



FEDERAL ELECTION COMMISSION

WASHINGTON D C 20463

THIS IS THE BEGINNING OF MUR # 4443

DATE FILMED 2/18/98 CAMERA NO. 2

CAMERAMAN EES

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RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

AUG 22 1 12 PM '96

August 19, 1996

Lawrence M. Noble, Esquire  
General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

MUR 4443

Re: Complaint Against Citizens for Kevin Quigley for Congress  
MUR (to be assigned)

Dear Mr. Noble:

Please be advised that I am requesting an investigation by the Federal Election Commission of contributions received by the federal campaign committee of Kevin Quigley (hereinafter "Quigley") from certain political action committees not registered with the FEC.

Specifically, I ask that the FEC determine whether the following contributions reported on Quigley's second quarter report filed with the FEC on July 17, 1996, totalling \$4,350 were accepted in violation of federal election law:

Washington Chiropractic Trust  
\$1,000 on 4/17/96

United Psychologists  
\$1,000 on 5/5/96

Fire Services Fund of Washington  
\$500 on 5/9/96

Washington State Dental PAC  
\$650 on 5/15/96

Retail Pharmacy Council PAC  
\$200 on 6/3/96

Osteopathic Political Action Committee of Washington  
\$250 on 6/18/96

Washington School Administrators  
\$500 on 4/29/96

Home Care PAC Account  
\$250 on 5/15/96

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Under federal election law, all political action committees must register with the FEC if it makes any contribution or expenditures to a federal candidate or unaffiliated committee. Within ten days after it is established, the PAC through its treasurer must file FEC Form 1 which requests the same information demanded of all other committees. Changes must be reported to the FEC within ten days by amendment or letter. (2 USC Section 433.) Copies must be filed with the appropriate state officer. (2 USC Section 439.)

Upon information and belief provided by staff of the FEC and the Washington state election officials, no registration with the FEC of the above-mentioned PACs has been filed.

WHEREFORE, Complainant requests that the FEC find Respondent in violation of federal and Commission rules, orders the return of all funds tendered to the Quigley congressional campaign committee by political action committees not duly registered with the FEC, and take all other appropriate action and provide other appropriate relief as a result of the acceptance of campaign contributions from unregistered PACs.

Joseph D. Bowen  
Joseph D. Bowen

I, Joseph D. Bowen, a candidate for Congress in Washington's Second Congressional District, swear under the penalty of perjury that the statements contained herein are true and correct and of my own personal knowledge, except as to those things stated on information and belief, and as to those things I believe them to be true.

Executed this 19th day of August 1996.

Joseph D. Bowen  
Joseph D. Bowen

Subscribed and sworn before me this 19 day of August, 1996.

Gene J. Sullivan

Notary Public in and for the State of  
Washington, residing at 1111 1st Ave N  
My Commission expires 8/20/98

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FEDERAL ELECTION COMMISSION

Washington, DC 20463

August 28, 1996

Joseph D. Bowen  
P.O. Box 2935  
Mount Vernon, WA 98273

RE: MUR 4443

Dear Mr. Bowen:

This letter acknowledges receipt on August 22, 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 4443. 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,

*Colleen T. Sealander my mms*

Colleen T. Sealander, Attorney  
Central Enforcement Docket

Enclosure  
Procedures

8043874927





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

August 28, 1996

Mark Hunt, Treasurer  
Osteopathic Political Action Committee of Washington  
PO Box 16486  
Seattle, WA 98116

RE: MUR 4443

Dear Mr. Hunt:

The Federal Election Commission received a complaint which indicates that the Osteopathic Political Action Committee of Washington 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 4443. 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 Osteopathic Political Action Committee of Washington 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.

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

Sincerely,

A handwritten signature in cursive script that reads "Colleen T. Sealander by mms".

Colleen T. Sealander, Attorney  
Central Enforcement Docket

Enclosures

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

18043874929



**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

August 28, 1996

Donna Fountain, Treasurer  
Washington School Administrators  
307 E. 18th  
Olympia, WA 98501

RE: MUR 4443

Dear Ms. Fountain:

The Federal Election Commission received a complaint which indicates that the Washington School Administrators 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 4443. 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 Washington School Administrators 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.

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

Sincerely,

*Colleen T. Sealander by mab*

Colleen T. Sealander, Attorney  
Central Enforcement Docket

Enclosures

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

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FEDERAL ELECTION COMMISSION

Washington, DC 20463

August 28, 1996

Donna Cameron, Treasurer  
Home Care PAC Account  
PO Box 2016  
Edmonds, WA 98020-0999

RE: MUR 4443

Dear Ms. Cameron:

The Federal Election Commission received a complaint which indicates that the Home Care PAC Account 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 4443. 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 Home Care PAC Account 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.

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

Sincerely,

*Colleen T. Sealander by marz*

Colleen T. Sealander, Attorney  
Central Enforcement Docket

Enclosures

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

18043874953



FEDERAL ELECTION COMMISSION

Washington, DC 20463

August 28, 1996

Christine Wakefield, Treasurer  
Kevin Quigley for Congress  
1029 Springbrook Road  
Lake Stevens, WA 98258

RE: MUR 4443

Dear Ms. Wakefield:

The Federal Election Commission received a complaint which indicates that Kevin Quigley for Congress ("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 4443. 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.

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

Sincerely,

*Colleen T. Sealander* by mag

Colleen T. Sealander, Attorney  
Central Enforcement Docket

Enclosures

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

cc: Kevin W. Quigley

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

August 28, 1996

Joel Vranna, Treasurer  
Washington Chiropractic Trust  
P.O. Box 18588  
Seattle, WA 98185

RE: MUR 4443

Dear Mr. Vranna:

The Federal Election Commission received a complaint which indicates that the Washington Chiropractic Trust 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 4443. 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 Washington Chiropractic Trust 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.

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

Sincerely,

*Colleen T. Sealander by mms*

Colleen T. Sealander, Attorney  
Central Enforcement Docket

Enclosures

1. Complaint
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3. Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

August 28, 1996

Charles Maurer, Treasurer  
United Psychologists  
PO Box 2016  
Edmonds, WA 98020-2016

RE: MUR 4443

Dear Mr. Maurer:

The Federal Election Commission received a complaint which indicates that United Psychologists 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 4443. 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 United Psychologists 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.

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

Sincerely,

*Colleen T. Sealander by mar3*

Colleen T. Sealander, Attorney  
Central Enforcement Docket

Enclosures

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

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FEDERAL ELECTION COMMISSION

Washington, DC 20463

August 28, 1996

J. Pete Spiller, Treasurer  
Fire Services Fund of Washington  
PO Box 1024  
Olympia, WA 98507-1024

RE: MUR 4443

Dear Mr. Spiller:

The Federal Election Commission received a complaint which indicates that Fire Services Fund of Washington 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 4443. 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 Fire Services of Washington 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.

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

Sincerely,

A handwritten signature in cursive script, reading "Coileen T. Sealander by mab".

Coileen T. Sealander, Attorney  
Central Enforcement Docket

Enclosures

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

08043874941



**FEDERAL ELECTION COMMISSION**

Washington, DC 20463

August 28, 1996

Irene Hannaford, Treasurer  
Washington State Dental PAC  
2033 6th Ave., Suite 333  
Seattle, WA 98121

RE: MUR 4443

Dear Ms. Hannaford:

The Federal Election Commission received a complaint which indicates that the Washington State Dental PAC 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 4443. 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 Washington State Dental PAC 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.

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Sincerely,

*Colleen T. Sealander by mab*

Colleen T. Sealander, Attorney  
Central Enforcement Docket

Enclosures

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

20043874943





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

August 28, 1996

Liz Merten, Treasurer  
Retail Pharmacy Council PAC  
PO Box 2227  
Olympia, WA 98507

RE: MUR 4443

Dear Ms. Merten:

The Federal Election Commission received a complaint which indicates that the Retail Pharmacy Council PAC 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 4443. 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 Retail Pharmacy Council PAC 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.

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Sincerely,

*Colleen T. Sealander by mab*

Colleen T. Sealander, Attorney  
Central Enforcement Docket

Enclosures

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

3043874935

## STATEMENT OF DESIGNATION OF COUNSEL

FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERALMUR 4443

SEP 9 12 39 PM '96

NAME OF COUNSEL: JEFFERY J. COXFIRM: IN-HOUSE : WA RETAIL ASSNADDRESS: PO Box 2227OLYMPIA WA 98107-2227TELEPHONE: (360) 943-9198FAX: (360) 943-1032

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

9/9/96  
DateLis Merten  
SignatureRESPONDENT'S NAME: Lis MertenADDRESS: WAASH RETAIL ASSNPO Box 2227OLYMPIA WA 98507-2227

TELEPHONE: HOME

BUSINESS: (360) 943-9198

8043874946

BEFORE THE FEDERAL ELECTION COMMISSION

RE: MUR 4443

DECLARATION OF LIS HOUCHEN  
MERTEN  
TREASURER FOR THE RETAIL  
PHARMACY COUNCIL POLITICAL  
ACTION COMMITTEE

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
SEP 16 12 28 PM '96

Lis Houchen Merten makes the following declaration in accordance with Revised Code of Washington 9A.72.085:


I am currently the Treasurer of the Retail Pharmacy Council Political Action Committee (hereinafter the "PAC") and was Treasurer of said PAC when a \$200 contribution was made to the Kevin Quigley for Congress Committee (hereinafter "Quigley").

On the date of the PAC's contribution to Quigley, the PAC had greater than the amount of its contribution to Quigley in funds that were lawful under federal law (i.e., not from corporations or labor treasury funds).

The contribution to Quigley was the first, and to this date, only contribution ever made to a candidate for federal office from the Retail Pharmacy Council Political Action PAC.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing statement is true and correct.

SIGNED in Olympia, Washington on this 6<sup>th</sup> day of September, 1996.

  
Lis Houchen Merten

08043874947

**Washington  
Retail  
Association**

September 12, 1996

Lawrence M. Noble, Esq.  
General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

Re: MUR 4443

SEP 16 12 28 PM '96

FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Dear Mr. Noble:

My client, the Retail Pharmacy Council Political Action Committee (hereinafter "PAC"), received your offer to reply to a complaint filed by congressional candidate Joseph D. Bowen against Citizens for Kevin Quigley for Congress (hereinafter "Quigley"). Complainant asks the Federal Election Commission (FEC) to determine whether a \$200 contribution from the PAC violates federal election law. There has been no violation of federal election laws by the PAC.

As the enclosed declaration of Lis Houchen Merten (Exhibit A) demonstrates, a \$200 contribution to Quigley was made in the summer of 1996. This is the only contribution by the PAC to a federal candidate. On the date of the contribution, the PAC had greater than the amount of its contribution in funds that were lawful under federal law (i.e., not from corporations or labor treasury funds).

11 C.F.R. sec. 102.5(b)(1)(ii) provides that an organization that does not qualify as a "political committee" under the Federal Election Campaign Act, may make contributions to federal candidates so long as they can "[d]emonstrate through a reasonable accounting method that whenever such organization makes a contribution ... that [it] has received sufficient funds subject to the limitations and prohibitions of the Act." A "political committee" is defined at 11 C.F.R. sec. 100.5(a) as "groups of persons which receive contributions aggregating in excess of \$1,000 or which makes expenditures aggregating in excess of \$1,000 during a calendar year.

I hope the information provided is sufficient to resolve this matter. Please do not hesitate to contact me if you require any additional information.

Sincerely,

  
Jeff Cox  
Legal Counsel  
Washington Retail Association

Enclosed: Declaration of Lis Houchen Merten

618 South Quince, Suite A  
P.O. Box 2227  
Olympia, WA 98507-2227  
360/943-9198  
360/943-1032 FAX



Printed on Recycled Paper

# Home Care Association of Washington

P.O. Box 2016 • Edmonds, WA 98020-2016 • Telephone 206/775-8120 • FAX 206/771-9588

Jeanette Weyrich, President

Donna Cameron, CAE, Executive Director

September 12, 1996

Colleen T. Sealander, Attorney  
Central Enforcement Docket  
Federal Election Commission  
Washington, D.C. 20463

RE: MUR 4443

Dear Ms. Sealander,

I am responding to your letter of August 28, which I received on September 3, 1996, regarding an alleged violation of the Federal Election Campaign Act of 1971 by the Home Care PAC. It references a \$250 donation made to the Kevin Quigley's Congressional campaign. Quigley is a candidate for Congress in the 2nd District in Washington State.

We were advised by the Quigley for Congress Committee that federal law allows non-federally registered groups to make contributions to candidates for federal election provided the contributions by the group do not exceed \$1,000 in a calendar year, and that we can demonstrate that the money was contributed to our PAC in federally permissible funds (individual contributions under \$1,000, no corporate money, no labor treasury funds). Our PAC meets these criteria.

The \$250 donation to the Quigley campaign was the only contribution we made to a federal candidate, and nearly all the money in our PAC was raised via individual personal donations (all well under the \$1000 limit). At the time of the Quigley contribution, our entire PAC funds totaled \$7450--just about our all-time high.

We do not believe we violated the Campaign Act, and certainly hope that our understanding of the law is correct and that you agree that no violation was made.

I will look forward to hearing from you. Please contact me if you have any further questions.

Sincerely,



Donna J. Cameron  
Home Care PAC Treasurer

SEP 16 12 31 PM '96

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

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STATEMENT OF DESIGNATION OF COUNSEL

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIL ROOM

MUR 4443

SEP 18 10 50 AM '96

NAME OF COUNSEL: Mr. Alan Wicks

FIRM: Preston, Gates & Ellis

ADDRESS: 701 5th Ave # 5000  
Seattle WA 98104

SEP 18 11 31 AM '96

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

TELEPHONE: (206) 623-7580

FAX: (206) 623-7022

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

9-10-96  
Date

Irene E. Hannaford  
Signature

RESPONDENT'S NAME: Irene E. Hannaford

ADDRESS: 2033 6th Ave # 333  
Seattle WA 98121

TELEPHONE: HOME( )

BUSINESS (206) 448-1914

18043874950

**UP-PAC**

**UNITED PSYCHOLOGISTS-POLITICAL ACTION COMMITTEE**

**Post Office Box 2016 • Edmonds, WA • 98020-2016 • 206/363-9772**

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

SEP 23 11 31 AM '96

September 16, 1996

Colleen T. Sealander  
Central Enforcement Docket  
Federal Election Commission  
Washington, DC 20463

Reference: MUR 4443

Dear Ms. Sealander:

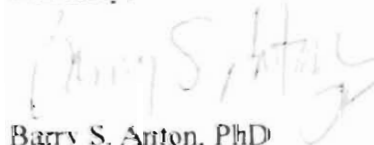
This letter is in response to your letter of August 28 which was received in our office on September 4 alleging a violation of campaign laws by the United Psychologists Political Action Committee. Your letter references a \$1,000 donation to Kevin Quigley's congressional campaign. Mr. Quigley is a candidate in the Second Congressional District of Washington State.

We were advised by the candidate prior to our making the contribution, that federal law permits non-federally registered groups to make contributions to candidates for federal office providing the contributions by the PAC do not exceed \$1,000 in a calendar year and that the group can demonstrate the money was contributed to the PAC in federally-permissible funds (no corporate checks, no labor treasury funds, individual contributions under \$1,000). The UP PAC meets all these criteria.

The \$1,000 to the Quigley Campaign was the only contribution we have made to a federal candidate in 1996 and nearly all of UP PAC's funds represent individual contributions. Our balance at the time the contribution was made was in excess of \$27,000.

After review of the law, we do not believe there was any violation of the Campaign Act of 1971. Please let us know if we can be of any further assistance in your review of the issue.

Sincerely,



Barry S. Anton, PhD  
Chairman

BSA:cp

1 9 5 3 7 4 8 3 4 0 8



# PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS  
607 FOURTEENTH STREET, N.W. WASHINGTON, D.C. 20005-2011  
TELEPHONE: 202 628-6600 FACSIMILE: 202 434-1690

September 20, 1996

SEP 23 11 37 AM '96  
RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Lawrence M. Noble, Esq.  
General Counsel  
Federal Election Commission  
999 E Street, N.W. - Sixth Floor  
Washington, D.C. 20463

Re: MUR 4443

Dear Mr. Noble:

I am writing on behalf of Kevin Quigley for Congress and Christine Wakefield, as Treasurer, in response to the complaint designated MUR 4443. A copy of a statement of designation of counsel is enclosed for your records.

In sum, this complaint was filed by a rival for the Democratic nomination in a desperate attempt to revive his failed campaign. Indeed, it is difficult to respond to the complaint since it makes no specific allegation that the Quigley campaign violated the law. Instead, it simply points out several contributions received by the Quigley campaign and asks the FEC to "determine whether the following contributions were accepted in violation of federal election law." The only legal analysis contained in the complaint is to state that political action committees are required to register with the FEC.

The complaint fails to make any reference to § 102.5(b) of the Commission regulations. That section provides that if an organization does not qualify as a "political committee," it may make contributions to federal candidates so long as it can "[d]emonstrate through a reasonable accounting method that whenever such organization makes a contribution that [it] has received sufficient funds subject to the limitations and prohibitions of the Act. 11 C F R § 102.5(b)(1)(ii).

The accompanying document clearly demonstrates that the Quigley campaign scrupulously complied with these provisions. First, the Quigley campaign made certain -- and indeed the complaint does not contradict -- that each group limited its contribution to \$1,000 or less. Furthermore, as the enclosed sample document

[04005-0001 DA962620.072]

Lawrence M. Noble, Esq.  
September 20, 1996  
Page 2

demonstrates, each organization was required by the Quigley campaign to submit a signed statement confirming that "on the date of [the] contribution to the Kevin Quigley for Congress Committee [the contributing organization] had greater than the amount of [its] contribution to the Kevin Quigley for Congress Committee in funds in its account that were lawful under federal law (i.e., not from corporations, labor treasury funds (other than contributions made pursuant to a voluntary check-off), foreign nationals or government contractors)."

In sum, the Quigley campaign diligently complied with all the requirements of Section 102.5(b). It accepted funds that are lawful under the Act and therefore this specious complaint should be immediately dismissed.

Very truly yours,



Marc E. Elias  
Counsel to Kevin Quigley for Congress  
Committee and Christine Wakefield, as  
Treasurer

MEE:dml

Enclosure

Fire Services Fund of Washington

Olympia, WA 98506

PETE SPILLER

10 May 1996

This is to confirm that on the date of our contribution to the Kevin Quigley for Congress Committee, ~~April 1, 1996~~ May 3, 1996 the Fire Services Fund of Washington had greater than the amount of our contribution to the Kevin Quigley for Congress Committee in funds in its account that were lawful under federal law (i.e., not from corporations, labor treasury funds (other than contributions made pursuant to a voluntary check-off), foreign nationals or government contractors).

Signed:

*Pete Spiller*

Title:

*Treasurer*

Date:

*5/3/96*

FIRE SERVICES FUND OF WASHINGTON

P O BOX 1024

OLYMPIA, WASHINGTON 98507-1024

5092

19-2129C

PAY TO THE  
ORDER OF

*Citizens for Quigley*  
*Five Hundred and no/100*

*May 3* 19 *96*

\$ *500.00*

DOLLARS

**1 SEALED BANK**

U.S. BANK OF AMERICA  
1000 1st Ave NW  
Seattle, WA 98101

*Pete Spiller*

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4441

NAME OF COUNSEL: Marc E. Elias

FIRM: Perkins Cole - Washington, D.C.

ADDRESS: 607 Fourteenth St., N.W.  
Washington, D.C. 20005-2011

TELEPHONE: (202) 578-6600

FAX: (202) 434-1690

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

9/15/96  
D.E.

*[Signature]*  
Signature

RESPONDENT'S NAME: Kevin Quigley for Congress

ADDRESS: 1029 Springbrook Rd.

Lake Stevens, WA 98258

TELEPHONE: HOME

BUSINESS (206) 397-7415

8043874955

Washington Osteopathic Physicians and Surgeons  
Political Action Committee  
PO Box 16486  
Seattle, WA 98116-0486  
(206) 937-5358

September 11, 1996

Colleen T. Selander, Attorney  
Central Enforcement Docket  
Federal Election Commission  
Washington, DC 20463

Re: MUR4443

SEP 23 3 33 PM '96

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Dear Ms. Selander,

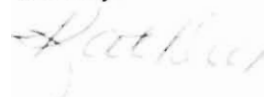
This letter is in response to your letter of August 28, 1996 concerning a complaint filed concerning a contribution of \$250 made by the Osteopathic Political Action Committee of Washington to the Kevin Quigley Campaign.

It is our understanding that federal law allows non-federally registered groups to make contributions to candidates for federal elections so long as the contributions by the group do not exceed \$1,000 in a calendar year, and the organization can demonstrate that it has contributed the amount in federally permissible funds (no corporate money, no labor treasury funds, individual contributions up to \$1,000, etc.).

Specifically, 11 C.F.R. sec. 102(b)(1) provides that an organization that does not qualify as a political committee under the Federal Election Campaign Act, may make contributions to federal candidates so long as they can demonstrate through a reasonable accounting method that whenever such organization makes a contribution that it has received sufficient funds subject to the limitations and prohibitions of the Act. It is our understanding our contributions to federal election campaigns are permissible as long as they do not exceed \$1000 for the year. The \$250 contribution to the Kevin Quigley campaign is our only contribution to a federal campaign this year.

Our financial records are an open book, filed with the Washington State Public Disclosure Commission. I would be happy to provide copies upon request. If an illegal contribution was made, it was done unknowingly. Please advise as to how we should proceed.

Sincerely,



Kathleen S. Itter  
Treasurer

004874936



PRESTON GATES & ELLIS  
ATTORNEYS

September 17, 1996

Colleen T. Sealander, Attorney  
Central Enforcement Docket  
Federal Election Commission  
Washington, D.C. 20463

SEP 23 3 34 PM '96

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Re MUR 4443

Dear Ms. Sealander:

We represent Washington State Dental PAC and Irene Hannaford in response to your letter received September 3, 1996, and as to matters contained therein.

Neither the Washington State Dental PAC nor its treasurer, Irene Hannaford, has made contributions or expenditures requiring it to register as a federal political committee.

2 USC § 431(4) defines political committee as one "which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year ...." For the purpose of this definition, "contributions" and "expenditures" are terms defined as made "for the purpose of influencing any election for Federal office ..." 2 USC § 431 8(A)(i) and 9(A)(i).

The \$650 paid to the Quigley campaign is the only such payment made by Washington State Dental PAC. Being less than \$1,000, it does not transform this state PAC into a political committee for your registration purposes. No other contributions or expenditures in relation to any Federal election will be made by our client.

The minutes of the pertinent meeting of the Washington State Dental PAC Board includes this statement concerning the request of Kevin Quigley:

"The Board approved the request and emphasized the unique nature of the request and that it did not change DentPAC's policy that it does not contribute to congressional races."

PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

September 17, 1996  
Page 2

In making its decision, the Board acted in the specific belief the \$650 amount would not require registration as a Federal political committee. These basic facts are established in the enclosed affidavits of Irene Hannaford and Richard Larsen

Under these circumstances, we contend no action should be taken against Washington State Dental PAC or against its treasurer, Irene Hannaford, for these reasons:

1. The statutory definition of "political committee" does not apply here. Hence, no duty to register arose.
2. No further contributions to Federal campaigns will occur.
3. The purpose of the statutory cutoff amount, to avoid insignificant filings, would be defeated if anything were required to be filed for our client.

Please contact me if you require anything further.

Very truly yours,



Alan Wicks

ALW:ly  
Enclosures  
cc Irene Hannaford  
J:\ALW\25340-84.001\FEC.DOC

18042874933

## Federal Election Commission MUR 4443

SEP 23 3 34 PM '96

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

STATE OF WASHINGTON )  
 ) SS  
COUNTY OF KING )

Irene Hannaford, being first duly sworn, on oath deposes and states as follows

- 1 I have personal knowledge of each matter stated in this Affidavit.
- 2 I am an employee of the Washington State Dental Association. I also serve as  
treasurer to the Washington State Dental PAC. I have held these positions for more than five  
years.

- 3 The Washington State Dental PAC does not generally make any contributions to any campaigns pertaining to federal elections. The only exception which I can recall is the \$650 campaign contribution made to the campaign of Kevin Quigley for Congress. The board of the Washington State Dental PAC decided to make this contribution because it was specifically solicited and would be offset by a refund from the state campaign funds.

- 4 In making this contribution, the board was not changing the status or policies of the Washington State Dental PAC. We do not expect other contributions to be made to campaigns for federal election.

- 5 At the time the board considered the Quigley request, my specific understanding was that the Washington State Dental PAC would not need to register as a federal political committee if its overall contributions to campaigns for federal election did not exceed \$1,000 during any calendar year. If the rule is otherwise, and that had been known to us, we likely would not have honored the request as the costs associated with the filing would be excessively large in relation to this single contribution.

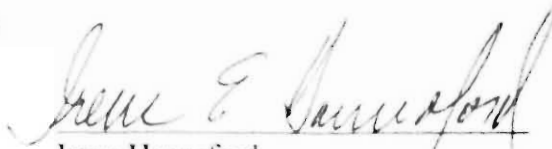
- 6 I confirm that Alan Wicks of Preston Gates & Ellis represents me and also




the Washington State Dental PAC in relation to the Federal Election Commission

correspondence I will provide such additional information as may be requested through him

DATED: September 16, 1996

  
Irene Hannaford

SUBSCRIBED AND SWORN TO before me this 16<sup>th</sup> day of September, 1996

  
Notary Public for State of Washington  
Print Name: ALAN L. Wickes  
My Commission Expires 11-15-97

11A1W25340-84 001 JH DOC

AFFIDAVIT OF RICHARD R. LARSEN

Federal Election Commission MUR 4443

STATE OF WASHINGTON )  
 ) SS  
COUNTY OF KING )

Richard R. Larsen, being first duly sworn, on oath deposes and states as follows:

1. I have personal knowledge the matter stated in this Affidavit

2. I am an employee of the Washington State Dental Association. I also serve in a support role to the Washington State Dental PAC. I have had these positions for more than five years

3. The Washington State Dental PAC is a state political committee only. I do not recall any contributions to federal election campaigns except for the \$650 contribution recently made to the Quigley for Congress campaign.

4. At the time the Quigley request was considered, the board of the Washington State Dental PAC believed this single contribution would not require it to register as a federal political committee. The contribution did not represent any change of policy and, as stated in pertinent part in the minutes of that meeting:

"The Board approved the request and emphasized the unique nature of the request and that it did not change DentPAC's policy that it does not contribute to congressional races."

In fact, DentPAC subsequently received a \$650 refund of an earlier contribution it had made to Senator Quigley's state campaign.

5. At the time it considered this request, the DentPAC board had the specific belief that this single contribution would not require it to register as a federal political committee. That was and continues to be my personal belief. In view of the costs associated with such a filing, and the fact that the policy was not being changed, I am certain that the DentPAC board would not have approved the contribution if it had understood the rules to be otherwise.

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF CENTRAL  
COUNSEL  
SEP 23 3 34 PM '96

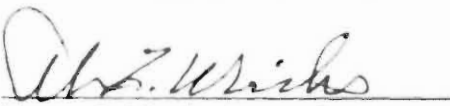
13043874961

6. If you require any further information of me, feel free to request it through Alan Wicks, Preston Gates & Ellis, who is serving as counsel for the Washington State Dental PAC in this matter.

DATED: September 16, 1996

  
Richard R. Larsen

SUBSCRIBED AND SWORN TO before me this 16<sup>th</sup> day of September, 1996.

  
Notary Public for State of Washington  
Print Name: ALAN L. WICKS  
My Commission Expires 11-15-97

FILED W25340-84.001 RL DOC

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

OCT 7

2:15 AM  
11:42 AM 1996

Donn B. Fountain  
7046 SE Bayview Dr  
Port Orchard, WA 98367

September 28, 1996

Federal Election Commission  
Colleen T. Sealander, Attorney  
999 E Street NW  
Washington, DC 20463

RE: MUR 4443

I received your complaint letter yesterday, September 27, 1996 involving the Washington School Administrators PAC. I have not been the treasurer for WSAPAC for a number of years. I notified the Washington State Public Disclosure Commission of this a long time ago, but apparently the change never reached you. I have no knowledge of the contribution to Kevin Quigley in the amount of \$500. I am no also longer at the address you sent the letter to in Olympia, hence the delay in responding.

I have sent your letter to Evelyn Johnson who handles financial reporting for the PAC. I do not believe she is the treasurer, but is knowledgeable about the contributions made by the WSAPAC. The address of the Washington School Administrators PAC is PO Box 7395, Olympia, WA 98507.

Sincerely,



Donn B. Fountain

03043874953

10-2-96

TO: FED'L ELECTION COMM  
WASHINGTON, DC

ATTN: COLLEEN T. SEALANDER, ATTORNEY  
CENTRAL ENFORCEMENT DOCKET

RE: MUR 4443  
FIRE SER. FUND OF WA.  
500.00 to Guigley Comm

OCT 7 11:17 AM '96  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

TO WHOM IT MAY CONCERN:

1. ABOVE POLITICAL ACTION COMMITTEE REGISTERED  
WITH STATE OF WA PUBLIC DISCLOSURE COMMISSION;
2. ALL FUNDS COME FROM PERSONAL CONTRIBUTIONS  
OF INDIVIDUALS (MAX \$500; majority \$5-10)
3. NO FUNDS COME FROM CORPORATE DOLLARS NOR  
FROM LABOR TREASURY FUNDS

IT IS MY UNDERSTANDING COMPLAINT FROM  
JOSEPH D. BOKER AGAINST FIRE SER. FUND'S FUNDS  
OF WA IS INVALID

PLEASE ADVISE ANY FURTHER INFORMATION  
REQUIRED

Sincerely, J. Sealander  
J. SEALANDER  
2001 FREEDOM GARDEN  
OLYMPIA WA 98516

WASHINGTON SCHOOL ADMINISTRATORS POLITICAL ACTION COMMITTEE



OCT 8 12 14 PM '96

October 4, 1996

Federal Elections Commission  
Colleen T. Sealander, Attorney  
999 E Street NW  
Washington, D.C. 20463

OCT 8 11 42 AM '96  
OFFICE OF THE  
COMMISSIONER

RE MUR 4443

Our office received your complaint letter yesterday, October 3, 1996 involving the Washington School Administrators Political Action Committee (WSAPAC). The reason for lateness was due to incorrect address information.

WSAPAC had originally contributed to Kevin Quigley's State Campaign on September 19, 1994. Mr. Quigley sent a letter asking if we would be willing to transfer that contribution to his senate campaign. In his letter, Mr. Quigley stated that all WSAPAC needed to do was fill out a form stating that WSAPAC had greater than the amount of our contribution to the Kevin Quigley for Congress Committee in funds in its account that were lawful under federal law (i.e., not from corporations, labor treasure fund, foreign nationals or government contractors). WSAPAC contributed \$500.00 to the Kevin Quigley for Congress Campaign on April 29, 1996. The only federal contribution that WSAPAC has sent is the \$500.00 on April 29, 1996 and Mr. Quigley refunded the original state contribution of \$500.00 on June 14, 1996.

WSAPAC was not aware that contributions of \$500 to a federal campaign needed to be reported. Thus, we have never registered with the Federal Elections Commission. All of the above transactions have been reported to the Washington State Public Disclosure Commission. I have attached copies of all documentation to support the above information.

Please let us know if further information and/or action is necessary in meeting reporting requirements.

Sincerely,

Robert T. Kraig

Robert T. Kraig, Treasurer  
Washington School Administrators Political Action Committee  
P.O. Box 7395  
Olympia, WA 98507

WASHINGTON-  
SCHOOL  
ADMINISTRATORS  
POLITICAL  
ACTION  
COMMITTEE



P O Box 7395  
Olympia, WA 98507

4/29/96

Dear Kevin,

Here is our PAC check for  
\$500 and our signed disclosure.  
Additional contributions must  
be authorized by the PAC Board  
which is scheduled to meet  
the end of June.

Good luck in your campaign -  
we can use your kind of  
leadership in the "other" Washington.  
Barbara

COPY

Board of Directors

PAUL CHAPLIK  
Burlington-Edison SD

MARCIA COSTELLO  
Chewelah SD

ROBERT ELLSPERMAN  
North Kitsap SD

DONN FOUNTAIN  
Federal Way SD

GARY HENDERSON  
Kiona-Benton City SD

PATRICK HOBAN  
Fife SD

MARK JACOBSON  
Brewster SD

JERRY JENKINS  
Solih SD

HOWARD JOHNSON  
Bellevue SD

ROBERT KRAIG  
Onalaska SD

RICHARD MELCHING  
Evergreen SD

BARBARA MERTENS  
Washington Association of  
School Administrators

DOUG NELSON  
Pullman SD

JAMES PARSLEY  
Vancouver SD

WAYNE ROBERTSON  
Lakewood SD

Kevin  
**QUIGLEY**  
for US Congress • 2nd District

PHONE: 1 (206) 943-5777



Barbara Mertens  
Washington School Administrators PAC  
825 5th Avenue  
Olympia, WA 98501

Dear Barbara:

I am running for U.S. Congress in the Second Congressional District and to be successful I will need your support.

Four years ago I took on an incumbent State House member in my State Senate race and garnered 59% of the vote -- despite being dramatically outspent. Now I'm taking on another challenge by running for Congress and again I am confident that my brand of common sense leadership will lead to victory in November.

I have always prided myself on being a legislator who sought out and followed the facts, never shying away from a battle if the fight was in the interest of the citizens of the state of Washington. Over the years this has put us on the same team many times. I would like to ask you to join my team again in my fight for Congress by signing on as an initial \$250 contributor and by allowing me to transfer the \$500.00 which your organization previously contributed to my State Senate re-election fund. The process of transferring funds requires that you issue a new check to the "Quigley for Congress Committee" and that I refund your prior contribution to you.

Because the federal election laws change so frequently I wanted to refresh you on the rules. A state PAC or association like yours, even if it is not federally registered, can contribute an aggregate of up to \$1,000 to federal candidates without being required to register as a federal PAC. The only qualifier to this is that the organization must sign a disclosure letter saying that on the date the contribution was made the organization's account contained funds from sources which are permissible for contributions under federal law at least equal to the amount of the contribution. Individual contributions are permissible but corporate contributions are not. So, for example, a state organization which collected \$65,000 from corporate sources and \$1,000 from individuals could still make up to a \$1,000 contribution to a Congressional candidate. A form of the required disclosure letter is attached.

Please let me know that you are ready, willing and able to write a new check to the Quigley for Congress Committee,

Independent leadership for working families.

Paid for and authorized by Citizens for Kevin Quigley for Congress • Democrat  
1029 Springbrook Road, Lake Stevens, WA 98258 • (206) 397-7415





at least for the amount of your previous contributions to my State Senate re-election committee (i.e., \$500.00) but hopefully for \$250 additional. I will be happy to promptly refund your prior contribution to you to help your organization continue its work in the state.

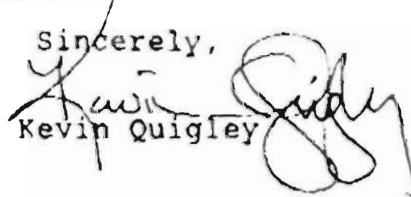
In this hardball national game, viability is largely determined by money in the bank. As you know, early money is essential to success. I'm asking for your help to show the folks in Washington D.C. that we'll be in the winner's circle in November.

Please send me your support as soon as you can (together with a signed copy of the attached letter). Be absolutely assured that as soon as I receive your contribution I will turn around a refund check to you from my State Senate re-election fund.

Thanks for your past and future support.

Sincerely,

Kevin Quigley



8043874968

Washington School Administrators PAC  
c/o Barbara Mertens  
825 5th Avenue  
Olympia, WA 98501

This is to confirm that on the date of our contribution to the Kevin Quigley for Congress Committee, April 29, 1996, the Washington School Administrators PAC had greater than the amount of our contribution to the Kevin Quigley for Congress Committee in funds in its account that were lawful under federal law (i.e., not from corporations, labor treasury funds (other than contributions made pursuant to a voluntary check-off), foreign nationals or government contractors).

Signed: Barbara L. Mertens

Title: WSA PAC Secretary

Date: 4/29/96

18043874969



# SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURE

**C4**

(11/93)

PDC OFFICE USE

MARK  
POST  
RECEIVED

Candidate or Committee Name (Do not abbreviate. Use full name.)

Washington School Administrators Political Action

Committee

Address  
PO Box 7395City  
Olympia WA

Zip + 4

98507

Office Sought (Candidates)

Report From (last C-4)  
Period Covered 8/31/94To (end of period)  
9/30/94Is this your final report? Yes No ☒ X**RECEIPTS**1. Previous total cash and in kind contributions (From line 8, last C-4)  
(If beginning a new campaign or calendar year, see instruction booklet!) \$30,305.31

2. Cash received (From line 2, Schedule A) \$3,084.98

3. In kind contributions received (From line 1, Schedule B)

4. Total Cash and in kind contributions received this period (Line 2 plus 3) \$ 3,084.98

5. Loan principal repayments made (From line 2, Schedule L)

\$ 348.67

6. Corrections (From line 1 or 3, Schedule C) Show + or (-)

☒ Net adjustments this period (Combine line 5 & 6) Show + or (-) \$ + 348.67☒ 8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) \$33,738.96☐ 9. Total pledge payments due (From line 2, Schedule B)**EXPENDITURES**10. Previous total cash and in kind expenditures (From line 17, last C-4)  
(If beginning a new campaign or calendar year, see instruction booklet!) \$ 1,705.94

11. Total cash expenditures (From line 4, Schedule A or line 5, Schedule A-s/l) \$14,373.28

12. In kind expenditures (goods &amp; services) (From line 1, Schedule B)

13. Total cash and in kind expenditures made this period (Line 11 plus line 12) \$14,373.28

14. Loan principal repayments made (From line 2, Schedule L)

15. Corrections (From line 2 or 3, Schedule C) Show + or (-) + 348.67

16. Net adjustments this period (Combine lines 14 &amp; 15) Show + or (-) \$16,079.22

17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16)

**CANDIDATES**

Please complete:

	Won	Lost	Unopposed	Name not on ballot
Primary election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Treasurer's Daytime Telephone No.:

**CASH SUMMARY**18. Cash on hand (Line 8 minus line 17)  
(Line 18 should equal your bank account balance(s) plus your petty cash balance.) \$17,659.74

19. Liabilities (Sum of loans and debts owed) ( ) .00

20. Balance (Surplus or deficit) (Line 18 minus line 19) \$17,659.74

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true to the best of my knowledge.

Candidate's Signature

Date

Treasurer's Signature

Date

**CORRECTIONS****SCHEDULE  
to C4****C**

Candidate or Committee Name (Do not abbreviate. Use full name.)

Date

**1. CONTRIBUTIONS AND RECEIPTS** (Include mathematical corrections.)

Date of report	Contributor's name or description of correction	Amount reported	Corrected amount	Difference (+ or -)
6/30/94	Contribution Total Misprinted	\$1,721.26	\$1,751.26	+ \$ 30.00
11/10/93	11/10 Deposit Not Listed on C4	.00	\$ 318.67	+ \$318.67
Total corrections to contributions Enter on line 6 of C4. Show + or (-).				+ \$348.67

**ENDITURES** (Include mathematical corrections.)

Date of report	Vendor's name or description of correction	Amount reported	Corrected amount	Difference (+ or -)
Total corrections to expenditures Enter on line 15 of C4. Show + or (-).				

**3. REFUNDS FROM VENDORS.** The below listed amounts have been received as refunds on expenditures previously reported. The refund has been deposited and reported on C3 report, Line 1d.

Date of refund	Source / person making refund	Amount of refund
Total refunds Enter as (-) on line 6 & line 15 of C4.		

# CASH RECEIPTS AND EXPENDITURES

Schedule to C4 A

## Washington Association of School Administrators

Cash receipts that have been listed on a C3 and cash expenditure

Date of Revenue	9-8-94	Date of Revenue	9-9-94
Amount of Revenue	\$1,552.17	Amount of Revenue	\$745.06
To/For	Contributions	To/For	Contributions
Date of Revenue	9-12-94	Date of Revenue	9-13-94
Amount of Revenue	\$490.00	Amount of Revenue	\$297.75
To/For	Contributions	To/For	Contributions
TOTAL OF REVENUE.....\$3084.98			

## EXPENDITURES

Donn Fountain 517 16th Ave. SE Olympia WA 98501 9-3-94 \$40.00 Reimbursement	Senator Dan McDonald 4650 92nd NE Bellevue WA 98004 9-19-94 \$500.00 Contribution	Sen. Rosemary McAuliffe PO Box 224 Bothell WA 98041 9-19-94 \$150.00 Contribution
Rep. Marlin Appelwick 2611 NE 125th, Ste. 122 Seattle WA 98125 9-19-94 \$500.00 Contribution	Senator Kevin Quigley 1029 Springbrook Road Lake Stevens WA 98258 9-19-94 \$500.00 Contribution	Senator Sid Snyder PO Box 531 Longbeach WA 98611 9-19-94 \$500.00 Contribution
Senator Adam Smith 27030 47th Ave. S. #104 Kent WA 98032 9-19-94 \$500.00 Contribution	Representative Barry Seklin PO Box 762 Oak Harbor WA 98277 9-19-94 \$300.00 Contribution	Representative Kim Peery PO Box 1015 Camas WA 98607 9-19-94 \$500.00 Contribution
Senator Albert Bauer 13611 NE 20th Ave. Vancouver WA 98686 9-19-94 \$500.00 Contribution	Senator John Moyer PO Box 8436 Spokane WA 99203 9-19-94 \$500.00 Contribution	Rep. Georgette Valle 1434 SW 137th Seattle WA 98166 9-19-94 \$300.00 Contribution

8043874912

Senator Marc Gaspard  
203 5th Avenue NW  
Puyallup WA 98371  
9-19-94  
\$500.00  
Contribution

Representative Jean Silver  
N. 7102 Audubon Drive  
Spokane WA 99208  
9-19-94  
\$500.00  
Contribution

Representative Bill Grant  
111 Meriam  
Walla Walla WA 99362  
9-19-94  
\$500.00  
Contribution

Senator Nita Rinehart  
4519 51st NE  
Seattle WA 98105  
9-19-94  
\$500.00  
Contribution

Senator Curt Ludwig  
425 Columbia Center Blvd.  
Kennewick WA 99336  
9-19-94  
\$500.00  
Contribution

Rep. Kelli Linville  
PO Box 1254  
Bellingham WA 98227  
9-19-94  
\$300.00  
Contribution

Senator Dwight Pelz  
PO Box 22125  
Seattle WA 98122  
9-19-94  
\$500.00  
Contribution

Rep. Brian Ebersole  
7601 A. Street  
Tacoma WA 98408  
9-19-94  
\$500.00  
Contribution

Representative Val Ogden  
3118 Royal Oaks Drive  
Vancouver WA 98662  
9-19-94  
\$500.00  
Contribution

Rep. Barbara Cothorn  
20006 Fourth SE  
Bothell WA 98012  
9-19-94  
\$500.00  
Contribution

Rep. Jim Johanson  
1308 Mill Creek Blvd. #108  
Mill Creek WA 98012  
9-19-94  
\$150.00  
Contribution

Rep. Sandra Romero  
617 S. Sherman Avenue  
Olympia WA 98502  
9-19-94  
\$500.00  
Contribution

Ms. Jeanne Kohl  
1509 Queen Anne Ave. #256  
Seattle WA 98109  
9-19-94  
\$300.00  
Contribution

Representative Randy Dorn  
PO Box 756  
Eatonville WA 98328  
9-19-94  
\$500.00  
Contribution

Senate Republican Caucus  
Campaign Committee  
16400 S. Center Parkway  
Seattle WA 98188  
9-21-94  
\$500.00  
Contribution

House Republican Caucus  
Campaign Committee  
200 Union Avenue  
Olympia WA 98501  
9-21-94  
\$500.00  
Contribution

Senate Democratic Caucus  
Campaign Committee  
PO Box 1814  
Olympia WA 98507  
9-21-94  
\$500.00  
Contribution

House Democratic Caucus  
Campaign Committee  
PO Box 2581  
Olympia WA 98501  
9-21-94  
\$500.00  
Contribution

Yes on Referendum 43  
PO Box 850  
Tacoma WA 98401-0850  
9-21-94  
\$50.00  
Contribution

Fairness for WA Schools  
7500 212th St. SW, Ste. 205  
Edmonds WA 98025  
9-21-94  
\$50.00  
Contribution

100438749/3

Friends of Education for  
Judith Billings  
PO Box 2937  
Olympia WA 98507  
9-21-94  
\$500.00  
Contribution

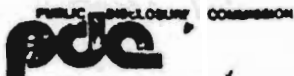
Terry Bergeson  
PO Box 19577, Queen  
Anne Station  
Seattle WA 98109  
9-21-94  
\$500.00  
Contribution

Mike Lowry for Gov.  
9-21-94  
\$30.00  
Contribution

Mark Jacobson  
PO Box 333  
Brewster WA 98812  
9-21-94  
\$203.28  
Travel Reimbursement

TOTAL OF EXPENDITURES.....\$14,373.28

23043874974



# SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURE

**C4**

(11/93)

PDC OFFICE USE

POST  
MARK  
RECEIVED

Candidate or Committee Name (Do not abbreviate. Use full name.)

Washington School Administrators Political Action Comm

Mailing Address

PO Box 7395

City

Olympia

Zip + 4

98507

Office Sought (Candidates)

Report  
Period  
Covered

From: (last C-4)

4/1/96

To: (end of period)

4/30/96

Is this your final report? Yes \_\_\_\_\_ No \_\_\_\_\_

**RECEIPTS**

1. Previous total cash and in kind contributions (From line 8, last C-4)  
(If beginning a new campaign or calendar year, see instruction booklet) 68872.49
2. Cash received (From line 2, Schedule A) 1553.84
3. In kind contributions received (From line 1, Schedule B) \_\_\_\_\_
4. Total Cash and in kind contributions received this period (Line 2 plus 3) 1553.84
5. Loan principal repayments made (From line 2, Schedule L) \_\_\_\_\_
6. Corrections (From line 1 or 3, Schedule C) \_\_\_\_\_ Show + or (-) \_\_\_\_\_
7. Net adjustments this period (Combine line 5 & 6) \_\_\_\_\_ Show + or (-) 0
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) 70426.33
9. Total pledge payments due (From line 2, Schedule B) \_\_\_\_\_

**EXPENDITURES**

10. Previous total cash and in kind expenditures (From line 17, last C-4)  
(If beginning a new campaign or calendar year, see instruction booklet) 39467.23
11. Total cash expenditures (From line 4, Schedule A or line 5, Schedule A-s/l) 558.00
12. In kind expenditures (goods & services) (From line 1, Schedule B) \_\_\_\_\_
13. Total cash and in kind expenditures made this period (Line 11 plus line 12) 558.00
14. Loan principal repayments made (From line 2, Schedule L) \_\_\_\_\_
15. Corrections (From line 2 or 3, Schedule C) \_\_\_\_\_ Show + or (-) \_\_\_\_\_
16. Net adjustments this period (Combine lines 14 & 15) \_\_\_\_\_ Show + or (-) 0
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16) 40025.23

**CANDIDATES**

Please complete:

	Won	Lost	Unopposed	Name not on ballot
Primary election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Treasurer's Daytime Telephone No.:

(360) 978-4111

**CASH SUMMARY**

18. Cash on hand (Line 8 minus line 17)  
(Line 18 should equal your bank account balance(s) plus your petty cash balance.) 30401.10
19. Liabilities: (Sum of loans and debts owed) 0
20. Balance (Surplus or deficit) (Line 18 minus line 19) 30401.10

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true to the best of my knowledge.

Candidate's Signature

Date

Treasurer's Signature

Date

Robert Craig

5-2-96



April 30, 1996  
WSAPAC  
Schedule

CASH RECEIPTS

Schedule to C4 A

Washington School Administrators Political Action Committee

To/For Contributions  
Date of Revenue 4/08/96  
Amount 1365.50

To/For Contributions  
Date of Revenue 4/23/96  
Amount 188.34

TOTAL OF REVENUE: \$1553.84

EXPENDITURES

To United States Postal Service  
Date of Expense 4/26/96  
Amount 58.00  
For Postal Box Annual Fee

To Kevin Quigley for US Congress  
Date of Expense 4/29/96  
Amount 500.00  
For Contribution  
(Please note: this replaces a check previously written.  
WSAPAC will have the reimbursement for the previous check  
shown on the May 1996 Report)

TOTAL EXPENDITURES: \$ 558.00

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CASH RECEIPTS  
MONETARY CONTRIBUTIONS

C3

(11/93)

PDC OFFICE USE

P  
M  
A  
R  
K  
  
R  
E  
C  
E  
I  
V  
E  
D

Candidate or Committee Name (Do not abbreviate. Use full name.)

Washington School Administrators Political Action Committee

Address

P O Box 7395

Zip + 4

98507

Office Sought (candidates)

Olympia

## 1. MONETARY CONTRIBUTIONS DEPOSITED IN ACCOUNT

Date Received	Please type or print clearly in ink.	Amount	Total
	a. Anonymous		
	b. Candidate's personal funds deposited in the bank (include candidate loans in 1c)		
	c. Loans, notes, security agreements. Attach Schedule L		
	d. Miscellaneous receipts (interest, refunds, auctions, other). Attach explanation		
	e. Small contributions \$25.00 or less not itemized and number of persons giving _____ (persons)		

## 2. CONTRIBUTIONS OVER \$25.00

Date Received	Contributor's Name, Address, City, State, Zip	Contributions of \$100 or more: * Employer's Name, City and State	P R I	G E N	Amount	Aggregate Total*
		Occupation				
	see attached	Occupation				
		Occupation				
		Occupation				
		Occupation				
		Occupation				

COPY

☐ (Check here if additional  
pages are attached)Sub-total  
Amount from  
attached pages

550.00

\* See  
Reverse  
For Details

## 3. TOTAL FUNDS RECEIVED AND DEPOSITED OR CREDITED TO ACCOUNT

Total of parts 1 and 2 above. Enter this amount in line 3, Schedule A to C4

550.00

4. Date of Deposit 6-14-96

I certify that this report is true and complete to the best of my knowledge

Treasurer's Daytime Telephone No. (360) 975-4111

Treasurer's Signature

Robert Krueger

Date

6-14-96

NSAPAC PDC C3 REPORT  
FOR 6/14/96

Page 1

NAME Mr. William Edwards  
ADDRESS P O Box 313  
ADDRESS Darrington WA 98241  
CURR CONTRIB 10.00  
YTD TOTAL 70.00

NAME Mr. David Engle  
ADDRESS 10416 S E Kilmarnock St  
ADDRESS Bellevue WA 98004  
CURR CONTRIB 5.00  
YTD TOTAL 35.00

NAME Dr. Samuel Gerla  
ADDRESS P O Box 16  
ADDRESS Touchet WA 99360  
CURR CONTRIB 10.00  
YTD TOTAL 70.00

NAME Kevin Quigley  
ADDRESS 1029 Springbrook Road  
ADDRESS Lake Stevens WA 98258  
CURR CONTRIB 500.00  
YTD TOTAL 500.00

NAME Mr. Gerald Schmidtke  
ADDRESS H C R 78, Box 471 - S  
ADDRESS Naselle WA 98638  
CURR CONTRIB 20.00  
YTD TOTAL 140.00

NAME Mr. Kevin Wulff  
ADDRESS 10416 S E Kilmarnock St  
ADDRESS Bellevue WA 98004  
CURR CONTRIB 5.00  
YTD TOTAL 35.00

CURR CONTRIB 550.00 COUNT 6

Please Note:

The \$500.00 rec'd from Kevin Quigley is a return of a campaign contribution  
and will be reported on our C4 for June 1996.



# SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURE

<b>C4</b> (11/93)	PDC OFFICE USE

Candidate or Committee Name (Do not abbreviate. Use full name.)

Washington School Administrators PAC

Home Address

P.O. Box 7395

City

Olympia

Zip + 4

98507

Office Sought (Candidates)

Report From: (last C-4)

Period Covered 6-1-96

To: (end of period)

6-30-96

Is this your final report? Yes No ☒

## RECEIPTS

1. Previous total cash and in kind contributions (From line 8, last C-4)  
(If beginning a new campaign or calendar year, see instruction booklet) 72195.17
2. Cash received (From line 2, Schedule A) 2687.44
3. In kind contributions received (From line 1, Schedule B) 2687.44
4. Total Cash and in kind contributions received this period (Line 2 plus 3) ( )
5. Loan principal repayments made (From line 2, Schedule L) ( )
6. Corrections (From line 1 or 2, Schedule C) <500.00>
7. Net adjustments this period (Combine line 5 & 6) <500.00>
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) 74382.61
9. Total pledge payments due (From line 2, Schedule B) ( )

## PENDITURES

10. Previous total cash and in kind expenditures (From line 17, last C-4)  
(If beginning a new campaign or calendar year, see instruction booklet) 48425.23
11. Total cash expenditures (From line 4, Schedule A or line 5, Schedule A-s/l) 2333.85
12. In kind expenditures (goods & services) (From line 1, Schedule B) 2333.85
13. Total cash and in kind expenditures made this period (Line 11 plus line 12) ( )
14. Loan principal repayments made (From line 2, Schedule L) ( )
15. Corrections (From line 2 or 3, Schedule C) <500.00>
16. Net adjustments this period (Combine lines 14 & 15) <500.00>
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16) 50254.08

## CANDIDATES

Please complete:

	Won	Lost	Unopposed	Name not on ballot
Primary election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Treasurer's Daytime Telephone No:

(360) 378-4111

## CASH SUMMARY

18. Cash on hand (Line 8 minus line 17) 24123.53  
(Line 18 should equal your bank account balance(s) plus your petty cash balance.)
19. Liabilities: (Sum of loans and debts owed) ( )
20. Balance (Surplus or deficit) (Line 18 minus line 19) 24123.53

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true to the best of my knowledge.

Candidate's Signature

Date

Treasurer's Signature

Date

Robert K. Craig

7-2-98

COPY

**CASH RECEIPTS**

Schedule to C4 A

**Washington School Administrators Political Action Committee**

To/For Contributions  
Date of Revenue 6/10/96  
Amount 1370.50

To/For Contributions  
Date of Revenue 6/14/96  
Amount 550.00

To/For Contributions  
Date of Revenue 6/28/96  
Amount 766.94

**TOTAL OF REVENUE:** \$2687.44

**EXPENDITURES**

To Mary Lou Dickerson  
Date of Expense 6/3/96  
Amount 50.00  
For Contribution

To South Bay Press  
Date of Expense 6/3/96  
Amount 211.83  
For Printing

To Washington Association of School Administrators  
Date of Expense 6/3/96  
Amount 1308.51  
For Reimbursement for postage and staff time

June 30, 1996

WSAPAC

Schedule C-4

Page 2 of 2

EXPENDITURES CON'T

To	Washington Association of School Administrators
Date of Expense	6/28/96
Amount	763.51
For	Reimbursement for phone/postage/printing

---

**TOTAL EXPENDITURES:** \$ 2333.85

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# CORRECTIONS

SCHEDULE C  
to C4

C

Candidate or Committee Name (Do not abbreviate. Use full name.)

Washington School Administrators PAC

Date

6-7-2-96

CONTRIBUTIONS AND RECEIPTS (Include mathematical corrections.)

Date of  
report

Contributor's name or description of correction

Amount  
reported

Corrected  
amount

Difference  
(+ or -)

Total corrections to contributions  
Enter on line 6 of C4. Show + or (-).

EXPENDITURES (Include mathematical corrections.)

Date of  
report

Vendor's name or description of correction

Amount  
reported

Corrected  
amount

Difference  
(+ or -)

Total corrections to expenditures  
Enter on line 15 of C4. Show + or (-).

3. REFUNDS FROM VENDORS. The below listed amounts have been received as refunds on expenditures previously reported. The refund has been deposited and reported on C3 report, Line 1d.

Date of  
refund

Source/person making refund

Amount of  
refund

6/14/96

Kevin Quigley - Campaign Contribution  
returned

500.00

Total refunds  
Enter as (-) on line 6 & line 15 of C4.

500.00

WASHINGTON SCHOOL ADMINISTRATORS POLITICAL ACTION COMMITTEE



November 25, 1996

Federal Elections Commission  
Colleen T. Sealander, Attorney  
999 E Street NW  
Washington, D.C. 20463

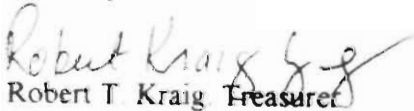
RE FEC ID #: C00324475

MUR 4443

Our office received your letter yesterday, November 13, 1996 involving the Washington School Administrators Political Action Committee (WSAPAC). Please delete the Washington Association of School Administrators as a connected organization.

Please let us know if further information and/or action is necessary in meeting reporting requirements.

Sincerely,

  
Robert T. Kraig, Treasurer

Washington School Administrators Political Action Committee  
P O Box 7395  
Olympia WA 98507

NOV 22 9 35 AM '96

RECEIVED  
FEDERAL ELECTIONS  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 13, 1997

Robert Kraig, Treasurer  
Washington School Administrators  
Political Action Committee  
P.O. Box 7395  
Olympia, WA 98507

RE: MUR 4443

Dear Mr. Kraig:

In a letter dated October 7, 1997, which we received on October 14, 1997, you requested that the Federal Election Commission permit Washington School Administrators Political Action Committee ("Committee") to terminate pursuant to 2 U.S.C. § 433(d) and Section 102.3 of the Commission's Regulations. Because of the ongoing enforcement matter involving your Committee, this request has been denied. Therefore, you are reminded that the Committee must continue to file all the required reports with the Commission until such time as the enforcement matter has been closed as to the Committee.

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

Sincerely,

A handwritten signature in cursive script, reading "Tara D. Meeker", is written over a horizontal line.

Tara D. Meeker  
Attorney

cc: Reports Analysis Division

13043874934

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

DEC 14 1997

**FIRST GENERAL COUNSEL'S REPORT**

**SENSITIVE**

**MUR 4408**  
Date Complaint filed: July 2, 1996  
Date of Notification: July 10, 1996  
Date Supplement filed: July 19, 1996  
Date of Notification: July 22, 1996  
Date Activated: March 5, 1997  
Staff Member: Tara D. Meeker

**MUR 4409**  
Date Complaint filed: July 3, 1996  
Date of Notification: July 10, 1996  
Date Activated: November 27, 1996  
Staff Member: Tara D. Meeker

**MUR 4443**  
Date Complaint filed: August 22, 1996  
Date of Notification: August 28, 1996  
Date Activated: March 5, 1997  
Staff Member: Tara D. Meeker

**COMPLAINANT**  
**MUR 4408:** National Republican Congressional Committee

**COMPLAINANT**  
**MURS 4409,4443:** Joseph D. Bowen

**RESPONDENTS**  
**MURS 4408,4409:** Kevin Quigley for Congress and Stephen Dean,  
as treasurer<sup>1</sup>  
Kevin Quigley  
39th District Democrats and Clarajean Heirman, as  
treasurer<sup>2</sup>

<sup>1</sup> Stephen Dean is the current treasurer for Kevin Quigley for Congress. At the time the complaint was filed the treasurer was Christine Wakefield.

<sup>2</sup> Clarajean Heirman is the current treasurer for the 39th District Democrats. At the time the complaint was filed the treasurer was Jim Cummins.

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## Citizens for Quigley

RESPONDENTS  
MUR 4443:

Kevin Quigley for Congress and Stephen Dean,  
as treasurer  
Washington Chiropractic Trust and Joel Vrana,  
as treasurer  
United Psychologists and Charles Maurer, as  
treasurer  
Fire Services Fund of Washington and J. Pete  
Spiller, as treasurer  
Washington State Dental Political Action  
Committee and Irene Hannaford, as  
treasurer  
Retail Pharmacy Council Political Action  
Committee and Liz Merten, as treasurer  
Osteopathic Political Action Committee of  
Washington and Kathleen Iter, as  
treasurer<sup>3</sup>  
Washington School Administrators and Robert  
Kraig, as treasurer<sup>4</sup>  
Home Care Political Action Committee and  
Donna Cameron, as treasurer

RELEVANT STATUTES  
AND REGULATIONS:

2 U.S.C. § 441f  
2 U.S.C. § 441b(a)  
2 U.S.C. § 441a(f)  
2 U.S.C. § 434(b)  
2 U.S.C. § 433  
11 C.F.R. § 102.5(b)  
11 C.F.R. § 110.3(d)  
11 C.F.R. § 110.4(b)(iii)

INTERNAL REPORTS CHECKED Disclosure Reports

FEDERAL AGENCIES CHECKED None

I. GENERATION OF MATTER

<sup>3</sup> Kathleen Iter is the current treasurer for Osteopathic Political Action Committee of Washington. At the time the complaint was filed the treasurer was listed as Mark Hunt.

<sup>4</sup> Robert Kraig is the current treasurer of the Washington School Administrators. At the time the complaint was filed, Donna Fountain was listed as treasurer.

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MURS 4408 and 4409 arose as a result of complaints filed by the NRCC and Joseph Bowen, respectively. Both complainants allege that the Quigley State Committee; Kevin Quigley; the 39th District Democrats; and the Quigley Federal Committee violated the FECA by participating in the transfer of impermissible funds from the Quigley State Committee to the Quigley Federal Committee.

The complaint in MUR 4443 filed by Joseph Bowen alleges that specific contributions listed on Mr. Quigley's second quarter report were accepted in violation of federal election law because they were given by committees that were not federally registered as political committees at the time of the contribution.

## II. FACTUAL AND LEGAL ANALYSIS

### A. Law

The Federal Election Campaign Act of 1971, as amended ("the Act"), states that it is unlawful for any corporation or labor union to make; or for any candidate, political committee, or other person to knowingly receive; a contribution to a candidate for federal office. 2 U.S.C. § 441b(a). A contribution includes a gift, loan, advance, deposit of money, or anything of value. 2 U.S.C. § 431(8)(A)(i). Each report filed by a political committee shall disclose the identification of each political committee which makes a contribution to the reporting committee. 2 U.S.C. § 434(b).

The FECA generally prohibits contributions in the name of another. The Act states that no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person.

2 U.S.C. § 441f. Examples of contributions in the name of another include giving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made; and making a contribution of money or anything of value and attributing as the source of the money or thing of value another person when in fact the contributor is the source.

11 C.F.R. § 110.4(b)(2). In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f and

11 C.F.R. § 110.4(b)(1)(iii). This prohibition also applies to any person that provides the money to others to effect contributions in their names, (11 C.F.R. § 110.4(b)(2)), and to incorporated or unincorporated entities who give money to another to effect a contribution made in the other person's name (Advisory Opinion 1986-41).

2 U.S.C. § 431(4)(A) defines a political committee as any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year. All committees shall file a statement of organization within ten days after becoming a political committee within the meaning of section 431(4). 2 U.S.C. § 433. Organizations that are not political committees under the Act shall either establish a separate account into which funds subject to the prohibitions and limitations of the Act shall be deposited and from which contributions, expenditures and exempted payments shall be made; or demonstrate through a reasonable accounting method that whenever such organization makes a contribution, expenditure or exempted

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payment, that organization has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution, expenditure or payment.

11 C.F.R. § 102.5(b)(1)(i) and (ii). Transfers of funds or assets from a candidate's campaign committee or account for a nonfederal election to his or her principal campaign committee or other authorized committee for a federal election are prohibited.

11 C.F.R. § 110.3(d). However, a state committee may refund contributions and then coordinate with the federal committee for solicitation of the same contributors by the federal committee, providing the full cost of the solicitation is paid by the federal committee. *Id.*

Advisory Opinion 1996-33 states that "Commission regulations prohibit the transfer of funds or assets from a candidate's campaign committee for a nonfederal election to his or her principal campaign committee or other authorized committee for a Federal election . . . [t]his includes the reimbursement or other payment of funds by one person to another for the purpose of making a contribution." (emphasis added).

While an individual may volunteer his or her services to a campaign and not have those services count as a contribution, another person may not subsidize the salary of the individual so that the individual can volunteer for the campaign. 2 U.S.C. § 431 (8)(A)(ii) and (8)(B)(i). An organization that pays an individual to volunteer for a political campaign itself makes a contribution to the campaign. *See Common Cause and John K. Addy v. FEC*, No. 94-02194 and No. 94-02112 (D.D.C., March 29, 1996), *rev'd on other grounds*, *Common Cause v. FEC*, No. 96-5160 (D.C. Cir., March 21, 1997).

The Act addresses violations of law that are knowing and willful. *See*,

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2 U.S.C. §§ 437g(a)(5)(C) and 437g(d). The phrase "knowing and willful" indicates that "actions [were] taken with full knowledge of all of the facts and a recognition that the action is prohibited by law." 122 Cong. Rec. H3778 (daily ed. May 3, 1976). The knowing and willful standard requires knowledge that one is violating the law. Federal Election Commission v. John A. Damesi for Congress Committee, 640 F. Supp. 985 (D. N.J. 1986). A knowing and willful violation may be established "by proof that the defendant acted deliberately and with knowledge that the representation was false." United States v. Hopkins, 916 F.2d 207, 214 (5th Cir. 1990). An inference of a knowing and willful violation may be drawn "from the defendants' elaborate scheme for disguising" their actions. *Id.* at 214-15.

#### B. Complaints

MUR 4408 arose from a complaint received by the Federal Election Commission ("Commission") on July 2, 1996. The National Republican Congressional Committee, ("NRCC") alleged that Kevin Quigley for Congress and the 39th District Democrats violated provisions of the Federal Election Campaign Act of 1971, as amended, ("Act" or "FECA"). Respondents -- Kevin Quigley for Congress and Stephen Dean, as treasurer ("Quigley Federal Committee"), Kevin Quigley, the 39th District Democrats and Clarajean Heirman, as treasurer ("39th District Democrats"); and the Citizens for Quigley Committee ("Quigley State Committee") -- were notified of the complaint on July 10, 1996. A supplemental complaint was received by the Commission on July 19, 1996. Respondents were notified of the Supplemental Complaint on July 22, 1996 and the Quigley Federal Committee, Kevin Quigley, and the Quigley State Committee answered

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both complaints on August 1, 1996. The 39th District Democrats responded on August 15, 1996.

MUR 4409 arose from a complaint filed on July 3, 1996 Joseph D. Bowen<sup>5</sup> alleging violations of the FECA against the same respondents in MUR 4408: the Quigley Federal Committee; Kevin Quigley; 39th District Democrats; and the Quigley State Committee. Respondents were notified of the complaint on July 10, 1996 and the Quigley State Committee, Kevin Quigley, and the Quigley Federal Committee responded on August 1, 1996. The 39th District Democrats responded on August 15, 1996.

The Complainants Joseph Bowen and the NRCC, in MURS 4408 and 4409 respectively, claim that the Respondents violated the FECA by participating in the transfer of impermissible funds from the Quigley State Committee to the Quigley Federal Committee. Both Complainants allege that Mr. Quigley was attempting to accomplish by indirect means what the law directly prohibits and, therefore, this activity might constitute a knowing and willful violation of the Act.

According to the complainants, Senator Quigley donated \$3500 to the 39th District Democrats from his state senate fund, and, at the same meeting, received a \$2000 contribution from the 39th District Democrats for his federal campaign.<sup>6</sup> The NRCC alleges that "[t]o circumvent bright-line federal election laws, congressional candidate

<sup>5</sup> Mr. Joseph Bowen was a Democratic candidate in the 1996 primary against Senator Quigley.

<sup>6</sup> The alleged transfer of state funds to the federal campaign occurred at the March 21, 1996 meeting of the 39th District Democrats. The minutes from the meeting were attached to the response and indicate that Senator Quigley donated the \$3500 early in the meeting and then later during the same meeting received an unanimous non-exclusive endorsement and a \$2000 contribution.



Kevin Quigley and his local party organization knowingly perpetrated a sham transaction and funneled impermissible funds from Quigley's State Committee into his federal campaign coffers. Such blatant money laundering violates both the letter and spirit of federal election laws." Complaint at 1.

The NRCC argues that the fact that Joann Rossall is both the Chairwoman of the 39th District Democrats and the Custodian of Records for the Quigley campaign<sup>7</sup> provides further support for its allegation that there is a connection between the \$3500 contribution by Senator Quigley to the 39th District Democrats and the "turn-around" \$2000 donation back to his federal campaign. Supplemental Complaint at 2.

According to both complainants, the 39th District Democrats, in addition to serving as a conduit for the \$2000 contributed to Quigley's Federal Committee, also funneled an additional \$1,700 from the State Committee to the Federal Committee by hiring party activist Steve Hobbs<sup>8</sup>, at Senator Quigley's request, at \$1700 a month. The complaint states that Hobbs was hired to compile a computerized database of voter lists and characteristics, a service which Quigley wanted completed. Both the NRCC and Mr. Bowen allege that in essence, hiring Mr. Hobbs was an in-kind contribution. Indeed, Mr. Bowen claims in his complaint that "the work performed by Mr. Hobbs was done at the home of Mr. Quigley and was in fact benefiting the Quigley for Congress campaign." Bowen Complaint at 1. See NRCC Supplemental Complaint at 3. In addition to being

<sup>7</sup> The complaint also states that "Ms. Rossall herself has personally received \$1171.24 from the campaign's war chest, ostensibly for work done on behalf of the Quigley campaign."

<sup>8</sup> Mr. Hobbs is also listed on the 39th District Democrats Statement of Organization as the committee's first vice-chair, under the heading "Committee's Principal Officers and/or Decision Makers".

paid by the 39th District Democrats to work on this project, according to complainants, Hobbs volunteered for the Quigley campaign, at the same time he was being paid by the 39th District Democrats. Id.

MUR 4443 arose from a second complaint filed by Joseph Bowen on August 22, 1996, alleging that the respondents -- the Quigley Federal Committee; Washington Chiropractic Trust and Joel Vranza, as treasurer; United Psychologists Political Action Committee and Charles Maurer, as treasurer; Fire Services Fund of Washington and J. Pete Spiller, as treasurer; Washington State Dental Political Action Committee and Irene Hannaford, as treasurer; Retail Pharmacy Council Political Action Committee and Liz Merten, as treasurer; Osteopathic Political Action Committee of Washington and Kathleen Itter, as treasurer; Washington School Administrators and Robert Kraig, as treasurer; and the Home Care Political Action Committee and Donna Cameron, as treasurer-- violated provisions of the FECA. The respondents were notified of the complaint on August 28, 1996. Fire Services Fund of Washington and J. Pete Spiller, as treasurer, responded to the complaint on October 7, 1996. Washington School Administrators and Robert Kraig, as treasurer, responded on October 8, 1996. Retail Pharmacy Council Political Action Committee and Liz Merten, as treasurer and Home Care Political Action Committee and Donna Cameron, as treasurer, responded on September 16, 1996. United Psychologists Political Action Committee and Charles Maurer, as treasurer; Washington State Dental Political Action Committee and Irene Hannaford, as treasurer and Osteopathic Political Action Committee of Washington and

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Kathleen Itter, as treasurer, responded on September 23, 1996. Washington Chiropractic Trust and Joel Vranina, as treasurer, did not respond to the complaint.

The complaint in MUR 4443 alleges that several organizations which made contributions listed on Mr. Quigley's second quarter report should have registered as federal political committees.

**C. Responses**

1. **Kevin Quigley for Congress and Stephen Dean, as treasurer**  
**Kevin Quigley**  
**39th District Democrats and Clarajean Heirman, as treasurer**  
**Citizens for Quigley**

According to the Quigley respondents, "the evidence is overwhelming that no FEC violations have occurred which were not corrected prior to the filing of the above complaints." Attachment 2 at 1. The Quigley respondents admit that they inadvertently accepted an excessive contribution from the 39th District Democrats, due to the failure to properly designate \$1000 for the primary election and \$1000 of the \$2000 cash contribution for the general election. They further claim that the allegation of accepting this excessive contribution is moot because the excessive amount (\$1000) was returned "promptly". Response at 4. See Attachment 5.

As to the allegation of transferring impermissible funds from the Quigley State Committee to the Quigley Federal Committee through the 39th District Democrat Organization, the respondents claim that the state committee's \$3500 contribution was specifically set aside for the purpose of hiring a district organizer to create a computerized database. Respondents also refer to the March 21, 1996 minutes of the 39th

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District Democrats meeting and note that "Senator Quigley pledged the \$3,500 exclusively to hire a district organizer to complete the Voter ID Project." *Id.* Later at this same meeting, Senator Quigley asked for and received an endorsement from the 39th District Democrats. He then made a request for a \$2000 contribution from the group, but, according to the response, "[a]t no time in the meeting was Senator Quigley's contribution to the Voter ID Project tied to his request for an endorsement and a contribution." Response at 2.

In his own affidavit, Senator Quigley states that he **never "tied the contribution from my State Senate Campaign fund to complete the voter identification database to my request for a contribution from the 39th District for my Congressional Campaign. The two matters were discussed separately during different parts of the meeting and were never linked together either directly or indirectly."** Attachment 1 at 3. Respondents attached thirteen affidavits<sup>9</sup> to support this position and note that the handwritten minutes of both meetings demonstrate that the two contributions were never discussed together, "and that there was a long gap between the discussions and several intervening motions and reports." Response at 3.

<sup>9</sup> Included with the response were affidavits from Kevin Quigley; Joann Rossall, chair of the 39th District Democrats; Jeff Soth, Mayor of Snohomish; Steve Hobbs, the selected organizer for the Voter ID Project; Stephen Dean, treasurer of the Quigley for Congress campaign; and several people who were in attendance at the March 21 meeting, including: Jack Lobdell; Patricia Patterson; Hugh Meyers; Lawrence Kuney; Robert Guild; Bob Craven; Kathy Conrad; and Dennis Ingram. However, neither Jack Lobdell nor Dennis Ingram are listed on the sign-in sheet from the March 21 meeting, although the minutes from the meeting are signed J.J.L., which indicates that perhaps Jack Lobdell was present.

In a separate letter responding to MUR 4443 specifically, the Quigley Federal Committee claims that it "scrupulously" complied with the provisions of 11 C.F.R. § 102.5(b)(1)(ii) by making certain that each group limited its contribution to \$1,000 or less. Furthermore, each organization was required by the campaign to submit a signed statement verifying that on the date of the contribution, there were ample funds in the organization's account which were permissible under federal law (not from corporations, foreign national, etc.). Attachment 4 at 1.

2. **Fire Services Fund of Washington and J. Pete Spiller, as treasurer  
Washington School Administrators and Robert Kraig, as treasurer<sup>10</sup>  
Retail Pharmacy Council Political Action Committee and Liz  
Merten, as treasurer  
Home Care Political Action Committee and Donna Cameron, as  
treasurer  
United Psychologists Political Action Committee and Charles Maurer,  
as treasurer  
Washington State Dental Political Action Committee and Irene  
Hannaford, as treasurer  
Osteopathic Political Action Committee of Washington and Kathleen  
Itter, as treasurer**

Each of the above respondents to MUR 4443 answered the complaint stating that there had been no violation of federal election laws.<sup>11</sup> The respondents claim that they were advised by the candidate, prior to making their contributions, that:

federal law permits non-federally registered groups to make contributions to candidates for federal office providing the contributions by the PAC do not exceed \$1,000 in any calendar year and that the group can demonstrate the money was contributed to the PAC in federally-permissible funds (no corporate checks, no labor treasury funds, individual contributions under \$1,000)

<sup>10</sup> Washington School Administrators is federally registered as a political action committee.

<sup>11</sup> The only respondent to MUR 4443 who did not answer the complaint was Washington Chiropractic Trust and Joel Vranna, as treasurer.

United Psychologists Political Action Committee Response at 1. The respondents each state that their contribution to the Quigley Federal Committee was the only contribution made to a federal candidate in 1996, that nearly all of their funds were from individual contributions and that their balance on hand was significantly higher than the contribution amount. Respondents Washington School Administrators, Fire Services Fund of Washington and Osteopathic Political Action Committee of Washington specifically mention in their response that they have registered their contribution with the Washington State Public Disclosure Commission.

#### **D. Analysis**

##### **1. Contributions given in the name of the 39th District Democrats to the Quigley Federal Committee, both directly and in-kind**

After a long history of permitting state campaign committees to transfer funds to federal campaign committees, the Commission adopted a regulation, 11 C.F.R. § 110.3(d), in 1993 banning all such transfers, due to concern over "the indirect use of impermissible funds in federal elections." Explanation and Justification, Transfers of Funds From State to Federal Campaigns, 58 Fed. Reg. 3474-75 (January 8, 1993). In the past, the Commission has concluded that such activity is not permissible. Advisory Opinion 1996-33 further states that "Commission regulations prohibit the transfer of funds or assets from a candidate's campaign committee for a nonfederal election to his or her principal campaign committee or other authorized committee for a Federal election . . . [t]his includes the reimbursement or other payment of funds by one person to another for the purpose of making a contribution " (emphasis added). Many states impose fewer restrictions on contributions to campaigns for state elective offices. If transferred to a

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federal candidate, these funds would exceed FECA limits or would include funds prohibited under the FECA. For example, the state of Washington permits contributions from both corporations and labor unions. R.C.W. § 42.17.640(14).

Although the Commission has received conflicting information about the events at issue, it does appear that Kevin Quigley and his State Committee may have tried to achieve indirectly what can no longer be done directly. It appears that using the 39th District Democrats as a conduit, money from the Quigley State Committee was given directly to the Quigley Federal Committee. There is no dispute about the fact that Quigley's State Committee contributed \$3,500 to the 39th District Democrats. Nor is there any dispute that the 39th District Democrats made a \$2,000 contribution to Quigley's Federal Committee on the same day. All of the information obtained to date also confirms that the 39th District Democrats hired Steve Hobbs to do a Voter ID Project on the same day.

The question remains whether the \$3,500 given to the 39th District Democrats was actually contributed to the Quigley Federal Committee through a cash contribution, payment for services benefiting the Federal Committee, or both. There may also be other expenses and contributions from the 39th District Democrats to the Quigley Federal Committee that this Office is unaware of at this time. Attached to the complaint in MUR 4409 is an affidavit from Randy Gray, a Bowen supporter who attended the March 21st meeting of the 39th District Democrats. Mr. Gray claims that at that meeting Senator Quigley presented the 39th District Democrats with \$3500, stating explicitly that he wanted the 39th District Democrats to use a portion of it to hire Steve Hobbs and to use

\$2000 of it as a donation to his congressional campaign: "After receiving assurances from Quigley that this was all legal, we approved a motion to both accept the gift and make the donation." Attachment 1 at 1.<sup>12</sup>

In contrast, affidavits submitted by the respondents state that Senator Quigley directed the \$3500 contribution to be used exclusively to hire a district organizer to work on the Voter ID Project, and that the matter of the \$2000 donation to the Quigley Federal Committee was discussed separately during different parts of the meeting. Attachment 1 at 3-18. Questions raised by the inconsistencies between the Gray affidavit and those affidavits submitted by the respondents, as well as the proximity of the timing of these transactions, would appear to make further inquiry into these events appropriate.

However, even if the affidavits provided in support of the respondents are accurate, the Quigley State Committee may still have made a prohibited transfer of funds to the Federal Committee. As previously stated, there is no dispute that at the March 21, 1996 meeting of the 39th District Democrats Steve Hobbs was hired to begin work in April 1996 on a voter identification list. In addition, all the affidavits appear to agree that Quigley intended at least a portion of the State Committee's contribution to fund the

<sup>12</sup> Mr. Gray also alleges that Senator Quigley told the 39th District Democrats at this meeting that they would be receiving more unsolicited cash donations, which should be distributed to the candidate whom the donor had endorsed. Mr. Gray stated that Quigley specifically cited the example of organized labor. After receiving State Campaign Finance Reports from the Washington Public Disclosure Commission, this Office has discovered that a contribution was made by the AFSCME to the 39th District Democrats in the amount of \$2000. This labor contribution was given the same day as the contribution from Senator Quigley's state committee. See Attachment 6 at 1. It appears that there may have been a plan put together by Quigley in which the 39th District Democrats were to be used as a conduit in more than this one instance. This Office is making no recommendation at this time to include the AFSCME as a respondent in this matter.



Voter ID Project. Mr. Hobbs was eventually paid a total of \$3300 to complete the Voter ID Project.<sup>13</sup>

The information provided raises questions whether this project, having been funded by the State Committee's contribution, was conducted principally, if not entirely, to benefit Quigley's Federal Committee. The Voter ID Project involved compiling information on the characteristics (pro-life, pro-choice, etc.) of over 22,000 identified Republican, Democrat and special interest voters and creating a single working database. Information was gathered from a number of sources, such as walking lists created by the doorbelling efforts of previous campaigns in the 39th district, including Senator Quigley's 1992 State Senate election. It took Steve Hobbs at least forty hours a week for two months to complete the project.

The process of creating the Voter ID Database involved the process of taking thousands of entries from hard copies of annotated walking lists and entering each one in a new database. The process was complicated by the fact that precinct boundaries had changed and this required more data search and data entry time. Approximately twenty-two thousand special entries were cataloged on the Voter ID Database.

Response at 3.

In his response, Senator Quigley asserts that "[t]he Voter ID Project is primarily a tool for door-to-door canvassing which is not a substantial element of a Congressional or other federal campaign." Response at 4. However, other information received suggests that the work Mr. Hobbs performed on the project was done at the request of Senator

<sup>13</sup> Mr. Hobbs received one check, #649 in the amount of \$1600.00 from the 39th District Democrats dated April 20, 1996 and another, #652 for \$1700.00 from the same organization dated May 22, 1996.

Quigley and was run out of Senator Quigley's home. In addition, there is also a question whether during some of the time for which the 39th District Democrats were paying for work on the Voter ID Project, Mr. Hobbs was actually doing work on Mr. Quigley's federal campaign. In his affidavit, Mr. Gray claims to have arrived for what he understood to be a work party of the 39th District Democrats on the Voter ID Project, but says that when he arrived the only work being done was on the Quigley campaign.

Attachment 1 at 2.

The fact that Mr. Hobbs volunteered directly for the Quigley campaign at the same time he was being paid to organize the Voter ID Project further confuses the issue of the extent to which the 39th District Democrats may have been paying Mr. Hobbs with money from the Quigley State Committee to perform work that benefited Quigley's Federal Committee. Checks from the 39th District Democrats for the Voter ID Project are dated for the months of April and May 1996. The Kevin Quigley for Congress itemized disbursements report shows payments made to Mr. Hobbs for "volunteer reimbursement" and "volunteer activity" on April 16, May 12 and May 28 of 1996.<sup>14</sup>

The method by which money appears to have been contributed in the name of another also suggests that there may have been a deliberate scheme to circumvent the prohibition on a direct transfer of funds, thus establishing reason to believe that any violations resulting were knowing and willful. The knowing and willful standard requires knowledge that one is violating the law. Federal Election Commission v. John A.

<sup>14</sup> The April 16 reimbursement was for \$150.95 and was itemized on schedule B for Kevin Quigley for Congress as a volunteer reimbursement, copying and postage. The May 12 reimbursement was for \$82.00 and was listed as volunteer reimbursement. The May 28 reimbursement was for \$126.78 and was listed as volunteer activity.

Dramesi for Congress Committee, 640 F. Supp. 985 (D. N.J. 1986). A knowing and willful violation may be established "by proof that the defendant acted deliberately . . ." United States v. Hopkins, 916 F.2d 207, 214 (5th Cir. 1990). An inference of a knowing and willful violation may be drawn "from the defendants' elaborate scheme for disguising" their actions. *Id.* at 214-15. The 39th District Democrats allowed their name to be used with apparent knowledge that the \$3500 would be given to the Quigley Federal Committee. When considering the timing of the two transactions and the events which took place at the March 21, 1996 meeting, it appears that the donation from the Quigley State Committee to the 39th District Democrats and in turn the donation from the 39th District Democrats to the Quigley Federal Committee were part and parcel of the same transaction.

## 2. Recommendations for MURS 4408 and 4409

Based on all the information set forth above, this Office recommends that the Commission find reason to believe that Kevin Quigley for Congress and Stephen Dean, as treasurer: may have knowingly and willfully violated 2 U.S.C. § 441f by accepting a contribution made by one person in the name of another person; may have knowingly and willfully violated 2 U.S.C. § 441b(a) for accepting contributions from the Quigley State Committee, which may have included funds received from corporations and/or labor unions; and may have knowingly and willfully violated 2 U.S.C. § 434(b) for failing to properly report contributions received by the State Committee.

Furthermore, this Office recommends that the Commission find reason to believe that Citizens for Quigley may have knowingly and willfully violated 2 U.S.C. § 441f by

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making a contribution in the name of another; and may have knowingly and willfully violated 2 U.S.C. § 441b(a) for making a contribution from funds which may have included contributions received from labor organization and/or corporations. This Office further recommends that the Commission find reason to believe that the 39th District Democrats and Clarajean Heirman, as treasurer, may have knowingly and willfully violated 2 U.S.C. § 441f by permitting its name to be used to effect a contribution in the name of another.

Because it appears that the candidate may have personally been involved in the activities described above, this Office recommends that the Commission find reason to believe that Kevin Quigley may have knowingly and willfully violated 2 U.S.C. § 441(b) for participating in a scheme that resulted in the prohibited transfer of funds that were commingled with corporate contributions from his State committee to his Federal Committee; and may have knowingly and willfully violated 2 U.S.C. § 441f by knowingly assisting in the making of contributions in the name of another.

**3. MUR 4443, contributions from state committees not in excess of \$1000**

The complaint in MUR 4443 filed by Joseph Bowen alleges that specific contributions listed on Mr. Quigley's second quarter report were accepted in violation of federal election law because they were given by committees that were not federally registered as political committees at the time of the contribution.

DATE	POLITICAL ACTION COMMITTEE	AMOUNT
April 17, 1996	Washington Chiropractic Trust	\$1,000
April 29, 1996	Washington School Administrators	\$500

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May 5, 1996	United Psychologists	\$1,000
May 9, 1996	Fire Services Fund of Washington	\$500
May 15, 1996	Washington State Dental	\$650
May 15, 1996	Home Care Political Action Committee	\$250
June 3, 1996	Retail Pharmacy Council	\$200
June 18, 1996	Osteopathic Political Action Committee of Washington	\$250

MUR 4443 Complaint at 1.

2 U.S.C. § 431(4) defines a political committee as one "which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year." Because the expenditures did not exceed \$1,000, the respondents are not required to register with the Commission. 11 C.F.R. § 102.5(b) places an affirmative duty on organizations which are not political committees under the Act. Committees which do not qualify as political committees but wish to make a contribution or expenditure in federal elections must either establish a separate account to which only funds subject to the prohibitions and limitations of the Act shall be deposited and from which contributions, expenditures and exempted payments shall be made, or demonstrate through a reasonable accounting method that whenever such organization makes a contribution, expenditure or exempted payment, that organization has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution, expenditure or payment.

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The respondents to MUR 4443<sup>15</sup> provided information verifying that their balances on hand were greater than the amount of the contribution, and that the contribution consisted of funds permissible under federal law.

Respondents Washington State Dental Political Action Committee and Washington School Administrators state that they made their contributions to the Quigley Federal Committee knowing that it would be offset by the refund of a prior contribution to the Quigley State Committee.<sup>16</sup> Attached to their response is a letter from the Quigley Federal Committee detailing how state political action committees would be able to donate to his federal committee. See Attachment 3. Pursuant to 11 C.F.R. § 110.3(d) this appears to be permissible.

Based on the responses and affidavits to MUR 4443, there is no indication that the respondents, with the two exceptions noted below, have violated the Act. Each of these committees donated \$1000 or less to the Quigley Federal Committee from federally permissible funds. Nor are any of these committees reported to have made contributions to any other federal candidates. Because these committees did not trigger the definition of a political committee under 2 U.S.C. § 431(4)(A), there was no requirement that they register under 2 U.S.C. § 433.

Accordingly this Office recommends that the Commission find no reason to believe that United Psychologists Political Action Committee and Charles Maurer, as treasurer, Fire Services Fund of Washington and J. Pete Spiller, as treasurer, Washington

<sup>15</sup> With the exception of Washington Chiropractic Trust and Joel Vranina, as treasurer, who did not respond to the complaint in MUR 4443.

<sup>16</sup> In their response, the Washington State Administrators state that Mr. Quigley did in fact refund their prior \$500.00 contribution on June 14, 1996.

State Dental Political Action Committee and Irene Hannaford, as treasurer; Retail Pharmacy Council Political Action Committee and Liz Merten, as treasurer; Osteopathic Political Action Committee of Washington and Kathleen Itter, as treasurer; Washington School Administrators and Robert Kraig, as treasurer; and the Home Care Political Action Committee and Donna Cameron, as treasurer, respondents to MUR 4443, violated 2 U.S.C. § 441b and 11 C.F.R. § 102.5(b). Nor was there any requirement for any of these respondents to register as a federal committee.

However, Washington Chiropractic Trust and Joel Vrana, as treasurer, did not respond to the complaint and therefore there is no basis to know whether the organization had an adequate amount of money on hand from permissible funds, which the committee has an affirmative duty to prove under 11 C.F.R. § 102.5(b). This is particularly important in a state such as Washington which permits corporate contributions.

Because the reported contribution from Washington Chiropractic Trust was \$1,000 and because there are no other reported federal contributions by this entity, there does not appear to have been any requirement that this respondent register as a political committee. However, because there is insufficient information from Washington Chiropractic Trust and Joel Vrana, as treasurer, to determine whether there were sufficient permissible funds, this Office recommends that the Commission find reason to believe that these two respondents violated 2 U.S.C. § 441b and 11 C.F.R. § 102.5(b), but take no further action and send an admonishment letter.

This Office also recommends that the Commission find reason to believe that Kevin Quigley for Congress and Stephen Dean, as treasurer, violated 2 U.S.C. § 441b by

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accepting a contribution from funds which may have included contributions received from labor organizations and/or corporations, but take no further action with respect to this violation.

This Office further recommends closing the file in MUR 4443.

### III. DISCOVERY

Further investigation is necessary to determine the extent, if any, to which contributions were given which violate the Act. The investigation will inquire into communications between the Quigley Federal Committee, the Quigley State Committee and the 39th District Democrats regarding any attempts to evade the limits and prohibitions of the FECA. To expedite the investigation, this Office recommends that the Commission approve the attached Subpoenas to Produce Documents and Orders to Submit Written Answers.

This Office also seeks the authority to depose Kevin Quigley, Steve Hobbs, and Randy Gray. If it becomes necessary after further investigation, this Office may also need to depose some of the individuals who provided affidavits in support of the response to the complaint. To save time, we ask that the Commission grant this Office the authority to depose all of these individuals: Joann Rossall, Clarajean Heirman, Stephen Dean, Jack Lobdell, Joseph Bowen, Jeff Soth, Patricia Patterson, Hugh Meyers, Lawrence Kuney, Robert Guild, Bob Craven, Kathy Conrad, and Dennis Ingram. However, this Office will first attempt to contact these individuals informally.

### IV. RECOMMENDATIONS

1. Find reason to believe that Kevin Quigley for Congress and Stephen Dean, as treasurer, respondents in MURS 4408 and 4409, knowingly and willfully violated: 2 U.S.C. §§ 441f, 434(b) and 441b(a).

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2. Find reason to believe that Citizens for Quigley, respondents in MURS 4408 and 4409, knowingly and willfully violated: 2 U.S.C. §§ 441f and 441b(a).
3. Find reason to believe that the 39th District Democrats and Clarajean Heirman, as treasurer, respondents in MURS 4408 and 4409, knowingly and willfully violated 2 U.S.C. § 441f.
4. Find reason to believe that Kevin Quigley knowingly and willfully violated: 2 U.S.C. §§ 441b and 441f.
5. Find no reason to believe that the following respondents in MUR 4443 violated the Federal Election Campaign Act.
  - a. United Psychologists Political Action Committee and Charles Maurer, as treasurer
  - b. Fire Services Fund of Washington and J. Pete Spiller, as treasurer
  - c. Washington State Dental Political Action Committee and Irene Hannaford, as treasurer
  - d. Retail Pharmacy Council Political Action Committee and Liz Merten, as treasurer
  - e. Osteopathic Political Action Committee of Washington and Kathleen Iiter, as treasurer
  - f. Washington School Administrators and Robert Kraig, as treasurer
  - g. Home Care Political Action Committee and Donna Cameron, as treasurer
6. Find reason to believe that Washington Chiropractic Trust and Joel Vrana, as treasurer, respondents in MUR 4443, violated 2 U.S.C. § 441b and 11 C.F.R. § 102.5(b), but take no further action.
7. Find no reason to believe that Washington Chiropractic Trust and Joel Vrana, as treasurer, respondents in MUR 4443, violated 2 U.S.C. § 433.
8. Find reason to believe that Kevin Quigley for Congress and Stephen Dean, as treasurer, respondents in MUR 4443, violated 2 U.S.C. § 441b, but take no further action.
9. Approve the attached Subpoenas to Produce Documents and Orders to Submit Written Answers to
  - a. Kevin Quigley for Congress and Stephen Dean, as treasurer
  - b. Citizens for Quigley
  - c. 39th District Democrats and Clarajean Heirman, as treasurer
10. Approve the Subpoenas for Deposition and Documents to:

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- a. Kevin Quigley
- b. Randy Gray
- c. Steve Hobbs
- d. Joann Rossall
- e. Clarajean Heirman
- f. Stephen Dean
- g. Jack Lobdell
- h. Joseph Bowen
- i. Jeff Soth
- j. Patricia Patterson
- k. Hugh Meyers
- l. Lawrence Kuney
- m. Robert Guild
- n. Bob Craven
- o. Kathy Conrad
- p. Dennis Ingram


- 11. Approve the attached Factual and Legal Analyses.
- 12. Approve the appropriate letters.
- 13. Close the file in MUR 4443.

Lawrence M. Noble  
General Counsel

Date

12/3/97

BY:

  
Lois G. Lerner  
Associate General Counsel

Attachments:

- 1. Affidavits
- 2. Response cover letter from Quigley for US Congress
- 3. Campaign letter from Quigley Federal Committee
- 4. Quigley Federal Committee contribution form
- 5. Letter from Quigley to 39th District Democrats
- 6. Washington State Public Disclosure Reports

7. Factual and Legal Analyses for Kevin Quigley for Congress and Stephen Dean, as treasurer; Citizens for Quigley; Kevin Quigley and the 39th District Democrats and Clarajean Heirman, as treasurer.
8. Subpoena To Produce Documents and Order to Submit Written Answers to Kevin Quigley for Congress and Stephen Dean, as treasurer; Citizens for Quigley; and the 39th District Democrats and Clarajean Heirman, as treasurer.
9. Sample Deposition Subpoena
10. Factual and Legal Analyses for:
  - a. United Psychologists Political Action Committee and Charles Maurer, as treasurer
  - b. Fire Services Fund of Washington and J. Pete Spiller, as treasurer
  - c. Washington State Dental Political Action Committee and Irene Hannaford, as treasurer
  - d. Retail Pharmacy Council Political Action Committee and Liz Merten, as treasurer
  - e. Osteopathic Political Action Committee of Washington and Kathleen Itter, as treasurer
  - f. Washington School Administrators and Robert Kraig, as treasurer
  - g. Home Care Political Action Committee and Donna Cameron, as treasurer
  - h. Washington Chiropractic Trust and Joel Vranna, as treasurer
11. Minutes from the March 21, 1996 meeting of the 39th District Democrats

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

**MEMORANDUM**

TO: LAWRENCE M. NOBLE  
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/Veneshe Ferebee-Vines  
COMMISSION SECRETARY

DATE: DECEMBER 9, 1997

SUBJECT: MURs 4408, 4409, 4443 - First General Counsel's Report

The above-captioned document was circulated to the Commission  
on Thursday, December 04, 1997.

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

Commissioner Aikens	—
Commissioner Elliott	XXX
Commissioner McDonald	XXX
Commissioner McGarry	—
Commissioner Thomas	XXX

This matter will be placed on the meeting agenda for

Tuesday, January 06, 1998

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

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of ) MURS 4408, 4409  
 ) and 4443  
Kevin Quigley for Congress and )  
Stephen Dean, as treasurer, et al.)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on January 13, 1998, do hereby certify that the Commission decided by a vote of 4-0 to take the following actions with respect to MURS 4408, 4409, and 4443:

1. Find reason to believe that Kevin Quigley for Congress and Stephen Dean, as treasurer, respondents in MURS 4408 and 4409, violated 2 U.S.C. §§ 441f, 434(b) and 441b(a).
2. Find reason to believe that Citizens for Quigley, respondents in MURS 4408 and 4409, violated 2 U.S.C. §§ 441f and 441b(a).
3. Find reason to believe that the 39th District Democrats and Clarajean Heirman, as treasurer, respondents in MURS 4408 and 4409, violated 2 U.S.C. §441f.
4. Find reason to believe that Kevin Quigley violated 2 U.S.C. § 441b and 441f.

(continued)

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Federal Election Commission  
Certification: MURS 4408, 4409,  
AND 4443  
January 13, 1998

Page 2

5. Find no reason to believe that the following respondents in MUR 4443 violated the Federal Election Campaign Act:
- a. United Psychologists Political Action Committee and Charles Maurer, as treasurer.
  - b. Fire Services Fund of Washington and J. Pete Spiller, as treasurer.
  - c. Washington State Dental Political Action Committee and Irene Hannaford, as treasurer.
  - d. Retail Pharmacy Council Political Action Committee and Liz Merten, as treasurer.
  - e. Osteopathic Political Action Committee of Washington and Kathleen Itter, as treasurer.
  - f. Washington School Administrators and Robert Kraig, as treasurer.
  - g. Home Care Political Action Committee and Donna Cameron, as treasurer.
6. Find reason to believe that Washington Chiropractic Trust and Joel Vranna, as treasurer, respondents in MUR 4443, violated 2 U.S.C. § 441b and 11 C.F.R. § 102.5(b), but take no further action.
7. Find no reason to believe that Washington Chiropractic Trust and Joel Vranna, as treasurer, respondents in MUR 4443, violated 2 U.S.C. § 433.
8. Find reason to believe that Kevin Quigley for Congress and Stephen Dean, as treasurer, respondents in MUR 4443, violated 2 U.S.C. § 441b, but take no further action.

(continued)

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8043875014  
Federal Election Commission  
Certification: MURS 4408, 4409,  
AND 4443  
January 13, 1998

Page 3

9. Approve the Factual and Legal Analyses recommended in the General Counsel's December 3, 1997 report
10. Send appropriate letters which would include appropriate admonishment language.
11. Take no further action and close the files in MURS 4408, 4409, and 4443.

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

Attest:

1-13-98  
Date

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



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

January 22, 1998

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Joseph D. Bowen  
307 S. 1st Street  
Mount Vernon, WA 98273-3804

RE: **MUR 4409**  
Kevin Quigley for Congress and Stephen Dean,  
as treasurer  
Kevin Quigley  
39th District Democrats and Clarajean  
Heirman, as treasurer  
Citizens for Quigley  
**MUR 4443**  
Kevin Quigley for Congress and Stephen Dean,  
as treasurer  
Washington Chiropractic Trust and Joel  
Vranna, as treasurer  
United Psychologists and Charles Maurer, as  
treasurer  
Fire Services Fund of Washington and J.  
Pete Spiller, as treasurer  
Washington State Dental Political Action  
Committee and Irene Hannaford, as  
treasurer  
Retail Pharmacy Council Political Action  
Committee and Liz Merten, as  
treasurer  
Osteopathic Political Action Committee of  
Washington and Kathleen Itter, as  
treasurer  
Washington School Administrators and  
Robert Kraig, as treasurer

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Home Care Political Action Committee and  
Donna Cameron, as treasurer

Dear Mr. Bowen:

This is in reference to the complaints you filed with the Federal Election Commission on July 3, 1996 and August 22, 1996, concerning the above named respondents.

Based on your first complaint, designated as MUR 4409, on January 13, 1998, the Commission found that there was reason to believe Kevin Quigley for Congress and Stephen Dean, as treasurer, violated 2 U.S.C. §§ 441f, 434(b) and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Commission further found reason to believe the 39th District Democrats violated 2 U.S.C. § 441f of the Act, reason to believe that Kevin Quigley violated 2 U.S.C. §§ 441b and 441f of the Act and reason to believe that Citizens for Quigley violated 2 U.S.C. §§ 441f and 441b(a) of the Act. The General Counsel's Report, which formed a basis for the Commission's finding, is attached for your information. However, after considering the circumstances of this matter, the Commission decided not to investigate these matters further. A Statement of Reasons explaining the Commission's decision will follow.

At the same time, the Commission admonished the Kevin Quigley for Congress Committee that the acceptance of \$2,000 from the 39th District Democrats appears to be a violation of 2 U.S.C. § 441f, accepting contributions which may have included funds received from corporations and/or labor unions is a violation of 2 U.S.C. § 441b(a) and the failure to properly report contributions received is a violation of 2 U.S.C. § 434(b). In addition, the Commission admonished the 39th District Democrats that making a contribution in the name of another to a candidate for a federal election, from funds which may have included contributions received from labor organizations and/or corporations, is a violation of 2 U.S.C. § 441f.

The Commission further admonished Kevin Quigley that making or receiving a contribution in the name of another, from funds which may have included contributions received from labor organizations and/or corporations, is a violation of 2 U.S.C. §§ 441f and 441b(a). Citizens for Quigley was admonished that making a contribution in the name of another to a candidate for a federal election, from funds which may have included contributions received from labor organizations and/or corporations, is a violation of 2 U.S.C. §§ 441f and 441b(a).

Based on your second complaint, designated as MUR 4443, on January 13, 1998, the Commission found that there was reason to believe Kevin Quigley for Congress and Stephen Dean, as treasurer, violated 2 U.S.C. § 441b and reason to believe Washington Chiropractic Trust and Joel Vrana, as treasurer, violated 2 U.S.C. § 441b and 11 C.F.R. § 102.5(b). The Commission found no reason to believe that the following respondents to MUR 4443 violated the Federal Election Act: United Psychologists and Charles Maurer, as treasurer, Fire Services Fund of Washington and J. Pete Spiller, as treasurer, Washington State Dental Political Action

Mr. Joseph Bowen  
MURs 4409, 4443  
Page 3

Committee and Irene Hannaford, as treasurer; Retail Pharmacy Council Political Action Committee and Liz Merten, as treasurer; Osteopathic Political Action Committee of Washington and Kathleen Itter, as treasurer; Washington School Administrators and Robert Kraig, as treasurer; Home Care Political Action Committee and Donna Cameron, as treasurer. The enclosed General Counsel's Report also explains the Commission's decision in MUR 4443.

This matter will become part of the public record within 30 days. The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

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

Sincerely,

  
Tara D. Meeker  
Attorney

Enclosures  
General Counsel's Report  
Certification

18043875017



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

January 22, 1998

Irene Hannaford, Treasurer  
Washington State Dental Political Action Committee  
2033 6th Avenue, Suite 333  
Seattle, WA 98121

RE: MUR 4443  
Washington State Dental PAC

Dear Ms. Hannaford:

On August 28, 1996, the Federal Election Commission notified Washington State Dental Political Action Committee ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

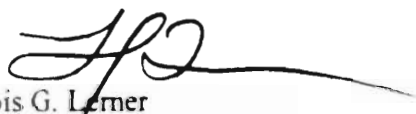
On January 13, 1998, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe that the Committee and you, as treasurer, violated the Act. Accordingly, the Commission closed its file in this matter.

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.

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

Sincerely,

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

Enclosure  
Factual and Legal Analysis

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

RESPONDENT: Washington State Dental Political Action Committee and Irene Hannaford, as treasurer MUR: 4443

This matter was generated by a complaint filed with the Federal Election Commission by Joseph Bowen. See 2 U.S.C. § 437g(a)(1).

2 U.S.C. § 431(4)(A) defines a political committee as any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year. All committees shall file a statement of organization within ten days after becoming a political committee within the meaning of section 431(4). 2 U.S.C. § 433.

Organizations that are not political committees under the act shall either establish a separate account to which funds subject to the prohibitions and limitations of the Act shall be deposited and from which contributions, expenditures and exempted payments shall be made; or demonstrate through a reasonable accounting method that whenever such organization makes a contribution, expenditure or exempted payment, that organization has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution, expenditure or payment.

11 C.F.R. § 102.5(b)(1)(i) and (ii).

Transfers of funds or assets from a candidate's campaign committee or account for a nonfederal election to his or her principal campaign committee or other authorized

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committee for a federal election are prohibited. 11 C.F.R. § 110.3(d). However, a state committee may refund contributions and then coordinate with the federal committee for solicitation of the same contributors by the federal committee, providing the full cost of the solicitation is paid by the federal committee. *Id.*

MUR 4443 arose from a second complaint filed by Joseph Bowen on August 22, 1996, alleging that the respondents, Washington State Dental Political Action Committee and Irene Hannaford, as treasurer, violated provisions of the FECA. The respondents were notified of the complaint on August 28, 1996. Washington State Dental Political Action Committee and Irene Hannaford, as treasurer, responded on September 23, 1996. The complaint in MUR 4443 alleges that several organizations which made contributions listed on Mr. Quigley's second quarter report should have registered as federal political committees.

Respondents answered the complaint stating that there had been no violation of federal election laws. Respondents claim that they were advised by the candidate, prior to making their contributions, that:

federal law permits non-federally registered groups to make contributions to candidates for federal office providing the contributions by the PAC do not exceed \$1,000 in any calendar year and that the group can demonstrate the money was contributed to the PAC in federally-permissible funds (no corporate checks, no labor treasury funds, individual contributions under \$1,000).

Respondents further state that their contribution to the Quigley Federal Committee was the only contribution made to a federal candidate in 1996, that nearly all of their funds

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were from individual contributions and that their balance on hand was significantly higher than the contribution amount.

2 U.S.C. § 431(4) defines a political committee as one "which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year," and therefore the respondents are not required to register with the Commission. 11 C.F.R. § 102.5(b) places an affirmative duty on organizations which are not political committees under the Act. These committees may either establish a separate account to which only funds subject to the prohibitions and limitations of the Act shall be deposited and from which contributions, expenditures and exempted payments shall be made; or demonstrate through a reasonable accounting method that whenever such organization makes a contribution, expenditure or exempted payment, that organization has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution, expenditure or payment.

Respondents provided information verifying that their balances on hand were greater than the amount of the contribution, and that the contribution consisted of funds permissible under federal law. Pursuant to 11 C.F.R. § 110.3(d) this appears to be permissible. There is no indication that the respondents have violated the Act. Respondents donated \$650 to the Quigley Federal Committee from federally permissible funds. Respondent is not reported to have made contributions to any other federal candidates. Because respondents did not trigger the definition of a political committee

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under 2 U.S.C. § 431(4)(A), there was no requirement that they register under 2 U.S.C. § 433.

Accordingly this Office recommends that the Commission find no reason to believe that, Washington State Dental Political Action Committee and Irene Hannaford, as treasurer, respondents to MUR 4443, violated the Federal Election Campaign Act.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

January 22, 1998

J. Pete Spiller, Treasurer  
Fire Services Fund of Washington  
P.O. Box 1024  
Olympia, WA 98507-1024

RE: MUR 4443  
Fire Services Fund of Washington

Dear Mr. Spiller:

On August 28, 1996, the Federal Election Commission notified Fire Services Fund ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On January 13, 1998, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe that the Committee and you, as treasurer, 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.

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

Sincerely,

Lawrence M. Noble  
General Counsel

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

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
Factual and Legal Analysis

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

RESPONDENT: Fire Services Fund of Washington and J. MUR: 4443  
Pete Spiller, as treasurer

This matter was generated by a complaint filed with the Federal Election Commission by Joseph Bowen. See 2 U.S.C. § 437g(a)(1).

2 U.S.C. § 431(4)(A) defines a political committee as any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year. All committees shall file a statement of organization within ten days after becoming a political committee within the meaning of section 431(4). 2 U.S.C. § 433.

Organizations that are not political committees under the act shall either establish a separate account to which funds subject to the prohibitions and limitations of the Act shall be deposited and from which contributions, expenditures and exempted payments shall be made; or demonstrate through a reasonable accounting method that whenever such organization makes a contribution, expenditure or exempted payment, that organization has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution, expenditure or payment.

11 C.F.R. § 102.5(b)(1)(i) and (ii).

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Transfers of funds or assets from a candidate's campaign committee or account for a nonfederal election to his or her principal campaign committee or other authorized committee for a federal election are prohibited. 11 C.F.R. § 110.3(d). However, a state committee may refund contributions and then coordinate with the federal committee for solicitation of the same contributors by the federal committee, providing the full cost of the solicitation is paid by the federal committee. *Id.*

MUR 4443 arose from a second complaint filed by Joseph Bowen on August 22, 1996, alleging that the respondents, Fire Services Fund of Washington and J. Pete Spiller, as treasurer, violated provisions of the FECA. The respondents were notified of the complaint on August 28, 1996. Fire Services Fund of Washington and J. Pete Spiller, as treasurer, responded on October 7, 1996. The complaint in MUR 4443 alleges that several organizations which made contributions listed on Mr. Quigley's second quarter report should have registered as federal political committees.

Respondents answered the complaint stating that there had been no violation of federal election laws. Respondents claim that they were advised by the candidate, prior to making their contributions, that:

federal law permits non-federally registered groups to make contributions to candidates for federal office providing the contributions by the PAC do not exceed \$1,000 in any calendar year and that the group can demonstrate the money was contributed to the PAC in federally-permissible funds (no corporate checks, no labor treasury funds, individual contributions under \$1,000).

Respondents further state that their contribution to the Quigley Federal Committee was the only contribution made to a federal candidate in 1996, that nearly all of their funds

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were from individual contributions and that their balance on hand was significantly higher than the contribution amount. Respondents also specifically mention in their response that they have registered their contribution with the Washington State Public Disclosure Commission.

2 U.S.C. § 431(4) defines a political committee as one "which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year," and therefore the respondents are not required to register with the Commission. 11 C.F.R. § 102.5(b) places an affirmative duty on organizations which are not political committees under the Act. These committees may either establish a separate account to which only funds subject to the prohibitions and limitations of the Act shall be deposited and from which contributions, expenditures and exempted payments shall be made; or demonstrate through a reasonable accounting method that whenever such organization makes a contribution, expenditure or exempted payment, that organization has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution, expenditure or payment.

Respondents provided information verifying that their balances on hand were greater than the amount of the contribution, and that the contribution consisted of funds permissible under federal law. Pursuant to 11 C.F.R. § 110.3(d) this appears to be permissible. There is no indication that the respondents have violated the Act. Respondents donated \$500 to the Quigley Federal Committee from federally permissible funds. Respondent is not reported to have made contributions to any other federal

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candidates. Because respondents did not trigger the definition of a political committee under 2 U.S.C. § 431(4)(A), there was no requirement that they register under 2 U.S.C. § 433.

Accordingly this Office recommends that the Commission find no reason to believe that Fire Services Fund of Washington and J. Pete Spiller, as treasurer, respondents to MUR 4443, violated the Federal Election Campaign Act.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

January 22, 1998

Charles Maurer, Treasurer  
United Psychologists  
P.O. Box 2016  
Edmonds, WA 98020-2016

RE: MUR 4443  
United Psychologists

Dear Mr. Maurer:

On August 28, 1996, the Federal Election Commission notified United Psychologists ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On January 13, 1998, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe that the Committee and you, as treasurer, 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.

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

Sincerely,

Lawrence M. Noble  
General Counsel

A handwritten signature in dark ink, appearing to be "Lois G. Lerner".

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
Factual and Legal Analysis

18043875028

**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

RESPONDENT:      United Psychologists Political Action                      MUR: 4443  
                                 Committee and Charles Maurer, as treasurer

This matter was generated by a complaint filed with the Federal Election Commission by Joseph Bowen. See 2 U.S.C. § 437g(a)(1).

2 U.S.C. § 431(4)(A) defines a political committee as any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year. All committees shall file a statement of organization within ten days after becoming a political committee within the meaning of section 431(4). 2 U.S.C. § 433.

Organizations that are not political committees under the act shall either establish a separate account to which funds subject to the prohibitions and limitations of the Act shall be deposited and from which contributions, expenditures and exempted payments shall be made; or demonstrate through a reasonable accounting method that whenever such organization makes a contribution, expenditure or exempted payment, that organization has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution, expenditure or payment.

11 C.F.R. § 102.5(b)(1)(i) and (ii).

Transfers of funds or assets from a candidate's campaign committee or account for a nonfederal election to his or her principal campaign committee or other authorized

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committee for a federal election are prohibited. 11 C.F.R. § 110.3(d). However, a state committee may refund contributions and then coordinate with the federal committee for solicitation of the same contributors by the federal committee, providing the full cost of the solicitation is paid by the federal committee. *Id.*

MUR 4443 arose from a second complaint filed by Joseph Bowen on August 22, 1996, alleging that the respondents, United Psychologists Political Action Committee and Charles Maurer, as treasurer, violated provisions of the FECA. The respondents were notified of the complaint on August 28, 1996. United Psychologists Political Action Committee and Charles Maurer, as treasurer, responded on September 23, 1996. The complaint in MUR 4443 alleges that several organizations which made contributions listed on Mr. Quigley's second quarter report should have registered as federal political committees.

Respondents answered the complaint stating that there had been no violation of federal election laws. Respondents claim that they were advised by the candidate, prior to making their contributions, that:

federal law permits non-federally registered groups to make contributions to candidates for federal office providing the contributions by the PAC do not exceed \$1,000 in any calendar year and that the group can demonstrate the money was contributed to the PAC in federally-permissible funds (no corporate checks, no labor treasury funds, individual contributions under \$1,000).

United Psychologists Political Action Committee Response at 1. Respondents further state that their contribution to the Quigley Federal Committee was the only contribution made to a federal candidate in 1996, that nearly all of their funds were from individual

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contributions and that their balance on hand was significantly higher than the contribution amount.

2 U.S.C. § 431(4) defines a political committee as one "which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year," and therefore the respondents are not required to register with the Commission. 11 C.F.R. § 102.5(b) places an affirmative duty on organizations which are not political committees under the Act. These committees may either establish a separate account to which only funds subject to the prohibitions and limitations of the Act shall be deposited and from which contributions, expenditures and exempted payments shall be made; or demonstrate through a reasonable accounting method that whenever such organization makes a contribution, expenditure or exempted payment, that organization has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution, expenditure or payment.

Respondents provided information verifying that their balances on hand were greater than the amount of the contribution, and that the contribution consisted of funds permissible under federal law. Pursuant to 11 C.F.R. § 110.3(d) this appears to be permissible. There is no indication that the respondents have violated the Act. Respondents donated \$1000 to the Quigley Federal Committee from federally permissible funds. Respondents is not reported to have made contributions to any other federal candidates. Because respondents did not trigger the definition of a political

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committee under 2 U.S.C. § 431(4)(A), there was no requirement that they register under 2 U.S.C. § 433.

Accordingly this Office recommends that the Commission find no reason to believe that United Psychologists Political Action Committee and Charles Maurer, as treasurer, violated the Federal Election Campaign Act.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

January 22, 1998

Robert Kraig, Treasurer  
Washington School Administrators  
307 E. 18th  
Olympia, WA 98501

RE: MUR 4443  
Washington School Administrators

Dear Mr. Kraig:

On August 28, 1996, the Federal Election Commission notified Washington School Administrators ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.


On January 13, 1998, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe that the Committee and you, as treasurer, 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.

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

Sincerely,

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

Enclosure  
Factual and Legal Analysis

18043875033

**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

RESPONDENT:      Washington School Administrators and      MUR: 4443  
                         Robert Kraig, as treasurer<sup>1</sup>

This matter was generated by a complaint filed with the Federal Election Commission by Joseph Bowen. See 2 U.S.C. § 437g(a)(1).

2 U.S.C. § 431(4)(A) defines a political committee as any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year. All committees shall file a statement of organization within ten days after becoming a political committee within the meaning of section 431(4). 2 U.S.C. § 433.

Organizations that are not political committees under the act shall either establish a separate account to which funds subject to the prohibitions and limitations of the Act shall be deposited and from which contributions, expenditures and exempted payments shall be made; or demonstrate through a reasonable accounting method that whenever such organization makes a contribution, expenditure or exempted payment, that organization has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution, expenditure or payment.

11 C.F.R. § 102.5(b)(1)(i) and (ii).

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<sup>1</sup> Robert Kraig is the current treasurer of Washington School Administrators. At the time the complaint was filed, the treasurer was listed as Donna Fountain.

Transfers of funds or assets from a candidate's campaign committee or account for a nonfederal election to his or her principal campaign committee or other authorized committee for a federal election are prohibited. 11 C.F.R. § 110.3(d). However, a state committee may refund contributions and then coordinate with the federal committee for solicitation of the same contributors by the federal committee, providing the full cost of the solicitation is paid by the federal committee. *Id.*

MUR 4443 arose from a second complaint filed by Joseph Bowen on August 22, 1996, alleging that the respondents, Washington School Administrators and Robert Kraig, as treasurer, violated provisions of the FECA. The respondents were notified of the complaint on August 28, 1996. Washington School Administrators and Robert Kraig, as treasurer responded on October 8, 1996. The complaint in MUR 4443 alleges that several organizations which made contributions listed on Mr. Quigley's second quarter report should have registered as federal political committees.

Respondents answered the complaint stating that there had been no violation of federal election laws. Respondents claim that they were advised by the candidate, prior to making their contributions, that:

federal law permits non-federally registered groups to make contributions to candidates for federal office providing the contributions by the PAC do not exceed \$1,000 in any calendar year and that the group can demonstrate the money was contributed to the PAC in federally-permissible funds (no corporate checks, no labor treasury funds, individual contributions under \$1,000).

Respondents further state that their contribution to the Quigley Federal Committee was the only contribution made to a federal candidate in 1996, that nearly all of their funds

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were from individual contributions and that their balance on hand was significantly higher than the contribution amount. Respondents also specifically mention in their response that they have registered their contribution with the Washington State Public Disclosure Commission.

Respondents provided information verifying that their balances on hand were greater than the amount of the contribution, and that the contribution consisted of funds permissible under federal law. Pursuant to 11 C.F.R. § 110.3(d) this appears to be permissible. There is no indication that the respondents have violated the Act. Respondents donated \$250 to the Quigley Federal Committee from federally permissible funds. Respondent is not reported to have made contributions to any other federal candidates. The Washington School Administrators Political Action Committee is registered with the Federal Election Commission. Therefore, being properly registered under 2 U.S.C. § 433, there is no violation of the Act.

Accordingly this Office recommends that the Commission find no reason to believe that Washington School Administrators and Robert Kraig, as treasurer, respondents to MUR 4443, violated the Federal Election Campaign Act.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

January 22, 1998

Kathleen Itter, Treasurer  
Osteopathic Political Action Committee of Washington  
P.O. Box 16486  
Seattle, WA 98116

RE: MUR 4443  
Osteopathic PAC of Washington

Dear Ms. Itter:

On August 28, 1996, the Federal Election Commission notified Osteopathic PAC of Washington ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On January 13, 1998, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe that the Committee and you, as treasurer, 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.

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

Sincerely,

Lawrence M. Noble  
General Counsel

A handwritten signature in black ink, appearing to read "Lois G. Lerner".

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
Factual and Legal Analysis

28043875037

**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

RESPONDENT: Osteopathic Political Action Committee of MUR: 4443  
Washington and Kathleen Itter, as  
treasurer<sup>1</sup>

This matter was generated by a complaint filed with the Federal Election Commission by Joseph Bowen. See 2 U.S.C. § 437g(a)(1).

2 U.S.C. § 431(4)(A) defines a political committee as any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year. All committees shall file a statement of organization within ten days after becoming a political committee within the meaning of section 431(4). 2 U.S.C. § 433.

Organizations that are not political committees under the act shall either establish a separate account to which funds subject to the prohibitions and limitations of the Act shall be deposited and from which contributions, expenditures and exempted payments shall be made; or demonstrate through a reasonable accounting method that whenever such organization makes a contribution, expenditure or exempted payment, that organization has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution, expenditure or payment.

<sup>1</sup> Kathleen Itter is the current treasurer for Osteopathic Political Action Committee of Washington. At the time the complaint was filed the treasurer was listed as Mark Hunt.

11 C.F.R. § 102.5(b)(1)(i) and (ii).

Transfers of funds or assets from a candidate's campaign committee or account for a nonfederal election to his or her principal campaign committee or other authorized committee for a federal election are prohibited. 11 C.F.R. § 110.3(d). However, a state committee may refund contributions and then coordinate with the federal committee for solicitation of the same contributors by the federal committee, providing the full cost of the solicitation is paid by the federal committee. *Id.*

MUR 4443 arose from a second complaint filed by Joseph Bowen on August 22, 1996, alleging that the respondents, Osteopathic Political Action Committee of Washington and Kathleen Itter, as treasurer violated provisions of the FECA. The respondents were notified of the complaint on August 28, 1996. Osteopathic Political Action Committee of Washington and Kathleen Itter, as treasurer, responded on September 23, 1996. The complaint in MUR 4443 alleges that several organizations which made contributions listed on Mr. Quigley's second quarter report should have registered as federal political committees.

Respondents answered the complaint stating that there had been no violation of federal election laws. Respondents claim that they were advised by the candidate, prior to making their contributions, that:

federal law permits non-federally registered groups to make contributions to candidates for federal office providing the contributions by the PAC do not exceed \$1,000 in any calendar year and that the group can demonstrate the money was contributed to the PAC in federally-permissible funds (no corporate checks, no labor treasury funds, individual contributions under \$1,000).

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Respondents further state that their contribution to the Quigley Federal Committee was the only contribution made to a federal candidate in 1996, that nearly all of their funds were from individual contributions and that their balance on hand was significantly higher than the contribution amount. Respondents also specifically mention in their response that they have registered their contribution with the Washington State Public Disclosure Commission.

2 U.S.C. § 431(4) defines a political committee as one "which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year," and therefore the respondents are not required to register with the Commission. 11 C.F.R. § 102.5(b) places an affirmative duty on organizations which are not political committees under the Act. These committees may either establish a separate account to which only funds subject to the prohibitions and limitations of the Act shall be deposited and from which contributions, expenditures and exempted payments shall be made; or demonstrate through a reasonable accounting method that whenever such organization makes a contribution, expenditure or exempted payment, that organization has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution, expenditure or payment.

Respondents provided information verifying that their balances on hand were greater than the amount of the contribution, and that the contribution consisted of funds permissible under federal law. Pursuant to 11 C.F.R. § 110.3(d) this appears to be permissible. There is no indication that the respondents have violated the Act.

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Respondents donated \$250 to the Quigley Federal Committee from federally permissible funds. Respondent is not reported to have made contributions to any other federal candidates. Because respondents did not trigger the definition of a political committee under 2 U.S.C. § 431(4)(A), there was no requirement that they register under 2 U.S.C. § 433.

Accordingly this Office recommends that the Commission find no reason to believe that Osteopathic Political Action Committee of Washington and Kathleen Itter, as treasurer, respondents to MUR 4443, violated the Federal Election Campaign Act.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

January 22, 1998

Donna Cameron, Treasurer  
Home Care Political Action Committee  
P.O. Box 2016  
Edmonds, WA 98020-0999

RE: MUR 4443  
Home Care Political Action Committee

Dear Ms. Cameron:

On August 28, 1996, the Federal Election Commission notified Home Care Political Action Committee ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On January 13, 1998, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe that the Committee and you, as treasurer, 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.

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

Sincerely,

Lawrence M. Noble  
General Counsel

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

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
Factual and Legal Analysis

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Home Care Political Action Committee and  
Donna Cameron, as treasurer

**MUR: 4443**

This matter was generated by a complaint filed with the Federal Election Commission by Joseph Bowen. See 2 U.S.C. § 437g(a)(1).

2 U.S.C. § 431(4)(A) defines a political committee as any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year. All committees shall file a statement of organization within ten days after becoming a political committee within the meaning of section 431(4). 2 U.S.C. § 433.

Organizations that are not political committees under the act shall either establish a separate account to which funds subject to the prohibitions and limitations of the Act shall be deposited and from which contributions, expenditures and exempted payments shall be made; or demonstrate through a reasonable accounting method that whenever such organization makes a contribution, expenditure or exempted payment, that organization has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution, expenditure or payment.

11 C.F.R. § 102.5(b)(1)(i) and (ii).

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Transfers of funds or assets from a candidate's campaign committee or account for a nonfederal election to his or her principal campaign committee or other authorized committee for a federal election are prohibited. 11 C.F.R. § 110.3(d). However, a state committee may refund contributions and then coordinate with the federal committee for solicitation of the same contributors by the federal committee, providing the full cost of the solicitation is paid by the federal committee. *Id.*

MUR 4443 arose from a second complaint filed by Joseph Bowen on August 22, 1996, alleging that the respondents, Home Care Political Action Committee and Donna Cameron, as treasurer, violated provisions of the FECA. The respondents were notified of the complaint on August 28, 1996. Home Care Political Action Committee and Donna Cameron, as treasurer, responded on September 16, 1996. The complaint in MUR 4443 alleges that several organizations which made contributions listed on Mr. Quigley's second quarter report should have registered as federal political committees.

Respondents answered the complaint stating that there had been no violation of federal election laws. Respondents claim that they were advised by the candidate, prior to making their contributions, that:

federal law permits non-federally registered groups to make contributions to candidates for federal office providing the contributions by the PAC do not exceed \$1,000 in any calendar year and that the group can demonstrate the money was contributed to the PAC in federally-permissible funds (no corporate checks, no labor treasury funds, individual contributions under \$1,000).

Respondents further state that their contribution to the Quigley Federal Committee was the only contribution made to a federal candidate in 1996, that nearly all of their funds

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were from individual contributions and that their balance on hand was significantly higher than the contribution amount.

2 U.S.C. § 431(4) defines a political committee as one "which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year," and therefore the respondents are not required to register with the Commission. 11 C.F.R. § 102.5(b) places an affirmative duty on organizations which are not political committees under the Act. These committees may either establish a separate account to which only funds subject to the prohibitions and limitations of the Act shall be deposited and from which contributions, expenditures and exempted payments shall be made; or demonstrate through a reasonable accounting method that whenever such organization makes a contribution, expenditure or exempted payment, that organization has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution, expenditure or payment.

Respondents provided information verifying that their balances on hand were greater than the amount of the contribution, and that the contribution consisted of funds permissible under federal law. Pursuant to 11 C.F.R. § 110.3(d) this appears to be permissible. There is no indication that the respondents have violated the Act. Respondents donated \$250 to the Quigley Federal Committee from federally permissible funds. Respondent is not reported to have made contributions to any other federal candidates. Because respondents did not trigger the definition of a political committee

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under 2 U.S.C. § 431(4)(A), there was no requirement that they register under  
2 U.S.C. § 433.

Accordingly this Office recommends that the Commission find no reason to  
believe that Home Care Political Action Committee and Donna Cameron, as treasurer,  
respondents to MUR 4443, violated the Federal Election Campaign Act.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

January 22, 1998

Liz Merten, Treasurer  
Retail Pharmacy Council Political Action Committee  
P.O. Box 2227  
Olympia, WA 98507

RE: MUR 4443  
Retail Pharmacy Council PAC

Dear Ms. Merten:

On August 28, 1996, the Federal Election Commission notified Retail Pharmacy Council PAC ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On January 13, 1998, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe that the Committee and you, as treasurer, 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.

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

Sincerely,

Lawrence M. Noble  
General Counsel

A handwritten signature in dark ink, appearing to read "Lois G. Verner".

BY: Lois G. Verner  
Associate General Counsel

Enclosure  
Factual and Legal Analysis

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

RESPONDENT:      Retail Pharmacy Council Political Action      MUR: 4443  
                                 Committee and Liz Merten, as treasurer

This matter was generated by a complaint filed with the Federal Election Commission by Joseph Bowen. See 2 U.S.C. § 437g(a)(1).

2 U.S.C. § 431(4)(A) defines a political committee as any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year. All committees shall file a statement of organization within ten days after becoming a political committee within the meaning of section 431(4). 2 U.S.C. § 433.

Organizations that are not political committees under the act shall either establish a separate account to which funds subject to the prohibitions and limitations of the Act shall be deposited and from which contributions, expenditures and exempted payments shall be made; or demonstrate through a reasonable accounting method that whenever such organization makes a contribution, expenditure or exempted payment, that organization has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution, expenditure or payment.

11 C.F.R. § 102.5(b)(1)(i) and (ii).

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Transfers of funds or assets from a candidate's campaign committee or account for a nonfederal election to his or her principal campaign committee or other authorized committee for a federal election are prohibited. 11 C.F.R. § 110.3(d). However, a state committee may refund contributions and then coordinate with the federal committee for solicitation of the same contributors by the federal committee, providing the full cost of the solicitation is paid by the federal committee. *Id.*

MUR 4443 arose from a second complaint filed by Joseph Bowen on August 22, 1996, alleging that the respondents, Retail Pharmacy Council Political Action Committee and Liz Merten, as treasurer, violated provisions of the FECA. The respondents were notified of the complaint on August 28, 1996. Retail Pharmacy Council Political Action Committee and Liz Merten, as treasurer responded on September 16, 1996. The complaint in MUR 4443 alleges that several organizations which made contributions listed on Mr. Quigley's second quarter report should have registered as federal political committees.

Respondents answered the complaint stating that there had been no violation of federal election laws. Respondents claim that they were advised by the candidate, prior to making their contributions, that:

federal law permits non-federally registered groups to make contributions to candidates for federal office providing the contributions by the PAC do not exceed \$1,000 in any calendar year and that the group can demonstrate the money was contributed to the PAC in federally-permissible funds (no corporate checks, no labor treasury funds, individual contributions under \$1,000).

Respondents further state that their contribution to the Quigley Federal Committee was the only contribution made to a federal candidate in 1996, that nearly all of their funds were from individual contributions and that their balance on hand was significantly higher than the contribution amount.

2 U.S.C. § 431(4) defines a political committee as one "which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year," and therefore the respondents are not required to register with the Commission. 11 C.F.R. § 102.5(b) places an affirmative duty on organizations which are not political committees under the Act. These committees may either establish a separate account to which only funds subject to the prohibitions and limitations of the Act shall be deposited and from which contributions, expenditures and exempted payments shall be made; or demonstrate through a reasonable accounting method that whenever such organization makes a contribution, expenditure or exempted payment, that organization has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution, expenditure or payment.

Respondents provided information verifying that their balances on hand were greater than the amount of the contribution, and that the contribution consisted of funds permissible under federal law. Pursuant to 11 C.F.R. § 110.3(d) this appears to be permissible. There is no indication that the respondents have violated the Act. Respondents donated \$200 to the Quigley Federal Committee from federally permissible funds. Respondent is not reported to have made contributions to any other federal

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candidates. Because respondents did not trigger the definition of a political committee under 2 U.S.C. § 431(4)(A), there was no requirement that they register under 2 U.S.C. § 433.

Accordingly this Office recommends that the Commission find no reason to believe that Retail Pharmacy Council Political Action Committee and Liz Merten, as treasurer, respondents to MUR 4443, violated the Federal Election Campaign Act.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

January 22, 1998

Joel Vrana, Treasurer  
Washington Chiropractic Trust  
P.O. Box 18588  
Seattle, WA 98185

RE: MUR 4443  
Washington Chiropractic  
Trust

Dear Mr. Vrana:

On January 13, 1998, the Federal Election Commission found reason to believe that Washington Chiropractic Trust ("Committee") and you, as treasurer, violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act.") and 11 C.F.R. § 102.5(b). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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

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

Sincerely,

*Joan D. Aikens*

Joan D. Aikens  
Chairman

Enclosure  
Factual and Legal Analysis

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

RESPONDENT: Washington Chiropractic Trust and  
Joel Vranna, as treasurer

MUR: 4443

This matter was generated by a complaint filed with the Federal Election Commission by Joseph Bowen. See 2 U.S.C. § 437g(a)(1).

2 U.S.C. § 431(4)(A) defines a political committee as any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year. All committees shall file a statement of organization within ten days after becoming a political committee within the meaning of section 431(4). 2 U.S.C. § 433.

Organizations that are not political committees under the act shall either establish a separate account to which funds subject to the prohibitions and limitations of the Act shall be deposited and from which contributions, expenditures and exempted payments shall be made; or demonstrate through a reasonable accounting method that whenever such organization makes a contribution, expenditure or exempted payment, that organization has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution, expenditure or payment.

11 C.F.R. § 102.5(b)(1)(i) and (ii).

Transfers of funds or assets from a candidate's campaign committee or account for a nonfederal election to his or her principal campaign committee or other authorized

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committee for a federal election are prohibited. 11 C.F.R. § 110.3(d). However, a state committee may refund contributions and then coordinate with the federal committee for solicitation of the same contributors by the federal committee, providing the full cost of the solicitation is paid by the federal committee. *Id.*

MUR 4443 arose from a second complaint filed by Joseph Bowen on August 22, 1996, alleging that the respondents Washington Chiropractic Trust and Joel Vrana, as treasurer, violated provisions of the FECA. The respondents were notified of the complaint on August 28, 1996. Washington Chiropractic Trust and Joel Vrana, as treasurer, did not respond to the complaint. The complaint in MUR 4443 alleges that several organizations which made contributions listed on Mr. Quigley's second quarter report should have registered as federal political committees.

2 U.S.C. § 431(4) defines a political committee as one "which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year," and therefore the respondents are not required to register with the Commission. 11 C.F.R. § 102.5(b) places an affirmative duty on organizations which are not political committees under the Act. These committees may either establish a separate account to which only funds subject to the prohibitions and limitations of the Act shall be deposited and from which contributions, expenditures and exempted payments shall be made; or demonstrate through a reasonable accounting method that whenever such organization makes a contribution, expenditure or exempted payment, that organization has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution,

expenditure or payment. Respondents donated \$1000 to the Quigley Federal Committee. Respondent is not reported to have made contributions to any other federal candidates.

However, Washington Chiropractic Trust and Joel Vranna, as treasurer, did not respond to the complaint and therefore there is no basis to conclude that the organization had an adequate amount of money on hand from permissible funds, which the committee has an affirmative duty to prove under 11 C.F.R. § 102.5(b). This is particularly important in a state such as Washington which permits corporate contributions.

Accordingly, there is reason to believe that Washington Chiropractic Trust and Joel Vranna, as treasurer, violated 2 U.S.C. § 441b and 11 C.F.R. § 102.5(b), and the Commission will send an admonishment letter to the committee.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

Stephen Dean, Treasurer  
Kevin Quigley for Congress  
1029 Springbrook Road  
Lake Stevens, WA 98258

January 22, 1998

RE: MURs 4408, 4409, 4443  
Kevin Quigley for Congress

Dear Mr. Dean:

On January 13, 1998, the Federal Election Commission found reason to believe that Kevin Quigley for Congress ("Committee") and you, as treasurer, violated 2 U.S.C. §§ 441f, 434(b), 441b and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act.") The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information. However, after considering the circumstances of this matter, the Commission decided not to investigate these matters further. A Statement of Reasons explaining the Commission's decision will follow.

The Commission reminds you that the acceptance of \$2,000 from the 39th District Democrats appears to be a violation of 2 U.S.C. § 441f, accepting contributions which may have included funds received from corporations and/or labor unions is a violation of 2 U.S.C. § 441b(a) and the failure to properly report contributions received is a violation of 2 U.S.C. § 434(b). You should take steps to ensure that this activity does not occur 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 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 Tara Meeker, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

*Joan D. Aikens*

Joan D. Aikens  
Chairman

Enclosure  
Factual and Legal Analysis

cc: candidate

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This matter was generated by complaints filed with the Federal Election Commission by the NRCC and Joseph Bowen. See 2 U.S.C. § 437g(a)(1).

The FECA generally prohibits contributions in the name of another. The Act states that no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person.

2 U.S.C. § 441f. Examples of contributions in the name of another include giving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made; and making a

contribution of money or anything of value and attributing as the source of the money or thing of value another person when in fact the contributor is the source.

11 C.F.R. § 110.4(b)(2).

Transfers of funds or assets from a candidate's campaign committee or account for a nonfederal election to his or her principal campaign committee or other authorized committee for a federal election are prohibited. 11 C.F.R. § 110.3(d). However, a state committee may refund contributions and then coordinate with the federal committee for solicitation of the same contributors by the federal committee, providing the full cost of the solicitation is paid by the federal committee. *Id.*

Advisory Opinion 1996-33 states that "Commission regulations prohibit the transfer of funds or assets from a candidate's campaign committee for a nonfederal election to his or her principal campaign committee or other authorized committee for a Federal election . . . [i]his includes the reimbursement or other payment of funds by one person to another for the purpose of making a contribution." (emphasis added).

While an individual may volunteer his or her services to a campaign and not have those services count as a contribution, another person may not subsidize the salary of the individual so that the individual can volunteer for the campaign. 2 U.S.C. § 431 (8)(A)(ii) and (8)(B)(i). An organization that pays an individual to volunteer for a political campaign itself makes a contribution to the campaign. See Common Cause and John K. Addy v. FEC, No. 94-02194 and No. 94-02112 (D.D.C., March 29, 1996), *rev'd on other grounds*, Common Cause v. FEC, No. 96-5160 (D.C. Cir., March 21, 1997).

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MUR 4408 arose from a complaint received by the Federal Election Commission ("Commission") on July 2, 1996. The National Republican Congressional Committee, ("NRCC") alleged that Kevin Quigley for Congress violated provisions of the Federal Election Campaign Act of 1971, as amended, ("Act" or "FECA"). Respondents Kevin Quigley for Congress and Stephen Dean, as treasurer ("Quigley Federal Committee") were notified of the complaint on July 10, 1996. A supplemental complaint was received by the Commission on July 19, 1996. Respondents were notified of the Supplemental Complaint on July 22, 1996 and the Quigley Federal Committee answered both complaints on August 1, 1996.

MUR 4409 arose from a complaint filed on July 3, 1996 Joseph D. Bowen<sup>1</sup> alleging violations of the FECA against the Quigley Federal Committee. Respondents were notified of the complaint on July 10, 1996 and the Quigley Federal Committee responded on August 1, 1996.

The Complainants Joseph Bowen and the NRCC, in MURS 4408 and 4409 respectively, claim that the Respondents violated the FECA by participating in the transfer of impermissible funds from the Quigley State Committee to the Quigley Federal Committee. Both Complainants allege that the Federal Committee was attempting to accomplish by indirect means what the law directly prohibits.

According to the complainants, Senator Quigley donated \$3500 to the 39th District Democrats from his state senate fund, and, at the same meeting, received a \$2000

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<sup>1</sup> Mr. Joseph Bowen was a Democratic candidate in the 1996 primary against Senator Quigley.

contribution from the 39th District Democrats for his federal campaign.<sup>2</sup> The NRCC alleges that "[t]o circumvent bright-line federal election laws, congressional candidate Kevin Quigley and his local party organization knowingly perpetrated a sham transaction and funneled impermissible funds from Quigley's state committee into his federal campaign coffers. Such blatant money laundering violates both the letter and spirit of federal election laws." Complaint at 1.

The NRCC argues that the fact that Joann Rossall is both the Chairwoman of the 39th District Democrats and the Custodian of Records for the Quigley campaign<sup>3</sup> provides further support for its allegation that there is a connection between the \$3500 contribution by Senator Quigley to the 39th District Democrats and the "turn-around" \$2000 donation back to his federal campaign. Supplemental Complaint at 2.

According to both complainants, the 39th District Democrats, in addition to serving as a conduit for the \$2000 contributed to Quigley's federal committee, also funneled an additional \$1,700 from the state committee to the federal committee by hiring party activist Steve Hobbs<sup>4</sup>, at Senator Quigley's request, at \$1700 a month. The complaint states that Hobbs was hired to compile a computerized database of voter lists

<sup>2</sup> The alleged transfer of state funds to the federal campaign occurred at the March 21, 1996 meeting of the 39th District Democrats. The minutes from the meeting were attached to the response and indicate that Senator Quigley donated the \$3500 early in the meeting and then later during the same meeting received an unanimous non-exclusive endorsement and a \$2000 contribution.

<sup>3</sup> The complaint also states that "Ms. Rossall herself has personally received \$1171.24 from the campaign's war chest, ostensibly for work done on behalf of the Quigley campaign."

<sup>4</sup> Mr. Hobbs is also listed on the 39th District Democrats Statement of Organization as the committee's first vice-chair, under the heading "Committee's Principal Officers and/or Decision Makers".

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and characteristics, a service which Quigley wanted completed. Both the NRCC and Mr. Bowen allege that in essence, hiring Mr. Hobbs was an in-kind contribution. Indeed, Mr. Bowen claims in his complaint that "the work performed by Mr. Hobbs was done at the home of Mr. Quigley and was in fact benefiting the Quigley for Congress campaign." Bowen Complaint at 1. In addition to being paid by the 39th District Democrats to work on this project, according to complainants, Hobbs volunteered for the Quigley campaign, at the same time he was being paid by the 39th District Democrats. *Id.*

MUR 4443 arose from a second complaint filed by Joseph Bowen on August 22, 1996, alleging that the respondents, the Quigley Federal Committee violated provisions of the FECA. Respondents were notified of the complaint on August 28, 1996. The complaint in MUR 4443 alleges that several organizations which made contributions listed on Mr. Quigley's second quarter report should have registered as federal political committees.

According to the respondents, "the evidence is overwhelming that no FEC violations have occurred which were not corrected prior to the filing of the above complaints." Response at 1. Respondents admit that they inadvertently accepted an excessive contribution from the 39th District Democrats, due to the failure to properly designate \$1000 for the primary election and \$1000 of the \$2000 cash contribution for the general election. They further claim that the allegation of accepting this excessive contribution is moot because the excessive amount (\$1000) was returned "promptly". Response at 4.

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As to the allegation of transferring impermissible funds from the Quigley State Committee to the Quigley Federal Committee through the 39th District Democrat Organization, respondents claim that the state committee's \$3500 contribution was specifically set aside for the purpose of hiring a district organizer to create a computerized database. Respondents also refer to the March 21, 1996 minutes of the 39th District Democrats meeting and note that "Senator Quigley pledged the \$3,500 exclusively to hire a district organizer to complete the Voter ID Project." Later at this same meeting, Senator Quigley asked for and received an endorsement from the 39th District Democrats. He then made a request for a \$2000 contribution from the group, but, according to the response, "[a]t no time in the meeting was Senator Quigley's contribution to the Voter ID Project tied to his request for an endorsement and a contribution." Response at 2.

Respondents attached thirteen affidavits<sup>5</sup> to support this position and note that the handwritten minutes of both meetings demonstrate that the two contributions were never discussed together, "and that there was a long gap between the discussions and several intervening motions and reports." Response at 3.

<sup>5</sup> Included with the response were affidavits from Kevin Quigley; Joann Rossall, chair of the 39th District Democrats; Jeff Soth, Mayor of Snohomish; Steve Hobbs, the selected organizer for the Voter ID Project; Stephen Dean, treasurer of the Quigley for Congress campaign; and several people who were in attendance at the March 21 meeting, including: Jack Lobdell; Patricia Patterson; Hugh Meyers; Lawrence Kuney; Robert Guild; Bob Craven; Kathy Conrad; and Dennis Ingram. However, neither Jack Lobdell nor Dennis Ingram are listed on the sign-in sheet from the March 21 meeting, although the minutes from the meeting are signed J.J.L., which indicates that perhaps Jack Lobdell was present.

In a separate letter responding to MUR 4443 specifically, the Quigley Federal Committee claims that it "scrupulously" complied with the provisions of 11 C.F.R. § 102.5(b)(1)(ii) by making certain that each group limited its contribution to \$1,000 or less. Furthermore, each organization was required by the campaign to submit a signed statement verifying that on the date of the contribution, there were ample funds in the organization's account which were permissible under federal law (not from corporations, foreign national, etc.).

After a long history of permitting state campaign committees to transfer funds to federal campaign committees, the Commission adopted a regulation in 1993, 11 C.F.R. § 110.3(d), banning all such transfers due to concern over "the indirect use of impermissible funds in federal elections." Explanation and Justification, Transfers of Funds From State to Federal Campaigns, 58 Fed. Reg. 3474-75 (January 8, 1993). In the past, the Commission has concluded that such activity is not permissible. Advisory Opinion 1996-33 further states that "Commission regulations prohibit the transfer of funds or assets from a candidate's campaign committee for a nonfederal election to his or her principal campaign committee or other authorized committee for a Federal election . . . [t]his includes the reimbursement or other payment of funds by one person to another for the purpose of making a contribution." (emphasis added). Many states impose fewer restrictions on contributions to campaigns for state elective offices. If transferred to a federal candidate, these funds would exceed FECA limits or would include funds prohibited under the FECA. For example, the state of Washington permits contributions from both corporations and labor unions. R.C.W. § 42.17.640(14).

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Although the Commission has received conflicting information about the events at issue, it does appear that the Federal Committee may have tried to achieve indirectly what can no longer be done directly. It appears that using the 39th District Democrats as a conduit, money from the Quigley State Committee was given directly to the Quigley Federal Committee. There is no dispute about the fact that Quigley's State Committee contributed \$3,500 to the 39th District Democrats. Nor is there any dispute that the 39th District Democrats made a \$2,000 contribution to Quigley's Federal Committee on the same day. All of the information obtained to date also confirms that the 39th District Democrats hired Steve Hobbs to do a Voter ID Project on the same day.

The question remains whether the \$3,500 given to the 39th District Democrats was actually contributed to the Quigley Federal Committee through a cash contribution, payment for services benefiting the Federal Committee, or both. There may also be other expenses and contributions from the 39th District Democrats to the Quigley Federal Committee that this Office is unaware of at this time. An affidavit in the Commission's possession states that at the March 21st meeting of the 39th District Democrats Senator Quigley presented the 39th District Democrats with \$3500, stating explicitly that he wanted the 39th District Democrats to use a portion of it to hire Steve Hobbs and to use \$2000 of it as a donation to his congressional campaign: "After receiving assurances from Quigley that this was all legal, we approved a motion to both accept the gift and make the donation."

In contrast, affidavits submitted by the respondents state that Senator Quigley directed the \$3500 contribution to be used exclusively to hire a district organizer to work

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on the Voter ID Project, and that the matter of the \$2000 donation to the Quigley Federal Committee was discussed separately during different parts of the meeting. Questions raised by the inconsistencies between these affidavits, as well as the proximity of the timing of these transactions, would appear to make further inquiry into these events appropriate.

However, even if the affidavits provided in support of the respondents are accurate, the Quigley State Committee may still have made a prohibited transfer of funds to the Federal Committee. As previously stated, there is no dispute that at the March 21, 1996 meeting of the 39th District Democrats Steve Hobbs was hired to begin work in April 1996 on a voter identification list. In addition, all the affidavits appear to agree that Quigley intended at least a portion of the State Committee's contribution to fund the Voter ID Project. Mr. Hobbs was eventually paid a total of \$3300 to complete the Voter ID Project.<sup>6</sup>

The information provided raises questions whether this project, having been funded by the State Committee's contribution, was conducted principally, if not entirely, to benefit Quigley's Federal Committee. The Voter ID Project involved compiling information on the characteristics (pro-life, pro-choice, etc.) of over 22,000 identified Republican, Democrat and special interest voters and creating a single working database. Information was gathered from a number of sources, such as walking lists created by the doorbelling efforts of previous campaigns in the 39th district, including Senator

<sup>6</sup> Mr. Hobbs received one check, #649 in the amount of \$1600.00 from the 39th District Democrats dated April 20, 1996 and another, #652 for \$1700.00 from the same organization dated May 22, 1996.

Quigley's 1992 State Senate election. It took Steve Hobbs at least forty hours a week for two months to complete the project:

The process of creating the Voter ID Database involved the process of taking thousands of entries from hard copies of annotated walking lists and entering each one in a new database. The process was complicated by the fact that precinct boundaries had changed and this required more data search and data entry time. Approximately twenty-two thousand special entries were cataloged on the Voter ID Database.

Response at 3.

Senator Quigley asserts that "[t]he Voter ID Project is primarily a tool for door-to-door canvassing which is not a substantial element of a Congressional or other federal campaign." Response at 4. However, other information received suggests that the work Mr. Hobbs performed on the project was done at the request of Senator Quigley and was run out of Senator Quigley's home. In addition, there is also a question whether during some of the time for which the 39th District Democrats were paying for work on the Voter ID Project, Mr. Hobbs was actually doing work on Mr. Quigley's federal campaign. Information in the Commission's possession states that upon arriving for what was understood to be a work party of the 39th District Democrats on the Voter ID Project, the only work being done was on the Quigley campaign.

The fact that Mr. Hobbs volunteered directly for the Quigley campaign at the same time he was being paid to organize the Voter ID Project further confuses the issue of the extent to which the 39th District Democrats may have been paying Mr. Hobbs with money from the Quigley State Committee to perform work that benefited Quigley's Federal Committee. Checks from the 39th District Democrats for the Voter ID Project are dated for the months of April and May 1996. The Kevin Quigley for Congress

itemized disbursements report shows payments made to Mr. Hobbs for "volunteer reimbursement" and "volunteer activity" on April 16, May 12 and May 28 of 1996.<sup>7</sup>

The method by which money appears to have been contributed in the name of another also suggests that there may have been a deliberate scheme to circumvent the prohibition on a direct transfer of funds. The 39th District Democrats allowed their name to be used with apparent knowledge that the \$3500 would be given to the Quigley Federal Committee. When considering the timing of the two transactions and the events which took place at the March 21, 1996 meeting, it appears that the donation from the Quigley State Committee to the 39th District Democrats and in turn the donation from the 39th District Democrats to the Quigley Federal Committee were part and parcel of the same transaction.

Accordingly, with respect to MURS 4408 and 4409, Kevin Quigley for Congress and Stephen Dean, as treasurer; violated 2 U.S.C. § 441f by accepting a contribution made by one person in the name of another person; violated 2 U.S.C. § 441b(a) for accepting contributions from the Quigley State Committee, which may have included funds received from corporations and/or labor unions; and violated 2 U.S.C. § 434(b) for failing to properly report contributions received by the State Committee.

The complaint in MUR 4443 filed by Joseph Bowen alleges that specific contributions listed on Mr. Quigley's second quarter report were accepted in violation of

<sup>7</sup> The April 16 reimbursement was for \$150.95 and was itemized on schedule B for Kevin Quigley for Congress as a volunteer reimbursement, copying and postage. The May 12 reimbursement was for \$82.00 and was listed as volunteer reimbursement. The May 28 reimbursement was for \$126.78 and was listed as volunteer activity.

federal election law because they were given by committees that were not federally registered as political committees at the time of the contribution.

DATE	POLITICAL ACTION COMMITTEE	AMOUNT
April 17, 1996	Washington Chiropractic Trust	\$1,000
April 29, 1996	Washington School Administrators	\$500
May 5, 1996	United Psychologists	\$1,000
May 9, 1996	Fire Services Fund of Washington	\$500
May 15, 1996	Washington State Dental	\$650
May 15, 1996	Home Care Political Action Committee	\$250
June 3, 1996	Retail Pharmacy Council	\$200
June 18, 1996	Osteopathic Political Action Committee of Washington	\$250

MUR 4443 Complaint at 1.

2 U.S.C. § 431(4) defines a political committee as one "which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year," and therefore the respondents are not required to register with the Commission. 11 C.F.R. § 102.5(b) places an affirmative duty on organizations which are not political committees under the Act. These committees may either establish a separate account to which only funds subject to the prohibitions and limitations of the Act shall be deposited and from which contributions, expenditures and exempted payments shall be made; or demonstrate through a reasonable accounting method that whenever such organization makes a contribution, expenditure or exempted payment, that organization has received sufficient

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funds subject to the limitations and prohibitions of the Act to make such contribution, expenditure or payment.

A letter from the Quigley Federal Committee details how state political action committees would be able to donate to his federal committee. Pursuant to 11 C.F.R. § 110.3(d) this appears to be permissible. Each of these committees donated \$1000 or less to the Quigley Federal Committee. Nor are any of these committees reported to have made contributions to any other federal candidates. Information in the Commission's possession verifies that each of these committees, with one exception, had balances on hand which were greater than the amount of the contribution, and that the contribution consisted of funds permissible under federal law. Because the majority of these committees did not trigger the definition of a political committee under 2 U.S.C. § 431(4)(A), there was no requirement that they register under 2 U.S.C. § 433.

However, because there is insufficient evidence to determine that this was the case with all of the state committees mentioned in the complaint, there is reason to believe that Kevin Quigley for Congress and Stephen Dean, as treasurer, violated 2 U.S.C. § 441b by accepting a contribution from funds which may have included contributions received from labor organizations and/or corporations.

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