



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4574

DATE FILMED 9-23-97 CAMERA NO. 4

CAMERAMAN ImW

97043335420

FRIENDS OF BENNIE THOMPSON

Post Office Box 100
Bolton, Mississippi 39041

November 4, 1996

Phone 601-866-9100
Fax 601-866-4200

Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463-0001

MUR 4574

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

NOV 7 11 56 AM '96

Dear General Counsel:

As I review the various reports submitted to the Federal Election Commission (FEC) by Dana Covington, Republican candidate for Congress, Second District, Mississippi, I continue to find what appears to be either serious reporting errors or blatant misrepresentations of the facts as they exist. Specifically, in the October 15, 1996 report, Schedule B, Itemized Disbursements, Covington lists his wife, Joyce Covington, as residing at 501 Fairway Drive, Vicksburg, MS. and reimburses her for the following:

1. Travel on July 12, 1996 at \$855.60
2. Fund raising services on July 29, 1996 at \$2,000
3. Fund raising services on August 29, 1996 at \$2,500
4. Fund raising services on September 29, 1996 at \$2,500

I understand that Joyce Covington is still domiciled at their home in Springfield, Virginia. Further, she is a math teacher at Holmes Middle School in Springfield, Virginia and has apparently neither resigned nor gone on temporary leave status--as she is appearing at school daily.

In light of the above information, the irregularities appear to be:

1. that she is listed as living in Vicksburg even though she is teaching in Virginia daily; and
2. that she is paid for fundraising activities, on what is obviously a monthly salary basis.

I am requesting a full investigation into this situation. Further, I urge immediate action be taken against Mr. Covington for his apparent misrepresentations surrounding his wife's location of domicile and fund raising activities.

Please notify me of the results of your investigation and what actions you have taken, or propose to take in this case. I may be reached by phone at _____ and by mail at P.O. Box 15203, Washington, D.C. 20003. I await your response.

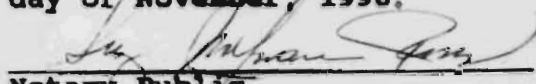
Sincerely,



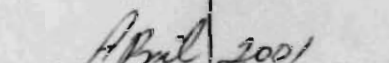
Ms. Jennifer P. Kinney
Secretary/Treasurer
D.C. Friends of Bennie Thompson

WASHINGTON)
DISTRICT OF COLUMBIA) ss

Subscribed to and affirmed before me, a Notary Public in and for the District of Columbia by Ms. Jennifer P. Kinney, on this the 4th day of November, 1996.



Notary Public



My Commission Expires

97043835422



FEDERAL ELECTION COMMISSION

Washington, DC 20463

November 15, 1996

Jennifer P. Kinney
D.C. Friends of Bennie Thompson
PO Box 15203
Washington, DC 20003

RE: MUR 4574

Dear Ms. Kinney:

This letter acknowledges receipt on November 7, 1996, of the complaint you filed 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 4574. 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,

A handwritten signature in black ink, appearing to read "F. Andrew Turley", is written over the typed name.

F. Andrew Turley, Attorney
Central Enforcement Docket

Enclosure
Procedures

970436423



FEDERAL ELECTION COMMISSION
Washington, DC 20463

November 15, 1996

Edwina McCain, Treasurer
Danny Covington Campaign Fund Committee
PO Box 842
Greenwood, MS 38935

RE: MUR 4574

Dear Ms. McCain:

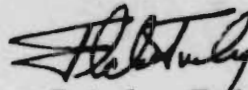
The Federal Election Commission received a complaint which indicates that the Danny Covington Campaign Fund Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4574. Please refer to this number in all future correspondence.

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

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

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

Sincerely,



F. Andrew Turley, Attorney
Central Enforcement Docket

Enclosures

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

cc: Danny Covington

9704363425

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

DEC 2 2 28 PM '96

November 21, 1996

Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D. C. 20463

RE: MUR 4574

Dear General Counsel:

Mrs. Covington is a resident of Warren County and registered voter in the Culkin Precinct as stated in our reports. She worked in the capacity as described in her invoices to our campaign.

Sincerely,

Edwina M. McCain

Edwina M. McCain, Treasurer
Danny Dovington Campaign Fund Committee
Post Office Box 842
Greenwood, Mississippi 38935-0842

970433426

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
)
)
)

ENFORCEMENT PRIORITY

AUG 14 4 23 PM '97

SENSITIVE

AUG 19 1997

**EXECUTIVE SESSION
SUBMITTED LATE**

GENERAL COUNSEL'S REPORT

I. INTRODUCTION.

The cases listed below have been identified as either stale or of low priority based upon evaluation under the Enforcement Priority System (EPS). This report is submitted to recommend that the Commission no longer pursue these cases.

II. CASES RECOMMENDED FOR CLOSURE.

A. Cases Not Warranting Further Action Relative to Other Cases Pending Before the Commission

EPS was created to identify pending cases which, due to the length of their pendency in inactive status or the lower priority of the issues raised in the matters relative to others presently pending before the Commission, do not warrant further expenditure of resources. Central Enforcement Docket (CED) evaluates each incoming matter using Commission-approved criteria which results in a numerical rating of each case.

Closing such cases permits the Commission to focus its limited resources on more important cases presently pending before it. Based upon this review, we have identified 34 cases which do not warrant further action relative to other pending matters.¹

¹ These cases are: MUR 4470 (*Ward for Congress*); MUR 4478 (*Citizens for Tom Reynolds*); MUR 4492 (*Friends of Ken Poston*); MUR 4498 (*Darryl Roberts for Congress*); MUR 4506 (*The Hon. Ted Little*); MUR 4512 (*Friends of Lane Evans*); MUR 4517 (*Unknown Respondent*); MUR 4518 (*Kansans for Rathbun*); MUR 4520 (*Larry Lerner for*

97043835427

Attachment 1 to this report contains summaries of each case, the EPS rating, and the factors leading to assignment of a low priority and recommendation not to further pursue the matter.

B. Stale Cases

Effective enforcement relies upon the timely pursuit of complaints and referrals to ensure compliance with the law. Investigations concerning activity more distant in time usually require a greater commitment of resources, primarily due to the fact that the evidence of such activity becomes more remote and consequently more difficult to develop. Focusing investigative efforts on more recent and more significant activity also has a more positive effect on the electoral process and the regulated community. In recognition of these facts, EPS also provides us with the means to identify those cases which, though earning a higher rating when received, remained unassigned due to a lack of resources for effective investigation. The utility of commencing an investigation declines as these cases age, until they reach a point when activation of a case would not be an efficient use of the Commission's resources.

Congress); MUR 4522 (*Republican Party of Bexar County*); MUR 4523 (*Cong. Andrea Seastrand*); MUR 4524 (*Danny Covington Campaign Fund Committee*); MUR 4526 (*Hoeffell for Congress*); MUR 4528 (*Pete King for Congress*); MUR 4529 (*Pete King for Congress*); MUR 4532 (*Citizen's Committee for Gilman for Congress*); MUR 4535 (*Visclosky for Congress*); MUR 4537 (*Di Nicola for Congress*); MUR 4541 (*Ross Perot*); MUR 4548 (*Blagojevich for Congress*); MUR 4550 (*Friends of Warr for Congress*); MUR 4551 (*John N. Hostettler*); MUR 4557 (*De La Rosa for Congress*); MUR 4559 (*Bill Baker for Congress*); MUR 4560 (*George Stuart Jr. for Congress*); MUR 4562 (*Wayne E. Schile*); MUR 4566 (*Al Gore*); MUR 4574 (*Danny Covington Campaign Fund Committee*); MUR 4576 (*Volunteers for Shimkus*); MUR 4579 (*New Zion Baptist Church*); MUR 4580 (*Friends of Mike Forbes*); MUR 4584 (*Bill Baker for Congress*); MUR 4588 (*Navarro for Congress*); and MUR 4613 (*Guy Kelley for Congress*).

2

The U.S. District Court for the District of Columbia, however, held in *Democratic Senatorial Campaign Committee v. FEC*, Civil Action No. 95-0349 (D.D.C. April 17, 1996) that 24 months was too long a time in which to hold a case in an inactive status.

Twenty one cases have remained on the Central Enforcement Docket for a sufficient period of time to render them stale, all of which are recommended for closure in this Report.⁴ This group includes four MURs that became stale several months ago, but were held pending criminal prosecution by the Department of Justice.⁵ DOJ obtained convictions in the two criminal cases related to these four MURs (*U.S. v. Jay Kim* and *U.S. v. Dynamic Energy Resources*) based upon guilty pleas by the key defendants, who are also the principal respondents in our pending matters. Pursuit of civil enforcement action in view of the satisfactory results obtained in the criminal cases would not be the most effective use of the Commission's scarce resources at this time.

We recommend that the Commission exercise its prosecutorial discretion and direct closure of the cases listed below, effective August 29, 1997. Closing these cases as

⁴ These cases are: MUR 4274 (GOPAC); MUR 4358 (Miller for Senate); MUR 4361 (ABC-TV); MUR 4368 (Citizens Business Bank); MUR 4380 (AFGE Local 2391 PAC); MUR 4385 (Dial for Congress); MUR 4386 (Zimmer for Senate); MUR 4396 (ABC); MUR 4404 (Friends of Steve Stockman); MUR 4416 (33rd Legislative District); MUR 4417 (Our Choice II); MUR 4422 (Desana for Congress Committee); and Pre-MUR 336 (Park National Bank & Trust).

⁵ These cases are: MUR 3796 (Jay Kim for Congress); MUR 3798 (Jay Kim); MUR 4275 (Jay Kim); and MUR 4356 (Dynamic Energy Resources). In dismissing the Jay Kim cases, we also recommend closing Pre-MUR 352, which is the transmittal of the guilty plea agreement and related documentation in the criminal case against Congressman Kim forwarded by United States Attorney's office.

of this date will permit CED and the Legal Review Team the necessary time to prepare closing letters and case files for the public record.

III. RECOMMENDATIONS.

A. Decline to open a MUR, close the file effective August 29, 1997, and approve the appropriate letters in the following matters:

Pre-MUR 336

Pre-MUR 352

B. Take no action, close the file effective August 29, 1997, and approve the appropriate letters in the following matters:

MUR 3796	MUR 4396	MUR 4522	MUR 4559
MUR 3798	MUR 4404	MUR 4523	MUR 4560
MUR 4274	MUR 4410	MUR 4524	MUR 4562
MUR 4275	MUR 4417	MUR 4526	MUR 4566
	MUR 4422	MUR 4528	MUR 4574
MUR 4356	MUR 4470	MUR 4529	MUR 4576
MUR 4358	MUR 4478	MUR 4532	MUR 4579
MUR 4361	MUR 4492	MUR 4535	MUR 4580
MUR 4368	MUR 4498	MUR 4537	MUR 4584
	MUR 4506	MUR 4541	MUR 4588
MUR 4380	MUR 4512	MUR 4548	MUR 4613
MUR 4385	MUR 4517	MUR 4550	
MUR 4386	MUR 4518	MUR 4551	
	MUR 4520	MUR 4557	

8/14/97

Date

Lawrence M. Noble

Lawrence M. Noble
General Counsel

Attachment:

Case Summaries

970433430

9704335431

)
)
)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on August 19, 1997, do hereby certify that the Commission decided by a vote of 4-1 to take the following actions with respect to Agenda Document No. X97-55:

- A. Decline to open a MUR, close the file effective August 29, 1997, and approve the appropriate letters in the following matters:
1. Pre-MUR 336. 2. Pre-MUR 352.
- B. Take no action, close the file effective August 29, 1997, and approve the appropriate letters in the following matters:
1. MUR 3796. 2. MUR 3798. 3. MUR 4274.
4. MUR 4275. 5. MUR 4356. 6. MUR 4358.
7. MUR 4361. 8. MUR 4368. 9. MUR 4380.
10. MUR 4385. 11. MUR 4386. 12. MUR 4396.
13. MUR 4404. 14. MUR 4410. 15. MUR 4417.
16. MUR 4422. 17. MUR 4470. 18. MUR 4478.

(continued)

Federal Election Commission
Certification: Enforcement Priority
August 19, 1997

Page 2

19. MUR 4492. 20. MUR 4498. 21. MUR 4506.
22. MUR 4512. 23. MUR 4517. 24. MUR 4518.
25. MUR 4520. 26. MUR 4522. 27. MUR 4523.
28. MUR 4524. 29. MUR 4526. 30. MUR 4528
31. MUR 4529. 32. MUR 4532. 33. MUR 4535.
34. MUR 4537. 35. MUR 4541. 36. MUR 4548
37. MUR 4550. 38. MUR 4551. 39. MUR 4557.
40. MUR 4559. 41. MUR 4560. 42. MUR 4562.
43. MUR 4566. 44. MUR 4574. 45. MUR 4576.
46. MUR 4579. 47. MUR 4580. 48. MUR 4584.
49. MUR 4588. 50. MUR 4613.

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

Attest:

8-21-97
Date

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

9704363432



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 29, 1997

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jennifer P. Kinney
D.C. Friends of Bennie Thompson
PO Box 15203
Washington, D.C. 20003

RE: MUR 4574

Dear Ms. Kinney:

On November 7, 1996, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against the respondents. See attached narrative. Accordingly, the Commission closed its file in this matter on August 29, 1997. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,


F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

97043835433

MUR 4574

DANNY COVINGTON CAMPAIGN FUND COMMITTEE

Jennifer Kinney, Secretary/Treasurer of D.C. Friends of Bennie Thompson, alleges that the Danny Covington Committee's 1996 October Quarterly Report discloses Danny Covington's wife resides in Mississippi when she actually lives and works in Virginia. The report also discloses fund raising reimbursements paid to Mrs. Covington totaling \$7,000 and a reimbursement of \$844.40 for travel.

The respondents states that Mrs. Covington is a Warren County (Mississippi) resident and was appropriately reimbursed for fundraising expenses as indicated in the report.

There is no indication of any serious intent to violate the FECA. This matter is less significant relative to other matters pending before the Commission.

9704335434



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 29, 1997

Edwina McCain, Treasurer
Danny Covington Campaign Fund Committee
P.O. Box 842
Greenwood, MS 38935

RE: MUR 4574

Dear Mr. McCain:

On November 15, 1996, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against the Danny Covington Campaign Fund Committee and you, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter on August 29, 1997.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

MUR 4574

DANNY COVINGTON CAMPAIGN FUND COMMITTEE

Jennifer Kinney, Secretary/Treasurer of D.C. Friends of Bennie Thompson, alleges that the Danny Covington Committee's 1996 October Quarterly Report discloses Danny Covington's wife resides in Mississippi when she actually lives and works in Virginia. The report also discloses fund raising reimbursements paid to Mrs. Covington totaling \$7,000 and a reimbursement of \$844.40 for travel.

The respondents states that Mrs. Covington is a Warren County (Mississippi) resident and was appropriately reimbursed for fundraising expenses as indicated in the report.

There is no indication of any serious intent to violate the FECA. This matter is less significant relative to other matters pending before the Commission.

9704335436



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4574

DATE FILMED 9-28-97 CAMERA NO. 4

CAMERAMAN JmH

97043835437