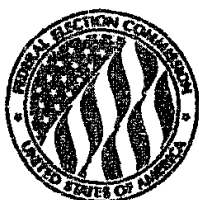


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FEDERAL ELECTION COMMISSION
Washington, DC 20463

MEMORANDUM

TO: The Commission

August 20, 1999

FROM: Lawrence M. Noble
General Counsel

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

SUBJECT: MUR 4689 - Additional Information

SENSITIVE

AUG 24 1999

EXECUTIVE SESSION

SUBMITTED LATE

At the request of Commissioner McDonald, this Office is providing additional information to be considered along with the First General Counsel's Report, dated August 4, 1999, in the above-captioned matter ("Report") at the August 24, 1999 Executive Session. This information concerns Dornan for Congress' ("Committee") debt to the law firm of Hart, King & Coldren (the Committee's amended 1996 Year End report mistakenly lists "Golden" instead of "Coldren"). As discussed in the Report, the Committee amended its 1996 Year End and 1997 Mid Year reports to include debts of \$325,000 and \$203,000, respectively, to the law firm of Hart King & Coldren for "legal fees." The following chart illustrates the payment of this debt:

Reporting Period	Amount of Debt paid by date	Debt remaining at end of reporting period	Cash on Hand at end of reporting period
11/26/96-12/31/96	\$10,000 on 12/10/96 \$10,000 on 12/17/96 \$5,000 on 12/21/96	\$325,000 (\$350,000-\$25,000)	\$113,632.59
1/1/97-6/30/97	\$2,000 on 1/9/97 \$10,000 on 1/29/97 \$10,000 on 3/5/97 \$15,000 on 5/13/97 \$10,000 on 5/29/97	\$203,000 (\$325,000-\$122,000)	\$117,684.65

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Reporting Period	Amount of Debt paid by date	Debt remaining at end of reporting period	Cash on Hand at end of reporting period
(1/1/97-6/30/97 reporting period continued from the previous page)	\$10,000 on 6/10/97 \$5,000 on 6/19/97 \$10,000 on 2/11/97 \$10,000 on 3/26/97 \$20,000 on 4/11/97 \$20,000 on 5/5/97		
7/1/97-12/31/97	\$5,000 on 12/22/97 \$5,000 on 8/19/97 \$15,000 on 7/1/97 \$5,000 on 7/11/97 \$5,000 on 7/18/97 \$10,000 on 7/30/97 \$10,000 on 8/6/97 \$6,500 on 9/9/97 \$10,000 on 9/18/97 \$10,000 on 10/10/97 \$5,000 on 10/22/97 \$10,000 on 11/3/97 \$10,000 on 11/13/97 \$10,000 on 11/26/97 \$5,000 on 12/9/97	\$81,500 (\$203,000-\$121,500)	\$275,499.34
1/1/98-3/31/98	\$10,000 on 1/2/98 \$5,000 on 1/20/98	\$66,500 (\$81,500-\$15,000)	\$149,268.07
4/1/98-5/13/98	\$2,000 on 6/18/98 \$5,000 on 6/4/98	\$59,500 (\$66,500-\$7,000)	\$64,307.39
5/14/98-6/30/98		\$59,500	\$63,963.93
7/1/98-9/30/98	\$5,000 on 7/6/98 \$5,000 on 7/15/98 \$10,000 on 8/12/98 \$56,000 on 9/9/98	-\$16,500 ¹ (\$59,500-\$76,000)	\$266,399.75

¹ The Committee incurred \$32,000 in debt to the law firm during this reporting period which accounts for a \$15,500 outstanding debt balance at the close of the reporting period.

In the time period of November 15, 1996 (the date Dornan qualified as a candidate for the 1998 General Election) through October 8, 1997 (the date Dornan filed his Statement of Candidacy for the 1998 General Election) the Committee disbursed funds, designated as "operating expenditures" for the purpose of influencing a federal election, totaling almost one million dollars for what appears to be campaign-related expenses including caging services², direct mail services, bulk rate mailing, advertising in the Washington Times, event facilities, research services, consulting fees and printing services.

Staff Assigned: Nancy E. Bell

² Caging involves receiving, opening, and processing the return mail generated by a direct mail campaign. A caging company generally performs such functions as depositing the return mail receipts with a bank, providing to the client an account of these receipts, verifying and correcting name and address information with respect to contributors, recording pertinent information with respect to contributors, and relaying such contributor information to a computer company selected by the client.

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