



FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20463

THIS IS THE BEGINNING OF MUR # 4701

DATE FILMED 2/9/98 CAMERA NO. 2

CAMERAMAN EES

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THIS IS THE BEGINNING OF MUR # 4701

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## REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: June 26, 1997

ANALYST: Melissa Hurd

I. COMMITTEE: Vermont State Democratic Federal Campaign  
Committee (C00024679)  
William McKern, Treasurer  
(November 1995 - Present)  
James Ashley, Treasurer  
(Pre-1/1/95 - November 1995)  
P.O. Box 1142  
Burlington, VT 05402

II. RELEVANT STATUTE: 11 CFR §102.5(a)(1)(i)

III. BACKGROUND:

Transfer-In from Non-Federal Account

The Vermont State Democratic Federal Campaign Committee ("the Committee") disclosed an \$18,000.00 transfer-in on October 10, 1996, a \$25,000.00 transfer-in on October 16, 1996, and a \$58,720.00 transfer-in on October 21, 1996 from its Non-Federal Accounts for activities listed as 100% non-federal on Schedules H2 and H4 of the 1996 30 Day Post-General Report. These transactions were disclosed on Schedule H3 supporting Line 18 of the Detailed Summary Page (Attachment 2).

On March 12, 1997, a Request for Additional Information ("RFAl") was sent to the Committee which advised that, unless the transfers were made to fund the non-federal portion of allocable activity in accordance with 11 CFR

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\* On March 27, 1997, the Committee filed a letter stating that James Ashley had not served as the Committee's treasurer since November 1995. In addition, the Request for Additional Information was sent to the former address of record.

§106.5(g)(i), the transfer was prohibited and the full amount of the transfer should be returned to the non-federal account (Attachment 3).

On March 27, 1997, the Committee filed a response with the Commission. The response stated the Committee now understands the restriction of 100% non-federal activity as an allocable expense and though the expenditures were accurately itemized as 100% non-federal on Schedules H2 and H4, they should have been directly paid from a non-federal checking account rather than the federal account. However, the Committee further stated there was no commingling of federal and non-federal monies since the transfers and expenditures match, and a transfer of the \$101,720.00 to their non-federal account would be an inordinate punishment for the error (Attachment 4).

On April 3, 1997, a Second Notice was sent to the Committee acknowledging the initial response by the Committee and clarifying that, as impermissible non-federal funds were transferred into the federal account for unallocable expenses, federal and non-federal monies were commingled. The Notice also recommended the full amount of the transfer be returned to the non-federal account (Attachment 5).

On May 5, 1997, the Reports Analysis Division analyst called the Committee and left a message for either James Ashley, the treasurer, or Liam Goldrick, the executive director. Mr. Goldrick returned the phone call and explained the 100% non-federal activities were disclosed as allocable expenses due to an error during the campaign. He further stated that the Committee was not planning on taking any further action as it did not have sufficient funds to repay the non-federal account. The analyst advised the Committee to declare a debt to the non-federal account. Mr. Goldrick stated he would consider this option and inform the analyst if any further action was intended (Attachment 6).

The Committee's June 2, 1997 response does not address this issue. To date, no further response has been received from the Committee and the Committee has not provided evidence that the impermissible funds have been transferred out of the Committee's account, or will be in the future.

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FEDERAL ELECTION COMMISSION  
1997-1998

DATE 26JUN97

COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) Attachment 1

PAGE 1 of 2

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	COVERAGE DATES	# OF PAGES	MICROFILM LOCATION TYPE OF FILER
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VERMONT STATE DEMOCRATIC FEDERAL CAMPAIGN COMMITTEE  
CONNECTED ORGANIZATION: VERMONT DEMOCRATIC PARTY  
1997 STATEMENT OF ORGANIZATION - AMENDMENT  
STATEMENT OF ORGANIZATION - AMENDMENT

ID #C00024679 PARTY QUALIFIED

19MAR97	2	97FEC/190/2976
27MAR97	2	97FEC/193/2900

TOTAL	0	0	0	0	4	TOTAL PAGES
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FEDERAL ELECTION COMMISSION  
1995-1996

Attachment 1

DATE 26JUN97

STATE INDEX OF DISCLOSURE DOCUMENTS - (C)

PAGE 2 of 2

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
						TYPE OF FILER

VERMONT STATE DEMOCRATIC FEDERAL CAMPAIGN COMMITTEE  
CONNECTED ORGANIZATION: VERMONT DEMOCRATIC PARTY

ID #C00024679 PARTY QUALIFIED

1995	MID-YEAR REPORT	69,662	69,671	1JAN95 -30JUN95	55	95FEC/993/0743
	MID-YEAR REPORT - AMENDMENT	-	-	1JAN95 -30JUN95	30	95FEC/006/3277
	MID-YEAR REPORT - AMENDMENT	69,662	69,671	1JAN95 -30JUN95	4	96FEC/055/1766
	REQUEST FOR ADDITIONAL INFORMATION			1JAN95 -30JUN95	3	95FEC/003/5532
	YEAR-END	77,381	77,308	1JUL95 -31DEC95	58	96FEC/027/2466
	YEAR-END - AMENDMENT	77,381	77,308	1JUL95 -31DEC95	49	96FEC/038/4604
	REQUEST FOR ADDITIONAL INFORMATION			1JUL95 -31DEC95	3	96FEC/035/3126
1996	MISCELLANEOUS REPORT TO FEC			15OCT96	2	96FEC/107/0090
	APRIL QUARTERLY	28,118	27,860	1JAN96 -31MAR96	34	96FEC/046/3020
	APRIL QUARTERLY - AMENDMENT	28,118	27,860	1JAN96 -31MAR96	21	96FEC/055/2853
	APRIL QUARTERLY - AMENDMENT	28,118	27,860	1JAN96 -31MAR96	5	96FEC/079/4707
	REQUEST FOR ADDITIONAL INFORMATION			1JAN96 -31MAR96	2	96FEC/053/2787
	JULY QUARTERLY	79,054	78,113	1APR96 -30JUN96	60	96FEC/068/4237
	JULY QUARTERLY - AMENDMENT	79,054	78,113	1APR96 -30JUN96	3	96FEC/069/2056
	JULY QUARTERLY - AMENDMENT	79,054	78,113	1APR96 -30JUN96	16	96FEC/079/4712
	JULY QUARTERLY - AMENDMENT	-	-	1APR96 -30JUN96	6	96FEC/092/2995
	JULY QUARTERLY - AMENDMENT	80,054	77,613	1APR96 -30JUN96	45	96FEC/110/1880
	JULY QUARTERLY - AMENDMENT	-	-	1APR96 -30JUN96	6	97FEC/201/4686
	JULY QUARTERLY - AMENDMENT	80,054	77,613	1APR96 -30JUN96	40	97FEC/206/4729
	REQUEST FOR ADDITIONAL INFORMATION			1APR96 -30JUN96	3	96FEC/077/0969
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1APR96 -30JUN96	3	96FEC/082/2063
	REQUEST FOR ADDITIONAL INFORMATION			1APR96 -30JUN96	3	97FEC/199/0069
	OCTOBER QUARTERLY	128,491	115,533	1JUL96 -30SEP96	84	96FEC/106/4109
	OCTOBER QUARTERLY - AMENDMENT	128,491	115,533	1JUL96 -30SEP96	59	97FEC/193/2902
	OCTOBER QUARTERLY - AMENDMENT	-	-	1JUL96 -30SEP96	3	97FEC/206/4726
	OCTOBER QUARTERLY - AMENDMENT	127,831	115,533	1JUL96 -30SEP96	5	97FEC/206/4769
	REQUEST FOR ADDITIONAL INFORMATION			1JUL96 -30SEP96	3	97FEC/189/3132
	1 ST LETTER INFORMATIONAL NOTICE			1JUL96 -30SEP96	3	97FEC/199/1323
	POST-GENERAL	235,867	247,157	1OCT96 -25NOV96	56	96FEC/155/4555
	POST-GENERAL - AMENDMENT	237,362	247,157	1OCT96 -25NOV96	48	97FEC/193/2961
	POST-GENERAL - AMENDMENT	-	-	1OCT96 -25NOV96	4	97FEC/200/3055
	POST-GENERAL - AMENDMENT	237,362	247,157	1OCT96 -25NOV96	3	97FEC/206/4774
	REQUEST FOR ADDITIONAL INFORMATION			1OCT96 -25NOV96	8	97FEC/189/3124
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1OCT96 -25NOV96	3	97FEC/193/4596
	YEAR-END	6,107	9,649	26NOV96 -31DEC96	16	97FEC/182/4656
	YEAR-END - AMENDMENT	6,107	9,649	26NOV96 -31DEC96	4	97FEC/193/3009
	YEAR-END - AMENDMENT	6,107	9,649	26NOV96 -31DEC96	3	97FEC/206/4777
	REQUEST FOR ADDITIONAL INFORMATION			26NOV96 -31DEC96	2	97FEC/189/3122
	TOTAL	626,515	624,791		755	TOTAL PAGES

All reports have been reviewed.

Cash on Hand as of 12/31/96: \$2790.56  
Debts owed to the Committee: \$ 0.00  
Debts owed by the Committee: \$3799.08

**SCHEDULE H2**  
 (effective 1/1/91)

**ALLOCATION RATIOS**

 Attachment 2  
 Page 1 of 8

PAGE 1 OF 2

NAME OF COMMITTEE

Vermont Democratic Federal Campaign Committee
**ALLOCATION RATIOS FOR INDIVIDUAL FUNDRAISING EVENTS, EXEMPT ACTIVITIES, AND SHARED DIRECT CANDIDATE SUPPORT APPEARING ON THIS REPORT.**

Methods of allocation:

 I. **FUNDRAISING** activities are allocated using the "funds received method" where the federal proportion of expenses must equal the federal proportion of monies raised.

 II. **EXEMPT** activities are allocated using the "time and space method" where the federal proportion of disbursements is based on the proportion of time or space devoted to federal candidates.

 III. Shared **DIRECT CANDIDATE** support activities are allocated according to benefit expected to be derived, where the federal proportion of disbursements is based on the benefit derived by federal candidates from the activity.

NAME OF ACTIVITY OR EVENT <b>Admin: GOTV PHONES</b> ACTIVITY IS: <input type="checkbox"/> FUNDRAISING <input checked="" type="checkbox"/> EXEMPT <input type="checkbox"/> DIRECT CANDIDATE SUPPORT CHECK IF THE RATIO IS: <input checked="" type="checkbox"/> NEW <input type="checkbox"/> REVISED <input type="checkbox"/> SAME AS PREVIOUSLY REPORTED	FEDERAL %  <b>25.0</b>	NON-FEDERAL %  <b>75.0</b>
NAME OF ACTIVITY OR EVENT <b>Admin/SEN: POSTAGE</b> ACTIVITY IS: <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT <input checked="" type="checkbox"/> DIRECT CANDIDATE SUPPORT CHECK IF THE RATIO IS: <input checked="" type="checkbox"/> NEW <input type="checkbox"/> REVISED <input type="checkbox"/> SAME AS PREVIOUSLY REPORTED	FEDERAL %  	NON-FEDERAL %  <b>100.0</b>
NAME OF ACTIVITY OR EVENT <b>AUD 1</b> ACTIVITY IS: <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT <input checked="" type="checkbox"/> DIRECT CANDIDATE SUPPORT CHECK IF THE RATIO IS: <input checked="" type="checkbox"/> NEW <input type="checkbox"/> REVISED <input type="checkbox"/> SAME AS PREVIOUSLY REPORTED	FEDERAL %  	NON-FEDERAL %  <b>100.0</b>
NAME OF ACTIVITY OR EVENT <b>CAND SPEC 1</b> ACTIVITY IS: <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT <input checked="" type="checkbox"/> DIRECT CANDIDATE SUPPORT CHECK IF THE RATIO IS: <input checked="" type="checkbox"/> NEW <input type="checkbox"/> REVISED <input type="checkbox"/> SAME AS PREVIOUSLY REPORTED	FEDERAL %  	NON-FEDERAL %  <b>100.0</b>
NAME OF ACTIVITY OR EVENT <b>EXEMPT CDR</b> ACTIVITY IS: <input type="checkbox"/> FUNDRAISING <input checked="" type="checkbox"/> EXEMPT <input type="checkbox"/> DIRECT CANDIDATE SUPPORT CHECK IF THE RATIO IS: <input checked="" type="checkbox"/> NEW <input type="checkbox"/> REVISED <input type="checkbox"/> SAME AS PREVIOUSLY REPORTED	FEDERAL %  <b>25.0</b>	NON-FEDERAL %  <b>75.0</b>
NAME OF ACTIVITY OR EVENT <b>EXEMPT R+R</b> ACTIVITY IS: <input type="checkbox"/> FUNDRAISING <input checked="" type="checkbox"/> EXEMPT <input type="checkbox"/> DIRECT CANDIDATE SUPPORT CHECK IF THE RATIO IS: <input checked="" type="checkbox"/> NEW <input type="checkbox"/> REVISED <input type="checkbox"/> SAME AS PREVIOUSLY REPORTED	FEDERAL %  <b>25.0</b>	NON-FEDERAL %  <b>75.0</b>
NAME OF ACTIVITY OR EVENT <b>EXEMPT SEN</b> ACTIVITY IS: <input type="checkbox"/> FUNDRAISING <input checked="" type="checkbox"/> EXEMPT <input type="checkbox"/> DIRECT CANDIDATE SUPPORT CHECK IF THE RATIO IS: <input checked="" type="checkbox"/> NEW <input type="checkbox"/> REVISED <input type="checkbox"/> SAME AS PREVIOUSLY REPORTED	FEDERAL %  	NON-FEDERAL %  <b>100.0</b>

**SCHEDULE H2**  
 (effective 1/1/91)

**ALLOCATION RATIOS**

Attachment 2

Page 2 of 8

 PAGE **2** OF **2**

NAME OF COMMITTEE

**Vermont Democratic Federal Campaign Committee**
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NAME OF ACTIVITY OR EVENT	FEDERAL %	NON-FEDERAL %
<b>EXEMPT VT</b> ACTIVITY IS: <input type="checkbox"/> FUNDRAISING <input checked="" type="checkbox"/> EXEMPT <input type="checkbox"/> DIRECT CANDIDATE SUPPORT CHECK IF THE RATIO IS: <input checked="" type="checkbox"/> NEW <input type="checkbox"/> REVISED <input type="checkbox"/> SAME AS PREVIOUSLY REPORTED	<b>33.33</b>	<b>66.67</b>
<b>FR DEAN</b> ACTIVITY IS: <input checked="" type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT <input type="checkbox"/> DIRECT CANDIDATE SUPPORT CHECK IF THE RATIO IS: <input checked="" type="checkbox"/> NEW <input type="checkbox"/> REVISED <input type="checkbox"/> SAME AS PREVIOUSLY REPORTED	<b>76.20</b>	<b>23.80</b>
<b>FR FNKLN</b> ACTIVITY IS: <input checked="" type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT <input type="checkbox"/> DIRECT CANDIDATE SUPPORT CHECK IF THE RATIO IS: <input checked="" type="checkbox"/> NEW <input type="checkbox"/> REVISED <input type="checkbox"/> SAME AS PREVIOUSLY REPORTED	<b>100.0</b>	
<b>NONFED MEDIA</b> ACTIVITY IS: <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT <input checked="" type="checkbox"/> DIRECT CANDIDATE SUPPORT CHECK IF THE RATIO IS: <input checked="" type="checkbox"/> NEW <input type="checkbox"/> REVISED <input type="checkbox"/> SAME AS PREVIOUSLY REPORTED		<b>100.0</b>
<b>SEN 1</b> ACTIVITY IS: <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT <input checked="" type="checkbox"/> DIRECT CANDIDATE SUPPORT CHECK IF THE RATIO IS: <input checked="" type="checkbox"/> NEW <input type="checkbox"/> REVISED <input type="checkbox"/> SAME AS PREVIOUSLY REPORTED		<b>100.0</b>
<b>SEN 2</b> ACTIVITY IS: <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT <input checked="" type="checkbox"/> DIRECT CANDIDATE SUPPORT CHECK IF THE RATIO IS: <input checked="" type="checkbox"/> NEW <input type="checkbox"/> REVISED <input type="checkbox"/> SAME AS PREVIOUSLY REPORTED		<b>100.0</b>
<b>STATE SENATE</b> ACTIVITY IS: <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT <input checked="" type="checkbox"/> DIRECT CANDIDATE SUPPORT CHECK IF THE RATIO IS: <input checked="" type="checkbox"/> NEW <input type="checkbox"/> REVISED <input type="checkbox"/> SAME AS PREVIOUSLY REPORTED		<b>100.0</b>



## DISBURSEMENT SCHEDULE

(effective 1/1/91)

JOINT FEDERAL/NON-FEDERAL  
ACTIVITY SCHEDULE

Attachment 2

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PAGE 28 OF 31

FOR LINE 21a

NAME OF COMMITTEE

Vermont Democratic Federal Campaign Cmte

C00001000000

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
VANTAGE PRESS INC. 115 NORTH ST. BURLINGTON, VT	CAND SPEC 2: POSTCARDS	11/06/96		0.00%	100.00%
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT					
EVENT YEAR-TO-DATE 3,701.33	<input checked="" type="checkbox"/> DIRECT CANDIDATE SUPPORT		3,519.60		3,519.60
B. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
IMAGEEXPRESS GROUP 3501 52ND AVE. HYATTSVILLE, MD	EXEMPT C/G: CAMPAIGN MATERIALS	10/10/96		22.00%	78.00%
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT					
EVENT YEAR-TO-DATE 1,280.00	<input type="checkbox"/> DIRECT CANDIDATE SUPPORT		1,280.00	281.60	998.40
C. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
THE NOVEMBER GROUP, INC. 1400 I ST., NW, SUITE 650 WASHINGTON, DC	EXEMPT CDR: GOTV MAILING	10/21/96		25.00%	75.00%
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input checked="" type="checkbox"/> EXEMPT					
EVENT YEAR-TO-DATE 4,600.00	<input type="checkbox"/> DIRECT CANDIDATE SUPPORT		4,600.00	1,150.00	3,450.00
D. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
U.S. MAILING SYSTEMS PO BOX 1111 BURLINGTON, VT	EXEMPT R&R: SLATE CARD	10/29/96		25.00%	75.00%
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input checked="" type="checkbox"/> EXEMPT					
EVENT YEAR-TO-DATE 8,116.99	<input type="checkbox"/> DIRECT CANDIDATE SUPPORT		8,116.99	2,029.25	6,087.74
E. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
BRIDGE COMMUNICATIONS 38 CROWNRISE NEWINGTON, CT	EXEMPT SEN: SLATE CARD 1	10/10/96		0.00%	100.00%
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input checked="" type="checkbox"/> EXEMPT					
EVENT YEAR-TO-DATE 18,000.00	<input type="checkbox"/> DIRECT CANDIDATE SUPPORT		18,000.00		18,000.00
F. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
BRIDGE COMMUNICATIONS 38 CROWNRISE NEWINGTON, CT	EXEMPT SEN: SLATE CARD 3	10/23/96		0.00%	100.00%
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input checked="" type="checkbox"/> EXEMPT					
EVENT YEAR-TO-DATE 76,720.00	<input type="checkbox"/> DIRECT CANDIDATE SUPPORT		58,720.00		58,720.00
SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			94,236.59	3,460.85	90,775.74
TOTAL THIS PERIOD (Fed. share to 21 a i and non-Fed. share to 21 a ii)					
TOTAL THIS PERIOD FOR THE NON-FEDERAL SHARE (used for line 31 of the detailed summary page)					

## DISBURSEMENT SCHEDULE

JOINT FEDERAL/NON-FEDERAL  
ACTIVITY SCHEDULE

(effective 1/1/91)

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FOR LINE 21a	

NAME OF COMMITTEE

Vermont Democratic Federal Campaign Cmte

C00001000000

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
THE NOVEMBER GROUP, INC. 1400 I ST., NW, SUITE 650 WASHINGTON, DC	EXEMPT VT: SLATE CARD 2	10/21/96		33.33%	66.67%
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input checked="" type="checkbox"/> EXEMPT					
EVENT YEAR-TO-DATE: 12,400.00	<input type="checkbox"/> DIRECT CANDIDATE SUPPORT		12,400.00	4,132.92	8,267.08
B. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
POSTMASTER STATE ST MONTPELIER, VT 05602	FR DEAN: POSTAGE	10/07/96		76.20%	23.80%
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input checked="" type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT					
EVENT YEAR-TO-DATE: 128.00	<input type="checkbox"/> DIRECT CANDIDATE SUPPORT		128.00	97.54	30.46
C. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
POSTMASTER STATE ST MONTPELIER, VT 05602	FR DEAN: POSTAGE	10/07/96		76.20%	23.80%
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input checked="" type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT					
EVENT YEAR-TO-DATE: 160.00	<input type="checkbox"/> DIRECT CANDIDATE SUPPORT		32.00	24.38	7.62
D. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
MONA'S RESTAURANT 3 MAIN STREET BURLINGTON, VT	FR DEAN: RECEPTION	10/21/96		76.20%	23.80%
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input checked="" type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT					
EVENT YEAR-TO-DATE: 741.25	<input type="checkbox"/> DIRECT CANDIDATE SUPPORT		581.25	442.91	138.34
E. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
JOE MONTCALM COUNTRY CLUB DRIVE SWANTON, VT	FR FVKLIN: REIMB/RECEPTION	10/23/96		100.00%	0.00%
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input checked="" type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT					
EVENT YEAR-TO-DATE: 627.50	<input type="checkbox"/> DIRECT CANDIDATE SUPPORT		627.50	627.50	
F. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
WCAX-TV JOY DRIVE SO. BURLINGTON, VT	NONFED MEDIA: TV ADS	10/10/96		0.00%	100.00%
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT					
EVENT YEAR-TO-DATE: 23,651.25	<input checked="" type="checkbox"/> DIRECT CANDIDATE SUPPORT		23,651.25		23,651.25
SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			37,420.00	5,325.25	32,094.75
TOTAL THIS PERIOD (Fed. share to 21 a i and non-Fed. share to 21 a ii)					
TOTAL THIS PERIOD FOR THE NON-FEDERAL SHARE (used for line 31 of the detailed summary page)					

## DISBURSEMENT SCHEDULE

JOINT FEDERAL/NON-FEDERAL  
ACTIVITY SCHEDULE

(effective 1/1/91)

PAGE	OF
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FOR LINE 21a	

NAME OF COMMITTEE

Vermont Democratic Federal Campaign Cmte

C00001000000

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
WPTZ-TV 45 ROOSEVELT HWY. COLCHESTER, VT	NONFED MEDIA: TV ADS	10/10/96		0.00%	100.00%
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT					
EVENT YEAR-TO-DATE: 25,000.00	<input checked="" type="checkbox"/> DIRECT CANDIDATE SUPPORT		1,348.75		1,348.75
B. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
U.S. MAILING SYSTEMS PO BOX 1111 BURLINGTON, VT	SEN 1: MAILING	10/31/96		0.00%	100.00%
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT					
EVENT YEAR-TO-DATE: 1,791.85	<input checked="" type="checkbox"/> DIRECT CANDIDATE SUPPORT		1,791.85		1,791.85
C. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
U.S. MAILING SYSTEMS PO BOX 1111 BURLINGTON, VT	SEN 2: MAILING	10/25/96		0.00%	100.00%
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT					
EVENT YEAR-TO-DATE: 6,943.53	<input checked="" type="checkbox"/> DIRECT CANDIDATE SUPPORT		6,943.53		6,943.53
D. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
WKDR-AM 388 SHELburne RD. BURLINGTON, VT	STATE SENATE: MEDIA	10/27/96		0.00%	100.00%
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT					
EVENT YEAR-TO-DATE: 30.00	<input checked="" type="checkbox"/> DIRECT CANDIDATE SUPPORT		30.00		30.00
E. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
WDEV-AM ROUTE 100 WATERBURY, VT	STATE SENATE: MEDIA	10/31/96		0.00%	100.00%
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT					
EVENT YEAR-TO-DATE: 60.00	<input checked="" type="checkbox"/> DIRECT CANDIDATE SUPPORT		30.00		30.00
F. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
WKDR-AM 388 SHELburne RD. BURLINGTON, VT	STATE SENATE: MEDIA	10/31/96		0.00%	100.00%
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT					
EVENT YEAR-TO-DATE: 70.00	<input checked="" type="checkbox"/> DIRECT CANDIDATE SUPPORT		10.00		10.00
SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			10,154.13		10,154.13
TOTAL THIS PERIOD (Fed. share to 21 a i and non-Fed. share to 21 a ii)					
TOTAL THIS PERIOD FOR THE NON-FEDERAL SHARE (used for line 31 of the detailed summary page)					

## RECEIPT SCHEDULE H3

(effective 1/1/91)

TRANSFERS FROM  
NON-FEDERAL ACCOUNTS

PAGE	OF
2	8
FOR LINE 18	

NAME OF COMMITTEE			TOTAL AMOUNT TRANSFERRED	
Vermont Democratic Federal Campaign CmteC00001000000				
NAME OF ACCOUNT		DATE OF RECEIPT		\$
VT VOTE NON-FEDERAL ACCOUNT Vermont Federal Bank		10/10/96		
			41,703.75	
BREAKDOWN OF TRANSFER RECEIVED				
	ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND- RAISING AMOUNT	EXEMPT ACTIV/DIRECT CANDIDATE SUPPORT	
i) Total Administrative/Voter Drive	23,703.75			
ii) Direct Fundraising (List Events-Amount for Each)				
a)				
b)				
c)				
d)				
e) Total Transferred For Direct Fundraising				
iii) Exempt Activity/Direct Candidate Support (List Events-Amount For Each)				
a) EXEMPT SEN: SLATE CARD 1			18,000.00	
b)				
c)				
d)				
e) Total Transferred For Exempt Activity/Direct Candidate Support			18,000.00	
NAME OF ACCOUNT		DATE OF RECEIPT		\$
VDP NON-FEDERAL ACCOUNT Vermont Federal Bank		10/15/96		
			468.83	
BREAKDOWN OF TRANSFER RECEIVED				
	ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND- RAISING AMOUNT	EXEMPT ACTIV/DIRECT CANDIDATE SUPPORT	
i) Total Administrative/Voter Drive	468.83			
ii) Direct Fundraising (List Events-Amount Each)				
a)				
b)				
c)				
d)				
e) Total Transferred For Direct Fundraising				
iii) Exempt Activity/Direct Candidate Support (List Events-Amount For Each)				
a)				
b)				
c)				
d)				
e) Total Transferred For Exempt Activity/Direct Candidate Support				
TOTALS FOR BREAKDOWN OF TRANSFER RECEIVED				
	ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND- RAISING AMOUNT	EXEMPT ACTIVITIES	
SUBTOTAL THIS PAGE	24,172.58		18,000.00	42,172.58
TOTAL THIS PERIOD				

## RECEIPT SCHEDULE H3

(effective 1/1/81)

TRANSFERS FROM  
NON-FEDERAL ACCOUNTS

PAGE	OF
3	8
FOR LINE 18	

NAME OF COMMITTEE				TOTAL AMOUNT TRANSFERRED	
Vermont Democratic Federal Campaign CmteC00001000000					
NAME OF ACCOUNT			DATE OF RECEIPT		
VT VOTE NON-FEDERAL ACCOUNT			10/16/96		\$
Vermont Federal Bank					30,250.00
BREAKDOWN OF TRANSFER RECEIVED					
	ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND- RAISING AMOUNT	EXEMPT ACTIV/DIRECT CANDIDATE SUPPORT		
i) Total Administrative/Voter Drive	1,800.00				
ii) Direct Fundraising (List Events-Amount for Each)					
a)					
b)					
c)					
d)					
e) Total Transferred For Direct Fundraising					
iii) Exempt Activity/Direct Candidate Support (List Events-Amount For Each)					
a) EXEMPT CDR: GOTV MAILING			3,450.00		
b) NONFED MEDIA: TV ADS			25,000.00		
c)					
d)					
e) Total Transferred For Exempt Activity/Direct Candidate Support			28,450.00		
NAME OF ACCOUNT			DATE OF RECEIPT		
VDP NON-FEDERAL ACCOUNT			10/18/96		\$
Vermont Federal Bank					275.00
BREAKDOWN OF TRANSFER RECEIVED					
	ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND- RAISING AMOUNT	EXEMPT ACTIV/DIRECT CANDIDATE SUPPORT		
i) Total Administrative/Voter Drive	275.00				
ii) Direct Fundraising (List Events-Amount Each)					
a)					
b)					
c)					
d)					
e) Total Transferred For Direct Fundraising					
iii) Exempt Activity/Direct Candidate Support (List Events-Amount For Each)					
a)					
b)					
c)					
d)					
e) Total Transferred For Exempt Activity/Direct Candidate Support					
TOTALS FOR BREAKDOWN OF TRANSFER RECEIVED					
	ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND- RAISING AMOUNT	EXEMPT ACTIVITIES		
SUBTOTAL THIS PAGE	2,075.00		28,450.00	30,525.00	
TOTAL THIS PERIOD					



## RECEIPT SCHEDULE H3

(effective 1/1/91)

TRANSFERS FROM  
NON-FEDERAL ACCOUNTS

PAGE 4 OF 8

FOR LINE 18

NAME OF COMMITTEE		TOTAL AMOUNT TRANSFERRED	
Vermont Democratic Federal Campaign CmteC00001000000			
NAME OF ACCOUNT		DATE OF RECEIPT	
VDP NON-FEDERAL ACCOUNT & VT VOTE NON-FEDERAL ACCOUNT		10/21/96	
Vermont Federal Bank		\$ 60,075.00	
BREAKDOWN OF TRANSFER RECEIVED			
	ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND-RAISING AMOUNT	EXEMPT ACTV DIRECT CAND DATE SUPPORT
i) Total Administrative/Voter Drive	727.50		
ii) Direct Fundraising (List Events--Amount For Each)			
a) FR FKLIN: RECEPTION COST	627.50		
b)			
c)			
d)			
e) Total Transferred For Direct Fundraising	627.50		
iii) Exempt Activity/Direct Candidate Support (List Events--Amount For Each)			
a) EXEMPT SEN: SLATE CARD 3		58,720.00	
b)			
c)			
d)			
e) Total Transferred For Exempt Activity/Direct Candidate Support		58,720.00	
NAME OF ACCOUNT		DATE OF RECEIPT	
VDP NON-FEDERAL ACCOUNT		10/25/96	
Vermont Federal Bank		\$ 100.00	
BREAKDOWN OF TRANSFER RECEIVED			
	ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND-RAISING AMOUNT	EXEMPT ACTV DIRECT CAND DATE SUPPORT
i) Total Administrative/Voter Drive	100.00		
ii) Direct Fundraising (List Events--Amount Each)			
a)			
b)			
c)			
d)			
e) Total Transferred For Direct Fundraising			
iii) Exempt Activity/Direct Candidate Support (List Events--Amount For Each)			
a)			
b)			
c)			
d)			
e) Total Transferred For Exempt Activity/Direct Candidate Support			
TOTALS FOR BREAKDOWN OF TRANSFER RECEIVED			
	ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND-RAISING AMOUNT	EXEMPT ACTIVITIES
SUBTOTAL THIS PAGE	827.50	627.5058,720.00	60,175.00
TOTAL THIS PERIOD			

FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

MAR 12 1997

James Ashley, Treasurer  
Vermont State Democratic Federal  
Campaign Committee  
P.O. Box 336  
Montpelier, VT 05601

Identification Number: C00024679

Reference: 30 Day Post-General Report (10/1/96-11/25/96)

Dear Mr. Ashley:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-The totals listed on Lines 11(a)(i) and 11(a)(ii), Column B of the Detailed Summary Page appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Line 18 of the Detailed Summary Page of your report discloses a total of \$172,747.36 in Transfers from Nonfederal Account for Joint Activity. The sum of the entries itemized on Schedule H3, however, indicates the total to be \$198,833.99. Please amend your report to clarify the discrepancy.

-Please provide a Schedule B to support the entry reported on Line 22 of the Detailed Summary Page. Each transfer-out to an affiliated committee must be itemized on Schedule B regardless of the amount transferred. 2 U.S.C. §434(b)(6)(B)(i)

-Please provide a Schedule B to support the entry reported on Line 23 of the Detailed Summary Page. Each contribution made to a federal candidate or

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VERMONT STATE DEMOCRATIC FEDERAL CAMPAIGN COMMITTEE  
PAGE 2

committee must be itemized on Schedule B regardless of the amount contributed. 11 CFR §104.3(b)(3)(v)

-Schedule A of your report (pertinent portion(s) attached) discloses a contribution(s) from an organization(s) which is not a political committee registered with the Commission. In order for your committee to accept contributions from unregistered organizations into accounts used to influence federal elections, your committee should take steps to insure that the contributor(s) used permissible funds to make the contribution(s) to avoid violating 2 U.S.C. §§441a(f) and 441b or 11 CFR §102.5(b). Under 11 CFR §102.5(b), organizations which are not political committees under the Act and choose to contribute to federal committees must either: 1) establish a separate account which contains only those funds permitted under the Act, or 2) demonstrate through a reasonable accounting method that the organization has received sufficient funds subject to the limitations and prohibitions in order to make the contribution.

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. In addition, please clarify whether the contribution(s) received from the referenced organization(s) is permissible. To the extent that your committee has received impermissible funds, the Commission recommends that you transfer the impermissible funds to an account not used to influence federal elections or refund the impermissible amount(s) to the donor(s) in accordance with 11 CFR §103.3(b). In order to protect the donor's interests, the Commission recommends that you inform the contributor(s) in writing to provide the donor(s) with the option of receiving a refund or granting written authorization for a transfer to another account.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for the transfer-out or refund. Should you choose to transfer-out or refund the contribution(s), the Commission will presume the funds were impermissible if no statement from your committee provides information to the contrary. Transfers-out and refunds should be disclosed on a Schedule B supporting Line 22 or 28 of the report covering the period during which the transaction was made.

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**VERMONT STATE DEMOCRATIC FEDERAL CAMPAIGN COMMITTEE  
PAGE 3**

Although the Commission may take further legal action concerning the acceptance of prohibited contributions, prompt action by your committee in transferring-out or refunding the amounts will be taken into consideration.

-Your report discloses receipts totalling \$644.10 from the Democratic State Party Victory Fund, which is a joint fundraising committee affiliated with your committee. Please be advised that a memo Schedule A must be provided to itemize your committee's share of the gross contributions received through the joint fundraiser. The memo schedule should itemize each individual who has contributed an aggregate in excess of \$200 during the calendar year, and provide the amount of unitemized contributions received. In addition, the memo schedule should itemize your committee's share of all contributions from political committees, regardless of amount.  
11 CFR §102.17(c)(8)(i)(B)

-On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have failed to include the purposes for the joint expenditures to the Summit Group, Inc. and the Postmaster - Burlington. Note that the unique identifying code for an event is not considered an adequate description of purpose. Please amend your report to include this missing information.

-Schedule H3 discloses receipt of \$101,720.00 from your non-federal account for fundraising, direct candidate support, and exempt expenditure event(s) which are listed as 100% non-federal on Schedules H2 and H4. A committee is permitted to pay the entire amount of an allocable activity from its federal account and receive a transfer(s) from its non-federal account solely to cover the non-federal share of the allocable expense(s). 11 CFR §106.5(g)(i). However, a 100% non-federal fundraising, direct candidate support, or exempt expenditure event does not fall within the definitions of an allocable expense, and constitutes an impermissible transfer of funds received by your federal account from your non-federal account. Additionally, 100% non-federal administrative expenses should not be paid for by the federal account, but by your committee's non-federal account.

The Commission recommends you immediately transfer the total amount received by your federal account back to your non-federal account.

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VERMONT STATE DEMOCRATIC FEDERAL CAMPAIGN COMMITTEE  
PAGE 4

Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration. } *MAH*

-Schedule H3 of your report discloses a transfer from your non-federal account for FR FKLIN. However, Schedule H2 reports this activity to be 100% federal activity. Your federal account may not receive transfers from your non-federal account for activities which entail 100% federal activities. The full amount of the transfer should be returned to the non-federal account.

-You have made disbursements for "Admin: GOTV phones" which you have characterized as exempt activity. In order for a phone bank to be classified as exempt, it must meet the following conditions: The activity is on behalf of the party's Presidential and Vice Presidential nominees; the activity does not involve the use of public political advertising such as television, radio, newspapers, magazines, billboards or direct mail; phone banks are operated by volunteers (although paid professionals may design the system, develop calling instructions and train supervisors); the party committee does not use funds transferred by the national party committee for voter drive activities; the party committee does not use funds designated for a particular federal candidate; and the cost allocable to federal candidates are paid with permissible funds. If the activity disclosed on your report does not meet the definition of "exempt" activity as described above and if any portion of the expenditures were made on behalf of specifically identified candidates, that amount must be disclosed on Schedule B or F supporting Line 23 or 25 of the Detailed Summary Page as appropriate. Please provide the Commission with a more detailed explanation of this activity.

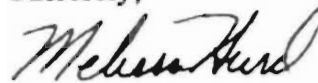
A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days

98043874545

VERMONT STATE DEMOCRATIC FEDERAL CAMPAIGN COMMITTEE  
PAGE 5

of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 219-3580.

Sincerely,



Melissa Hurd  
Reports Analyst  
Reports Analysis Division

9 8 0 4 3 8 7 4 5 4 6



# VERMONT DEMOCRATIC PARTY

P.O. Box 336 • 73 Main Street, Room 33 • Montpelier, VT 05601-0336

March 27, 1997

NEW ADDRESS:  
VERMONT DEMOCRATIC PARTY  
P.O. BOX 1142  
MONTPELIER, VT 05602-1142  
(802) 630-4800

Melissa Hurd  
Federal Elections Commission  
Reports Analysis Division  
999 E Street, N.W.  
Washington, DC 20463

Identification Number: C00024679

Reference: 30-Day Post-General Report (10/1/96 - 11/25/96)

Dear Melissa:

Enclosed please find an amendment to the Vermont Democratic Federal Campaign Committee's 30-Day Post-General FEC Report for the 1996 election cycle.

First, the totals listed on Lines 11(a)(I) and 11(a)(ii), Column B of the Detailed Summary Page have been amended.

Second, the discrepancy between Line 18 of the Detailed Summary Page and the sum of Transfers from Nonfederal Account itemized on Schedule H3 has been amended.

Third, a Schedule B to support the entry reported on Line 22 of the Detailed Summary Page has been provided.

Fourth, a Schedule B to support the entry reported on Line 23 of the Detailed Summary Page has been provided.

Fifth, Schedule A correctly reflects that several contributions containing impermissible funds were inadvertently deposited into our federal account. Due to the fact that this letter from the FEC was forwarded from our prior address, we have had only three days to respond to this memo within the required 15-day time frame. In this time, we have been unable to raise the necessary funds to transfer the impermissible funds to an account not used to influence federal elections as recommended by the Federal Elections Commission. As soon as we are able to comply, we will follow the procedure outlined in your letter and file an additional amendment to this report disclosing the transfer-out. It is our intention to do so in prompt fashion.

Sixth, an itemization of the receipts from the Democratic State Party Victory Fund are provided for in our 1996 Year-End Report. The Democratic National Committee, which administers this joint fundraising committee provides memo Schedule A's only on a quarterly basis for the purpose

of itemizing a committee's share of the gross contributions.

Seventh, the purposes of the expenditures to the Summit Group, Inc. and Postmaster - Burlington have been clarified.

Eighth, Schedule H3 correctly discloses receipt of \$101,720.00 from our non-federal account for fundraising, direct candidates support, and exempt expenditures which are properly listed as 100% non-federal on Schedules H2 and H4. These transfers to and expenditures from our federal account were an inadvertent error by our committee. We now understand that a 100% non-federal activity does not fall within the definition of an allocable expense, and that these expenditures would have best been made through a non-federal allocation account. If we had simply transferred the same amount to a non-federal checking account and written checks from there, this situation could have been avoided. Regardless, there was no co-mingling of federal and non-federal monies as the transfers and expenditures match, but we now appreciate the fact that there is no federal statutory definition for a 100% non-federal expenditure. While the Federal Elections Commission recommends that our committee transfer the total amount received by our federal account (\$101,720.00) to our non-federal account, we feel that this would be an inordinant punishment for this lapse for which we are most apologetic.

Ninth, Schedule H3 mistakenly disclosed a transfer of funds from our non-federal account for an activity which was 100% federal. This transfer of non-federal monies has now been properly disclosed as a transfer to cover the non-federal share of administrative expense.

Finally, disbursements for "Admin. GOTV phones" to the Summit Group, Inc. were improperly classified and defined as an exempt activity in our prior report. The purpose of this expenditure is properly classified as "Admin/Voter ID:Phones," and is to be allocated on our state split. The list was identified using multiple candidate preference and was done by a paid vendor, and we understand that such an expense can be properly treated as voter file building and therefore is an administrative/generic expense.

Thank you for the opportunity to clarify our report. Please contact me with any further questions you may have.

Sincerely,



Liam S. Goldrick  
Executive Director



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-3

April 3, 1997

James Ashley, Treasurer  
Vermont State Democratic Federal  
Campaign Committee  
P.O. Box 1142  
Burlington, VT 05402

Identification Number: C00024679

Reference: 30 Day Post-General Report (10/1/96-11/25/96)

Dear Mr. Ashley:

On March 12, 1997 you were notified that a review of the above-referenced report(s) raised questions as to specific contributions and/or expenditures, and the reporting of certain information required by the Federal Election Campaign Act.

Your March 27, 1997 response is incomplete because you have not provided all the requested information. For this response to be considered adequate, the following information is still required.

-The Commission acknowledges your response concerning transferring the impermissible funds from unregistered organizations to an account not used to influence federal elections and awaits an additional response from your committee confirming that such a transfer has occurred. Please provide a photocopy of the check for the transfer to your non-federal account.

-Additionally, the Commission acknowledges your response concerning the receipt of \$101,720 from your non-federal account for fundraising, direct candidate support, and exempt expenditure events which are listed as 100% non-federal on Schedules H2 and H4. Your committee has transferred impermissible non-federal funds into your federal account for unallocable expenses and therefore your committee has commingled federal and non-federal monies. 11 CFR §106.5 The Commission recommends you immediately transfer the total amount received by your federal account back

*Celebrating the Commission's 20th Anniversary*

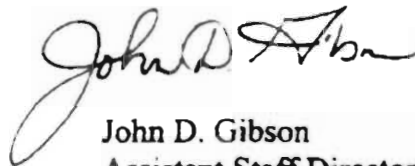
YESTERDAY, TODAY AND TOMORROW  
DEDICATED TO KEEPING THE PUBLIC INFORMED

to your non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration. } *MMH*

If this information is not received by the Commission within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact Melissa Hurd on our toll-free number (800) 424-9530 or our local number (202) 219-3580.

Sincerely,



John D. Gibson  
Assistant Staff Director  
Reports Analysis Division

9 8 0 4 3 8 7 4 5 0

TELECON

**ANALYST:** Melissa Hurd

**CONVERSATION WITH:** Liam Goldrick, Executive Director

**COMMITTEE:** Vermont State Democratic Federal Campaign Committee

**DATE:** May 5, 1997

**SUBJECTS(S):** RFAI referencing the 30 Day Post-General Report

Liam Goldrick returned the analyst's message regarding the second RFAI referencing the 30 Day Post-General Report. Mr. Goldrick stated the Committee was not planning on taking any further action regarding the transfer-in of non-federal monies on Schedule H3 in order to reimburse the federal account for activities which were itemized as 100% non-federal on Schedules H2 and H4.

The activities were originally thought by the Committee to be allocable expenses but eventually became 100% non-federal. The error during the campaign was never corrected. The Committee does not have enough money available in order to transfer the full amount of the impermissible receipt back to the non-federal account. The analyst advised Mr. Goldrick to declare a debt to the non-federal account even though this is also impermissible under normal circumstances. The analyst stressed that the Committee should file a written response regarding the intended action as soon as possible because of possible legal action. Mr. Goldrick stated he would take this into consideration and inform the analyst if any further action was taken.

93942374551



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

FEDERAL ELECTION COMMISSION  
Nov 4 2 41 PM '97

**FIRST GENERAL COUNSEL'S REPORT**

RAD REFERRAL: 97L-09  
DATE ACTIVATED: 9/12/97

**SENSITIVE**

STAFF MEMBER: Susan L. Lebeaux

SOURCE: INTERNALLY GENERATED

RESPONDENTS: Vermont State Democratic Federal Campaign Committee  
and William McKern, as Treasurer

RELEVANT STATUTES: 2 U.S.C. § 441b  
11 C.F.R. § 102.5(a)  
11 C.F.R. § 106.5(g)

INTERNAL REPORTS CHECKED: Disclosure Reports and FEC Indices

FEDERAL AGENCIES CHECKED: None

**I. GENERATION OF MATTER**

The Reports Analysis Division ("RAD") referred the Vermont State Democratic Federal Campaign Committee and its treasurer ("the Committee") to the Office of General Counsel on June 26, 1997. The basis for the RAD referral is the Committee's receipt of a total of \$101,720 transferred-in to its federal account from its non-federal account for 100% non-federal activity during October 1996.

**II. FACTUAL AND LEGAL ANALYSIS**

**A. Applicable Law**

An organization which is a political committee under the Federal Election Campaign Act of 1971, as amended, (the "Act") must follow prescribed allocation procedures when financing political activity in connection with federal and non-federal elections. 11 C.F.R. §§ 102.5 and

030487452

106.5(g)(1). These rules implement the contribution and expenditure limitations and prohibitions established by 2 U.S.C. §§ 441a and 441b.

Each political committee, including a party committee, which finances political activity in connection with both federal and non-federal elections is required to establish a separate federal account for all disbursements, contributions, expenditures and transfers by the committee in connection with any federal election, unless it receives only contributions subject to the prohibitions and limitations of the Act. 11 C.F.R. §§ 102.5(a)(1)(i) and (ii). Where a committee such as the Committee has established both a federal and a non-federal account, "[o]nly funds subject to the limitations and prohibitions of the Act shall be deposited in such separate federal account." 11 C.F.R. § 102.5 (a)(1)(i). Except for the limited circumstances provided in 11 C.F.R. § 106.5(g)--which come into play only if there are allocable expenses--no transfers may be made to a federal account from any other accounts maintained by the committee for the purpose of financing non-federal election activity. *Id.*<sup>1</sup> Since transfers from a non-federal account to a federal account may be made solely to cover the non-federal share of an allocable expense, transfers to a federal account for the purpose of financing 100% non-federal activity are prohibited. *See* MUR 4413 (improper transfer of non-federal funds into an allocation account to pay for 100% non-federal activities).

<sup>1</sup> Under 11 C.F.R. § 106.5(g)(1)(i), a state party committee that has established separate federal and non-federal accounts must pay the entire amount of an allocable expense from its federal account and shall transfer funds from its non-federal account solely to cover the non-federal share of that allocable expense.

**B. Analysis**

On schedules of the 1996 30 Day Post-General Report, the Committee disclosed that it had transferred-in to its federal account from its non-federal account \$18,000 on October 10, 1996 to pay for "Exempt Sen: Slate Card 1," \$25,000 on October 16, 1996 to pay for "Nonfed Media: TV Ads," and \$58,720 on October 21, 1996 to pay for "Exempt Sen: Slate Card 3," all activities listed as 100% non-federal.<sup>2</sup> RAD advised the Committee that such transfers were impermissible and recommended that the Committee immediately transfer the total \$101,720 received by its federal account back to its non-federal account. In response, the Committee first confirmed that the schedules correctly disclosed the receipt by its federal account of \$101,720 from its non-federal account for activities properly listed as 100% non-federal. The Committee stated that the transfers to and expenditures from its federal account were an "inadvertent error," it now understood that 100% non-federal activity did not constitute "allocable expenses," and that the expenditures "would best have been made" through a non-federal checking account. However, the Committee maintained that there was no commingling of federal and non-federal monies since the transfers and expenditures match, and that a transfer of the \$101,720 to its non-federal account would be "an inordinant (sic) punishment for [its] lapse. . . ."

RAD subsequently notified the Committee that, as impermissible non-federal funds were transferred into the federal account for unallocable expenses, the Committee has commingled federal and non-federal monies, and again recommended the immediate transfer back of the total

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<sup>2</sup> According to the Committee's disclosure reports, the federal account disbursed the \$18,000 and the \$25,000 on October 10, 1996, and disbursed the \$58,720 on October 23, 1996.

amount. Thereafter, a RAD analyst spoke to the Committee's Executive Director who stated that the Committee originally thought the activities were to be allocable expenses, but they eventually became 100% non-federal and the error was never corrected. The Executive Director further advised that the Committee does not have enough money to transfer the full amount of the impermissible funds received by the federal account back to the non-federal account and that the Committee was not planning on taking any further action regarding a transfer.

Based on this information, it appears that the Committee improperly transferred \$101,720 to its federal account from its non-federal account to pay for 100% non-federal activity.

Accordingly, this Office recommends that the Commission find reason to believe that the Vermont State Democratic Federal Campaign Committee and William McKern, as treasurer, violated 11 C.F.R. § 102.5(a)(1)(i). Additionally, because the State of Vermont allows corporations and labor organizations to contribute up to \$1,000 per candidate or committee per election, see Vt. Stat. Ann. tit. 17 §§ 2801(6) and 2805 (1997), this Office recommends that the Commission find reason to believe that the Vermont State Democratic Federal Campaign Committee and William McKern, as treasurer, violated 2 U.S.C § 441b.<sup>3</sup>

### III. PRE-PROBABLE CAUSE CONCILIATION

<sup>3</sup> In an analogous situation where a committee appeared to have violated 11 C.F.R. § 102.5 by impermissible transfers from a non-federal account to an allocation account, the Commission found reason to believe that the committee may also have violated 2 U.S.C. § 441b if the non-federal account contained corporate or labor organization funds at the time of the transfer. MUR 4413 (New York Republican Federal Campaign Committee).

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IV. **RECOMMENDATIONS**

1. Open a MUR.
2. Find reason to believe that the Vermont State Democratic Federal Campaign Committee and William McKern, as treasurer, violated 2 U.S.C. § 441b and 11 C.F.R. § 102.5(a)(1)(i), and enter into conciliation prior to a finding of probable cause to believe.
3. Approve the attached Factual and Legal Analysis and Conciliation Agreement.
4. Approve the appropriate letter.

Lawrence M. Noble  
General Counsel

11/3/97  
Date

BY:

  
Lois G. Lertler  
Associate General Counsel

Attachments:

1. Proposed Conciliation Agreement.
2. Factual and Legal Analysis.



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE  
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/LISA DAVIS *LD*  
COMMISSION SECRETARY

DATE: NOVEMBER 6, 1997

SUBJECT: RAD Referral #97L-09 - First General Counsel's Report

The above-captioned document was circulated to the Commission  
on Tuesday, November 04, 1997

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

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

This matter will be placed on the meeting agenda for

Wednesday, November 12, 1997

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

98043874557

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) RAD Referral 97L-09  
Vermont State Democratic )  
Federal Campaign Committee )  
and William McKern, as )  
Treasurer )

MUR 4704

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on November 12, 1997, do hereby certify that the Commission decided by a vote of 4-0 to take the following actions with respect to RAD Referral 97L-09:

1. Open a MUR.
2. Find reason to believe that the Vermont State Democratic Federal Campaign Committee and William McKern, as treasurer, violated 2 U.S.C. § 441b and 11 C.F.R. § 102.5(a)(1)(i), and enter into conciliation prior to a finding of probable cause to believe.
3. Approve the Factual and Legal Analysis and Conciliation Agreement recommended in the General Counsel's November 3, 1997 report

(continued)

93943874538

Federal Election Commission  
Certification for RAD Referral  
97L-09  
November 12, 1997

Page 2

4. Approve the appropriate letter as recommended in the General Counsel's November 3, 1997 report.

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

Attest:

11-12-97  
Date

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

93043874579





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 18, 1997

William McKern, Treasurer  
Vermont State Democratic Federal  
Campaign Committee  
P.O. Box 1142  
Burlington, VT 05402

RE: MUR 4701  
Vermont State Democratic Federal  
Campaign Committee and  
William McKern, as Treasurer

Dear Mr. McKern:

On November 12, 1997, the Federal Election Commission found that there is reason to believe the Vermont State Democratic Federal Campaign 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 Commission regulation 11 C.F.R. § 102.5(a)(1)(i). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

In order to expedite the resolution of this matter, the Commission has also decided to offer to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Enclosed is a conciliation agreement that the Commission has approved.

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation, and if you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, to the Commission. In light of the fact

that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

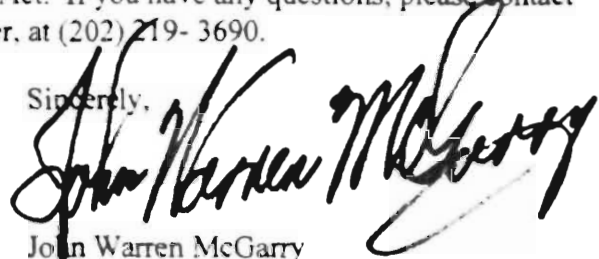
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Susan Lebeaux, the attorney assigned to this matter, at (202) 219- 3690.

Sincerely,



John Warren McGarry  
Chairman

Enclosures

Factual and Legal Analysis  
Procedures  
Designation of Counsel Form  
Conciliation Agreement

2 8 0 4 8 7 4 5 6 1

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

RESPONDENTS: Vermont State Democratic  
Federal Campaign Committee  
and William McKern, as treasurer

MUR: 4701

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

**A. Applicable Law**

An organization which is a political committee under the Federal Election Campaign Act of 1971, as amended, (the "Act") must follow prescribed allocation procedures when financing political activity in connection with federal and non-federal elections. 11 C.F.R. §§ 102.5 and 106.5(g)(1). These rules implement the contribution and expenditure limitations and prohibitions established by 2 U.S.C. §§ 441a and 441b.

Each political committee, including a party committee, which finances political activity in connection with both federal and non-federal elections is required to establish a separate federal account for all disbursements, contributions, expenditures and transfers by the committee in connection with any federal election, unless it receives only contributions subject to the prohibitions and limitations of the Act. 11 C.F.R. §§ 102.5(a)(1)(i) and (ii). Where a committee such as the Vermont State Democratic Federal Campaign Committee ("the Committee") has established both a federal and a non-federal account, "[o]nly funds subject to the limitations and prohibitions of the Act shall be deposited in such separate federal account." 11 C.F.R.

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§ 102.5(a)(1)(i). Except for the limited circumstances provided in 11 C.F.R. § 106.5(g)--which come into play only if there are allocable expenses--no transfers may be made to a federal account from any other accounts maintained by the committee for the purpose of financing non-federal election activity. *Id.*<sup>1</sup> Since transfers from a non-federal account to a federal account may be made solely to cover the non-federal share of an allocable expense, transfers to a federal account for the purpose of financing 100% non-federal activity is prohibited. *See* MUR 4413 (improper transfer of non-federal funds into an allocation account to pay for 100% non-federal activities).

#### B. Analysis

On schedules of the 1996 30 Day Post-General Report, the Committee disclosed that it had transferred-in to its federal account from its non-federal account \$18,000 on October 10, 1996 to pay for "Exempt Sen: Slate Card 1," \$25,000 on October 16, 1996 to pay for "Nonfed Media: TV Ads," and \$58,720 on October 21, 1996 to pay for "Exempt Sen: Slate Card 3," all activities listed as 100% non-federal.<sup>2</sup> These transfers from the non-federal account to the federal account to pay for 100% non-federal activity totaled \$101,720.

Therefore, there is reason to believe that the Vermont State Democratic Federal Campaign Committee and William McKern, as treasurer, violated 11 C.F.R. § 102.5(a)(1)(i) in connection with the transfer of \$101,720 in non-federal funds to the federal account to pay for

<sup>1</sup> Under 11 C.F.R. § 106.5(g)(1)(i), a state party committee that has established separate federal and non-federal accounts must pay the entire amount of an allocable expense from its federal account and shall transfer funds from its non-federal account solely to cover the non-federal share of that allocable expense.

<sup>2</sup> According to the Committee's disclosure reports, the federal account disbursed the \$18,000 and the \$25,000 on October 10, 1996, and disbursed the \$58,720 on October 23, 1996.

100% non-federal activity. Additionally, because the State of Vermont allows corporations and labor organizations to contribute up to \$1,000 per candidate or committee per election, see Vt. Stat. Ann. tit. 17 §§ 2801(6) and 2805 (1997), there is reason to believe that the Vermont State Democratic Federal Campaign Committee and William McKern, as treasurer, violated 2 U.S.C. § 441b.<sup>3</sup>

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<sup>3</sup> In an analogous situation where a committee appeared to have violated 11 C.F.R. § 102.5 by impermissible transfers from a non-federal account to an allocation account, the Commission found reason to believe that the committee may also have violated 2 U.S.C. § 441b if the non-federal account contained corporate or labor organization funds at the time of the transfer. MUR 4413 (New York Republican Federal Campaign Committee).

## THE VERMONT DEMOCRATIC PARTY

PO Box 1142, Burlington, VT 05402-1142

660-4900 fax: 660-2828

2 December, 1997

Susan Lebeaux, Esq  
Federal Election Commission  
999 E Street, N.W.  
Washington, DC 20463

Re: MUR 4701

Vermont State Democratic Federal Campaign Committee  
and William McKern, a Treasurer

Dear Ms. Lebeaux


In accord with our telephone conversation today, I write to confirm that our office received the letter dated Nov. 18, 1997 from the Chairman of the Federal Election Commission on Wednesday, Nov. 26.

I am also requesting an extension of 20 days within which to submit further materials to your office and to enter into probable cause conciliation. Our reasons for requesting the extension are primarily related to personnel changes in this office. On Nov. 8, 1997 I was elected the new State Chair of the Vermont Democratic Party. Mr. McKern, who was our Treasurer, chose not to continue on in that role, and Mr. John Moran was elected the new Treasurer. Neither Mr. Moran nor I had any information relating to this matter until receipt of your letter. In addition, Mr. Liam Goldrick, with whom you have previously communicated, terminated his position as Executive Director on Nov. 1.

As a result of the above, none of the current officers of the Vermont Democratic Party have sufficient information at this time to make any considered judgment as to the facts set forth in your letter. We believe that we will be in a position to educate ourselves within the requested extended period.

Thank you for your consideration of this request. I am hopeful that we can resolve this matter expeditiously.

Sincerely,



David W. Curtis  
Chair  
Vermont State Democratic Committee

Via Telefax and U.S. Mail

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 3, 1997

ADVANCE COPY BY FACSIMILE:  
(802) 660-2828

David W. Curtis, Chair  
Vermont State Democratic Committee  
P.O. Box 1142  
Burlington, VT 05402-1142

RE: MUR 4701  
Vermont State Democratic Federal  
Campaign Committee and  
William McKern, as Treasurer

Dear Mr. Curtis:

This is in response to your letter by facsimile dated and received December 2, 1997, requesting an extension of 20 days to respond to the Commission's reason to believe finding in the above-referenced matter. After considering the circumstances presented in your letter, the Office of General Counsel has granted the requested extension. Accordingly, the response is due by the close of business on December 31, 1997. Since this extension will impact the timing of possible preprobable cause conciliation, see Chairman McGarry's November 18, 1997 letter to Mr. McKern, it is important that the extended deadline be met.<sup>1</sup> If you have any questions, please contact me at (202) 219-3690.

Sincerely,

*Susan L. Lebeaux*  
Susan L. Lebeaux  
Attorney

<sup>1</sup> Your December 2, 1997 letter states that Mr. John Moran is the current Treasurer of the Committee. After the Committee formally reports that information to the Commission, the caption for MUR 4701 will be amended accordingly. See 2 U.S.C. § 433(c).



# THE VERMONT DEMOCRATIC PARTY

PO Box 1142, Burlington, VT 05402

Telephone (802)660-4900 Fax (802)660-2828

January 16, 1998

Susan Lebeaux, Esq  
Federal Election Commission  
Washington, DC 20463

Re MUR 4701  
Vermont State Democratic Federal Campaign Committee and  
John T. Moran, as Treasurer

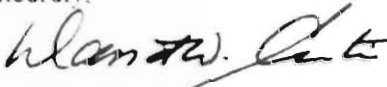
Dear Ms. Lebeaux:

I enclose herewith executed original Conciliation Agreement.

I apologize, again, for the delay in responding to your letter of January 7, but I was hospitalized for tests on Wednesday and have just now been able to respond.

Thank you again for your cooperation and consideration.

Sincerely,



David W. Curtis  
State Chair

Jan 20 3 31 PM '98

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARY

JAN 23 11 44 AM '98

In the Matter of )  
 ) MUR 4701  
Vermont State Democratic Federal )  
Campaign Committee and )  
John T. Moran, as treasurer )

**SENSITIVE**

GENERAL COUNSEL'S REPORT

I. BACKGROUND

The Vermont State Democratic Federal Campaign Committee and its treasurer received a total of \$101,720 transferred-in to the Committee's federal account from its non-federal account for 100% non-federal activity during October 1996. On November 12, 1997, the Commission found reason to believe that the Vermont State Democratic Federal Campaign Committee and its treasurer violated 2 U.S.C. § 441b and 11 C.F.R. § 102.5(a)(1)(i) and approved a conciliation agreement providing for the admission of the violation and a civil penalty.

This Office recommends that the Commission approve this agreement and close the file in this matter.

II. ANALYSIS

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III. **RECOMMENDATIONS**


1. Accept the attached conciliation agreement with the Vermont State Democratic Federal Campaign Committee and John T. Moran, as treasurer.
2. Close the file.
3. Approve the appropriate letter.

Date

1/22/98

Lawrence M. Noble  
General Counsel

BY:

  
Lois G. Verner  
Associate General Counsel

Attachments  
Conciliation Agreement

Staff Assigned: Susan L. Lebeaux

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Vermont State Democratic Federal ) MUR 4701  
Campaign Committee and )  
John T. Moran, as treasurer. )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on January 27, 1998, the Commission decided by a vote of 5-0 to take the following actions in MUR 4701:

1. Accept the conciliation agreement with the Vermont State Democratic Federal Campaign Committee and John T. Moran, as treasurer, as recommended in the General Counsel's Report dated January 22, 1998.
2. Close the file.
3. Approve the appropriate letter, as recommended in the General Counsel's Report dated January 22, 1998.

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

Attest:

1-27-98  
Date

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

Received in the Secretariat: Fri., Jan. 23, 1998 11:44 a.m.  
Circulated to the Commission: Fri., Jan. 23, 1998 2:00 p.m.  
Deadline for vote: Wed., Jan. 28, 1998 4:00 p.m.

lrd



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 30, 1998

David W. Curtis, Chair  
Vermont State Democratic Party  
P.O. Box 1142  
Burlington, VT 05402

RE: MUR 4701  
Vermont State Democratic Federal  
Campaign Committee and  
John T. Moran, as Treasurer

Dear Mr. Curtis:

On January 27, 1998, the Federal Election Commission accepted the signed conciliation agreement submitted by you on the above-named respondents' behalf in settlement of violations of 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended, and Commission regulation 11 C.F.R. § 102.5(a)(1)(i). Accordingly, the file has been closed 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.

Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

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Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that as provided in Section VI of the conciliation agreement, the initial civil penalty payment is due no more than 30 days from the conciliation agreement's effective date, as set forth in Section VIII. One additional payment of \$1,500 is due no more than forty-five days from the date the initial payment is due. If you have any questions, please contact me at (202) 219-3690.

Sincerely,



Susan L. Lebeaux  
Attorney

Enclosure  
Conciliation Agreement

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**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of )  
 ) MUR 4701  
Vermont State Democratic Federal )  
Campaign Committee and )  
John T. Moran, as treasurer )

**CONCILIATION AGREEMENT**

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that the Vermont State Democratic Federal Campaign Committee and its treasurer, ("Respondents") violated 2 U.S.C. § 441b and 11 C.F.R. § 102.5(a)(1)(i).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. The Vermont State Democratic Federal Campaign Committee is a political committee within the meaning of 2 U.S.C. § 431(4).

2. John T. Moran is the treasurer of the Vermont State Democratic Federal Campaign Committee.

3. An organization which is a political committee under the Federal Election Act of 1971, as amended, (the "Act") must follow prescribed allocation procedures when financing political activity in connection with federal and non-federal elections. 11 C.F.R. §§ 102.5 and 106.5(g)(1). These rules implement the contribution and expenditure limitations and prohibitions established by 2 U.S.C. §§ 441a and 441b.

4. Each political committee, including a party committee, which finances political activity in connection with both federal and non-federal elections is required to establish a separate federal account for all disbursements, contributions, expenditures and transfers by the committee in connection with any federal election, unless it receives only contributions subject to the prohibitions and limitations of the Act. 11 C.F.R. §§ 102.5(a)(1)(i) and (ii). Where a committee has established both a federal and a non-federal account, "[o]nly funds subject to the limitations and prohibitions of the Act shall be deposited in such separate federal account." 11 C.F.R. § 102.5(a)(1)(i). Except for the limited circumstances provided in 11 C.F.R. § 106.5(g)--which come into play only if there are allocable expenses--no transfers may be made to a federal account from any other accounts maintained by the committee for the purpose of financing non-federal election activity. Id.

5. Since transfers from a non-federal account to a federal account may be made solely to cover the non-federal share of an allocable expense, transfers to a federal account for the purpose of financing 100% non-federal activity are prohibited.



6. The State of Vermont allows corporations and labor organizations to contribute up to \$1,000 per candidate or committee per election.

7. During October 1996, Respondents made transfers totaling \$101,720 to the federal account from the non-federal account to pay for 100% non-federal activity.

V. Respondents transferred \$101,720 in non-federal funds to the federal account to pay for 100% non-federal activity, in violation of 2 U.S.C. § 441b and 11 C.F.R. § 102.5(a)(1)(i).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of four thousand dollars (\$4,000), pursuant to 2 U.S.C. § 437g(a)(5)(A), such penalty to be paid as follows:

1. One initial payment of \$2,500 due no more than 30 days from the date this agreement becomes effective, as set forth in Section VIII below; and
2. One additional payment of \$1,500 due no more than forty-five days from the date the initial payment is due.

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

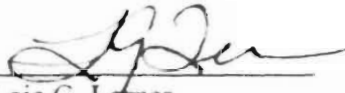
VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

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IX. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

1/29/98  
Date

FOR THE RESPONDENTS:

Wendy W. Lenti, State Chair January 16, 1997  
(Name) Date  
(Position)

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FEDERAL ELECTION COMMISSION  
WASHINGTON D.C. 20463

THIS IS THE END OF MUR # 4701

DATE FILMED 2/9/98 CAMERA NO. 2

CAMERAMAN EEJ

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20542

Date: 4/14/98

☒ Microfilm

☐ Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED MUR 4701

9304360047

RECEIVED  
FEDERAL ELECTION  
COMMISSION

APR 6 2 39 PM '98

**Correspondence**

P.O. Box 1142  
Burlington, VT 05402  
Tel (802) 660-4900  
Fax (802) 660-2828  
vtdems@together.net

**Location**

1 Steele Street  
The Wing Building  
Suite 106  
Burlington, Vermont

# VERMONT DEMOCRATIC PARTY

April 3, 1998

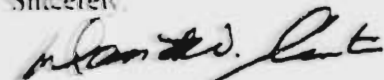
Federal Elections Commission  
Attn: Susan L. Lebeaux  
Washington, D.C. 20463

Re: MUR 4701

Dear Ms. Lebeaux:

Pursuant to the conciliation agreement in MUR 4701, enclosed please find the Vermont State Democratic Federal Campaign Committee's final payment of \$1,500.

Sincerely,



David W. Curtis  
State Chair

enclosure

VERMONT DEMOCRATIC PARTY  
P.O. BOX 1142  
BURLINGTON, VT 05402-1142  
(802) 688-4000

DATE	DESCRIPTION	AMOUNT
4/17/98		

58-40  
116

2016

PAY One Thousand Five Hundred and <sup>no</sup> ~~no~~ DOLLARS

DATE	TO THE ORDER OF	AMOUNT
2/3/98	Federal Elections Commission	1500.00

VERMONT NATIONAL BANK

Thomas B. Hyle

⑈002016⑈ ⑆01600486⑆ ⑆01 11 7555 5⑆

98004330049



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

APR 8 10 32 AM '98

April 7, 1998

**TWO WAY MEMORANDUM**

TO: OGC Docket

FROM: Rosa E. Swinton  
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from **Vermont Democratic Party**, check number **2016**, dated **April 3, 1998**, for the amount of **\$1,500.00**. A copy of the check and any correspondence is being forwarded. Please indicate below which account the funds should be deposited and give the MUR/Case number and name associated with the deposit.

TO: Rosa E. Swinton  
Accounting Technician

Leslie D. Brown  
Disbursing Technician

FROM: OGC Docket

SUBJECT: Disposition of Funds Received

In reference to the above check in the amount of \$ 1500.00, the MUR/Case number is 4701 and in the name of Vermont Democratic Party. Place this deposit in the account indicated below:

- ☐ Budget Clearing Account (OGC), 95F3875.16
- ☒ Civil Penalties Account, 95-1099.160
- ☐ Other: \_\_\_\_\_

Kim Stevens  
Signature

4-8-98  
Date



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Date: 5/4/98

☒            Microfilm

☐            Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED MUR 4701

9004000357





POST  
CO  
OFFICE

Feb 13 PM '98

# VERMONT DEMOCRATIC PARTY

## Correspondence

PO. Box 1142  
Burlington, VT 05402  
Tel (802) 660-4900  
Fax (802) 660-2828  
vtdems@together.net

## Location

1 Steele Street  
The Wing Building  
Suite 106  
Burlington, Vermont

February 8, 1998

Federal Elections Commission  
Attn: Susan L. Lieberman  
Washington, D.C. 20463

Re: MUR 4701

Dear Ms. Lieberman:

Pursuant to the conciliation agreement in MUR 4701, enclosed please find the Vermont State Democratic Federal Campaign Committee's initial payment of \$2,500.

Sincerely,



David W. Curtis  
State Chair

enclosure

RECEIVED  
FEDERAL ELECTION  
COMMISSION MAIL ROOM  
FEB 12 12 14 PM '98

**VERMONT DEMOCRATIC PARTY**

P.O. BOX 1142  
BURLINGTON, VT 05402-1142  
(802) 660-4900

EXPLANATION	AMOUNT

8-118  
15

1966

PAY Two Thousand Five Hundred and 00/100 DOLLARS

DATE	TO THE ORDER OF	GROSS	DESCRIPTION	DISC	CHECK NUMBER
2/8/90	Federal Elections Commission		MNR 4701 Penalty		259000
			F.I.C.A. FED WITH ST WH MIDL		

VERMONT NATIONAL BANK

*Thomas E. Hay*

⑈001966⑈ ⑆011600486⑆ ⑆03 11 7358 6⑈

SECURITY FEATURES: MICROPRESS PAPER, COLORED BRICK PATTERN, WATERMARK & CROWN STAR ON REVERSE SIDE, VIBRATION FEELING INDICATOR & COPY

9800433603591



FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20463

File  
FEB 13 2 26 PM '98

February 13, 1998

**TWO WAY MEMORANDUM**

TO: OGC Docket

FROM: Rosa E. Swinton *RS*  
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from **Vermont Democratic Party**, check number **1966**, dated **February 9, 1998**, for the amount of **2,500.00**. A copy of the check and any correspondence is being forwarded. Please indicate below which account the funds should be deposited and give the MUR/Case number and name associated with the deposit.

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TO: Rosa E. Swinton                      Leslie D. Brown  
Accounting Technician                  Disbursing Technician

FROM: OGC Docket

SUBJECT: Disposition of Funds Received

In reference to the above check in the amount of \$2,500.00, the MUR/Case number is 4701 and in the name of Vermont Democratic Party. Place this deposit in the account indicated below:

- ☒ Budget Clearing Account (OGC), 95F3875.16
- ☐ Civil Penalties Account, 95-1099.160
- ☐ Other: \_\_\_\_\_

*Frank Hays*  
\_\_\_\_\_  
Signature

02-13-98  
\_\_\_\_\_  
Date