDS OF JUAN VARGAS '95

ID. NUMBER

943824

CODES FOR CLASSIFYING EXPENDITURES

"C" - MONETARY AND NON-MONETARY
 CONTRIBUTIONS TO OTHER CANDIDATES
 AND COMMITTEES

"I" - INDEPENDENT EXPENDITURES
 "L" - LITERATURE

"B" - BROADCAST ADVERTISING
 "N" - NEWSPAPER AND PERIODICAL ADVERTISING
 "O" - OUTSIDE ADVERTISING
 "S" - SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS
 "F" - FUNDRAISING EVENTS

"G" - GENERAL OPERATIONS AND OVERHEAD
 "T" - TRAVEL, ACCOMMODATIONS AND MEALS
 (MUST BE DESCRIBED)
 "P" - PROFESSIONAL MANAGEMENT AND CONSULTING
 SERVICES

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION
 BY COMMITTEE, IN ADDITION TO COMMITTEE'S NAME (AND ADDRESS), IDENTIFY NUMBER OR, IF TWO LD.
 NUMBER HAS BEEN ASSIGNED, IDENTIFY SECOND NAME (AND ADDRESS)

	CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
SDG&E	G			126.86
MONTGOMERY PLAZA 6910A MIRAMAR RD., STE. 200 SAN DIEGO, CA 92121	G			600.00
THE PRIMACY GROUP 3609 FOURTH AVENUE SAN DIEGO, CA 92103	P			2,000.00
ALI LE COOPER 6560 MONTEZUMA RD. 111 SAN DIEGO, CA 92115	G			524.99
GEORGE BALGAS 2882 DUSK DRIVE SAN DIEGO, CA 92139-2918	G			516.49

6 2 9 0 2 2 8 7 0 9 6

SUBTOTAL \$ 3,768.34

11-03-95 10:40AM P016 #44

Officeholder, Candidate, and Controlled Committee Campaign Statement — Long Form
(Government Code Sections 84200-84216.5)

Type or print name.

RECEIVED

COVER PAGE - LONG FORM

SEE INSTRUCTIONS ON REVERSE

Check one of the following boxes to indicate the type of statement being filed:

- ☐ Pre-election Statement
☐ Supplemental Pre-election Statement (Attach a completed Form 495 to this statement.)
☐ Special Odd-Year Campaign Report
☒ Semi-annual Statement
☐ Termination Statement (Attach a completed Form 415 to this statement.)

Statement covers period
from 1-1-95
through 6-30-95
Date of election if applicable:
(Month, Day, Year)
9-19-95

CITY CLERK'S OFFICE
JUL 28 PH 4:20
SAN DIEGO, CALIF.

Page 1 of 58
For Official Use Only

Officeholder, Candidate, and Controlled Committee Included in this Statement

NAME OF OFFICEHOLDER OR CANDIDATE
JUAN CARLOS VARGAS

OFFICE SOUGHT OR HELD (INCLUDE LOCATION AND DISTRICT NUMBER, IF APPLICABLE)

SAN DIEGO CITY COUNCIL, DISTRICT 8

RESIDENTIAL OR BUSINESS ADDRESS (IND. AND STATE)

1171 24TH STREET

CITY STATE ZIP CODE AREA CODE/DAYTIME PHONE

SAN DIEGO CA 92102 (619) 235-4333

COMMITTEE NAME

FRIENDS OF JUAN VARGAS '95

943824

COMMITTEE ADDRESS (IND. AND STATE)

3609 FOURTH AVENUE

CITY STATE ZIP CODE AREA CODE/DAYTIME PHONE

SAN DIEGO CA 92103 (619) 295-6923

NAME OF TREASURER

DEANNA LINDERGOT

PERMANENT ADDRESS OF TREASURER (IND. AND STATE)

11187 CAMINO RUIZ #78

CITY STATE ZIP CODE AREA CODE/DAYTIME PHONE

SAN DIEGO, CA 92126 (619) 295-6923

Other Committees Not Included in this Statement: List any other committees not included in this consolidated statement that are controlled by you and any committees of which you have knowledge that are primarily formed to receive contributions or to make expenditures on behalf of your candidacy.

COMMITTEE NAME	IND. NUMBER
NAME OF TREASURER	CONTROLLED COMMITTEE ☐ YES ☐ NO
COMMITTEE ADDRESS (IND. AND STATE)	
CITY STATE ZIP CODE AREA CODE/DAYTIME PHONE	
COMMITTEE NAME	IND. NUMBER
NAME OF TREASURER	CONTROLLED COMMITTEE ☐ YES ☐ NO
COMMITTEE ADDRESS (IND. AND STATE)	
CITY STATE ZIP CODE AREA CODE/DAYTIME PHONE	

Attach additional information on appropriately labeled continuation sheets.

III Verification

I have used all reasonable diligence in preparing this statement. I have reviewed the statement and to the best of my knowledge the information contained herein and in the attached schedules is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 7-25-95 At SAN DIEGO, CALIFORNIA
DATE CITY AND STATE

By Deanna Lindergot
SIGNATURE OF TREASURER

An officeholder or candidate who controls a committee must also verify the campaign statement. I have used all reasonable diligence and to the best of my knowledge the treasurer has used all reasonable diligence in preparing this statement. I have reviewed the statement and to the best of my knowledge the information contained herein and in the attached schedules is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 7-25-95 At SAN DIEGO, CALIFORNIA
DATE CITY AND STATE

By Juan Vargas
SIGNATURE OF CANDIDATE/OFFICEHOLDER

Executed on _____ At _____
DATE CITY AND STATE

By _____
SIGNATURE OF CANDIDATE/OFFICEHOLDER

Executed on _____ At _____
DATE CITY AND STATE

By _____
SIGNATURE OF CANDIDATE/OFFICEHOLDER

FOR INFORMATION REQUIRED TO BE PROVIDED TO YOU PURSUANT TO THE INFORMATION PRACTICES ACT OF 1977, SEE THE INFORMATION PRACTICES ON CAMPAIGN DISCLOSURE, PAVING THE WAY FOR THE FUTURE OF THE POLITICAL PROCESS ACT.

11-03-95 10:40AM P017 #64

Campaign Disclosure Statement Summary Page

Type or print in ink.
Amounts may be rounded
to whole dollars.

SUMMARY PAGE

SEE INSTRUCTIONS ON REVERSE

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS

FRIENDS OF JUAN VARGAS '95

Statement covers period
from 1-1-95
through 6-30-95

Page 2 of 58

I.D. NUMBER
943824

Contributions Received

		Column A TOTAL TIME PERIOD (FROM ATTACHED SCHEDULES)	Column B ¹ TOTAL PREVIOUS PERIOD (SEE NOTE 3) (DOWN)	Column C TOTAL TO DATE (ADD COLUMNS A + B)
1. Monetary Contributions	Schedule A, Line 3	\$ 66,632.32	\$ -0-	\$ 66,632.32
2. Loans Received	Schedule B, Line 7			
3. SUBTOTAL CASH CONTRIBUTIONS	Add Lines 1 + 2	\$ 66,632.32	\$ -0-	\$ 66,632.32
4. Non-monetary Contributions	Schedule C, Line 3	\$ 464.43	\$ -0-	\$ 464.43
5. SUBTOTAL CONTRIBUTIONS (Exclude Enforceable Promises)	Add Lines 3 + 4	\$ 67,096.75	\$ -0-	\$ 67,096.75
6. Enforceable Promises (Exclude Loan Guarantees, Line 18 below)	Schedule D, Line 7	\$ 67,096.32	\$ -0-	\$ 67,096.75
7. TOTAL CONTRIBUTIONS RECEIVED	Add Lines 5 + 6	\$ 67,096.32	\$ -0-	\$ 67,096.75

Expenditures Made

8. Cash Payments (Other than Loans Made)	Schedule E, Line 5	\$ 48,523.55	\$ -0-	\$ 48,523.55
9. Loans Made	Schedule H, Line 7			
10. SUBTOTAL CASH PAYMENTS	Add Lines 8 + 9	\$ 48,523.55	\$ -0-	\$ 48,523.55
11. Accrued Expenses (Unpaid Bills)	Schedule F, Line 5			
12. TOTAL EXPENDITURES MADE	Add Lines 10 + 11	\$ 48,523.55	\$ -0-	\$ 48,523.55

Current Cash Statement

13. Beginning Cash Balance	Previous Summary Page, Line 17	\$ -0-
14. Cash Receipts	Column A, Line 3 above	\$ 66,632.32
15. Miscellaneous Increases to Cash	Schedule I, Line 4	\$ 86.00
15. Cash Payments	Column A, Line 10 above	\$ 48,523.55
17. ENDING CASH BALANCE	Add Lines 13 + 14 + 15, then subtract Line 16	\$ 18,194.77

¹ From previous Statement Summary Page, Column C. However, if this is the first report filed for the calendar year, Column B should be blank except for Loans Received (Line 2), Enforceable Promises (Line 6), Loans Made (Line 9), and Accrued Expenses (Line 11).

Summary for Candidates in Both June and November Elections

18. LOAN GUARANTEES RECEIVED	Schedule B, Part I, Column (b)	\$
Cash Equivalents and Outstanding Debts		
19. Cash Equivalents	See Instructions on reverse	\$
20. Outstanding Debts	Add Line 2 + Line 11 in Column C above	\$ 47,154.96

21. Contributions Received	1/1 through 6/30	7/1 to Date
22. Expenditures Made		

Schedule C Non-Monetary Contributions Received

Type or print in ink.
Amounts may be rounded
to whole dollars.

SCHEDULE C

SEE INSTRUCTIONS ON REVERSE

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS FRIENDS OF JUAN VARGAS '95

Statement covers period

from 1-1-95

through 6-30-95

Page 46 of 58

I.D. NUMBER

043924

DATE RECEIVED	FULL NAME AND ADDRESS OF CONTRIBUTOR (If committee, in addition to committee's name and address, include number on which no. number has been assigned, other data as applicable)	OCCUPATION AND EMPLOYER (If self-employed, enter name of business)	DESCRIPTION OF GOODS OR SERVICES	FAIR MARKET VALUE	CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31)	CUMULATIVE TO DATE OTHER (IF APPLICABLE)
2-15-95	TODD E. LEIGH 5300 MARLBOROUGH DRIVE SAN DIEGO, CA 92116	ATTORNEY PORCOPIO, CORY et al	CATERING	227.68	227.68	227.68
3-29-95	MARY GARDNER DANE 3514 ALBATROSS STREET SAN DIEGO, CA 92103	HOMEMAKER	CATERING	236.75	236.75	236.75

Attach additional information on appropriately labeled continuation sheets.

SUBTOTAL \$ 464.43

Non-Monetary Contributions Summary

1. Amount received this period — non-monetary contributions of \$100 or more.
(Include all Schedule C subtotals.)

\$ 464.43

2. Amount received this period — non-monetary contributions of less than \$100.
(Do not itemize.)

\$

3. Total non-monetary contributions received this period.

(Add lines 1 and 2. Enter here and on the Summary Page, Column A, Line 1.)

TOTAL \$ 464.43

24907784096

Schedule E **Payments and Contributions** **(Other Than Loans) Made**

Type or print in ink.
 Amounts may be rounded
 to whole dollars.

SCHEDULE E

INSTRUCTIONS ON REVERSE

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS

FRIENDS OF JUAN VARGAS '95

Statement covers period

from **1-1-95**

through **6-30-95**

I.D. NUMBER

943824

Page **46** of **58**

CODES FOR CLASSIFYING EXPENDITURES

For each expenditure, if the following code accurately describes the expenditure, you may enter the code and leave the "Description of Payment" column blank. Refer to the back of Schedule E-Continuation Sheet for detailed explanations of each category.

C - MONETARY AND IN-KIND (NON-MONETARY)
 CONTRIBUTIONS TO OTHER CANDIDATES
 AND COMMITTEES

I - INDEPENDENT EXPENDITURES

L - LITERATURE

B - BROADCAST ADVERTISING

N - NEWSPAPER AND PERIODICAL ADVERTISING

O - OUTSIDE ADVERTISING

S - SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS

F - FUNDRAISING EVENTS

G - GENERAL OPERATIONS AND OVERHEAD

T - TRAVEL, ACCOMMODATIONS AND MEALS
 (MUST BE DESCRIBED)

P - PROFESSIONAL MANAGEMENT AND CONSULTING
 SERVICES

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION
 IF COMMITTEE, IN ADDITION TO COMMITTEE'S NAME AND ADDRESS, INITIAL, NUMBER, OR I.D.
 NUMBER (AS BEEN ASSIGNED, INITIAL, ASUWA'S NAME AND ADDRESS)

IMPORTANT: DO NOT ITEMIZE THE PAYMENT OF ACCRUED EXPENSES ON SCHEDULE E.
 REPORT ONLY THE LUMP SUM OF SUCH PAYMENTS ON LINE 4 OF THE SUMMARY SECTION BELOW.

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION	CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
JEAN ANDREWS 1855 ALBERSON COURT SAN DIEGO, CA 92110	F			515.77
THE PRIMACY GROUP 3609 FOURTH AVENUE SAN DIEGO, CA 92103	P			1,000.00
PG PRINTING & GRAPHICS 3609 FOURTH AVENUE SAN DIEGO, CA 92103	L			800.00

Important: Contributions and expenditures made out of campaign funds to or on behalf of other
 officeholders, candidates, committees, or ballot measures must also be entered on the Allocation Page, Part I.

SUBTOTAL \$ **2,951.95**

Payments and Contributions Made Summary

Payments made this period of \$100 or more. (Include all Schedule E subtotals.)	\$ 47,365.71
Payments made this period of under \$100. (Do not itemize.)	\$ 1,157.84
Total interest paid this period on outstanding loans. (Enter amount from Schedule B, Part II, Column (d).)	\$
Total accrued expenses paid this period. (Do not itemize. Enter amount from Schedule F, Line 4.)	\$
Total payments made this period. (Add lines 1, 2, 3, and 4. Enter here and on Summary Page, Column A, Line 6.)	TOTAL \$ 48,523.55

**Schedule E
(Continuation Sheet)
Payments and Contributions
(Other Than Loans) Made**

SEE INSTRUCTIONS ON REVERSE

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS

FRIENDS OF JUAN VARGAS '95

Type or print in ink.
Amounts may be rounded
to whole dollars.

SCHEDULE E (cont.)

Statement covers period		Page 45 of 58	
from 1-1-95	through 6-30-95	I.D. NUMBER 943824	

CODES FOR CLASSIFYING EXPENDITURES

- | | | |
|---|---|---|
| *M* .. MONETARY AND IN-KIND (NON-MONETARY) CONTRIBUTIONS TO OTHER CANDIDATES AND COMMITTEES | *B* .. BROADCAST ADVERTISING | *G* .. GENERAL OPERATIONS AND OVERHEAD |
| *I* .. INDEPENDENT EXPENDITURES | *N* .. NEWSPAPER AND PERIODICAL ADVERTISING | *T* .. TRAVEL, ACCOMMODATIONS AND MEALS (MUST BE DESCRIBED) |
| *L* .. LITERATURE | *O* .. OUTSIDE ADVERTISING | *P* .. PROFESSIONAL MANAGEMENT AND CONSULTING SERVICES |
| | *S* .. SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS | |
| | *F* .. FUNDRAISING EVENTS | |

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION (If committee, in addition to committee name and address, include individual name and address)	CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
BAHIA HOTEL 998 W. MISSION BAY DRIVE SAN DIEGO, CA 92109	F			500.00
JEAN ANDREWS 4855 ALBERSCH COURT SAN DIEGO, CA 92130	F			1,804.23
STEVE SOUTH 1445 - 31ST STREET SAN DIEGO, CA 92102			REFUND CONTRIBUTION	225.00
EDWARD BURR 5279 LE DARRON ROAD SAN DIEGO, CA 92115			REFUND CONTRIBUTION	255.00
JEAN ANDREWS same as above	F			4,600.02

4 9 0 2 1 2 7 0 9 6

SUBTOTAL 3,738.25

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Schedule E
Continuation Sheet)
Payments and Contributions
Other Than Loans) Made

SEE INSTRUCTIONS ON REVERSE

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS **FRIENDS OF JUAN VARGAS '95**

Type or print in ink.
 Amounts may be rounded
 to whole dollars.

SCHEDULE E (cont.)

Statement covers period		Page 48 of 58
from 1-1-95	through 6-30-95	
ID NUMBER		943824

CODES FOR CLASSIFYING EXPENDITURES

- | | | |
|--|--|--|
| "M" -- MONETARY AND IN-KIND (NON-MONETARY) CONTRIBUTIONS TO OTHER CANDIDATES AND COMMITTEES | "B" -- BROADCAST ADVERTISING | "G" -- GENERAL OPERATIONS AND OVERHEAD |
| "I" -- INDEPENDENT EXPENDITURES | "N" -- NEWSPAPER AND PERIODICAL ADVERTISING | "T" -- TRAVEL, ACCOMMODATIONS AND MEALS (MUST BE DESCRIBED) |
| "L" -- LITERATURE | "O" -- OUTSIDE ADVERTISING | "P" -- PROFESSIONAL MANAGEMENT AND CONSULTING SERVICES |
| | "S" -- SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS | |
| | "F" -- FUNDRAISING EVENTS | |

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION (IF CONTRIBUTION TO COMMITTEE, LIST NAME AND ADDRESS, ID NUMBER, U.N.I.D., NUMBER(S) AS ASSIGNED, TITLE (A) AND ADDRESS)	CODE	OR DESCRIPTION OF PAYMENT	AMOUNT PAID
BAHIA HOTEL 998 W. MISSION BAY DRIVE SAN DIEGO, CA 92109	F		4,692.51
JEAN ANDREWS 4855 ALBERSON COURT, DIEGO, CA 92130	F		1,251.15
JANAY KRUGER 1901 TORREY PINES ROAD LA JOLLA, CA 92037		RETURN CHECK	250.00
PG PRINTING & GRAPHICS 3609 FOURTH AVENUE SAN DIEGO, CA 92103	L		1,441.70
GEORGE BALGAS 2882 DUSK DRIVE SAN DIEGO, CA 92139-2918	G		470.00

5 1 9 0 2 7 2 4 0 9 9

SUBTOTAL 1,05.36

**Schedule E
(Continuation Sheet)
Payments and Contributions
(Other Than Loans) Made**

Type or print in ink.
Amounts may be rounded
to whole dollars.

SCHEDULE E (cont.)

SEE INSTRUCTIONS ON REVERSE

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS FRIENDS OF JUAN VARGAS '95

Statement covers period		FEBRUARY 1995	
from	1-1-95		
through	6-30-95	Page	48 of 58
		I.D. NUMBER 943824	

CODES FOR CLASSIFYING EXPENDITURES

- | | | |
|--|--|--|
| *C -- MONETARY AND IN-KIND (NON-MONETARY) CONTRIBUTIONS TO OTHER CANDIDATES AND COMMITTEES | *B -- BROADCAST ADVERTISING | *G -- GENERAL OPERATIONS AND OVERHEAD |
| *I -- INDEPENDENT EXPENDITURES | *N -- NEWSPAPER AND PERIODICAL ADVERTISING | *T -- TRAVEL, ACCOMMODATIONS AND MEALS (MUST BE DESCRIBED) |
| *L -- LITERATURE | *O -- OUTSIDE ADVERTISING | *P -- PROFESSIONAL MANAGEMENT AND CONSULTING SERVICES |
| | *S -- SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS | |
| | *F -- FUNDRAISING EVENTS | |

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION
IF COMMITTEE, IN ADDITION TO COMMITTEE'S NAME AND ADDRESS, ENTER I.D. NUMBER OR, IF NO I.D. NUMBER HAS BEEN ASSIGNED, THE TREASURER'S NAME AND ADDRESS

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION IF COMMITTEE, IN ADDITION TO COMMITTEE'S NAME AND ADDRESS, ENTER I.D. NUMBER OR, IF NO I.D. NUMBER HAS BEEN ASSIGNED, THE TREASURER'S NAME AND ADDRESS	CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
JEAN ANDREWS 4855 ALBERSON COURT SAN DIEGO, CA 92130	F			282.08
JEAN ANDREWS 4855 ALBERSON COURT SAN DIEGO, CA 92130	F			854.15
THE PRIMACY GROUP 3609 FOURTH AVENUE SAN DIEGO, CA 92103	P			4,221.72
LARRY BATCHER c/o MONTGOMERY PLAZA 6910A MIRAMAR RD., STE. 200 SAN DIEGO, CA 92121	G			1,200.00
BAR CODE DISCOUNT WAREHOUSE 6540 LUSK BLVD. SAN DIEGO, CA	G			200.89

9 4 9 0 7 2 2 4 0 9 6

SUBTOTAL 3 6 758.84

Schedule E
(Continuation Sheet)
Payments and Contributions
(Other Than Loans) Made

SEE INSTRUCTIONS ON REVERSE

Type or print in ink.
Amounts may be rounded
to whole dollars.

SCHEDULE E (cont.)

Statement covers period		Page 450 of 58	
from	1-1-95		
through	6-30-95		
NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE		I.D. NUMBER	
JUAN VARGAS FRIENDS OF JUAN VARGAS '95		943824	

CODES FOR CLASSIFYING EXPENDITURES

- | | | |
|---|---|---|
| "M" -- MONETARY AND IN-KIND (NON-MONETARY) CONTRIBUTIONS TO OTHER CANDIDATES AND COMMITTEES | "B" -- BROADCAST ADVERTISING | "G" -- GENERAL OPERATIONS AND OVERHEAD |
| "I" -- INDEPENDENT EXPENDITURES | "N" -- NEWSPAPER AND PERIODICAL ADVERTISING | "T" -- TRAVEL, ACCOMMODATIONS AND MEALS (MUST BE DESCRIBED) |
| "L" -- LITERATURE | "O" -- OUTSIDE ADVERTISING | "P" -- PROFESSIONAL MANAGEMENT AND CONSULTING SERVICES |
| | "S" -- SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS | |
| | "F" -- FUNDRAISING EVENTS | |

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION
IN COMMITTEE, IN ADDITION TO COMMITTEE'S NAME AND ADDRESS, (ENTER I.D. NUMBER, IF FIDELITY BONDING IS REQUIRED, ENTER THAT BOND'S NAME AND ADDRESS)

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION IN COMMITTEE, IN ADDITION TO COMMITTEE'S NAME AND ADDRESS, (ENTER I.D. NUMBER, IF FIDELITY BONDING IS REQUIRED, ENTER THAT BOND'S NAME AND ADDRESS)	CODE	DESCRIPTION OF PAYMENT	AMOUNT PAID
PACIFIC BELL TELEPHONE PAYMENT CENTER VAN NUYS, CA 91388-0001	G		270.75
TK&A P.O. BOX 8657 LA JOLLA, CA 92038	F		219.35
THE PRIMACY GROUP 3609 FOURTH AVENUE SAN DIEGO, CA 92103	P		1,003.65
RICHARD D'ASCOLI 1171 - 24TH STREET SAN DIEGO, CA 92102	G		243.82
GEORGE BALGAS 2882 DUSK DRIVE SAN DIEGO, CA 92139-2918	G		500.00

9 6 0 4 7 7 0 6 4 7

SUBTOTAL 1 237.57

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**Schedule E
(Continuation Sheet)
Payments and Contributions
(Other Than Loans) Made**

SEE INSTRUCTIONS ON REVERSE

Type or print in ink.
Amounts may be rounded
to whole dollars.

SCHEDULE E (cont.)

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS

FRIENDS OF JUAN VARGAS '95

Statement covers period from 1-1-95 through 6-30-95		Page 57 of 58
I.D. NUMBER 943824		

CODES FOR CLASSIFYING EXPENDITURES

- | | | |
|---|---|---|
| *M* .. MONETARY AND IN-KIND (NON-MONETARY) CONTRIBUTIONS TO OTHER CANDIDATES AND COMMITTEES | *B* .. BROADCAST ADVERTISING | *G* .. GENERAL OPERATIONS AND OVERHEAD |
| *I* .. INDEPENDENT EXPENDITURES | *N* .. NEWSPAPER AND PERIODICAL ADVERTISING | *T* .. TRAVEL, ACCOMMODATIONS AND MEALS (MUST BE DESCRIBED) |
| *L* .. LITERATURE | *O* .. OUTSIDE ADVERTISING | *P* .. PROFESSIONAL MANAGEMENT AND CONSULTING SERVICES |
| | *S* .. SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS | |
| | *F* .. FUNDRAISING EVENTS | |

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION
BY COMMITTEE, IN ADDITION TO COMMITTEE'S NAME AND ADDRESS, THE I.D. NUMBER (A04, IF NO I.D. NUMBER HAS BEEN ASSIGNED, ENTER TREASURER'S NAME AND ADDRESS)

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION BY COMMITTEE, IN ADDITION TO COMMITTEE'S NAME AND ADDRESS, THE I.D. NUMBER (A04, IF NO I.D. NUMBER HAS BEEN ASSIGNED, ENTER TREASURER'S NAME AND ADDRESS)	CODE	OR DESCRIPTION OF PAYMENT	AMOUNT PAID
JEAN ANDREWS 4855 ALBERSON COURT SAN DIEGO, CA 92130	F		420.75
RICHARD J. ASCOLI 1171 - 24TH STREET SAN DIEGO, CA 92102	G		2,571.00
THE PRIMACY GROUP 3609 FOURTH AVENUE SAN DIEGO, CA 92103	P		3,508.23
GEORGE BALGAS 2882 DUSK DRIVE SAN DIEGO, CA 92139-2918	G		533.24
PG PRINTING & GRAPHICS 3609 FOURTH AVENUE SAN DIEGO, CA 92103	L		2,804.69

84907124096

SUBTOTAL 39,027.91

**Schedule E
(Continuation Sheet)
Payments and Contributions
(Other Than Loans) Made**

SEE INSTRUCTIONS ON REVERSE

Type or print in ink.
Amounts may be rounded
to whole dollars.

SCHEDULE E (cont.)

Statement covers period from <u>1-1-95</u>		Page <u>52</u> of <u>58</u>	
through <u>6-30-95</u>		I.D. NUMBER <u>943824</u>	

NAME OF OFFICER/HOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS

FRIENDS OF JUAN VARGAS '95

CODES FOR CLASSIFYING EXPENDITURES

- | | | |
|--|--|--|
| *C -- MONETARY AND IN-KIND (NON-MONETARY) CONTRIBUTIONS TO OTHER CANDIDATES AND COMMITTEES | *B -- BROADCAST ADVERTISING | *G -- GENERAL OPERATIONS AND OVERHEAD |
| *J -- INDEPENDENT EXPENDITURES | *N -- NEWSPAPER AND PERIODICAL ADVERTISING | *I -- TRAVEL, ACCOMMODATIONS AND MEALS (MUST BE DESCRIBED) |
| *L -- LITERATURE | *O -- OUTSIDE ADVERTISING | *P -- PROFESSIONAL MANAGEMENT AND CONSULTING SERVICES |
| | *S -- SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS | |
| | *F -- FUNDRAISING EVENTS | |

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION (IF COMMITTEE, IN ADDITION TO COMMITTEE'S NAME AND ADDRESS, CHECKED NUMBER OR, IF NO L.D. NUMBER HAS BEEN ASSIGNED, THE CANDIDATE'S NAME AND ADDRESS)	CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
PG PRINTING & GRAPHICS 3609 FOURTH AVENUE SAN DIEGO, CA 92103	L			352.46
RICHARD D'ASCOLI 1171 - 24TH STREET SAN DIEGO, CA 92102	G			418.73
SDG&E	G			230.00
POLITICAL COMPUTER SOLUTIONS 3609 FOURTH AVENUE SAN DIEGO, CA 92103	L			500.00
POSTMASTER 2535 MIDWAY DRIVE SAN DIEGO, CA	L			100.00

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SUBTOTAL 1,301.19

**Schedule E
(Continuation Sheet)
Payments and Contributions
(Other Than Loans) Made**

Type or print in ink.
Amounts may be rounded
to whole dollars.

SCHEDULE E (cont.)

SEE INSTRUCTIONS ON REVERSE

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS

FRIENDS OF JUAN VARGAS

Statement covers period		JANUARY 1995	
from	1-1-95		
through	6-30-95	Page	53 of 58
		I.D. NUMBER 943824	

CODES FOR CLASSIFYING EXPENDITURES

- | | | |
|--|--|---|
| *C -- MONETARY AND IN-KIND (NON-MONETARY)
CONTRIBUTIONS TO OTHER CANDIDATES
AND COMMITTEES | *D -- BROADCAST ADVERTISING | *G -- GENERAL OPERATIONS AND OVERHEAD |
| *I -- INDEPENDENT EXPENDITURES | *H -- NEWSPAPER AND PERIODICAL ADVERTISING | *T -- TRAVEL, ACCOMMODATIONS AND MEALS
(MUST BE DESCRIBED) |
| *L -- LITERATURE | *O -- OUTSIDE ADVERTISING | *P -- PROFESSIONAL MANAGEMENT AND CONSULTING
SERVICES |
| | *S -- SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS | |
| | *F -- FUNDRAISING EVENTS | |

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION
(IF CONTRIBUTED BY AN INDIVIDUAL TO A COMMITTEE, LIST NAME AND ADDRESS, INTERNAL NUMBER, IF ANY, AND
NUMBER OF CONTRIBUTIONS, IF ANY, IN THE NAME OF THE COMMITTEE)

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION (IF CONTRIBUTED BY AN INDIVIDUAL TO A COMMITTEE, LIST NAME AND ADDRESS, INTERNAL NUMBER, IF ANY, AND NUMBER OF CONTRIBUTIONS, IF ANY, IN THE NAME OF THE COMMITTEE)	CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
ALI LE COOPER 6560 MONTEZUMA RD. 111 SAN DIEGO, CA 92115	G			250.00
PG PRINTING & GRAPHICS 3609 FOURTH AVENUE SAN DIEGO, CA 92103	L			249.10
RICHARD D'ASCOLI 1171 - 24TH STREET SAN DIEGO, CA 92102	G			140.22
RICHARD D'ASCOLI same as above	G			400.00
GEORGE BALGAS 1882 DUSK DRIVE SAN DIEGO, CA 92139-2918	G			500.00

35907724096

SUBTOTAL \$ 1,539.32

Schedule E
(Continuation Sheet)
Payments and Contributions
(Other Than Loans) Made

Type or print in ink.
Amounts may be rounded
to whole dollars.

SCHEDULE E (cont.)

SEE INSTRUCTIONS ON REVERSE

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS

FRIENDS OF JUAN VARGAS '95

Statement covers period

from **1-1-95**

through **6-30-95**

Page **54** of **58**

ID NUMBER

943824

CODES FOR CLASSIFYING EXPENDITURES

"M" -- MONETARY AND IN-KIND (NON-MONETARY)
CONTRIBUTIONS TO OTHER CANDIDATES
AND COMMITTEES

"I" -- INDEPENDENT EXPENDITURES

"L" -- LITERATURE

"B" -- BROADCAST ADVERTISING

"N" -- NEWSPAPER AND PERIODICAL ADVERTISING

"O" -- OUTSIDE ADVERTISING

"S" -- SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS

"F" -- FUNDRAISING EVENTS

"G" -- GENERAL OPERATIONS AND OVERHEAD

"T" -- TRAVEL, ACCOMMODATIONS AND MEALS
(MUST BE DESCRIBED)

"P" -- PROFESSIONAL, MANAGEMENT AND CONSULTING
SERVICES

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION

IF COMMITTEE, IN ADDITION TO COMMITTEE NAME AND ADDRESS, ENTER I.C. NUMBER, IF APPLICABLE.
NUMBER HAS BEEN ASSIGNED, ENTER PAYEE'S NAME AND ADDRESS

CODE

OR

DESCRIPTION OF PAYMENT

AMOUNT PAID

GEORGE BALGAS
2882 DUSK DRIVE
SAN DIEGO, CA 92139-2918

G

151.82

SAN DIEGO CONVENTION CENTER
SAN DIEGO CONCOURSE
SAN DIEGO, CA

F

100.00

RICHARD D'ASCOLI
1171 - 24TH STREET
SAN DIEGO, CA 92102

G

400.00

ALI LE COOPER
same as above

G

250.00

MONTGOMERY PLAZA
6910A MIRAMAR RD. STE. 200
SAN DIEGO, CA 92121

G

600.00

1 5 9 0 7 7 8 5 0 9 6

SUBTOTAL 501.82

Schedule E
(Continuation Sheet)
Payments and Contributions
(Other Than Loans) Made

Type or print link.
 Amounts may be rounded
 to whole dollars.

SCHEDULE E (cont.)

SEE INSTRUCTIONS ON REVERSE

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS

FRIENDS OF JUAN VARGAS '95

Statement covers period		490	
from	1-1-95		
through	6-30-95	Page	55 of 58
		I.D. NUMBER	
		943824	

CODES FOR CLASSIFYING EXPENDITURES

"C" -- MONETARY AND IN-KIND (NON-MONETARY)
 CONTRIBUTIONS TO OTHER CANDIDATES
 AND COMMITTEES
 "I" -- INDEPENDENT EXPENDITURES
 "L" -- LITERATURE

"B" -- BROADCAST ADVERTISING
 "N" -- NEWSPAPER AND PERIODICAL ADVERTISING
 "O" -- OUTSIDE ADVERTISING
 "S" -- SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS
 "F" -- FUNDRAISING EVENTS

"G" -- GENERAL OPERATIONS AND OVERHEAD
 "T" -- TRAVEL, ACCOMMODATIONS AND MEALS
 (MUST BE DESCRIBED)
 "P" -- PROFESSIONAL MANAGEMENT AND CONSULTING
 SERVICES

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION
 (If COMMITTEE, in addition to COMMITTEE'S NAME AND ADDRESS, ENTER I.D. NUMBER OF I.D. NO. I.D.
 NUMBER THAT RECEIVED, ENTER TAXPAYER'S NAME AND ADDRESS)

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION (If COMMITTEE, in addition to COMMITTEE'S NAME AND ADDRESS, ENTER I.D. NUMBER OF I.D. NO. I.D. NUMBER THAT RECEIVED, ENTER TAXPAYER'S NAME AND ADDRESS)	CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
ALI LE COOPER same as above	G			250.00
THE PRIMACY GROUP 3609 FOURTH AVENUE SAN DIEGO, CA 92101	P			1,599.53
RICHARD D'ASCOLI 1171 - 24TH STREET SAN DIEGO, CA 92102	G			400.00
RICHARD D'ASCOLI same as above	G			400.00
GEORGE BALGAS 2882 DUSK DRIVE SAN DIEGO, CA 92139-2918	G			503.49

25907724096

SUBTOTAL \$ 3,153.12

**Schedule E
(Continuation Sheet)
Payments and Contributions
(Other Than Loans) Made**

Type or print in ink.
Amounts may be rounded
to whole dollars.

SCHEDULE E (cont.)

SEE INSTRUCTIONS ON REVERSE

Statement covers period		480	
from	1-1-95	Page	56 of 58
through	6-30-95	ID NUMBER	943824

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS

FRIENDS OF JUAN VARGAS '95

CODES FOR CLASSIFYING EXPENDITURES

- | | | |
|---|---|---|
| "C" -- MONETARY AND IN-KIND (NON-MONETARY) CONTRIBUTIONS TO OTHER CANDIDATES AND COMMITTEES | "B" -- BROADCAST ADVERTISING | "G" -- GENERAL OPERATIONS AND OVERHEAD |
| "I" -- INDEPENDENT EXPENDITURES | "N" -- NEWSPAPER AND PERIODICAL ADVERTISING | "T" -- TRAVEL, ACCOMMODATIONS AND MEALS (MUST BE DESCRIBED) |
| "L" -- LITERATURE | "O" -- OUTSIDE ADVERTISING | "P" -- PROFESSIONAL MANAGEMENT AND CONSULTING SERVICES |
| | "S" -- SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS | |
| | "F" -- FUNDRAISING EVENTS | |

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION

(If committee, in addition to committee name and address, list individual name and ID number (as assigned, enter treasurer's name and address))

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION (If committee, in addition to committee name and address, list individual name and ID number (as assigned, enter treasurer's name and address))	CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
ALICE LE COOPER same as above	G			500.00
RICHARD D'ASCOLI 1171 - 24TH STREET SAN DIEGO, CA 92102	G			400.00
RICHARD D'ASCOLI same as above	G			104.38
GEORGE BALGAS 2852 DUSK DRIVE SAN DIEGO, CA 92139-2918	G			500.00
MONTGOMERY PLAZA 6910A MIRAMAR ROAD, SET. 200 SAN DIEGO, CA 92121	G			600.00

25907785096

SUBTOTAL 104.38

**Schedule E
(Continuation Sheet)
Payments and Contributions
(Other Than Loans) Made**

Type or print in ink.
Amounts may be rounded
to whole dollars.

SCHEDULE E (cont.)

SEE INSTRUCTIONS ON REVERSE

Statement covers period		RECORDED 490
from	1-1-95	
through		6-30-95
Page		57 of 58
I.D. NUMBER		943824

NAME OF OFFIC/HOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS

FRIENDS OF JUAN VARGAS '95

CODES FOR CLASSIFYING EXPENDITURES

- | | | |
|---|---|---|
| "C" -- MONETARY AND IN-KIND (NON-MONETARY) CONTRIBUTIONS TO OTHER CANDIDATES AND COMMITTEES | "D" -- BROADCAST ADVERTISING | "G" -- GENERAL OPERATIONS AND OVERHEAD |
| "I" -- INDEPENDENT EXPENDITURES | "N" -- NEWSPAPER AND PERIODICAL ADVERTISING | "T" -- TRAVEL, ACCOMMODATIONS AND MEALS (MUST BE DESCRIBED) |
| "L" -- LITERATURE | "O" -- OUTSIDE ADVERTISING | "P" -- PROFESSIONAL MANAGEMENT AND CONSULTING SERVICES |
| | "S" -- SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS | |
| | "F" -- FUNDRAISING EVENTS | |

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION
(IF COMMITTEE, IN ADDITION TO COMMITTEE'S NAME AND ADDRESS, ENTER I.D. NUMBER OR, IF NO I.D. NUMBER HAS BEEN ASSIGNED, ENTER TREASURER'S NAME AND ADDRESS)

NAME AND ADDRESS OF PAYEE, CREDITOR, OR RECIPIENT OF CONTRIBUTION (IF COMMITTEE, IN ADDITION TO COMMITTEE'S NAME AND ADDRESS, ENTER I.D. NUMBER OR, IF NO I.D. NUMBER HAS BEEN ASSIGNED, ENTER TREASURER'S NAME AND ADDRESS)	CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
CITY TREASURER CITY OF SAN DIEGO	G			200.00

9604370654

SUBTOTAL 200.00

Schedule I Miscellaneous Increases to Cash

Type or print in ink.
Amounts may be rounded
to whole dollars.

SCHEDULE I

SEE INSTRUCTIONS ON REVERSE

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS FRIENDS OF JUAN VARGAS '95

Statement covers period

from 1-1-95

through 6-30-95

Page 58 of 58

I.D. NUMBER

943824

DATE RECEIVED	FULL NAME AND ADDRESS OF SOURCE (If committee, in addition to committee's name and address, enter I.D. number or, if no I.D. number has been assigned, enter treasurer's name and address)	DESCRIPTION OF RECEIPT	AMOUNT OF INCREASE TO CASH

Attach additional information on appropriately labeled continuation sheets.

SUBTOTAL 3

Miscellaneous Increases to Cash Summary

- Increases to cash of \$100 or more this period. \$ _____
- Increases to cash under \$100 this period. (Do not itemize.) \$ 86.00
- Total of all interest received this period on loans made to others. (Schedule H, Part I) (b). \$ _____
- Total miscellaneous increases to cash this period. (Add lines 1, 2, and 3. Enter here and on the Summary Page, Line 15.) TOTAL \$ 86.00

559107727096

FEB 21 3 13 PM '96

February 16, 1996

General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

MUR 4311

Complainant:
Congressman Bob Filner
P.O. Box 127868
San Diego, CA 92112

Respondent:
Juan Vargas for Congress
1171 24th Street
San Diego, CA 92102
FEC#: CG0307256

To Whom it May Concern:

Juan Vargas has been campaigning for Congress in California's 50th Congressional District in direct violation of several Federal Election Commission campaign laws:

- o Councilman Vargas and his staff have been touting the results of a poll in support of his campaign (see attached). However, there is no reporting of any expenditure for polling on the Vargas for Congress FEC report for the period of September 28, 1995 through December 31, 1995. Since this poll has been widely publicized, expenditures related to it were obviously not properly reported to the Federal Election Commission.
- o Ralph Inzunza, formerly Councilman Vargas' Chief of Staff, is widely known to be managing the Vargas for Congress campaign. However, he is not reported as receiving any pay for his services. Mr. Inzunza received a salary of \$36,000 per year for his services as City Councilman Vargas' Chief of Staff. Because the cost of Mr. Inzunza's services are not listed as either a loan to the campaign, or an in-kind contribution, they constitute an illegal contribution.
- o The Vargas for Congress Campaign has apparently spent money raised for Councilman Vargas' City Council re-election on his Congressional campaign. Richard D'Ascoli, a Vargas for Congress staffer, was paid \$4,595.29 by the Vargas for City Council Campaign for the two month period between July 1, 1995 and September 2, 1995 for professional services rendered in an unopposed election. Since joining the Vargas for Congress campaign in October, D'Ascoli has received \$1,800.00 in compensation for a three month period. It seems obvious that Councilman Vargas illegally paid his staffers in advance for work to be performed during his campaign for Congress.

96043770656

- o Similarly, the Primacy Group, a business contracted to the Vargas for Congress campaign, has apparently been illegally paid in advance for work to be performed on the Vargas for Congress Campaign. The Vargas for City Council Campaign paid over \$15,000 to the Primacy Group for consulting on an unopposed election. During the three month period of September 28, 1995 through December 31, 1995, The Vargas for Congress campaign paid the Primacy Group less than \$2,500 for similar services.

Since the Congressional primary election is only **seven weeks** away, the actions described above will have a direct impact upon the outcome. An immediate investigation is warranted.

Signed and sworn under penalty of perjury,



BOB FILNER
Member of Congress

96043770657

STATE OF CALIFORNIA,

COUNTY OF SAN DIEGO

} S.S.

On FEBRUARY 16, 1996

before me, ARMAN L. DEMESA

a Notary Public in and for said County and State, personally

appeared CONGRESSMAN BOB FILNER

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

FOR NOTARY SEAL OR STAMP



WITNESS my hand and official seal.

Signature Arman

' LETTER OF COMPLAINT '

STATE OF CALIFORNIA,

COUNTY OF _____

} S.S.

On _____, before me, _____

_____ a Notary Public in and for said County and State, personally

appeared _____

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

FOR NOTARY SEAL OR STAMP

WITNESS my hand and official seal.

Signature _____

Marcia Tremblay. Navarro waited until former Congresswoman Lynn Sheck(D) officially bowed out, and this probably cost him some support. Navarro has very high name ID (98%), but he's also got high negatives (40%). Although Canady is almost totally unknown, she won the CDP endorsement. The San Diego Labor Council endorsed both. Our sources say Navarro is the frontrunner for now...

☒ 1st C.D. - In the Demo primary to see who takes on U.S. Rep. Frank Rieggs(R-Napa), a survey for Michela Aloto conducted by Fairbank Maslin Maulin shows a very tight 3-way race between the top female Demo contenders, with the two "guys" out of the running. Sample size 500 likely voters, mid-to-late January. Alinto 11%, Monica Marvin & Carol Ruth Silver both at 9% -- and 69% undecided...

☒ 50th C.D. - In the Demo primary between U.S. Rep. Bob Filner(D-San Diego) and San Diego Councilman Juan Vargas(D), a poll commissioned by Vargas and conducted by his consultant (Larry Remer) of 480 random, likely Demo voters shows: Vargas 41.4%, Filner 32.8% -- the rest undecided...

☒ 27th C.D. - In the Demo primary, U.S. Rep. Howard Berman(D) has endorsed former SAC president Barry Gordon over businessman Doug Kahn. Gordon also has won endorsements from COPE, the CDP and PORAC. Stay tuned...

CA INITIATIVE UPDATE: MONEY VERY TIGHT FOR MARCH INITIATIVES. DEADLINE NEARS FOR CCRI.
Editor's note: Here's a brief update on the financial condition of various committees who are supporting or opposing statewide ballot measures this coming Mar 26th. These figures are as of 12/31/93, meaning more money has come in since these reports, but the overall conclusion is the same: *money is very, very tight*...

■ Prop. 192 - \$2 billion seismic safety bond measure, backed by Californians for Safe Highways & Bridges. Total raised \$325,750; cash-on-hand \$237,750. There was no opposition committee report...

■ Prop. 197 - This is the statute which would repeal Prop. 117 of 1990 (CA Wildlife Protection Act), meaning that the mountain lion's status as a specially protected mammal would be repealed. Californians for Balan-

ced Wildlife Mgt.(YES) reported \$62,280 raised, with \$38,691 c-o-h. The NO side (Calif. Wildlife Protection Coalition) reported \$126,234 raised, with \$41,834 c-o-h. Russo Marsh + Raper is managing the YES side, with Don Fields on the NO side...

■ Prop. 198 - This is the Open Primary Initiative. The YES side, known as Californians for an Open Primary, reported \$160,892 raised, with \$101,975 c-o-h. The NO side wasn't even in existence last year...

■ Prop. 203 - Californians for YES on 203, the support group backing this \$3 billion school bond measure, was recently formed and so there is no report...

...CCRI Update - Backers of the CA Civil Rights Initiative, which would do away with affirmative action, have a Feb. 21st deadline. In order to qualify this constitutional amendment, supporters need 699,230 signatures -- meaning they really need 1.2 million signatures to insure qualification. As of 12/31/93, CCRI raised a total of \$883,384, with \$59,294 c-o-h. Sources tell CALPEEK that CCRI is paying about \$1 per signature. It will be close, but these same sources predict CCRI will qualify for the Nov. 5th ballot. Stay tuned...

COUNTY INITIATIVES: MORE LOCAL MEASURES.

Editor's note: Here is Part IV in a continuing series of brief updates about local ballot measures.

☒ Measure A - Santa Barbara - An environmental coalition qualified this local measure modeled after the successful initiative which was approved by voters in neighboring San Luis Obispo Co. some years ago. If you guessed that the subject was oil drilling, you win a prize. Simply stated, any offshore slant drilling has to be done in two designed zones in the county. If the slant drilling is to be done other places, it requires a countywide vote. Not much opposition at this point. The YES side is being managed by Cathy DuVal...

☒ Measure T - Ventura - Both sides in this battle over a proposed landfill (dump) site in Weldon Canyon have money. The YES side, which wants the landfill, goes by the name of Ventura Citizens for Environmental Solutions. The San Diego-based Primacy Group is in charge...



FEDERAL ELECTION COMMISSION

Washington, DC 20463

February 28, 1996

Honorable Bob Filner
Bob Filner US . Congress
P.O. Box 127868
San Diego, CA 92112

RE: MUR 4311

Dear Mr. Filner:

This letter acknowledges receipt on February 21, 1996, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). The respondent(s) will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 4311. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosure
Procedures

96043770660



FEDERAL ELECTION COMMISSION

Washington, DC 20463

February 28, 1996

Councilman Juan Carlos Vargas
1171 24th Street
San Diego, CA 92102

RE: MUR 4311

Dear Mr. Vargas:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4311. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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. 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.

96043770661

If you have any questions, please contact me at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

96043770652



FEDERAL ELECTION COMMISSION

Washington, DC 20463

February 28, 1996

Deanna Liebergot, Treasurer
Vargas for Congress '96
3609 Fourth Avenue
San Diego, CA 92103

RE: MUR 4311

Dear Ms. Liebergot:

The Federal Election Commission received a complaint which indicates that Vargas for Congress '96 ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4311. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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. 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.

96043770663

If you have any questions, please contact me at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

9604370664



FEDERAL ELECTION COMMISSION

Washington, DC 20463

February 28, 1996

President
The Primary Group
3609 Fourth Avenue
San Diego, CA 92103

RE: MUR 4311

Dear Sir or Madam:

The Federal Election Commission received a complaint which indicates that The Primary Group may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4311. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against The Primary Group in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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. 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.

96043770655

If you have any questions, please contact me at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

96043770666



FEDERAL ELECTION COMMISSION

Washington, DC 20463

February 28, 1996

Richard D'Ascoli
1171 24th Street
San Diego, CA 92102

RE: MUR 4311

Dear Mr. D'Ascoli:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4311. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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. 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.

96043770667

If you have any questions, please contact me at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

96043770668



RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

MAR 15 9 55 AM '96

The Clean Campaign!

March 14, 1996

Mary L. Taksar, Esq.
Federal Election Commission
Central Enforcement Docket
Washington, D.C. 20463

Re: **MUR 4311**

Dear Ms. Taksar:

I write this letter concerning the above-described matter insofar as the allegations in it pertain to me.

I have read Representative Filner's complaint dated February 16, 1996. That Complaint states that I was paid \$4,595.29 by the "Vargas for City Council Campaign" for the two month period between July 1, 1995 and September 2, 1995. It also states that I received \$1,800 in compensation for my work done for Vargas for Congress '96 since October, 1995. From these premises, Representative Filner's letter proceeds to the following conclusion:

It seem obvious that Councilman Vargas illegally paid his staffers in advance for work to be performed during his campaign for Congress.

Representative Filner's accusation is completely false. The work that I did for Mr. Vargas' City Council campaign during the period between July 1 and September 2, 1995, had to do with that campaign, and that campaign alone. The sole object of that campaign was to obtain Mr. Vargas' reelection to the San Diego City Council. Not one iota of the work which I did during that period pertained to Mr. Vargas' current campaign for the United States House of Representatives.

Until Mr. Vargas announced his candidacy for the House of Representatives on October 6, 1995, I never performed any work in connection with that candidacy. Representative Filner's accusation that I was "illegally paid. . . in advance for work to be performed during [Mr. Vargas'] campaign for Congress" is totally false.

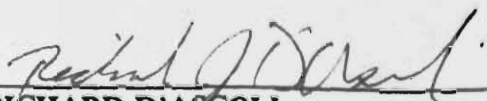
3609 FOURTH AVENUE ■ SAN DIEGO, CA 92103
(619) 295-6923

Mary L. Taksar, Esq.

March 14, 1996

Page 2

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct and that I have signed this letter this 14 day of March, 1996 at San Diego, California.


RICHARD D'ASCOLI

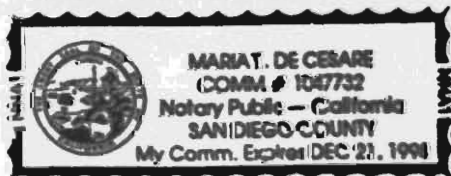
STATE OF CALIFORNIA)

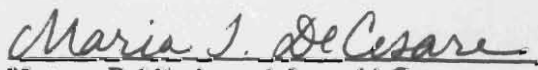
) ss.

COUNTY OF SAN DIEGO)

On March 14, 1996 before me, Maria T. DeCesare a Notary Public in and for said County and State, personally appeared RICHARD D'ASCOLI, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.




Notary Public in and for said County
and State

96043770670

VARGAS

CONGRESS

The Clean Campaign!

March 14, 1996

Mary L. Taksar, Esq.
Federal Election Commission
Central Enforcement Docket
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
Mar 15 9 55 AM '96

Re: **MUR 4311**

Dear Ms. Taksar:

I write this letter concerning the above-described matter insofar as the allegations in it pertain to me.

Currently I am campaign manager of Vargas for Congress '96. I took a leave of absence from my previous post as Chief of Staff for San Diego City Council Member and Deputy Mayor Juan Vargas in order to assume the title of campaign manager of Vargas for Congress '96. I took a leave of absence from my position as Council Member Vargas' Chief of Staff on approximately September 22, 1995. I assumed the title of campaign manager of Vargas for Congress '96 on approximately October 6, 1995.

Before starting work as campaign manager for Vargas for Congress '96, it was anticipated that the incumbent, Bob Filner, would significantly outspend us in his effort to defeat Mr. Vargas' bid for his seat. It was also anticipated that Mr. Vargas would run a relatively low-budget, grass-roots campaign. On that basis, I refused to accept any compensation in exchange for my work as campaign manager. Mr. Vargas accepted my offer. Thus, during the entire time period between October 2, 1995 and the present, I have received no compensation -- and will accept no compensation -- for my services as campaign manager.

Neither I nor anyone else ever has made any attempt to hide the fact that I am working on a volunteer basis for Vargas for Congress '96. Vargas for Congress '96 has over 200 volunteers which work for it in various capacities. Because Vargas for Congress '96 is not capable of raising the large sums of cash that Representative Filner's campaigns routinely have raised in the past, Vargas for Congress '96 must rely on the efforts of hundreds of unpaid volunteers in order to get the message out. I am one of those volunteers.

3609 FOURTH AVENUE ■ SAN DIEGO, CA 92103
(619) 295-6923

96043770671

Mary L. Taksar, Esq.

March 14, 1996

Page 2

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct and that I have signed this letter this 14 day of March, 1996 at San Diego, California.

Ralph Inzunza
RALPH INZUNZA

STATE OF CALIFORNIA)

) ss.

COUNTY OF SAN DIEGO)

On March 14, 1996, 1996 before me, Maria T. DeCesare, a Notary Public in and for said County and State, personally appeared RALPH INZUNZA, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Maria T. DeCesare
Notary Public in and for said County
and State

96043770672

96043770673

Mary L. Taksar, Esq.
Federal Election Commission
Central Enforcement Docket
Washington, D.C. 20463

Re: *MUR 4311*

Dear Ms. Taksar:

I write this letter concerning the above-described matter insofar as the allegations in it pertain to me.

I am President of The Primacy Group. The Primacy Group is a company which performs political consulting and polling services for political candidates in San Diego and elsewhere.

Representative Filner's complaint dated February 16, 1996, accuses Vargas for Congress '96 of having improperly omitted to report expenditures incurred in connection with a poll. The accusation is false. Under my direction, Vargas for Congress '96 conducted a voter survey (or poll) of voter attitudes in the 50th Congressional District. Vargas for Congress '96 conducted that survey during the second week of January, 1996 - after the salient dates for reporting any expenditures which might have been associated with the survey had passed. Neither Vargas for Congress '96 nor The Primacy Group incurred any outside expenses in connection with the survey. Instead, volunteer campaign workers created the survey by gleaning the pertinent data from the campaign's database, and by making phone calls to selected voters. Vargas for Congress '96 paid no money to The Primacy Group for any services rendered or costs disbursed in connection with the survey. To my knowledge, Vargas for Congress '96 incurred no out-of-pocket expenses whatsoever in connection with the survey. For that reason, there were no expenses to report in connection with the survey - neither for the period between September 28, 1995 through December 31, 1995, nor for any other period.

I wish to respond to Representative Filner's accusation that The Primacy Group has been "illegally paid in advance for work to be performed on the Vargas for Congress Campaign [sic]." The accusation is false, scurrilous, and reprehensible. The apparent logic upon which Representative Filner relies for this unsupported accusation is the fact that Friends of Juan Vargas (the organization which conducted Mr. Vargas' reelection to the San Diego City Council) paid The Primacy Group \$15,000 in connection with Mr. Vargas' campaign for reelection to the San Diego

City Council (which culminated in Mr. Vargas' reelection to the San Diego City Council on September 19, 1995). Representative Filner apparently argues that that amount is excessive given the fact that Mr. Vargas' reelection was unopposed. Certainly, however, no one could have anticipated -- until the close of the period for filing (in July, 1995) -- that Mr. Vargas' reelection campaign would be unopposed. To the contrary, indications were that there would be at least one challenger to Mr. Vargas. In anticipation of any challenge, Friends of Juan Vargas prepared for a campaign. Preparation for that campaign included hiring my organization to print literature; and put together a complete campaign plan and budget. Friends of Juan Vargas and The Primacy Group confined their efforts exclusively to the boundaries of the District 8 of the City of San Diego, and geared those efforts exclusively to promotion of the reelection of Mr. Vargas to the San Diego City Council. At no time before Mr. Vargas' announcement of his candidacy for the U.S. House of Representatives on October 6, did The Primacy Group direct any effort whatsoever toward promotion of the election of Mr. Vargas to the House of Representatives.

Mr. Vargas' campaign for reelection to the San Diego City Council was, indeed, unopposed. I believe this was principally because we did such a thorough job in preparing to wage a reelection campaign that the persons who contemplated a challenge decided that it would be futile. Those persons took preliminary steps toward running for San Diego City Council, but later reconsidered and withdrew.

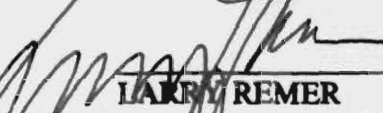
The scenario which unfolded in 1995 also occurred in 1993 -- when Mr. Vargas geared up for a reelection campaign, and wound up running unopposed. In September, 1993, Mr. Vargas hired The Primacy Group; hired a campaign staff; printed literature; and began running a campaign operation -- only to see two or three likely opponents decide at the last minute not to run. In both cases -- in 1993 and 1995 -- Mr. Vargas raised approximately \$65,000 to prepare for a reelection campaign. In both of those years, the potential opponents simply decided not to challenge him. The history of Mr. Vargas' previous unopposed campaign for reelection thus underscores the reasonableness of the expenditures which Representative Filner protests.

Mr. Vargas announced his intent to run for the U.S. House of Representatives after his reelection to the San Diego City Council. He made that announcement on October 6, 1995. Shortly thereafter, he established a campaign committee in accordance with FEC regulations, and hired The Primacy Group, Mr. D'Ascoli, and others to work on his behalf. Payments for services rendered by The Primacy Group have been fully, completely and truthfully reported on the relevant FEC documents.

96043770674

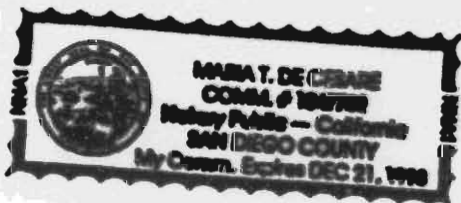
96043770675

jury under the laws of the United States that the foregoing
ed this letter this 14th day of March, 1996 at San Diego


LARRY REMER

On March 14, 1996, 1996 before me, Maria T. DeCesare, a Notary Public in and for said County and State, personally appeared LARRY REMER, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Maria J. DeCesare
Notary Public in and for said County
and State



THE PRIMACY GROUP

3609 4th Ave., San Diego, CA 92103
619/295-6923 FAX: 619/295-0487

Mary L. Taksar
Central Enforcement Docket
Federal Election Commission
Washington, D.C. 20463

Re: MUR 4311

Dear Ms. Taksar:

I am the president of The Primacy Consulting Group, Inc., which has been named in the above referenced complaint by Rep. Bob Filner against Vargas for Congress '96 (#C00307256). I am responding on behalf of Larry Remer, Deanna Liebergot, Rich D'Ascoli, Ralph Inzunza, Juan Vargas and Vargas for Congress '96.

The Primacy Group is under contract to Vargas for Congress to provide strategic campaign consulting services and campaign assistance in Juan Vargas' campaign for the U.S. Congress.

I have reviewed your letter, the complaint letter filed by Rep. Filner and the documentation that was attached in your packet. I would like to respond to each of the points raised in the letter and ask that my responses be made part of your investigative record of this complaint. I do not authorize that my responses be made public or be made available to Rep. Filner.

1> Under my direction, the Vargas for Congress Campaign conducted a voter survey (or poll) of voter attitudes in the 50th Congressional District. Said poll was conducted during the second week of January, 1996 -- after the salient dates for reporting any expenditures that might have been associated with the poll. In addition, said poll was conducted entirely by the campaign under my direction and supervision. It involved no outside expense. The survey sample was gleaned from the campaign's computer file of voters; the phone calls were conducted by the campaign; and the computer analysis was performed by a campaign volunteer. No law or regulation required that -- had there been any expenses -- there be anything reported on FEC campaign disclosure forms for the period ending Dec. 31, 1995.

2> Ralph Inzunza is indeed the Campaign Manager of Vargas for Congress '96. And, Mr. Inzunza was also formerly employed as Councilman Vargas' Chief of Staff. Mr. Inzunza left the public payroll in September of 1995 and is working for the campaign in a volunteer capacity. Mr. Inzunza lives with his father and is living on his savings. Mr. Inzunza is fully within his legal rights to volunteer his services to the Vargas campaign. Mr. Inzunza's volunteer services do not comprise the "illegal contribution" alleged in Mr. Filner's letter.

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3 and 4> Both Rich D'Ascoli and The Primacy Consulting Group Inc. contracted to work on Councilman Vargas' City Council re-election campaign. Councilman Vargas faced re-election in September of 1995 and work began on the campaign more than six months earlier.

When work on the re-election campaign began, it was not known that Councilman Vargas would be running un-opposed. Filing did not close until mid-July of 1995. In anticipation of a probable challenge, we prepared for a campaign. We rented an office, printed literature, organized precinct walks, and put together a complete campaign operation. All of our activity was confined to the boundaries of the Council district and was geared to promote the re-election of Councilman Vargas to the City Council.

When it turned out that nobody filed to run against Mr. Vargas, we were delighted. In large measure, we think that occurred because we did such a thorough job of preparing to wage a re-election campaign. In fact, there were one or two individuals who thought about running against Councilman Vargas and took preliminary steps in that direction. We do not know for a certainty that they decided not to run because we were so well prepared, but we believe that was a factor.

Even though nobody filed to oppose Councilman Vargas, there still were contracts to fulfill for services from The Primacy Group and Mr. D'Ascoli for said campaign. Those contracts were fulfilled and Mr. D'Ascoli and The Primacy Group were paid the promised amounts for their services.

This is the second time that Councilman Vargas has geared up for a campaign and wound up running un-opposed. In September of 1993, a virtually identical scenario unfolded. Councilman Vargas hired The Primacy Group, hired a campaign staff, printed literature, and began running in earnest -- only to have two or three likely opponents decide at the last minute not to run. In both cases -- in 1995 and in 1993 -- Councilman Vargas raised approximately \$65,000 to prepare for a campaign only to scare out all opponents. Had opponents emerged in either situation, Councilman Vargas would have surely raised and spent a great deal more.

I have enclosed local campaign spending disclosures from both the Vargas for Council (1995) and the Vargas for Council (1993) elections to indicate that spending for both elections (in which Vargas ultimately ran unopposed) was similar. In addition, I have enclosed the campaign spending disclosure for Rep. Bob Filner's 1991 race for City Council, just before he ran for Congress, in which he spent more than \$200,000.

Rep. Filner has no proof that any of the money raised for Councilman Vargas' re-election effort was spent on his Congressional campaign precisely because no such thing ever

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Page 3
Federal Election Commission

happened. Rep. Filner is simply trying to make "political points" in the media with this accusation and, unfortunately, the FEC has become an unwilling accomplice in that activity.

When Councilman Vargas started his Congressional campaign after the Council re-election campaign was over and the election had been held, he established a Congressional Campaign committee in accordance with FEC regulations and hired The Primacy Group, Mr. D'Ascoli and others to work on his behalf. Those arrangements were negotiated by Councilman Vargas and payments for services rendered are being fully reported on relevant FEC documents.

Rep. Filner's allegations of illegality in the retention of Mr. D'Ascoli and The Primacy Consulting Group Inc. are wholly unsupported accusations. Rep. Filner's letter rests wholly on innuendo and unsupported conclusions, not facts. Rep. Filner cites no statute or regulation which, if applied, shows any violation. Unsupported accusation is not a substitute for fact.

There is no reason to believe that Rep. Filner's letter sets forth even a plausible violation. Rep. Filner's accusations are best understood as attempted manipulation of the FEC for political purposes.

It is respectfully requested that your General Counsel find that there is no factual basis for finding and violation of FEC regulations and thereby recommend that the FEC close its file on this matter.

I hope these responses assist you in your inquiry. If you have any questions or if you need any further information, please don't hesitate to contact me. I am,

Yours very truly,

Larry Remer,
President,
The Primacy Consulting
Group, Inc.

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Campaign Disclosure Statement Summary Page

Type or Print in Ink.
Amounts may be rounded
to whole dollars.

SUMMARY PAGE

Statement covers period

from 9/1/91

through 12/31/91

CALIFORNIA
1991 FORM 490

Page 3 of 88

SEE INSTRUCTIONS ON REVERSE

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

San Diegans for Bob Filner '91

I.D. NUMBER

891526

Contributions Received

		Column A TOTAL THIS PERIOD (FROM ATTACHED SCHEDULES)	Column B* TOTAL PREVIOUS PERIOD (SEE NOTE BELOW)	Column C TOTAL TO DATE (ADD COLUMNS A + B)
1. Monetary Contributions.....	Schedule A, Line 3	\$ 51,265.56	\$ 214,637.50	\$ 265,903.06
2. Loans Received.....	Schedule B, Line 7	5,000.00		5,000.00
3. SUBTOTAL CASH CONTRIBUTIONS.....	Add Lines 1 + 2	\$ 56,265.56	\$ 214,637.50	\$ 270,903.06
4. Non-monetary Contributions.....	Schedule C, Line 3	2,182.50	1,701.56	3,884.06
5. SUBTOTAL CONTRIBUTIONS (Excluding Enforceable Promises).....	Add Lines 3 + 4	\$ 58,448.06	\$ 216,339.06	\$ 274,787.12
6. Enforceable Promises (Exclude Loan Guarantees, Line 18 below).....	Schedule D, Line 7			
7. TOTAL CONTRIBUTIONS RECEIVED.....	Add Lines 5 + 6	\$ 58,448.06	\$ 216,339.06	\$ 274,787.12

Expenditures Made

8. Cash Payments (Other than Loans Made).....	Schedule E, Line 5	\$ 93,765.77	\$ 190,819.81	\$ 284,585.58
9. Loans Made.....	Schedule H, Line 7			
10. SUBTOTAL CASH PAYMENTS.....	Add Lines 8 + 9	\$ 93,765.77	\$ 190,819.81	\$ 284,585.58
11. Accrued Expenses (Unpaid Bills).....	Schedule F, Line 5			
12. TOTAL EXPENDITURES MADE.....	Add Lines 10 + 11	\$ 93,765.77	\$ 190,819.81	\$ 284,585.58

Current Cash Statement

13. Beginning Cash Balance.....	Previous Summary Page, Line 17	\$ 38,471.92		
14. Cash Receipts.....	Column A, Line 3 above	56,265.56		
15. Miscellaneous increases to Cash.....	Schedule I, Line 4	568.13		
16. Cash Payments.....	Column A, Line 10 above	93,765.77		
17. ENDING CASH BALANCE.....	Add Lines 13 + 14 + 15, then subtract Line 16	\$ 1,539.84		
If this is a Termination Statement, Line 17 must be zero.				

*From previous Statement Summary Page, Column C. However, if this is the first report filed for the calendar year, Column B should be blank except for Loans Received (Line 2), Enforceable Promises (Line 6), Loans Made (Line 9), and Accrued Expenses (Line 11).

18. LOAN GUARANTEES RECEIVED.....	Schedule B, Part I, Column (b)	\$		
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Cash Equivalents and Outstanding Debts

19. Cash Equivalents.....	See instructions on reverse	\$		
20. Outstanding Debts.....	Add Line 2 + Line 11 in Column C above	\$	5,000.00	

Summary for Candidates in Both June and November Elections

	1/1 thru 6/30	7/1 to Date
21. Contributions Received.....	\$	
22. Expenditures Made.....	\$	

9 6 0 4 3 7 7 0 6 3 C

Campaign Disclosure Statement Summary Page

Type or Print in Ink.
Amounts may be rounded
to whole dollars.

Statement covers period
from 11-17-95
through 12-31-95

SUMMARY PAGE

CALIFORNIA 1991 FORM **490**

Page 2 of 4

SEE INSTRUCTIONS ON REVERSE

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE:

Juan Carlos Vargas Friends of Juan Vargas '95

I.D. NUMBER

943824

Contributions Received

	Column A TOTAL THIS PERIOD (FROM ATTACHED SCHEDULES)	Column B* TOTAL PREVIOUS PERIOD (SEE NOTE BELOW)	Column C TOTAL TO DATE (ADD COLUMNS A + B)
1. Monetary Contributions Schedule A, Line 3 \$	-0-	\$ 71,777.32	\$ 71,777.32
2. Loans Received Schedule B, Line 7			
3. SUBTOTAL CASH CONTRIBUTIONS Add Lines 1 + 2 \$			
4. Non-monetary Contributions Schedule C, Line 3			
5. SUBTOTAL CONTRIBUTIONS (Excluding Enforceable Promises) Add Lines 3 + 4 \$			
6. Enforceable Promises (Exclude Loan Guarantees, Line 18 below) Schedule D, Line 7			
7. TOTAL CONTRIBUTIONS RECEIVED Add Lines 5 + 6 \$	-0-	\$ 71,777.32	\$ 71,777.32

Expenditures Made

8. Cash Payments (Other than Loans Made) Schedule E, Line 5 \$	-0-	\$ 67,521.58	\$ 67,521.58
9. Loans Made Schedule H, Line 7			
10. SUBTOTAL CASH PAYMENTS Add Lines 8 + 9 \$			
11. Accrued Expenses (Unpaid Bills) Schedule F, Line 5			
12. TOTAL EXPENDITURES MADE Add Lines 10 + 11 \$	-0-	\$ 67,521.58	\$ 67,521.58

Current Cash Statement

13. Beginning Cash Balance Previous Summary Page, Line 17 \$	-0-
14. Cash Receipts Column A, Line 3 above	
15. Miscellaneous Increases to Cash Schedule I, Line 4	
16. Cash Payments Column A, Line 10 above	-0-
17. ENDING CASH BALANCE Add Lines 13 + 14 + 15, then subtract Line 16 \$	-0-

If this is a Termination Statement, Line 17 must be zero.

ENDING CASH BALANCE SHOULD
NOT BE A NEGATIVE AMOUNT

*From previous Statement Summary Page, Column C.
However, if this is the first report filed for the calendar
year, Column B should be blank except for Loans
Received (Line 2), Enforceable Promises (Line 6), Loans
Made (Line 9), and Accrued Expenses (Line 11).

Summary for Candidates in Both June and November Elections

18. LOAN GUARANTEES RECEIVED Schedule B, Part I, Column (b) \$

Cash Equivalents and Outstanding Debts

19. Cash Equivalents See instructions on reverse \$
20. Outstanding Debts Add Line 2 + Line 11 in Column C above \$

1/1 thru 6/30 7/1 to Date

21. Contributions
Received \$

22. Expenditures
Made \$

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Campaign Disclosure Statement Summary Page

Type or Print in Ink.
Amounts may be rounded
to whole dollars.

Statement covers period
from 9-5-93
through 12-31-93

SUMMARY PAGE

CALIFORNIA
1991 FORM 490

Page 2 of 22

LO NUMBER
930662

SEE INSTRUCTIONS ON REVERSE

NAME OF OFFICEHOLDER OR CANDIDATE AND CONTROLLED COMMITTEE

JUAN VARGAS, CITY COUNCIL DISTRICT 8

FRIENDS OF JUAN VARGAS

Contributions Received

		Column A TOTAL THIS PERIOD (FROM ATTACHED SCHEDULES)	Column B* TOTAL PREVIOUS PERIOD (SEE NOTE BELOW)	Column C TOTAL TO DATE (ADD COLUMNS A + B)
1. Monetary Contributions	Schedule A, Line 3	\$ 17,169.00	\$ 28,691.66	\$ 45,860.66
2. Loans Received	Schedule B, Line 7	-0-	-0-	-0-
3. SUBTOTAL CASH CONTRIBUTIONS	Add Lines 1 + 2	\$ 17,169.00	\$ 28,691.66	\$ 45,860.66
4. Non-monetary Contributions	Schedule C, Line 3	-0-	500.00	500.00
5. SUBTOTAL CONTRIBUTIONS (Excluding Enforceable Promises)	Add Lines 3 + 4	\$ 17,169.00	\$ 29,191.66	\$ 46,360.66
6. Enforceable Promises (Exclude Loan Guarantees, Line 10 below)	Schedule D, Line 7	-0-	-0-	-0-
7. TOTAL CONTRIBUTIONS RECEIVED	Add Lines 5 + 6	\$ 17,169.00	\$ 29,191.66	\$ 46,360.66

Expenditures Made

8. Cash Payments (Other than Loans Made)	Schedule E, Line 5	\$ 16,876.60	\$ 28,223.39	\$ 45,099.99
9. Loans Made	Schedule H, Line 7	-0-	-0-	-0-
10. SUBTOTAL CASH PAYMENTS	Add Lines 8 + 9	\$ 16,876.60	\$ 28,223.39	\$ 45,099.99
11. Accrued Expenses (Unpaid Bills)	Schedule F, Line 5	(3,684.02)	6,111.63	2,427.61
12. TOTAL EXPENDITURES MADE	Add Lines 10 + 11	\$ 13,192.58	\$ 34,335.02	\$ 47,527.60

Current Cash Statement

13. Beginning Cash Balance	Previous Summary Page, Line 17	\$ 468.27
14. Cash Receipts	Column A, Line 3 above	17,169.00
15. Miscellaneous Increases to Cash	Schedule I, Line 4	252.38
16. Cash Payments	Column A, Line 10 above	16,876.60
17. ENDING CASH BALANCE	Add Lines 13 + 14 + 15, then subtract Line 16	\$ 1,013.05

If this is a Termination Statement, Line 17 must be zero.

ENDING CASH BALANCE SHOULD
NOT BE A NEGATIVE AMOUNT

*From previous Statement Summary Page, Column C. However, if this is the first report filed for the calendar year, Column B should be blank except for Loans Received (Line 2), Enforceable Promises (Line 6), Loans Made (Line 9), and Accrued Expenses (Line 11).

18. LOAN GUARANTEES RECEIVED

Schedule B, Part I, Column (b)

Cash Equivalents and Outstanding Debts

19. Cash Equivalents	See instructions on reverse	\$ -0-
20. Outstanding Debts	Add Line 2 + Line 11 in Column C above	\$ 2,427.61

Summary for Candidates in Both June and November Elections

	1/1 thru 6/30	7/1 to Date
21. Contributions Received	\$	
22. Expenditures Made	\$	



April 22, 1996

Lois Lerner
Assoc. General Counsel
for Enforcement
Federal Election Commission
999 E Street NW
Washington, DC 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

APR 29 10 01 AM '96

MUR 4311

Dear Ms. Lerner:

You may recall my recent conversation with you regarding my complaints against "Juan Vargas for Congress" in California's 50th Congressional District.

Our first complaint was dated October 17, 1995. I have attached a copy of that complaint.

That complaint was never followed-up because, according to your staff, an original notarized letter was never received.

I have enclosed a copy of the "return receipt" for the certified mail that I sent to you. It confirms that the complaint was received in your office on October 23, 1995.

It is important that this complaint is fully investigated. Please assign this case for immediate investigation -- or call me at (202) 225-9733 to explain what additional information is needed.

Please do not confuse this with two additional complaints filed (February 16, 1996 -- MUR 4311; March 19, 1996 -- MUR 4327).

I appreciate your prompt attention to these matters.

Sincerely,

BOB FILNER
Member of Congress

attachments

96043770683

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

General Counsel
Federal Election Commission
999 E St NW
Washington DC 20463

4a. Article Number

2436384710

4b. Service Type

- | | |
|---|---|
| ☐ Registered | ☐ Insured |
| ☒ Certified | ☐ COD |
| ☐ Express Mail | ☐ Return Receipt for Merchandise |

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee):

6. Signature (Agent)

RECEIVED
GENERAL COUNSEL
FEDERAL ELECTION COMMISSION
NOV 15 AM '95

Thank you for using Return Receipt Service.



October 17, 1995

General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Complainant:
Congressman Bob Filner
Bob Filner for Congress
P.O. Box 127868
San Diego, CA 92112

Respondent:
Juan Vargas for Congress
1171 24th Street
San Diego, CA 92102
FEC# **C00307256**

To Whom it May Concern:

Juan Vargas, an incumbent Member of the San Diego City Council, has been running an active campaign for Congress in California's 50th Congressional District in direct violation of at least two Federal Election Commission campaign laws:

1. He filed a "Statement of Candidacy" form well after the time he spent more than \$5,000.00 in support of his campaign.
2. He has apparently spent money collected for his recent (unopposed) election to the San Diego City Council for his Congressional campaign.

Since these apparently illegal actions will have a direct impact on the upcoming primary election, we need an immediate investigation of this situation.

On September 20, 1995, the day after San Diego's municipal primary election in which Mr. Vargas was re-elected to the City Council (without opposition), large quantities of the enclosed brochure were seen in public (attachment #1) and several full-time staff members began to work in a Congressional campaign office (see attachment #2, a news article regarding the scale of his Congressional campaign).

By any reasonable observation, Mr. Vargas' expenditures far exceeded the \$5,000.00 threshold defining a candidate pursuant to CFR 431.2(a), and he should have filed a Statement before October 13.

Examination of official expenditure reports filed for San Diego's municipal primary election on September 19, 1995 give a plausible explanation of where funds were obtained for the brochure's production (printing, layout, art work, photos, etc.) and for the planning of a Congressional campaign announced on the very night of the election.

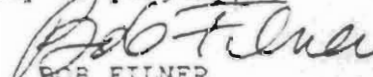
Although Mr. Vargas had no opposition in his campaign for re-election to the San Diego City Council, official reports through September 2, 1995 reveal (attachment #3) total expenditures of \$69,116.58. At least \$15,349.06 was paid to a campaign consultant, The Primacy Group. Other large sums were spent on staff members, office rent, and other overhead.

Since Mr. Vargas had no opposition in the municipal primary election, and since his campaign for Congress was publicly apparent on the day after that election, one can only surmise that these extraordinarily large expenditures on a campaign consultant and other personnel for an uncontested election were, in fact, spent for the federal election.

According to FEC guidelines, "a candidate's federal committee may not accept funds or assets transferred from a committee established by the same candidate for a nonfederal election campaign."

Since the Congressional primary election is only five months away, the actions described above will have a direct impact on the outcome. An immediate investigation is warranted.

Signed and sworn under penalty of perjury.


BOB FILNER
Member of Congress

Sworn to before me and subscribed in my presence this 17th day of October, 1995.


CAROLINE R. KLEMP
Notary Public, District of Columbia
My Commission Expires April 30, 2000

9.6043770685



October 17, 1995

General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Complainant:
Congressman Bob Filner
Filner for Congress
P.O. Box 127868
San Diego, CA 92112

Respondent:
The Primacy Group
c/o Juan Vargas for Congress
1171 24th Street
San Diego, CA 92102
No FEC#

To Whom it May Concern:

This is in reference to the Congressional campaign of Mr. Juan Vargas in California's 50th Congressional District.

A separate complaint has been filed alleging that, in violation of FEC regulations, Mr. Vargas spent money collected for his recent (unopposed) election to the San Diego City Council for his Congressional campaign.

This complaint is in regard to Mr. Vargas' political consultant, The Primacy Group, which knowingly and illegally used funds collected for a non-federal election for a federal election.

Although Mr. Vargas had no opposition in his campaign for re-election to the San Diego City Council, official reports through September 2, 1995 reveal (attachment #1) total expenditures of \$69,116.58. At least \$15,349.06 was paid to a campaign consultant, The Primacy Group. Other large sums were spent on staff members, office rent, and other overhead.

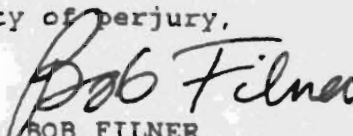
Since Mr. Vargas had no opposition in the municipal primary election, and since his campaign for Congress was publicly apparent on the day after that election, one can only surmise that these extraordinarily large expenditures on a campaign consultant and other personnel for an uncontested election were, in fact, spent for the federal election.



The Primacy Group, an experienced campaign organization, knowingly violated FEC guidelines which state, "a candidate's federal committee may not accept funds or assets transferred from a committee established by the same candidate for a nonfederal election campaign."

Since the Congressional primary election is only five months away, the actions described above will have a direct impact on the outcome. An immediate investigation is warranted.

Signed and sworn under penalty of perjury,


BOB FILNER
Member of Congress

Sworn to before me and subscribed in my presence this 17th day of October, 1995.



CAROLINE F. KLEMP
Notary Public, District of Columbia
My Commission Expires April 30, 2000

96043770687

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

FIRST GENERAL COUNSEL'S REPORT

RECEIVED
FEDERAL ELECTION COMMISSION
SEP 30 11 22 AM '96

SENSITIVE

MUR: 4311

DATE COMPLAINT FILED: February 21, 1996

DATE OF NOTIFICATION: February 28, 1996

DATE ACTIVATED: April 30, 1996

MUR: 4327

DATE COMPLAINT FILED: March 20, 1996

DATE OF NOTIFICATION: March 27, 1996

DATE ACTIVATED: April 30, 1996

STAFF MEMBER: Tony Buckley

COMPLAINANT: The Honorable Bob Filner

RESPONDENTS (MUR 4311): Juan C. Vargas
Vargas for Congress '96 and Deanna Liebergot,
as treasurer
Richard D'Ascoli
Ralph Inzunza
The Primacy Group

RESPONDENTS (MUR 4327): Juan C. Vargas
Adrienne D. Vargas
Vargas for Congress '96 and Deanna Liebergot,
as treasurer
Bank of Commerce

RELEVANT STATUTES: 2 U.S.C. § 431(2)
2 U.S.C. § 431(8)(A)(i), (ii)
2 U.S.C. § 431(8)(B)(i)
2 U.S.C. § 431(8)(B)(vii)(II)-(III)
2 U.S.C. § 432(e)(1)
2 U.S.C. § 434(a)(1)
2 U.S.C. § 434(a)(4)(A)(ii)
2 U.S.C. § 434(b)(2)
2 U.S.C. § 441a(a)(1)(A)
2 U.S.C. § 441a(f)

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11 C.F.R. § 100.7(a)(1)(i)(C)
 11 C.F.R. § 100.7(b)(1)(i)(A)(1), (B)
 11 C.F.R. § 101.1(a)
 11 C.F.R. § 104.14(d)
 11 C.F.R. § 105.1
 11 C.F.R. § 110.1(i)(1)
 11 C.F.R. § 110.3(d)

INTERNAL REPORTS CHECKED: Disclosure Reports
 MUR Index
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FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

Both of these matters were generated by complaints filed by Congressman Bob Filner ("Complainant"), who represents California's 50th congressional district, against his opponent in the 1996 Democratic primary election, San Diego City Councilman Juan Vargas.¹ Both of these matters deal with issues surrounding activity by Mr. Vargas' principal campaign committee, Vargas for Congress '96 ("the Vargas Committee"). Mr. Vargas announced his candidacy for the Democratic nomination shortly after winning re-election to his city council seat.²

The complaint in MUR 4311 contains seven separate allegations of illegal activity. The first allegation results from the mention of a poll in an undated page from California Political Week ("CALPEEK").³ CALPEEK mentioned that "a poll commissioned by Vargas and conducted by his consultant (Larry Remer) of 480 random, likely Demo voters shows: Vargas

¹ MUR 4311 comprises the initial complaint filed on October 20, 1995, and amendments filed on October 23, 1995 and February 20, 1996. In this report, they are referred to collectively as "the Complaint". MUR 4327 comprises the single complaint filed on March 20, 1996.

² Congressman Filner won the primary election, which was held on March 26, 1996.

³ Nor does the page contain a volume or issue number by which a publication date might be discerned.

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41.4%, Filner 32.8% -- the rest undecided." Complainant alleges that the Vargas Committee did not report any expenditure for polling for the period September 28 through December 31, 1995, and that the Vargas Committee thus failed to properly report expenditures.

The second allegation involves Ralph Inzunza, whom Complainant identifies as "Councilman Vargas' [former] Chief of Staff, [who] is widely known to be managing the Vargas for Congress campaign." Complainant notes that reports filed by the Vargas Committee do not show Mr. Inzunza as receiving any pay. Complainant states that "[b]ecause the cost of Mr. Inzunza's services are not listed as either a loan to the campaign, or an in-kind contribution, they constitute an illegal contribution." (Emphasis omitted).

Five more allegations revolve around money spent by Mr. Vargas' city council re-election campaign, which spent approximately \$69,000 in an uncontested race. Generally, Complainant alleges that The Primacy Group, a political consulting firm which worked for Vargas' city council re-election campaign and then worked for Vargas' congressional campaign, used funds collected for the city council race in connection with the Federal race. Complainant more specifically suggests that both The Primacy Group and Richard D'Ascoli, an employee of Mr. Vargas' city council re-election campaign who then went to work for Vargas' congressional campaign, performed services for Vargas for Congress for which they had been paid by the city council re-election campaign. Complainant has concluded that violations occurred because Mr. D'Ascoli was paid \$4,600 for a two-month period working for the city council re-election committee, and was only paid \$1,800 for a three-month period working for the Vargas Committee. Likewise with The Primacy Group, Complainant points out that The Primacy Group

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was paid \$15,000 for the unopposed city council race, but was paid less than \$2,500 for the last three months of 1995 by the Vargas Committee for similar services.

Complainant also alleges that Mr. Vargas was a candidate for Federal office sooner than the filing date of his Statement of Candidacy, October 13, 1995, would suggest. Complainant states that on September 20, 1985, the day after Mr. Vargas' re-election to the San Diego City Council, brochures touting his Federal candidacy appeared in the district. Complainant alleges that the cost of this brochure, and of the several full-time staff members who began working for the Vargas Committee around this time, would have caused the Vargas Committee to exceed the \$5,000 expenditure mark for candidate status. Complainant further suggests that money from the city council re-election campaign was used to pay for the production of the brochure. Complainant claims that examination of expenditure reports for the city council re-election campaign give a plausible explanation for where funds were obtained for the brochure's production.

The complaint in MUR 4327 alleges two separate violations. First, Complainant alleges that the Vargas Committee, and the candidate himself, accepted an excessive contribution in the form of a bank loan in the amount of \$15,000 to the candidate which did not comply with the Commission's regulations regarding such matters. Complainant also suggests that \$10,000 reported by the Vargas Committee as coming from the candidate may also derive from an improper bank loan. Additionally, Complainant alleges that the Vargas Committee failed to properly report the receipt of contributions. Complainant makes this conclusion by looking at the amount spent by the campaign on television advertising for the period commencing March 11, 1996, \$100,885, and looking at the amount the committee reported as its cash-on-hand

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as of March 6, 1996, \$56,052.27, and the amount reported in 48-Hour Notices in the intervening period, \$18,000, to conclude that the Committee must not have reported all of its receipts.

II. FACTUAL AND LEGAL ANALYSIS

A. Law

Pursuant to 2 U.S.C. § 432(e)(1), each candidate for Federal office shall designate in writing a principal campaign committee within 15 days after becoming a candidate. The term "candidate" means, *inter alia*, an individual who seeks nomination for election to Federal office. 2 U.S.C. § 431(2). An individual is deemed to seek nomination to Federal office if he has received contributions aggregating in excess of \$5,000 or has made expenditures aggregating in excess of \$5,000. See 2 U.S.C. § 431(2)(A). A candidate for the House of Representatives must designate his or her principal campaign committee by either filing a Statement of Candidacy with the Commission on FEC Form 2, or by filing the appropriate information with the Clerk of the House of Representatives. See 11 C.F.R. §§ 101.1(a) and 105.1.

Pursuant to 11 C.F.R. § 110.3(d), it is illegal to transfer funds or assets from a candidate's campaign committee or account for a non-Federal election to his or her principal campaign committee or other authorized committee for a Federal election.

Pursuant to 2 U.S.C. § 441a(a)(1)(A), no person shall make a contribution to a candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. This limitation applies to contributions by spouses of candidates. 11 C.F.R. § 110.1(i)(1). The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office, as well as the payment by any person of compensation for the

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personal services. 2 U.S.C. § 431(8)(A)(i), (ii). Pursuant to 2 U.S.C. § 441a(f), no political committee shall accept any contribution made in violation of section 441a(a)(1)(A).

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The term "contribution" does not include the value of services provided without compensation by any individual who volunteers on behalf of a candidate or political committee. 2 U.S.C. § 431(8)(B)(i). Nor does the term "contribution" include a loan from a qualifying bank which is made in accordance with applicable law and in the ordinary course of business. 2 U.S.C. § 431(8)(B)(vii), 11 C.F.R. § 100.7(b)(11). A loan is deemed to be made in the ordinary course of business if it meets four criteria: 1) it bears the usual and customary interest rate for the category of loan involved; 2) it is made on a basis which assures repayment; 3) it is evidenced by a written instrument; and 4) it is subject to a due date or amortization schedule. 11 C.F.R. § 100.7(b)(11). A loan is considered to be made on a basis which assures repayment if, when it is obtained, the lending institution has either perfected a security interest in collateral owned by the candidate or political committee receiving the loan, and the fair market value of the collateral is either equal to or greater than the loan amount, or the lending institution has obtained a written agreement whereby the candidate or political committee receiving the loan has pledged future receipts as payment on the loan. See 11 C.F.R. § 100.7(b)(11)(i)(A)(1), (B). If these factors are not present, the Commission can look to the totality of the circumstances on a case-by-case basis to determine whether the loan was made on a basis which assures repayment. 11 C.F.R. § 100.7(b)(11)(ii). Where a loan is concerned, each endorser or guarantor is deemed to have contributed that portion of the total amount for which he or she agreed to be liable in a written agreement. 11 C.F.R. § 100.7(a)(1)(i)(C).

Pursuant to 2 U.S.C. § 434(a)(1), the treasurer of each political committee shall file reports of receipts and disbursements in accordance with certain provisions. Among these provisions is the requirement that the report include the total amount of receipts. See 2 U.S.C. § 434(b)(2). The treasurer is responsible for assuring that the information contained in any such report is accurate. 11 C.F.R. § 104.14(d).

B. Responses to Complaints

1. Responses to complaint in MUR 4311

a. response of Richard D'Ascoli

Richard D'Ascoli worked for Juan Vargas' city council re-election campaign, and then worked for Mr. Vargas' Federal campaign. Mr. D'Ascoli rejects any suggestion that he was paid by the city council campaign for work to be done on the congressional campaign. Specifically, he states that "[u]ntil Mr. Vargas announced his candidacy for the House of Representatives on October 6, 1995, I never performed any work in connection with that candidacy." He makes no effort to address the allegations concerning the discrepancies between the amounts he was paid to work by each committee for his campaign work. Nevertheless, Mr. D'Ascoli states that "Representative Filner's accusation that I was 'illegally paid . . . in advance for work to be performed during [Mr. Vargas'] campaign for Congress' is totally false."

b. response of Ralph Inzunza

Ralph Inzunza served as Councilman Vargas' Chief of Staff until taking a leave of absence on September 22, 1995. He assumed the position of campaign manger for Vargas for Congress on October 6, 1995. Inzunza also denies any wrongdoing. He states that, given the anticipation that Congressman Filner would significantly outspend the Vargas Committee, and

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that Mr. Vargas would run a relatively low-budget, grass-roots campaign, he volunteered his services to the Vargas Committee.

c. responses of Larry Remer and The Primacy Group

Larry Remer is the president of The Primacy Group, the political consulting firm which worked for Juan Vargas' city council re-election campaign and for his Federal campaign. He has submitted one response as an individual, and one as president of The Primacy Group.⁴ To avoid confusion in the discussion, these two responses are treated as one.

Mr. Remer first addresses the allegation that costs associated with the poll which appeared in CALPEEK were not reported. Remer admits directing the poll, which he states was conducted during the second week of January 1996 by volunteer campaign workers who gleaned the pertinent data from the campaign's data base, and made phone calls to selected voters. Mr. Remer further explains that, to his knowledge, the Vargas Committee incurred no out-of-pocket expenses in connection with the survey and that, therefore, there were no expenses to report in connection with the survey. He states that the survey was conducted during the second week of January 1996, after the reporting period identified by Complainant.

Mr. Remer disputes Complainant's contention that either The Primacy Group or Richard D'Ascoli was paid by the city council committee for work to be for Vargas for Congress. He states that there were indications that Mr. Vargas would face a challenger in his city council re-election race, that the Vargas city council committee prepared for this challenge, and that potential opponents withdrew because, in Mr. Remer's estimation, the Vargas campaign had

⁴ This latter response states that it is filed on behalf of Richard D'Ascoli, Ralph Inzunza, Larry Remer, Juan Vargas, Vargas for Congress '96, and Deanna Liebergot, the treasurer of Vargas for Congress.

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prepared so well that potential challengers realized their efforts would be futile. Mr. Remer further states the Vargas city council campaign operated similarly in 1993, raising approximately \$65,000, resulting in him facing no opposition. He adds that, although there ultimately was no opposition, "there still were contracts to fulfill for services from The Primacy Group and Mr. D'Ascoli for said campaign."

Next, Mr. Remer addresses Mr. Inzunza's activity with the Vargas campaign, and corroborates Inzunza's statement that he volunteered his services to the campaign. Remer states that Inzunza "lives with his father and is living on his savings."

With regard to the issue of the timely filing of the Statement of Candidacy, Mr. Remer states that "[w]hen Councilman Vargas started his Congressional campaign after the Council re-election campaign was over and the election had been held, he established a Congressional Campaign committee in accordance with FEC regulations and hired the Primacy Group, Mr. D'Ascoli and others to work on his behalf." (Emphasis in original). Remer does not specifically address the allegation that the Federal campaign brochure was paid for by the city council campaign.

Neither Mr. Vargas nor the Vargas Committee filed a response with respect to the allegations in the complaint in MUR 4311.

2. Responses to complaint in MUR 4327

a. response of Juan Vargas⁵

Mr. Vargas states that the loan he made to his campaign was made from the proceeds of an unsecured loan, and that the terms of that loan were set forth in a report filed with the Commission by the Vargas Committee on March 14, 1996.⁶ Mr. Vargas states that no part of that loan violates any statute or regulation. He further states that, prior to seeking the loan, he spoke with one of the Commission's information specialists, that he stated that he wanted to secure a loan and use the money for the campaign and gave the details of the loan terms, and that he was told that the loan was consistent with Commission regulations.

Regarding Complainant's contention that two additional loans of \$5,000 each reported by the Vargas Committee as being made by Juan Vargas were also made with the proceeds of the Bank of Commerce loan, Mr. Vargas states that "there are no such illegal loans. Rep. Filner has provided no facts or authority which would support the conclusion that any illegal loan was made. There is no such fact or legal authority."

Regarding the allegation that the Vargas Committee did not report the receipt of certain funds, Mr. Vargas states that the Vargas Committee "has lawfully reported all sums raised and expended."

⁵ Deanna Liebergot, treasurer of Vargas for Congress, submitted a response in which she incorporates by reference the submission of Mr. Vargas.

⁶ Vargas is apparently referring to the Vargas Committee's 1996 12-Day Pre-Primary Report, which included an FEC Schedule C-1 reflecting the loan, and a copy of the promissory note.

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b. response of Bank of Commerce

Bank of Commerce ("the Bank") details the circumstances of the making of the loan and argues that the loan was properly made. The Bank states that Mr. Vargas approached it on February 8, 1996 to obtain a loan for \$25,000. Vargas informed bank personnel at that time that the purpose of the loan was to provide funds for election advertising in his congressional campaign bid. The Bank further states that Vargas was required to fill out the Bank's standard loan documents, and that a customary review of the loan documents, including the Vargas' financial statement, was conducted. In conjunction with this, the Bank ran a credit check. "[U]pon following [its] standard policy and procedures, the Bank . . . approved a loan to Mr. and Mrs. Vargas in the principal amount of \$15,000 at an initial rate of 10.25% on a revolving line of credit."

Regarding the propriety of the loan, the Bank states that the loan was made in the ordinary course of business and in accordance with applicable banking law and regulations. The Bank further states that the loan bears the usual and customary interest rate of the lending institution for the category of loan involved. It states that the customary rate for personal lines of credit is generally the New York prime rate, plus one percent to four percent; the loan to Mr. and Mrs. Vargas was made at the New York prime rate, plus two percent. The Bank then argues that the loan was made on a basis which assured repayment. In support, the Bank cites the following factors which were considered before approving the loan: 1) annual income of both applicants; 2) annual debt service; 3) debt ratio; 4) net worth; 5) TRW national risk score; 6) the Bank's internal loan score; 7) homeowner status; 8) good character; and 9) size of the unsecured loan. The Bank states that a certain senior vice president with extensive experience in extending

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unsecured personal lines of credit evaluated these criteria in relation to the Vargases and that his analysis indicated that a signed promissory note was a sufficient assurance that the loan would be repaid.

The Bank further states that the loan is evidenced by a promissory note, and is subject to a due date. The Bank has provided a copy of the promissory note, but not provided any documents or other information which demonstrates how consideration of these factors supported the loan to the Vargases.

The Bank acknowledges that the loan was obtained without using either of the methods at 11 C.F.R. § 100.7(b)(11)(i)(A) or (b), but argues that the "totality of the circumstances" clearly indicate that the loan was made on a basis which assured repayment, citing 11 C.F.R. § 100.7(b)(11)(ii).

C. Analysis

1. Allegations in MUR 4311

a. failure to report costs associated with poll mentioned in CALPEEK

Complainant has presented no evidence that a violation has occurred; rather, he has merely assumed that there were reportable costs associated with taking the poll, that they were incurred during a certain period, and that they were not properly reported. As noted above, the documentation submitted by Complainant does not assist his contention, as it provides no information as to when the poll was conducted.

Respondents have stated that the poll was conducted after the reporting period suggested by Complainant. More importantly, they have stated that volunteers to the campaign created the survey "by gleaning the pertinent data from the [Vargas Committee's] database, and by making

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phone calls to selected voters." They state that neither the Vargas Committee nor The Primacy Group incurred any outside expenses in connection with the survey. Although Respondents do not address the value of the services provided by Larry Remer, the president of The Primacy Group who admits to directing the efforts associated with this poll, such services may have been provided pursuant to the general consulting contract between The Primacy Group and the Vargas Committee. Indeed, no evidence has been provided which suggests that The Primacy Group did not bill the Vargas Committee for all services rendered.⁷ Accordingly, there does not appear to be reason to believe that the Vargas Committee failed to report costs associated with the poll.

b. acceptance of illegal contribution from campaign manager Ralph Inzunza

Here, Complainant bases his allegation on the fact that Ralph Inzunza is the campaign manager for the Vargas Committee, and that none of the Vargas Committee's reports show payments to him. Accordingly, Complainant concludes that the Vargas Committee accepted a contribution from Mr. Inzunza in the form of his services. Respondents Ralph Inzunza and Larry Remer have both stated that Mr. Inzunza volunteered his services to the Vargas Committee. Pursuant to 2 U.S.C. § 431(8)(B)(i), services provided without compensation by an individual who volunteers on behalf of a candidate or political committee are not a contribution. Thus, nothing about Mr. Inzunza's activities on behalf of the Vargas Committee constitutes a contribution, illegal or otherwise.

⁷ The Vargas Committee's most recent report, its 1996 July Quarterly Report, show that it owes \$24,506.07 for consulting and expenses.

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c. illegal transfer of funds from non-Federal committee to Federal committee

Several of the violations suggested by complainant fall under this category. First, there is the general allegation that The Primacy Group used funds collected for the city council race in connection with the Federal race. More specifically, there is Complainant's suggestion that Richard D'Ascoli and The Primacy Group were both paid for services performed for the Vargas Committee by Mr. Vargas' city council re-election committee. Additionally, there is the specific allegation that the costs associated with a brochure promoting Mr. Vargas' Federal candidacy were paid for with money from the city council re-election campaign.

Respondents have addressed Complainant's general allegation. Respondents state that there were indications that Mr. Vargas would face a challenger in his re-election race, that the Vargas city council committee prepared for this challenge, and that potential opponents withdrew because the Vargas campaign had prepared so well that potential challengers realized their efforts would be futile. Respondents further state the Vargas city council campaign operated similarly in 1993, raising approximately \$65,000 and facing no opposition as a result.

An article in the San Diego Business Journal, attached to the complaint, supports Respondents' contention that Vargas ran unopposed in the 1993 race. See Mike Allen, *Maneuvering by Vargas stuns his fellow Democrats*, S.D. BUS. J., Oct. 16, 1995, at 7 (noting that, in the 1993 city council race, Vargas "was elected for the third time to the Eighth Council District Sept. 19 and for the second time without opposition.") At the same time, documents produced by Respondents do not necessarily support their claim as to the amount of money

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raised for the 1993 race. A copy of the summary page from Mr. Vargas' 1993 city council campaign shows that that campaign raised approximately \$47,500, not \$65,000, for that race.⁸

Thus, there is a discrepancy in what Respondents say was raised for Mr. Vargas' 1993 city council race and his 1995 city council race. Nevertheless, there is no direct evidence that money was used for the city council race in the Federal race. Mr. Vargas may have benefited from an extensive city council campaign in increased visibility and name recognition, but the Commission has long recognized that legitimate activities by office holders are not necessarily campaign-related. See, e.g., MUR s 3855 and 3937 (Friends of Andrea Seastrand for Congress). As noted below, Complainant's specific allegations regarding the use of city council campaign funds to pay for Federal election expenses do not appear to be valid. Accordingly, this Office does not believe Complainant's less specific allegation should be given greater credence in the absence of any other evidence to support it.

With respect to the allegations concerning payments to Mr. D'Ascoli and The Primacy Group, as noted above, Respondents state generally that any money received from the city council re-election committee was for work performed on that campaign. Furthermore, they specifically deny that any money received from the city council re-election committee was used to pay them for work to be done for the Vargas Committee. Respondents do not address, however, what Complainant claims are discrepancies between what D'Ascoli and The Primacy Group were paid for their work for the city council re-election campaign, and their work for the Vargas Committee.

⁸ Respondents have also attached a copy of the summary page from Complainant's 1991 race for the city council seat now occupied by Mr. Vargas, showing that Complainant spent \$284,000 in that race.

Nevertheless, it does not appear that a comparison of what D'Ascoli and The Primacy Group were paid for each campaign supports Complainant's contention that the city council re-election campaign paid for services provided to the Federal campaign. Indeed, Complainant appears to have used two different sets of figures in comparing what Mr. D'Ascoli was paid, and what The Primacy Group was paid, for the two campaigns. The figure given for payments to Mr. D'Ascoli in connection with the city council re-election campaign was based on two months during the campaign, and included expenses for which Mr. D'Ascoli was apparently reimbursed by the campaign.⁹ The figure for The Primacy Group proffered by the Complainant was based on amounts paid to the consultant over the course of nine months. Moreover, with regard to costs incurred by the Vargas Committee for the services of D'Ascoli and The Primacy Group, the complaint was filed before the Vargas Committee filed its 1996 April Quarterly Report, which showed debts and obligations to D'Ascoli and The Primacy Group of \$5,000 and \$25,628.33, respectively.¹⁰

Using appropriate figures to compare what Mr. D'Ascoli and The Primacy group were paid, on average, for the nine-month period of the city council re-election campaign, against what they were to be paid, on average, for the six months of the Federal primary campaign, reveals that each received more for the Federal campaign than for the non-Federal campaign. D'Ascoli was paid approximately \$9,100 over the nine months of the non-Federal campaign, an average of

⁹ The disclosure statement for California requires that a code be placed by each disbursement, so as to indicate the purpose of that disbursement. In tallying up amounts paid to Mr. D'Ascoli, Complainant not only added those amounts coded "G" and "P", which apply to general operations and overhead, and professional management and consulting services, respectively, and which would appear to represent payment to D'Ascoli for services performed, but also added those amounts coded "F" and "I", which relate to fundraising events and literature, respectively, and which would appear to be reimbursements of costs advanced by Mr. D'Ascoli.

¹⁰ The April Quarterly Report also shows a payment to The Primacy Group of \$1,000.

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\$1,011 per month. D'Ascoli charged \$6,800 for the six months of the Federal campaign, an average of \$1,133 per month. Likewise, The Primacy Group was paid approximately \$15,300 over the nine months of the non-Federal campaign, an average of \$1,700 per month, while it charged approximately \$27,000 for the six months of the Federal campaign, an average of \$4,500 per month. Accordingly, Mr. D'Ascoli and The Primacy Group both apparently worked for the Federal campaign at greater cost than they did for the non-Federal campaign, thus completely undermining this aspect of Complainant's allegations. Consequently, it does not appear that there is reason to believe the non-Federal campaign subsidized the federal campaign in this instance.

The final allegation centers around Complainant's statement that, on September 20, 1995, the day after Mr. Vargas' re-election to the San Diego City Council, flyers touting Vargas' Federal candidacy appeared in the district. The flyer in question, a copy of which is attached to the complaint, states that it was paid for by "Vargas for Congress '96, Deanna Liebergot, Treasurer." Complainant further states that, on that same day, "several full-time staff members began to work in a congressional campaign office," citing the San Diego Business Journal article cited above. Complainant alleges that the Vargas city council re-election campaign paid for the flyers, thus resulting in a transfer of funds from a non-Federal committee to a Federal committee. Complainant further alleges that this expenditure was over \$5,000, resulting in Mr. Vargas attaining candidate status by September 20, 1995, and that accordingly, his Statement of Candidacy filed on October 13, 1995 was untimely filed.

Although this specific allegation was not directly addressed by Respondents, Respondents have stressed repeatedly that no money from the city council re-election campaign

was spent in the Federal race. Moreover, despite Complainant's contention, this Office can discern no expense reported on Mr. Vargas' city council re-election campaign reports which might relate to the brochure at issue. In contrast, the Vargas Committee's 1996 January Year-End Report, does show disbursements to PG Printing & Graphics for "Printing" in amounts totaling \$2,764 in early October 1995, which more than likely relate to the brochure at issue.

However, although the Vargas Committee reports that it disbursed funds for the brochures in early October 1995, Complainant has alleged that these brochures were being distributed as early as September 20, 1995. If Complainant is correct in his observation, then the Vargas Committee should have reported the disbursement for the brochures as being made as of the date it obtained them, not the date the invoice was paid. Cf. FEED v. American Federation of State, County and Municipal Employees - P.E.O.P.L.E. Qualified, et al., CA No. 88-3208 (RCL) (D.D.C. 1990) (where the court determined that a political committee which made an in-kind contribution to a candidate's committee was required to report the cost of that contribution at the time the phone banks were in operation, rejecting the political committee's argument that the disbursement occurred when it paid for the services.) Accordingly, this Office recommends that the Commission find reason to believe that Vargas for Congress '96 and Deanna Liebergot, as treasurer, violated 2 U.S.C. § 434(a)(1) and 11 C.F.R. § 104.14(d) by failing to accurately report the date of the disbursement associated with the brochures.

Mr. Vargas' Statement of Candidacy was filed with the Clerk of the House of Representatives on October 13, 1995, and was dated October 9, 1995. Given that, for Vargas to be in compliance, he could have become a candidate no earlier than September 28, 1995. The Vargas Committee's first report, the 1996 January Year-End Report, shows that the only

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disbursement by the Vargas Committee prior to this date was for \$200 on September 25, 1995, to San Diego Gas & Electric. Even factoring in the amount apparently spent on the brochures, Mr. Vargas would not have exceeded the threshold for candidate status due to the amount of its expenditures by September 28, 1995. Additionally, by September 29, 1995, the Vargas Committee had only received \$3,500 in contributions. Thus, it appears, that the Vargas Committee neither accepted contributions nor made expenditures in excess of \$5,000 prior to September 28, 1995, and that, therefore, Mr. Vargas' Statement of Candidacy was timely filed.

2. Allegations in MUR 4327

a. loan from Bank of Commerce

The following summary of the circumstances surrounding the making of the loan is taken from the more complete explanation submitted by the Bank of Commerce, and described *supra* at 11-12. It appears that Mr. Vargas approached the Bank on February 8, 1996 to obtain a loan for \$25,000. According to the information received to date, he informed bank personnel at that time that the loan was to assist in his congressional campaign bid. Vargas filled out the Bank's standard loan documents, and a customary review of the loan documents, including Mr. and Mrs. Vargas' financial statement, was conducted. In conjunction with this, the Bank ran a credit check. The Bank's submission further states that a senior vice president with extensive experience in extending unsecured personal lines of credit evaluated nine criteria in relation to the Vargases and his analysis indicated that a signed promissory note was a sufficient assurance

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that the loan would be repaid.¹¹ The Bank approved a loan to Mr. and Mrs. Vargas in the principal amount of \$15,000 at an initial rate of 10.25% on a revolving line of credit.

Based on allegations in the complaint, a question arises as to whether the loan was made in the ordinary course of business, specifically, whether it was made on a basis which assures repayment.¹² Because the loan in the instant matter is unsecured, the only way Mr. Vargas can establish this proposition is through the "totality of the circumstances" provision at 11 C.F.R. § 100.7(b)(11)(ii). Generally, section 100.7(b)(11)(ii) "leaves open the possibility that other approaches, such as loans guaranteed in whole or in part by the borrower's signature, which are not specified in the rules, will also be found" to assure repayment. Explanation and Justification, Regulations on Loans from Lending Institutions to Candidates and Political Committees, 56 Fed. Reg. 67118, 67119 (December 27, 1991).

In Advisory Opinion 1994-26, a candidate sought permission to use revolving lines of credit he had held for several years prior to his candidacy. The lines of credit were unsecured signature loans based on the candidate's credit, owned wholly by the candidate and for which no other person was jointly or severally liable on any portion of the accounts. In determining that the totality of the circumstances indicated that use of the lines of credit for the campaign would meet the assurance of repayment requirement, the Commission noted that the lines of credit did

¹¹ The following factors were considered before approving the loan: 1) annual income of both applicants; 2) annual debt service; 3) debt ratio; 4) net worth; 5) TRW national risk score; 6) the Bank's internal loan score; 7) homeowner status; 8) good character; and 9) size of the unsecured loan.

¹² The loan is evidenced by a written instrument and is subject to a due date. Moreover, the bank states that, with regard to the 10.25% interest rate, "[t]he customary rate for personal lines of credit will vary, but the range is generally New York prime rate, plus 1% to 4%. In accordance with the Bank's customary practice, the Loan was made to Mr. and Mrs. Vargas at New York prime rate, plus 2%, within this range." The interest rate is a variable one.

not "appear to have been obtained . . . for the purpose of influencing any candidacy or other political purpose." The Commission also took into consideration the fact that the lines had been issued years prior to the candidacy, evidencing a long-standing relationship between the lending institutions and the candidate. The Commission ultimately concluded that the candidate could draw on these lines of credit for his campaign without the draws being considered to be contributions by the bank.¹³

The application of such factors in the instant matter weighs against the loan being considered to have been made on a basis which assures repayment. First, Mr. Vargas has admitted that the unsecured line of credit was obtained specifically to aid in his federal campaign. Second, the loan was obtained with the signature of Vargas' wife; the account was not wholly-owned by the candidate. Finally, there is no evidence that Mr. Vargas had any prior relationship with the bank. Indeed, the Vargas Committee's campaign depository was maintained at another bank.¹⁴

Certain facts, surrounding the actual making of the loan, however, may suggest that the loan was made on a basis which assures repayment. First, there is the fact that, while both Mr. Vargas and the Bank state that Mr. Vargas approached the Bank for a \$25,000 loan, he only obtained a \$15,000 loan, suggesting that the Bank only authorized an amount it felt assured would be repaid. Next, there is the fact that approximately one month passed from the time

¹³ The Commission declined to approve the use of one of the lines of credit because it did not appear to have been obtained from a qualified depository institution.

¹⁴ A letter from the Bank's counsel to the California State Banking Department reveals that other questions have been raised about the propriety of the loan. That letter, which was attached to Juan Vargas' response to the complaint, notes that "it is unjust [for the State Banking Department] to question the motives of the Bank's President . . . in relation to the Loan. [The President] had no involvement whatsoever in the Loan's approval. Further, [the President's] tireless efforts on behalf of the Center City Development Corporation has greatly enhanced the City of San Diego's redevelopment."

Mr. Vargas first approached the Bank to request the loan until the promissory note was issued, suggesting the possibility that the Bank carefully evaluated the application. The Bank has represented that a senior vice president with extensive experience in extending unsecured lines of credit evaluated nine criteria in determining whether the signed promissory note alone was sufficient assurance of repayment. Indeed, it appears to this Office that an evaluation of these nine factors, itemized *supra* at 11, would have provided the Bank with sufficient evidence of whether it could expect that the loan would be repaid. The loan was in fact repaid on May 29, 1996.

For the "totality of the circumstances" to demonstrate that repayment is assured, Respondents must produce enough information for the Commission to be able to exercise its own judgment as to the propriety of the loan. The Commission may then determine whether the lending institution properly considered the information in deciding to approve the loan.

Here, Respondents have not met their burden, in that they have failed to provide the Commission with enough information with which to evaluate the Bank's decision. Accordingly, the Office recommends that the Commission find reason to believe that the Bank of Commerce violated 2 U.S.C. § 441b with respect to the making of this loan, and that Vargas for Congress '96 and Deanna Liebergot, as treasurer, violated 2 U.S.C. § 441b by accepting the proceeds of this loan. Because of his involvement in obtaining the loan for the Vargas

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Committee, this Office further recommends that the Commission find reason to believe that Juan C. Vargas violated 2 U.S.C. § 441b.

Where a loan is concerned, each endorser is deemed to have contributed that portion of the total amount for which he or she agreed to be liable in a written agreement. See 11 C.F.R. § 100.7(a)(1)(i)(C). In the event that the loan agreement does not stipulate the portion of the loan for which each endorser or guarantor is liable, the loan shall be considered a loan by each endorser or guarantor in the same proportion to the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors. *Id.* The spouse of a candidate is not considered a contributor to the candidate's campaign if the candidate obtains a loan on which the spouse's signature is required, jointly owned assets are used as collateral or security for the loan, and the value of the candidate's share of the collateral equals or exceeds the amount of the loan. See 11 C.F.R. § 100.7(a)(1)(i)(D). Where, as here, the spouse of the candidate is a signatory on an unsecured loan, she is treated as any other endorser.

The promissory note in this matter states that "[t]he obligations under this Note are joint and several," meaning that each borrower is liable for the full amount borrowed. The campaign deposited the full amount of the line of credit, \$15,000, into its account on March 6, 1996. Up until the 1996 July Quarterly Report, Adrienne Vargas had not made any contribution to the Vargas Committee. Consequently, she could contribute up to \$1,000 before she exceeded the limitations at Section 441a(a)(1)(A). Moreover, because Mrs. Vargas was one of two people responsible for paying off the loan, the amount of her contribution is one-half of the draw on the line of credit.

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Accordingly, this Office recommends that the Commission find reason to believe that Adrienne Vargas violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution in the amount of \$6,500 to Vargas for Congress '96, and that Vargas for Congress '96 and Deanna Liebergot, as treasurer, violated 2 U.S.C. § 441a(f) by accepting this contribution.

b. other loans

Complainant further alleges that two \$5,000 loans reported as being made by the candidate probably came from the same bank loan, arguing that "[g]iven the limited assets and incomes shown on Mr. Vargas' Financial Disclosure Statements, it is probable that this \$10,000 comes from the same [Bank of Commerce loan]."

The information in hand does not support Complainant's contention. The full amount of the line of credit had been deposited into the Vargas Committee's accounts, and no payments were made on that loan prior to the election. Accordingly, Mr. Vargas could not access that line of credit for more funds. Additionally, while Complainant claims that information on a financial disclosure statement for Mr. Vargas would suggest that Mr. Vargas could not afford to make these loans from personal funds, Complainant has not provided a copy of that statement. Mr. Vargas has stated simply that "[t]here are no such illegal loans."

This Office has obtained a copy of the Financial Disclosure Statement filed by Mr. Vargas with the U.S. House of Representatives on November 2, 1995. Attachment 1. That form shows that Mr. Vargas had total earnings in 1995, up to the time of the filing of the report, of \$53,000. The form further shows that Mr. Vargas apparently has two retirement plans worth between \$1,001 and \$15,000 each.¹⁵ The form did not require reporting of personal savings of

¹⁵ Three retirement plans are reported. One apparently belongs to Mr. Vargas' wife.

\$5,000 or less, and no personal savings is reported. The form also indicates debt in the form of two student loans, valued at between \$15,001 and \$50,000 each.¹⁶ The form did not require the reporting of home mortgages or car loans.

Not only is the information on the Financial Disclosure Form too abstract to draw a conclusion as to whether Mr. Vargas was able to make the loans in question, but it was filed approximately four months before the loans were made, and thus does not present a contemporaneous picture of Mr. Vargas' financial situation.¹⁷ Absent more information, this Office cannot recommend that the Commission find reason to believe that violations occurred with respect to these two loans.

c. failure to report contributions

There does not appear to be any basis to support Complainant's next allegation, that the Vargas Committee failed to report all of the contributions it received. Complainant makes this conclusion by looking at the amount spent by the campaign on television advertising, as evidenced by invoices from local television stations for the period commencing March 11, 1996, \$100,885, and argues that because the Vargas Committee's 1996 12-Day Pre-Primary Report showed only \$56,000 in cash-on-hand, and because the Vargas Committee reported only \$18,000 in contributions in its 48-Hour Notices, the Vargas Committee "would have to have raised \$26,000 . . . in a matter of days."

This Office has no evidence to suggest that Mr. Vargas is incorrect in his assertion that "Vargas for Congress '96 has . . . reported all sums raised and expended." As required, the

¹⁶ It is not clear if one of these loans belongs to Mr. Vargas' wife.

¹⁷ The loans were received by the Vargas Committee on March 11 and 12, 1996

Vargas Committee's 12-Day Pre-Primary Report was complete as of the 20th day before the election, March 6, 1996. See 2 U.S.C. § 434(a)(4)(A)(ii). That left almost three weeks before the election, held on March 26, 1996, not "a matter of days", for the Vargas Committee to obtain sufficient funds to pay for the advertising. Complainant acknowledges that the \$18,000 reported on 48-Hour Notices brought the amount needed by the Vargas Committee down to \$26,000. In fact, the Vargas Committee's 1996 April Quarterly Report shows that, between the date of completion of the Pre-Primary Report and 48 hours prior to the election, it raised over \$60,000. Therefore, there is no reason to believe that the Vargas Committee violated the Act with respect to this allegation.

III. PROPOSED RESOLUTION OF MATTER

This report contains recommendations for reason to believe findings against the Vargas Committee for failing to properly report the date of certain disbursements, for accepting a corporate contribution in the form of an improper bank loan, and for accepting an excessive contribution from the spouse of the candidate in the form of a loan guarantee. The report also contains one recommendation against the candidate, Juan Vargas, for accepting the improper bank loan on behalf of the Committee, one recommendation against the candidate's spouse for making an excessive contribution due to her loan guarantee, and one recommendation against the Bank of Commerce for making the improper loan. With regard to all of the other allegations made by Complainant, the report recommends that the Commission find no reason to believe that violations have occurred.

Other than the recommendation regarding the failure to properly report the date of the expenditures associated with the brochure, all of the other for reason to believe findings in this

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matter surround the loan obtained from the Bank of Commerce. As noted above, that loan was repaid on May 29, 1996, more than one month before its due date. Additionally, Mr. Vargas was the losing candidate in the primary election, and the Vargas Committee's latest report, the 1996 July Quarterly Report, showed that it had \$361 in cash-on-hand, and over \$73,000 in debts and obligations, as of June 30, 1996. Thus, while it does appear that violations may have occurred, it further appears that Commission resources would be put to better use in pursuing other matters. Given these factors, this Office recommends that the Commission take no further action against Juan C. Vargas, Adrienne Vargas, Commerce Bank, and Vargas for Congress '96 and Deanna Liebergot, as treasurer, and that it close the file in this matter. In notifying Respondents of the Commission's decisions, this Office will include admonishment language regarding the Act's requirements.

IV. RECOMMENDATIONS

1. Find no reason to believe that Richard D'Ascoli violated the Act.
2. Find no reason to believe that Ralph Inzunza violated the Act.
3. Find no reason to believe that The Primacy Group violated the Act.
4. Find no reason to believe that Juan C. Vargas violated the Act with respect to the allegations in MUR 4311.
5. Find reason to believe that Vargas for Congress '96 and Deanna Liebergot, as treasurer, violated 2 U.S.C. § 434(a)(1) and 11 C.F.R. § 104.14(d) with respect to the allegations in MUR 4311.
6. Find no reason to believe that Vargas for Congress '96 and Deanna Liebergot, as treasurer, committed any other violation with respect to the allegations in MUR 4311.
7. Find reason to believe that the Bank of Commerce, Juan C. Vargas, and Vargas for Congress '96 and Deanna Liebergot, as treasurer, each violated 2 U.S.C. § 441b with respect to the allegations in MUR 4327.

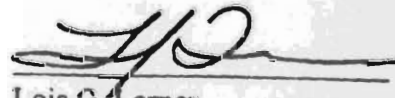
8. Find reason to believe that Adrienne D. Vargas violated 2 U.S.C. § 441a(a)(1)(A) with respect to the allegations in MUR 4327.
9. Find reason to believe that Vargas for Congress '96 and Deanna Liebergot, as treasurer, violated 2 U.S.C. § 441a(f) with respect to the allegations in MUR 4327.
10. Find no reason to believe that Vargas for Congress '96 and Deanna Liebergot, as treasurer, committed any other violation with respect to the allegations in MUR 4327.
11. Take no further action against Juan C. Vargas and Vargas for Congress '96 and Deanna Liebergot, as treasurer, regarding the violations in connection with MUR 4311.
12. Take no further action against the Bank of Commerce, Juan C. Vargas, Adrienne D. Vargas, and Vargas for Congress '96 and Deanna Liebergot, as treasurer, regarding the violations in connection with MUR 4327.
13. Approve the appropriate letters.
14. Close the files.

Lawrence M. Noble
General Counsel

Date

10-3-96

BY:


Lois G. Lerner
Associate General Counsel

Attachment:

1. Financial Disclosure Form

96043770715



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/MARY W. DOVE
COMMISSION SECRETARY *MWD*

DATE: OCTOBER 7, 1996

SUBJECT: MURS 4311/4327 - ERRATA. MEMORANDUM TO THE COMMISSION
DATED OCTOBER 2, 1996..

The above-captioned document was circulated to the
Commission on Wednesday, October 2, 1996 at 4:00 p.m.

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

Commissioner Aikens	<u>XXX</u>	(FOR THE RECORD)
Commissioner Elliott	<u> </u>	
Commissioner McDonald	<u> </u>	
Commissioner McGarry	<u> </u>	
Commissioner Potter	<u> </u>	
Commissioner Thomas	<u> </u>	

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/MARY W. DOVE *MWD*
SECRETARY OF THE COMMISSION

DATE: OCTOBER 15, 1996

SUBJECT: MURs 4311/4327 - ERRATA. MEMORANDUM TO THE
COMMISSION DATED OCTOBER 2, 1996

The above-captioned matter was circulated
to the Commission on a ⁷²~~48~~- hour vote basis on October 2, 1996.

The matter has been placed on the agenda
for TUESDAY, OCTOBER 22, 1996 due to the lack
of four affirmative votes at the time of the deadline.

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

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 4311
Juan C. Vargas;)
Vargas for Congress '96 and)
Deanna Liebergot, as treasurer;)
Richard D'Ascoli;)
Ralph Inzunza;)
The Primacy Group;)
)
) AND
) MUR 4327
Juan C. Vargas;)
Adrienne D. Vargas;)
Vargas for Congress '96 and)
Deanna Liebergot, as treasurer;)
Bank of Commerce)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on October 22, 1996, do hereby certify that the Commission took the following actions with respect to MURS 4311 and 4327:

1. Decided by a vote of 4-0 to
 - a) Find no reason to believe that Richard D'Ascoli violated the Act.
 - b) Find no reason to believe that Ralph Inzunza violated the Act.
 - c) Find no reason to believe that The Primacy Group violated the Act.
 - d) Find no reason to believe that Juan C. Vargas violated the Act with respect to the allegations in MUR 4311.

(continued)

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- e) Find reason to believe that Vargas for Congress '96 and Deanna Liebergot, as treasurer, violated 2 U.S.C. § 434(a)(1) and 11 C.F.R. § 104.14(d) with respect to the allegations in MUR 4311.
 - f) Find no reason to believe that Vargas for Congress '96 and Deanna Liebergot, as treasurer, committed any other violations with respect to the allegations in MUR 4311.
 - g) Find reason to believe that Adrienne D. Vargas violated 2 U.S.C. § 441a(a)(1)(A) with respect to the allegations in MUR 4327.
 - h) Find reason to believe that Vargas for Congress '96 and Deanna Liebergot, as treasurer, violated 2 U.S.C. § 441a(f) with respect to the allegations in MUR 4327.
 - i) Find no reason to believe that Vargas for Congress '96 and Deanna Liebergot, as treasurer, committed any other violation with respect to the allegations in MUR 4327.

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

(continued)

2. Failed in a vote of 2-2 to pass a motion to

- a) Find reason to believe that the Bank of Commerce, Juan C. Vargas, and Vargas for Congress '96 and Deanna Liebergot, as treasurer, each violated 2 U.S.C. § 441b with respect to the allegations in MUR 4327.
- b) Take no further action against the Bank of Commerce, Juan C. Vargas, Adrienne D. Vargas, and Vargas for Congress '96 and Deanna Liebergot, as treasurer, regarding the violations in connection with MUR 4327.

Commissioners McDonald and Thomas voted affirmatively for the motion. Commissioners Aikens and Elliott dissented. Commissioner McGarry was not present.

3. Decided by a vote of 4-0 to

- a) Take no further action against Adrienne D. Vargas and Vargas for Congress '96 and Deanna Liebergot, as treasurer in connection with MUR 4327.
- b) Send appropriate letters.
- c) Close the file.

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

(continued)

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4. Decided by a vote of 4-0 to rescind all of the previous actions just taken in this meeting on MURS 4311 and 4327.

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

5. Decided by a vote of 4-0 to

- a) Find no reason to believe that Richard D'Ascoli violated the Act.
- b) Find no reason to believe that Ralph Inzunza violated the Act.
- c) Find no reason to believe that The Primacy Group violated the Act.
- d) Find no reason to believe that Juan C. Vargas violated the Act with respect to allegations in MUR 4311.
- e) Find reason to believe that Vargas for Congress '96 and Deanna Liebergot, as treasurer, violated 2 U.S.C. § 434(a)(1) and 11 C.F.R. § 104.14(d) with respect to the allegations in MUR 4311.
- f) Find no reason to believe that Vargas for Congress '96 and Deanna Liebergot, as treasurer, committed any other violation with respect to the allegations in MUR 4311.

(continued)

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- g) Find reason to believe that Adrienne D. Vargas violated 2 U.S.C. 441a(a)(1)(A) with respect to the allegations in MUR 4327.
- h) Find reason to believe that Vargas for Congress '96 and Deanna Liebergot, as treasurer, violated 2 U.S.C. § 441a(f) with respect to the allegations in MUR 4327.
- i) Find no reason to believe that Vargas for Congress '96 and Deanna Liebergot, as treasurer, committed any other violation with respect to the allegations in MUR 4327.

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

6. Failed in a vote of 2-2 to pass a motion to find reason to believe that the Bank of Commerce, Juan C. Vargas, and Vargas for Congress '96 and Deanna Liebergot, as treasurer, each violated 2 U.S.C. § 441b with respect to the allegations in MUR 4327.

Commissioners McDonald and Thomas voted affirmatively for the motion. Commissioners Aikens and Elliott dissented. Commissioner McGarry was not present.

(continued)

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7. Decided by a vote of 4-0 to

- a) Take no further action against Juan C. Vargas and Vargas for Congress '96 and Deanna Liebergot, as treasurer, regarding the violations in connection with MUR 4311.
- b) Take no further action against Adrienne D. Vargas, and Vargas for Congress '96 and Deanna Liebergot, as treasurer, regarding the violations in connection with MUR 4327.
- c) Approve appropriate letters.
- d) Close the files.

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

Attest:

10-24-96
Date

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

96043770723



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

November 8, 1996

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

The Honorable Bob Filner
Bob Filner for Congress
P.O. Box 127868
San Diego, CA 92112

RE: MURs 4311 and 4327
Juan C. Vargas
Vargas for Congress '96 and Deanna
Liebergot, as treasurer
Richard D'Ascoli
Ralph Inzunza
The Primacy Group
Adrienne D. Vargas
Bank of Commerce

Dear Congressman Filner:

On October 22, 1996, the Federal Election Commission reviewed the allegations of your complaint and two amendments in MUR 4311 dated October 20, 1995, October 23, 1995 and February 20, 1996, respectively. The Commission found that on the basis of the information provided in your complaint and amendments, and information provided by the Respondents, there is no reason to believe Juan C. Vargas, Richard D'Ascoli, Ralph Inzunza, or The Primacy Group, violated the Federal Election Campaign Act of 1971, as amended ("the Act"). The Commission did find that there was reason to believe Vargas for Congress '96 and Deanna Liebergot, as treasurer, violated 2 U.S.C. § 434(a)(1), a provision of the Act, and 11 C.F.R. § 104.14(d), a provision of the Commission's regulations.

Also on October 22, 1996, the Commission reviewed the allegations of your complaint in MUR 4327 dated March 20, 1996. The Commission found that on the basis of the information provided in your complaint, and information provided by the Respondents, there was reason to believe Vargas for Congress '96 and Deanna Liebergot, as treasurer, violated 2 U.S.C. § 441a(f), and Adrienne D. Vargas violated 2 U.S.C. § 441a(a)(1)(A). The Commission was equally

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divided on whether to find reason to believe Juan C. Vargas, Vargas for Congress '96 and Deanna Liebergot, as treasurer, and Bank of Commerce, each violated 2 U.S.C. § 441b.

Finally, after considering the circumstances of these matters, the Commission, on October 22, 1996, determined to take no further action against Adrienne D. Vargas and Vargas for Congress '96 and Deanna Liebergot, as treasurer, and closed the files in these matters. These matters will become part of the public record within 30 days. . A Statement of Reasons providing a basis for the Commission's decision in MUR 4327 regarding Juan C. Vargas, Vargas for Congress '96 and Deanna Liebergot, as treasurer, and Bank of Commerce, will follow. The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of these actions. See 2 U.S.C. § 437g(a)(8).

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

Sincerely,

Lawrence M. Noble
General Counsel

BY:


Lois G. Lerner
Associate General Counsel

Enclosure
General Counsel's Report
Certification

96043770725



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1996

Councilman Juan Carlos Vargas
1171 24th Street
San Diego, CA 92102

RE: MURs 4311 and 4327

Dear Mr. Vargas:

On February 28 and March 27, 1996, the Federal Election Commission notified you of complaints alleging that you had violated certain sections of the Federal Election Campaign Act of 1971, as amended.

On October 22, 1996, the Commission considered the complaints. Regarding the complaint in MUR 4311, the Commission found no reason to believe you violated the Act. Regarding the complaint in MUR 4327, the Commission was equally divided on whether to find reason to believe you violated 2 U.S.C. § 441b. Accordingly, the Commission closed its file in this matter. A Statement of Reasons providing a basis for the Commission's decision will follow.

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

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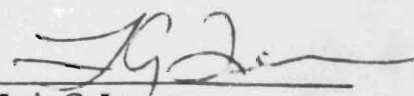
as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

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

Sincerely,

Lawrence M. Noble
General Counsel

BY:


Lois G. Lerner
Associate General Counsel

Enclosure
General Counsel's Report

96043770727



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1996

Deanna Liebergot, Treasurer
Vargas for Congress '96
3609 Fourth Avenue
San Diego, CA 92103

RE: MURs 4311 and 4327

Dear Ms. Liebergot:

On February 28 and March 27, 1996, the Federal Election Commission notified you of complaints alleging that Vargas for Congress '96 ("the Committee") and you, as treasurer, had violated certain sections of the Federal Election Campaign Act of 1971, as amended.

On October 22, 1996, the Commission considered the complaints. Regarding the complaint in MUR 4311, the Commission found reason to believe the Committee and you, as treasurer, violated 2 U.S.C. § 434(a)(1) and 11 C.F.R. § 104.14(d). The Commission found no reason to believe the Committee and you, as treasurer, committed any other violation with respect to the allegations in MUR 4311. Regarding the complaint in MUR 4327, the Commission found reason to believe the Committee and you, as treasurer, violated 2 U.S.C. § 441a(f). The Commission was equally divided on whether to find reason to believe the Committee and you, as treasurer, violated 2 U.S.C. § 441b. Finally, the Commission found no reason to believe the Committee and you, as treasurer, committed any other violation with respect to the allegations in MUR 4327.

After considering the circumstances of these matters, the Commission also determined to take no further action and closed its files. The Commission reminds you that when a candidate obtains a loan on which the spouse's signature is required, and that loan is unsecured, then the spouse's signature results in a contribution equal to half the value of the loan. Such a contribution is subject to the limitations of 2 U.S.C. § 441a(a)(1)(A). The Commission further reminds you that a disbursement for an expenditure should be reported as having been made when the expenditure is made, or the benefit is actually conferred, whichever comes first. You should take steps to ensure compliance with these requirements in the future.

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

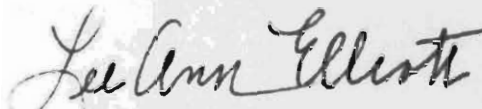
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Deanna Liebergot, Treasurer
MURs 4311 and 4327
Page 2

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 Tony Buckley, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,



Lee Ann Elliott
Chairman

Enclosure
General Counsel's Report

96043770729



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1996

Larry Remer, President
The Primacy Group
3609 Fourth Avenue
San Diego, CA 921023

RE: MUR 4311

Dear Mr. Remer:

On February 28, 1996, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On October 22, 1996, the Commission found, on the basis of the information in the complaint, and information provided by you and other Respondents, that there is no reason to believe The Primacy Group violated the Act. Accordingly, the Commission closed its file in this matter.

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.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
GC Report

96043770730



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1996

Richard D'Ascoli
1171 24th Street
San Diego, CA 92102

RE: MUR 4311

Dear Mr. D'Ascoli:

On February 28, 1996, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On October 22, 1996, the Commission found, on the basis of the information in the complaint, and information provided by you and other Respondents, that there is no reason to believe you violated the Act. Accordingly, the Commission closed its file in this matter.

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.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in dark ink, appearing to read "L. G. Lerner".

BY: Lois G. Lerner
Associate General Counsel

Enclosure
GC Report

96043770731



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1996

Ralph Inzunza
Vargas for Congress '96
3609 Fourth Avenue
San Diego, CA 92103

RE: MUR 4311

Dear Mr. Inzunza:

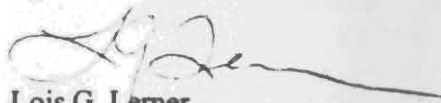
On February 28, 1996, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On October 22, 1996, the Commission found, on the basis of the information in the complaint, and information provided by you and other Respondents, that there is no reason to believe you violated the Act. Accordingly, the Commission closed its file in this matter.

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.

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

Enclosure
GC Report

96043770732



FEDERAL ELECTION COMMISSION

WASHINGTON, D C 20463

THIS IS THE END OF MUR # 4311

DATE FILMED 12-4-96 CAMERA NO. 4

CAMERAMAN JMH

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