FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4712

DATE FILMED 7/7/98 CAMERA NO. 1

CAMERAMAN EES

98043892989

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

JAN 22 1 21 PM '9

BEFORE THE
FEDERAL ELECTION COMMISSION
OF THE
UNITED STATES OF AMERICA

In the Matter of:

Rep. Jon Fox;

Fox for Congress Committee; and

Richard McBride

Respondents.

MUR 4712

COMPLAINT

NATIONAL LEGAL AND POLICY CENTER, a corporation organized and existing under the District of Columbia Non-profit Corporation Act and having its offices and principal place of business at 1309 Vincent Place, Suite 1000, McLean, Virginia, 22101, files this Complaint with the Federal Election Commission in accordance with the provisions of 2 U.S.C. §437g(a)(1) in the belief that Respondents violated provisions of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §§431, et seq.

The primary purpose of the National Legal and Policy Center, a charitable and educational organization described in section 501(c)(3) of the Internal Revenue Code, is to foster and promote ethics in government. In furtherance of that purpose, National Legal and Policy Center educates the public about the "Code of Ethics for Government Service," as adopted by Joint Resolution of Congress on July 11, 1958; and it endeavors to assure compliance by government officials with the provisions of the Code and the laws of the United States. The apparent violations alleged herein represent a serious lack of compliance with the law by an elected official, his campaign committee and one of his political contributors.

Respondents

REPRESENTATIVE JON FOX, 435 Cannon House Office Building, Washington, D.C., 20515, (hereinafter "Fox") is a Member of Congress representing the 13th Congressional District of Pennsylvania.

FOX FOR CONGRESS COMMITTEE, P.O. Box 1059, Norristown, PA 19404-1059 (hereinafter "the Committee") is a political committee established to support the Congressional candidacy of Jon Fox.

RICHARD McBRIDE, 2 Village Road, Horsham, Pa. 19044 (hereinafter "McBride") is a contributor to the Committee and has made a personal loan to Fox.

Facts

The facts supporting this complaint are all to be found in materials openly available to the public. The relevant documents are appended to the complaint as exhibits.

Central to the complaint is an apparently unsecured, personal loan made to a Congressional candidate, Jon Fox, by a wealthy campaign contributor, attorney Richard McBride. The loan was for an undisclosed amount, carried an interest rate of merely 6%, and was made in 1992. The loan has continued to be outstanding, at least into 1993 and perhaps is presently outstanding.

Fox was a candidate for Congress in 1992, losing in the general election. He ran again in 1994 and won a narrow victory. In 1996 Fox ran for re-election and won by an even narrower margin, just 84 votes.

Richard McBride made a contribution of $1,000 to the Fox for Congress Committee on September 22, 1992. On the same date, Mrs. Janet T. McBride, listing her occupation as "housewife" and her address as the same as Richard McBride's also gave $1,000 to the Fox for Congress Committee. (See: Exhibit 4)

The facts available regarding the personal loan made by McBride to Fox come entirely from financial disclosure forms filed and signed by Fox. As a Montgomery County Commissioner, Fox was required to submit an annual Statement of Financial Interest to The State Ethics Commission in Harrisburg. His Statement of Financial Interest for calendar year 1991 showed no creditors whatsoever. (See: Exhibit 1)

Fox's State Ethics Commission Statement of Financial Interest for calendar year 1992 lists the following information regarding creditors:

CREDITOR	ADDRESS	INTEREST
MasterCard	MBNA, Bank of Maryland	18%
Richard McBride	2 Village Rd., Horsham, PA 19044	6%
Bruce E. Toll	1477 Rydal Road, Rydal, PA 19046	6%

(See: Exhibit 2)

Fox's State Ethics Commission Statement of Financial Interest filed for calendar year 1993 no longer listed MasterCard as a creditor but repeated the Toll and McBride listings identically to the 1992 filing. (See: Exhibit 3)

While the Statements of Financial Interest disclose the creditor, creditor's address and interest rate, there is no requirement that the amount of any outstanding loan be disclosed. When Fox became a candidate for Congress in 1992, however, he was required to file a Financial Disclosure Statement with the Office of the Clerk of the U.S. House of Representatives. The first such filing by Fox was made at the end of March 1992 and covered the period from January 1, 1991 to March 26, 1992. In the section of the form where liabilities in excess of $10,000 are to be listed, Fox disclosed no such liabilities. (See: Exhibit 5)

An amendment to the Financial Disclosure Statement was filed in August 1994, extending the coverage period of the disclosure to the period from January 1, 1991 to July 31, 1992. As with the earlier filing, there was no disclosure of any liability in excess of $10,000. (See: Exhibit 6)

The failure to list the personal loan from McBride on the Financial Disclosure Statement filed with the Clerk of the House may be because the loan in question was less than the $10,000 threshold for the listing of personal liabilities. The fact that the loan was listed as outstanding on the State Ethics Commission form filed by Fox for both calendar years 1992 and 1993 meant that the loan should have been listed on the House Financial Disclosure Forms file by Fox which covered those years unless the amount of the loan was less than $10,000.

All financial disclosure forms relied upon for this complaint were signed personally by Fox with the written legal requirement that the signer attest to the truthfulness of the information being disclosed. Assuming the truthfulness of the information filed in the three State Ethics Commission Statements of Financial Interest, it's clear that the personal loan made by McBride to Fox was outstanding during Fox's 1992 general election campaign.

The legal problem for Fox in obtaining a personal loan from a campaign supporter during 1992 is that Fox was a candidate for Congress during that period. Personal loans to Congressional candidates must be disclosed to the Federal Election Commission and may not exceed the maximum amount which an individual may contribute. The McBride loan was not disclosed to the Federal Election Commission. Since McBride contributed $1,000 to Fox's campaign committee on September 22, 1992, the legal maximum for such contributions, he was not legally able to loan Fox any money personally subsequent to that date while Fox was a candidate. If the loan preceded the contribution, then the contribution of $1,000 would have surely put McBride over the legal contribution limit of $1,000. The fact that the McBride personal loan to Fox was listed as still outstanding for all or part of 1993 in Fox's 1993 State Ethics Commission Statement of Financial Interest means that there was no possibility that the personal loan was repaid in 1992 prior to the contribution of $1,000 on September 22, 1992.

A review of reports filed by the Committee in 1992 shows an unbroken flow of campaign financial activity from March 16, 1992 through December 31, 1992. The Federal Election Commission report filed by the Committee covering November 24, 1992 to December 31, 1992 shows that it had Debts and Obligations of $13,189.66 along with contributions for the period in the amount of $2,637.84. By the definitions of candidacy long accepted by the Federal Election Commission, Fox was clearly a candidate during the entire period of time during which the personal loan was made.

<u>Apparent Violations</u>

The gravamen of this complaint is quite simple: the personal loan from Fox contributor Richard McBride to Congressional candidate Jon Fox in the latter half of 1992 constituted a contribution in excess of the amount allowed by law. This loan remained a contribution as long as it was outstanding, which it was at least into 1993. Indeed, there is nothing in the public record showing that Fox has paid off the loan. The fact that McBride had contributed the maximum legal amount of $1,000 to Fox's committee on September 22, 1992 left no room for a personal loan of any amount to Fox. Additionally, the interest rate of 6% is far less than the interest rate normally charged on an unsecured personal loan and there is nothing disclosed on the public record as to either the timeliness of repayment or other terms and conditions which may have a bearing on the Federal Election Campaign Act issues raised. Finally, there was no disclosure whatsoever of the loan on any filings of the Fox for Congress Committee in 1992 nor in any subsequent year during which the loan remained outstanding.

The Loan Constituted A Contribution

> ***"A loan to a candidate or political committee is a contribution to the extent it remains outstanding. Repayments made on a loan reduce the amount charged against the lender's contribution limit. However, a loan that exceeds the lender's***

or endorser's contribution limit is unlawful even if repaid in full."

FEC Campaign Guide for Nonconnected Committees
March 1995, Page 10

The Federal Election Campaign Act and the regulations enacted by the Federal Election Commission pursuant to the Act unequivocally treat personal loans to Congressional candidates, such as the one in the instant case, as contributions, subject to the same limits as other contributions. The personal loan given to candidate Fox by a major political contributor, Richard McBride, is a classic example of a loan which constitutes a contribution.

A leading treatise on campaign finance laws, Federal Regulation of Campaign Finance and Political Activity, by Thomas Schwarz and Alan Straus (Matthew Bender, New York, 1985), summarizes the state of the law with respect to loans to Congressional candidates as follows:

> **Loans, Advances, and Deposits**
> **Except for certain bank loans made in the ordinary course of business,[35] loans are contributions.[36] A loan becomes a contribution at the time it is made by the lender, and it remains a contribution, and must be reported as such, to the extent that any principal amount remains unpaid.[37] The aggregate outstanding principal amount of a loan to a political committee or candidate, when added to other contributions made by the lender to that committee or candidate, may not exceed the maximum contribution limitations.[38]**
>
> **Note 35:** **2 U.S.C. § 431(8)(B)(vii)(Supp. III 1979); 11 CFR § 100.7(b)(11)**
>
> **Note 36:** **2 U.S.C. § 431(8)(A)(i)(Supp. III 1979); 11 CFR § 100.7(a)(1). *See, e.g.*, AO 1981-20, *Fed. Elec. Camp. Fin. Guide* (CCH) ¶ 5610 (June 4, 1981) (joint investment of state and federal PAC funds to buy treasury note, where neither had the funds sufficient by itself to make the purchase, constituted a contribution in the form of a loan to the federal PAC). *Compare* AO 1981-19, *Fed. Elec. Camp. Fin. Guide* (CCH) ¶ 5609 (June 4, 1981) (joint investment of federal and non-federal**

funds by a political committee permitted where it did not yield any direct or indirect advantage or preferred treatment to the federal fund); AO 1978-40, *Fed. Elec. Camp. Fin. Guide* (CCH) ¶ 5341 (September 1, 1978) (loans obtained by federal candidate to pay living and personal expenses during a period of candidacy are contributions under the Act and must be reported as such; amount loaned by an individual with respect to any election may not exceed $1,000) *See also* MUR 1134 (June 18, 1980) (interspousal loans considered contributions).

Note 37: 11 C.F.R. § 100.7(a)(1)(i)(B)

Note 38: *Id. See also* MUR 1130 (Apr. 24, 1981); MUR 896 (July 29, 1980) (excessive loan); MUR 967 (June 24, 1980) (attempt to characterize excessive loan as business transaction failed for lack of substantiation of business transactions); MUR 1055 (July 22, 1980) (excessive loan deemed knowingly accepted by candidate)

As previously noted, the State Ethics Commission Statements of Financial Interest filed and signed by Fox place the date of the Toll loan as being made in 1992 and being outstanding through all or part of 1993. During that period, Fox was a candidate for Congress, both accepting and disbursing funds through the Fox for Congress Committee. His campaign committee operations continued throughout 1993 and have continued uninterrupted to this day. In short, at all times material to the issues associated with the McBride loan, Fox was actively filing reports as a candidate with the Federal Election Commission.

The characterization of the loan as a "personal loan" from McBride to Fox in no way diminishes its legal status as a contribution. The Federal Election Commission has repeatedly determined that loans to candidates to cover living and personal expenses during a campaign are still considered contributions according to the Federal Election Campaign Act. (See: Federal Election Commission Advisory Opinion 1978-40) The fact that the Committee's Federal Election Commission Reports show repeated contributions by Fox to Fox for Congress Committee in 1992 further weaken any claim that a personal loan to Fox would have no influence on the campaign.

There is an exception in the Act that provides that loans by lending institutions made in the ordinary course of business to candidates do not constitute contributions to the candidate or the candidate's authorized committee. (See: 2 U.S.C. § 431(8)(B)(vii); 11 C.F.R. § 100.7(b)(11)). Not only does the exception not apply in the present case, because McBride is not a lending institution, but it is interesting to note that even if the loan in question did come from a lending institution, it would probably still violate the Act because of its extraordinarily generous terms. McBride is charging Fox a mere 6% interest on the loan. If Fox went to the Wright-Patman Congressional Federal Credit Union, through which he carries his VISA card, he would pay 12.5% for a personal loan and have to pay off the balance in 42 months.

McBride Contribution Exceeds Limitations

Richard McBride's personal loan to Jon Fox constituted a contribution to the Fox campaign in excess of the $1,000 limitation allowed under the Federal Election Campaign Act. The outstanding loan balance taken together with McBride's September 22, 1992 contribution of $1,000 means that whatever the amount of the personal loan, it exceeded the contributions allowed by law. As noted in <u>Federal Regulation of Campaign Finance and Political Activities</u> (op. cit.), a loan which constitutes a contribution remains a contribution until it is repaid.

Failure to Disclose Loan Constitutes Reporting Violation

One reason that the excessive personal loan to Jon Fox continued for so long is that the Fox for Congress Committee failed to disclose the transaction in their reports to the Federal Election Commission. The Federal Election Campaign Act requires that all applicable contributions and loans be disclosed in the reports filed with the Federal Election Commission. Reporting requirements set forth in 11 CFR require reporting of all outstanding loans as well as all payments made to reduce outstanding loans. As such, the status of the McBride loan should have been reported on each report filed by the Fox for Congress Committee since the loan was made in 1992. A review of the reports filed by the Fox for Congress Committee found no reporting of any aspect of the loan.

Public disclosure is one of the essential elements of the Federal Election Campaign Act. Fox is an attorney, his campaign has previously contracted for legal services on occasion and the Federal Election Commission has advisory opinions available as well as expert counsel for those uncertain as to the requirements of the law. Moreover, the area of the law violated in this case is one where the principles of the law are clear, well-established, and not difficult to understand. Further, the fact that the Fox for Congress Committee had paid $950 in fines to the FEC in 1995 for violating election law during his 1994 race should have sensitized the Committee to the importance of following the law. (See: "Fox Agrees to Pay $950 Fine for Election Law Violation," Gannett News Service, June 30, 1995)

<u>Conclusion</u>

None of the essential facts supporting this complaint are in dispute. Indeed, virtually all the information on the personal loan, the contribution by McBride to the Fox for Congress Committee and the failure to disclose the existence of the loan in FEC filings comes from documents filed either by Fox himself or the Fox for Congress Committee. Nor is there any question that Fox was a candidate for Congress at the time the large, personal loan was made to him.

The fact that Representative Fox failed to properly disclose to the FEC the large personal loan from one of his major political contributors is bad enough. Compounding the seriousness of the present complaint is the fact that Fox had also received a personal loan of $25,000 from another major political contributor, Bruce Toll. The facts of that matter are set forth in a complaint filed with the Federal Election Commission in December 1997 by the National Legal and Policy Center. A copy of that complaint is attached. It has been designated as MUR 4705 by the Federal Election Commission.

Given the very compelling pattern of facts present in this case, the public is entitled to a full and prompt investigation. The public has lost faith in the integrity of its governmental institutions, including Congress, because all too often they have seen the public trust betrayed to advance personal and political interests.

NATIONAL LEGAL AND POLICY CENTER

By: Kenneth Boehm
Kenneth Boehm
Chairman

Subscribed and sworn before me this 22nd day of January, 1998.

State of Virginia
County of Fairfax

Shirley B. Herge
Notary Public

My Commission Expires: March 31, 1999

EXHIBITS

Exhibit 1: 1991 State Ethics Commission Statement of Financial Interest

Exhibit 2: 1992 State Ethics Commission Statement of Financial Interest

Exhibit 3: 1993 State Ethics Commission Statement of Financial Interest

Exhibit 4: Fox for Congress Committee, Federal Election Commission Report of Receipts and Disbursements for July 1, 1992 to September 30, 1992

Exhibit 5: Financial Disclosure Statement (1/1/91 to 3/26/92) filed with the Office of the Clerk, U.S. House of Representatives

Exhibit 6: Financial Disclosure Statement (1/1/91 to 7/31/92) filed with the Office of the Clerk, U.S. House of Representatives

Exhibit 7: Federal Election Commission Complaint filed December 12, 1992 by National Legal and Policy Center against Jon Fox, Fox for Congress Committee and Bruce Toll; designated "Matter Under Review 4705" by letter from Federal Election Commission to NLPC dated December 18, 1997

EXHIBIT 1

1991 State Ethics Commission Statement of Financial Interest

COMMONWEALTH OF PENNSYLVANIA
SEC-1 REV. 1/92

STATEMENT OF FINANCIAL INTEREST

The State Ethics Commission
P.O. Box 11470
Room 309 Finance Bldg.
Harrisburg, PA 17108-1470
(717) 783-1610 • Toll Free 1-800-932-0936

INSTRUCTIONS: Please type or print legibly. Attach additional 8½" x 11" sheets if necessary and indicate each item by number. Read instructions on pages 2 and 4.

01 Last Name: FOX | First Name: JON | Middle Initial: D. | County Name: MONTGOMERY | County Code: 46

02 Street Address: 312 GLEN LANE | City: ELKINS | State: PARK, PA | Zip Code: 19117 | Area Code: (215) | Phone: 663-9011

03 STATUS Check applicable block or blocks (See instructions on page 2)
☐ A Candidate (including write-in) ☐ B Nominee ☒ C Public Official (current/former) (circle one) ☐ D Public Employee (current/former) (circle one)

04 Public Position or Public Office you are seeking: STATE Rep

05 Political Subdivision (Twp., Boro., Board, Commission, Agency, etc.) in which you are seeking office: --

06 Public Position or Public Office you hold/held (circle one): Montgomery County COMMISSIONER

07 Political Subdivision/Agency (Twp., Boro., Board, Commission, Agency, etc.) in which you are/were an Official or Employee: MONTGOMERY COUNTY

08 Occupation or Profession: COMMISSIONER / ATTORNEY

The information listed below represents financial interests for the prior calendar year. 1991 (indicate year)

09 REAL ESTATE INTERESTS: (☒ If NONE, check this box)

10 CREDITORS: (☒ If NONE, check this box)

Creditor | Address | Interest Rate

11 DIRECT OR INDIRECT SOURCES OF INCOME: (☐ If NONE, check this box)

Name	Address
PA House of Representatives	Main Capitol, Harrisburg PA
Jon D. Fox Law Offices	700-13 Fox Pavilion Jenkintown PA 19046
Foxcroft Sq. Company (legal services)	800 Fox Pavilion Jenkintown PA 19046

(OFFICIAL USE ONLY)
RECEIVED
... 7 10 04 AM '92
OFFICE OF ... ON

12 GIFTS: (☒ If NONE, check this box)

Source of gift | Address of Source of Gift
Value of gift | Reason for gift

13 TRANSPORTATION, LODGING, HOSPITALITY: (☒ If NONE, check this box)

Source (Name and Address) | Value

14 OFFICE, DIRECTORSHIP OR EMPLOYMENT IN ANY BUSINESS: (☒ If NONE, check this box)

Business Entity | Position Held

15 FINANCIAL INTEREST IN ANY LEGAL ENTITY IN BUSINESS FOR PROFIT: (☒ If NONE, check this box)

Name and Address of Business | Interest Held

16 BUSINESS INTERESTS TRANSFERRED TO IMMEDIATE FAMILY MEMBER (☒ If NONE, check this box)

Business (Name and Address) | Interest Held
Transferee (Name and Address) | Relationship: | Date Transferred:

The undersigned hereby affirms that the foregoing information is true and correct to the best of said persons knowledge, information and belief; said affirmation being made subject to the penalties prescribed by 18 Pa. C.S.A. §4904 (unsworn falsifications to authorities) and The Public Official and Employees Ethics Law 65 P.S. §409(b).

Signature: [signature] Date: 4/6/92

ALL Statements of Financial Interest are available for public inspection and copying during regular office hours.

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EXHIBIT 2

1992 State Ethics Commission Statement of Financial Interest

COMMONWEALTH OF PENNSYLVANIA
SEC-1 REV. 1/93

STATEMENT OF FINANCIAL INTEREST

The State Ethics Commission
P.O. Box 11470
Room 309 Finance Bldg.
Harrisburg, PA 17108-1470
(717) 783-1610 • Toll Free 1-800-932-0936

INSTRUCTIONS: Please type or print legibly. Attach additional 8½" x 11" sheets if necessary and indicate each item by number. Read instructions on pages 2 and 4.

01 Last Name	First Name	Middle Initial	County Name	County Code
Fox	Jon	D.	Montgomery	46

02 Street Address	City	State	Zip Code	Area Code	Phone
312 Glen Lane	Elkins Park	PA	19117	(215)	663-9011 278-3028

03 STATUS Check applicable block or blocks (See instructions on page 2)

☐ A Candidate (including write-in) ☐ B Nominee ☑ C Public Official (current/former) (circle one) ☐ D Public Employee (current/former) (circle one)

04 Public Position or Public Office you are seeking:

05 Political Subdivision (Twp., Boro., Board, Commission, Agency, etc.) in which you are seeking office:

06 Public Position or Public Office you hold/held (circle one):
Montgomery County Commissioner
Former Member, House of Reps.

07 Political Subdivision/Agency (Twp., Boro., Board, Commission, Agency, etc.) in which you are/were an Official or Employee:
Montgomery County / 153rd District

08 Occupation or Profession:
Attorney/ Commissioner

The information listed below represents financial interests for the prior calendar year. 19 92 (indicate year)

09 REAL ESTATE INTERESTS: (☑ If NONE, check this box)

10 CREDITORS: (☐ If NONE, check this box)

Creditor	Address	Interest Rate
MasterCard	MBNA, Bank of Maryland	18%
Richard McBride	2 Village Road, Horsham, PA 19044	6%
Bruce E. Toli	1477 Rydal Road, Rydal, PA 19046	6%

11 DIRECT OR INDIRECT SOURCES OF INCOME: (☐ If NONE, check this box) (OFFICIAL USE ONLY)

Name	Address
Jon D. Fox Law Offices	700-13 Fox Pavilion, Jenkintown 19046
County of Montgomery	Court House, Norristown, PA 19404
Commonwealth of PA, House ofRepresentatives	Harrisburg
Foxcroft Square Co.	810 Benj. Fox Pavilion, Jenkintown 19046
Leonard Konefsky, Esq.	Meadowbrook Apts., Huntingdon Valley 19006

12 GIFTS: (☑ If NONE, check this box)

Source of gift | Address of Source of Gift | Value of gift | Reason for gift

13 TRANSPORTATION, LODGING, HOSPITALITY: (☑ If NONE, check this box)

Source (Name and Address) | Value

14 OFFICE, DIRECTORSHIP OR EMPLOYMENT IN ANY BUSINESS: (☑ If NONE, check this box)

Business Entity | Position Held

15 FINANCIAL INTEREST IN ANY LEGAL ENTITY IN BUSINESS FOR PROFIT: (☑ If NONE, check this box)

Name and Address of Business | Interest Held

16 BUSINESS INTERESTS TRANSFERRED TO IMMEDIATE FAMILY MEMBER (☑ If NONE, check this box)

Business (Name and Address) | Interest Held

Transferee (Name and Address) | Relationship: | Date Transferred:

The undersigned hereby affirms that the foregoing information is true and correct to the best of said persons knowledge, information and belief; said affirmation being made subject to the penalties prescribed by 18 Pa. C.S.A. §4904 (unsworn falsifications to authorities) and The Public Official and Employees Ethics Law 65 P.S. §409(b).

Signature J Fox Date 4/30/93

ALL Statements of Financial Interest are available for public inspection and copying during regular office hours.

98043893002

EXHIBIT 3

1993 State Ethics Commission Statement of Financial Interest

COMMONWEALTH OF PENNSYLVANIA
SEC-1 REV. 1/94

STATEMENT OF FINANCIAL INTEREST

The State Ethics Commission
P.O Box 11470
Room 309 Finance Bldg
Harrisburg, PA 17108-1470
(717) 783-1610 • Toll Free 1-800-932-0936

INSTRUCTIONS: Please type or print legibly. Attach additional 8½" x 11" sheets if necessary and indicate each item by number. Read instructions on pages 2 and 4.

01 Last Name	First Name	Middle Initial	County Name	County Code
FOX	JON	D	Montgomery	46

02 Street Address	City	State	Zip Code	Area Code	Phone
312 GLEN LANE	ELKINS PARK	PA	19117	(215)	663-9011

03 STATUS Check applicable block or blocks (See instructions on page 2)

☐ A Candidate (including write-in) U.S. Congress Candidate ☐ B Nominee ☑ C Public Official (current/former) ☐ D Public Employee (current/former)

04 Public Position or Public Office you are seeking:

05 Political Subdivision (Twp., Boro., Board, Commission, Agency, etc.) in which you are seeking office:

06 Public Position or Public Office you hold/held: MONTGOMERY COUNTY COMMISSIONER

07 Political Subdivision/Agency (Twp., Boro., Board, Commission, Agency, etc.) in which you are/were an Official or Employee: MONTGOMERY COUNTY

08 Occupation or Profession: COMMISSIONER / ATTORNEY

The information listed below represents financial interests for the prior calendar year. 19 93 (indicate year)

09 REAL ESTATE INTERESTS: (☑ If NONE, check this box)

10 CREDITORS: (☐ If NONE, check this box)

Creditor	Address	Interest Rate
BRUCE E. TOLL	1477 RYDAL RD. RYDAL PA 19046	6%
Richard McBride	2 Village Road Horsham, Pa 19044	6%

11 DIRECT OR INDIRECT SOURCES OF INCOME: (☐ If NONE, check this box)

Name	Address
COUNTY OF MONTGOMERY	COURT HOUSE, NORRISTOWN PA 19404
JON D. FOX LAW OFFICE	700-13 BENJAMIN FOX PAVILION JENKINTOWN, PA 19046

(OFFICIAL USE ONLY)

12 GIFTS: (☑ If NONE, check this box)

Source of gift | Address of Source of Gift | Value of gift | Reason for gift

13 TRANSPORTATION, LODGING, HOSPITALITY: (☑ If NONE, check this box)

Source (Name and Address) | Value

14 OFFICE, DIRECTORSHIP OR EMPLOYMENT IN ANY BUSINESS: (☑ If NONE, check this box)

Business Entity | Position Held

15 FINANCIAL INTEREST IN ANY LEGAL ENTITY IN BUSINESS FOR PROFIT: (☑ If NONE, check this box)

Name and Address of Business | Interest Held

16 BUSINESS INTERESTS TRANSFERRED TO IMMEDIATE FAMILY MEMBER: (☑ If NONE, check this box)

Business (Name and Address) | Interest Held

Transferee (Name and Address) | Relationship | Date Transferred

The undersigned hereby affirms that the foregoing information is true and correct to the best of said persons knowledge, information and belief; said affirmation being made subject to the penalties prescribed by 18 Pa. C.S.A. §4904 (unsworn falsifications to authorities) and The Public Official and Employees Ethics Law 65 P.S. §409(b).

Signature: [signature] Date: 7/29/94

ALL Statements of Financial Interest are available for public inspection and copying during regular office hours.

98043893004

EXHIBIT 4

Fox for Congress Committee

Federal Election Commission Report of Receipts and Disbursements

for July 1, 1992 to September 30, 1992

Name of Committee: Fox for Congress

Full Name, Mailing Address and ZIP Code	Name of Emp./Occ.	Date	Amount
Mr. Joseph Massino, Jr. 490 Tyson Avenue Glenside, PA 19038	self employed self employed		
Receipt For General		08/12/92	$250.00
	Agg. Year-To-Date	$350.00	
Mr. Angelo Mattia 710 Township Line Elkins Park, PA 19117	Information reque sted.		
Receipt For General		09/29/92	$200.00
	Agg. Year-To-Date	$200.00	
Mr. Russell McAlphine 439 Marion Ave. Ambler, PA 19002	Information reque sted.		
Receipt For General		07/19/92	$250.00
	Agg. Year-To-Date	$450.00	
Mrs. Janet T. McBride P.O. Box 31 Horsham, PA 19044	housewife		
Receipt For General		09/22/92	$1,000.00
	Agg. Year-To-Date	$1,000.00	
Mr. Richard F. McBride P.O. Box 31 Horsham, PA 19044	McBride and Murph y attorney		
Receipt For General		09/22/92	$1,000.00
	Agg. Year-To-Date	$1,500.00	
Mr. J. Jerrold McCarron 929 Herman Road Ambler, PA 19002	Information reque sted.		
Receipt For General		09/08/92	$500.00
	Agg. Year-To-Date	$500.00	

SUBTOTAL of Receipts This Page.................................. $3,200.00

EXHIBIT 5

Financial Disclosure Statement (1/1/91 to 3/26/92)

Office of the Clerk

U.S. House of Representatives

UNITED STATES HOUSE OF REPRESENTA[illegible]

FINANCIAL DISCLOSURE STATEMENT FOR 1/1/91 - 3/26/92
(Indicate Period Covered)

FORM B
For use by candidates for the offic[illegible]
Member and new employees

RECEIVED
[illegible]ICE OF RECORDS & REGISTRATION
1992 MAR 31 AM 7: 39
OFFICE OF THE CLERK
U.S. HOUSE OF REPRESENTATIVES

Jon D. Fox
(Full Name)

312 Glen Lane
(Mailing Address)

Elkins Park, PA 19117

Telephone
(215) 663-9011

Filer Status
- [X] Candidate for the House of Representatives — State: PA — District: 13 — Date of Election: 4/28/92
- [ ] New officer or employee — Employing office: ______

Check if Amendment [ ]

MAR 27 1992
ce
(5)
(Office Use Only)

In all sections, please type or print clearly in black ink.

PART I—EARNED INCOME (INCLUDING HONORARIA)

List the source, type, and amount of earned income, including honoraria, from any source (other than the filer's current employment by the U.S. Government) aggregating $200 or more during the current year to the filing date and, separately, the preceding calendar year. For a spouse, only the source, not amount of earned income needs to be reported, except for honoraria, for which the source and amount must be reported. See Instructions, page 10.

NONE [ ]

	Source (include date of receipt for honoraria)	Type	Amount: Current Year to Filing	Amount: Preceding Year
Examples	ABC Corporation, Houston, Texas	Salary	$8,300	$28,450
	First Bank & Trust, Houston, Texas	Director's Fee	400	$3,200
	ABC Trade Association, Chicago, Ill. (Rec'd 12-2-90)	Honorarium	NA	$1,000
	Harris County, Texas, Public Schools	Spouse Salary	NA	NA
	County of Montgomery, Pennsylvania	Salary	$11,250.	NA
	Pennsylvania House of Representatives	Salary	1,690.	$47,000.
	Private Law Practice	Legal Fees	12,300.	$42,000.

EXHIBIT 6

Financial Disclosure Statement (1/1/91 to 7/31/92)
Office of the Clerk
U.S. House of Representatives

Reporting Individual's Name

Jon D. Fox

PART IV—LIABILITIES

Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse or dependent child. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence unless it is rented out, loans secured by automobiles, household furniture or appliances, and liabilities owed to a spouse, child, parent, or sibling of the reporting individual or the reporting individual's spouse. For further information, see Instructions, page 18.

NONE X

S, DC, JT	Creditor	Type of Liability	B $10,001–$15,000	C $15,001–$50,000	D $50,001–$100,000	E $100,001–$250,000	F $250,001–$500,000	G $500,001–$1,000,000	H over $1,000,000
	Example: First Bank of Wilmington, Delaware	Mortgage on 182 Main Street, Dover, Del.				X			

PART V—POSITIONS

Report the identity of all positions, compensated or uncompensated, held on or before the date of filing during the current calendar year and in the two prior years as an officer, director, trustee of an organization, partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise, any nonprofit organization, any labor organization, or any educational or other institution other than the United States. For further information, see Instructions, page 22.

EXCLUSIONS: Positions held in any religious, social, fraternal, or political entities, and positions solely of an honorary nature need not be shown.

NONE X

Position	Name of Organization

UNITED STATES HOUSE OF REPRESENTAT	FORM B
FINANCIAL DISCLOSURE STATEMENT FOR 1/1/ (Inclusive Period Covered)	For use by candidates for the office of Member and new employees

RECEIVED

17 7:32

Jon D. Fox
(Full Name)

312 Glen Lane
(Mailing Address)

Elkins Park, PA 19117
Telephone: (215) 663-9011

Filer Status			
[X] Candidate for the House of Representatives	State: PA District: 13	Date of Election:	Check if Amendment [ ]
[ ] New officer or employee	Employing office:		

AUG 12 1992 (Office Use Only)

5

In all sections, please type or print clearly in black ink.

PART I—EARNED INCOME (INCLUDING HONORARIA)

List the source, type, and amount of earned income, including honoraria, from any source (other than the filer's current employment by the U.S. Government) aggregating $200 or more during the current year to the filing date and, separately, the preceding calendar year. For a spouse, only the source, not amount of earned income needs to be reported, except for honoraria, for which the source and amount must be reported. See Instructions, page 10.

NONE [ ]

	Source (include date of receipt for honoraria)	Type	Amount: Current Year to Filing	Amount: Preceding Year
Examples	ABC Corporation, Houston, Texas	Salary	$8,300	$26,450
	First Bank & Trust, Houston, Texas	Director's Fee	400	$3,200
	ABC Trade Association, Chicago, Ill. (Rec'd 12-2-85)	Honorarium	NA	$1,000
	Harris County, Texas, Public Schools	Spouse Salary	NA	NA
	County of Montgomery, Pennsylvania	Salary	25,593.41	NA
	Pennsylvania House of Representatives	Salary	1,690.	$47,000.
	Private Law Practice	Legal Fees	23,300.00	$42,000.

98043393011

92 ... 1

Reporting Individual's Name

Jon D. Fox

PART IV—LIABILITIES

Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse or dependent child. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence unless it is rented out, loans secured by automobiles, household furniture or appliances, and liabilities owed to a spouse, child, parent, or sibling of the reporting individual or the reporting individual's spouse. For further information, see Instructions, page 18.

NONE [ ]

S, DC, JT	Creditor	Type of Liability	Category of Amount or Value (X) B $10,001–$15,000	C $15,001–$50,000	D $50,001–$100,000	E $100,001–$250,000	F $250,001–$500,000	G $500,001–$1,000,000	H Over $1,000,000
	Example: First Bank of Wilmington, Delaware	Mortgage on 182 Main Street, Dover, Del.				X			

PART V—POSITIONS

Report the identity of all positions, compensated or uncompensated, held on or before the date of filing during the current calendar year and in the two prior years as an officer, director, trustee of an organization, partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise, any nonprofit organization, any labor organization, or any educational or other institution other than the United States. For further information, see Instructions, page 22.

EXCLUSIONS: Positions held in any religious, social, fraternal, or political entities, and positions solely of an honorary nature need not be shown.

NONE [X]

Position	Name of Organization

EXHIBIT 7

Federal Election Commission Complaint
Filed December 12, 1997
By The National Legal and Policy Center
Designated "Matter Under Review Number 4705"
By the Federal Election Commission

BEFORE THE
FEDERAL ELECTION COMMISSION
OF THE
UNITED STATES OF AMERICA

In the Matter of: Rep. Jon Fox; Fox for Congress Committee; and Bruce Toll Respondents.	MUR ______

COMPLAINT

NATIONAL LEGAL AND POLICY CENTER, a corporation organized and existing under the District of Columbia Non-profit Corporation Act and having its offices and principal place of business at 1309 Vincent Place, Suite 1000, McLean, Virginia, 22101, files this Complaint with the Federal Election Commission in accordance with the provisions of 2 U.S.C. §437g(a)(1) in the belief that Respondents violated provisions of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §§431, et seq.

The primary purpose of the National Legal and Policy Center, a charitable and educational organization described in section 501(c)(3) of the Internal Revenue Code, is to foster and promote ethics in government. In furtherance of that purpose, National Legal and Policy Center educates the public about the "Code of Ethics for Government Service," as adopted by Joint Resolution of Congress on July 11, 1958; and it endeavors to assure compliance by government officials with the provisions of the Code and the laws of the United States. The apparent violations alleged herein represent a serious lack of compliance with the law by an elected official, his campaign committee and one of his political contributors.

Respondents

REPRESENTATIVE JON FOX, 435 Cannon House Office Building, Washington, D.C., 20515, (hereinafter "Fox") is a Member of Congress representing the 13th Congressional District of Pennsylvania.

FOX FOR CONGRESS COMMITTEE, P.O. Box 1059, Norristown, PA 19404-1059 (hereinafter "the Committee") is a political committee established to support the Congressional candidacy of Jon Fox.

BRUCE TOLL, 1477 Rydal Road, Rydal, PA. 19046, (hereinafter "Toll") is a real estate developer, has been a frequent contributor to the Committee and has made a substantial personal loan to Fox.

Facts

The facts supporting this complaint are all to be found in materials openly available to the public. The relevant documents are appended to the complaint as exhibits.

Central to the complaint is a large, apparently unsecured, personal loan made to a Congressional candidate, Jon Fox, by a wealthy campaign contributor, real estate developer Bruce Toll. The loan was for an amount between $15,001 and $50,000, carried an interest rate of merely 6%, and was made between August 1, 1992 and December 31, 1992. The loan has continued to be outstanding, at least into 1996 and perhaps is presently outstanding.

Fox was a candidate for Congress in 1992, losing in the general election. He ran again in 1994 and won a narrow victory. In 1996 Fox ran for re-election and won by an even narrower margin, just 84 votes. Throughout Fox's series of Congressional campaigns, Bruce Toll was a routine contributor of the maximum amount allowed by law even though the personal loan of between $15,001 and $50,000 remained outstanding.

A review of Federal Election Commission records indicates the following contributions from Bruce Toll to the Fox for Congress Committee:

1992 Election Cycle:	$1000	4/24/92

1994 Election Cycle:	$1000	2/22/94
	$1000	10/17/94
1996 Election Cycle:	$1000	5/12/95
	$1000	6/22/96
1998 Election Cycle:	$1000	6/30/97
	$1000	6/30/97

The facts available regarding the large personal loan made by Toll to Fox come entirely from financial disclosure forms filed and signed by Fox. As a Montgomery County Commissioner, Fox was required to submit an annual Statement of Financial Interest to The State Ethics Commission in Harrisburg. His Statement of Financial Interest for calendar year 1991 showed no creditors whatsoever. (See: Exhibit 1)

Fox's State Ethics Commission Statement of Financial Interest for calendar year 1992 lists the following information regarding creditors:

CREDITOR	ADDRESS	INTEREST
MasterCard	MBNA, Bank of Maryland	18%
Richard McBride	2 Village Rd., Horsham, PA 19044	6%
Bruce E. Toll	1477 Rydal Road, Rydal, PA 19046	6%

(See: Exhibit 2)

Fox's State Ethics Commission Statement of Financial Interest filed for calendar year 1993 no longer listed MasterCard as a creditor but repeated the Toll and McBride listings identically to the 1992 filing. (See: Exhibit 3)

While the Statements of Financial Interest disclose the creditor, creditor's address and interest rate, there is no requirement that the amount of any outstanding loan be disclosed. When Fox became a candidate for Congress in 1992, however, he was required to file a Financial Disclosure Statement with the Office of the Clerk of the U.S. House of Representatives. The first such filing by Fox was made at the end of March 1992 and covered the period from January 1, 1991 to March 26, 1992. In the section of the form where liabilities in excess of $10,000 are to be listed, Fox disclosed no such liabilities. (See: Exhibit 4)

An amendment to the Financial Disclosure Statement was filed in August 1994, extending the coverage period of the disclosure to the period from January 1, 1991 to July 31, 1992. As with the earlier filing, there was no disclosure of any liability in excess of $10,000. (See: Exhibit 5)

On April 1, 1994, Fox filed a Financial Disclosure Statement with the Office of the Clerk of the U.S. House of Representatives covering the period from January 1, 1993 to April 1, 1994. In the section of the form available for the disclosure of liabilities over $10,000, there is one listing: Bruce Toll, 1477 Rydal Rd., Rydal PA 19046. The liability is described as a "personal loan" and the amount of the liability was designated as being in "Category C," the form's designation for liabilities in the range from $15,001 to $50,000. (See: Exhibit 6)

All six forms were signed personally by Fox with the written legal requirement that the signer attest to the truthfulness of the information being disclosed. Assuming the truthfulness of the information filed in the three State Ethics Commission Statements of Financial Interest and the three Clerk of the House Financial Disclosure Statements (Exhibits 1-6), it is clear that the loan from Toll to Fox was made between August 1, 1992 and December 31, 1992. The amount of the loan was between $15,001 and $50,000 and carried an interest rate of 6%.

The legal problem for Fox in obtaining a large personal loan from a campaign supporter during the period from August 1, 1992 to December 31, 1992 is that Fox was a candidate for Congress during that period. Personal loans to Congressional candidates must be disclosed to the Federal Election Commission and may not exceed the maximum amount which an individual may contribute. The Toll loan was not disclosed to the Federal Election Commission and greatly exceeded the amount ($1,000) which an individual may contribute to the general election campaign of a Congressional candidate. Exacerbating the situation is the fact that Fox was making numerous personal contributions to his campaign. For example, the Committee's Federal Election Commission report filed on December 3, 1992 disclosed a full page of October and November 1992 in-kind contributions from Jon Fox to the Fox for Congress Committee and the disclosure that the aggregate year-to-date value of such contributions was $6,275.34.

A review of reports filed by the Committee in 1992 shows an unbroken flow of campaign financial activity from March 16, 1992 through December 31, 1992. The Federal Election Commission report filed by the Committee covering November 24, 1992 to December 31, 1992 shows that it had Debts and Obligations of $13,189.66 along with contributions for the period in the amount of $2,637.84. (See: Exhibit 10) By the definitions of candidacy long accepted by the Federal Election Commission, Fox was clearly a candidate during the entire period of time during which the personal loan was made.

The loan from Toll to Fox remained outstanding, with a balance remaining in the range from $15,001 to $50,000 according to Financial Disclosure Statements filed with the Office of the Clerk of the U.S. House of Representative for the years 1994, 1995 and 1996. (See: Exhibits 7, 8 and 9)

Apparent Violations

The gravamen of this complaint is quite simple: the large personal loan from frequent Fox contributor Bruce Toll to Congressional candidate Jon Fox in the latter half of 1992 constituted a contribution far in excess of the amount allowed by law. This loan remained a contribution as long as it was outstanding, which it was through the 1994 and 1996 election cycles. Exacerbating the situation was the fact that Toll was making contributions of $1,000 in each primary and general election cycle following his personal loan to Fox while a loan balance in excess of $15,001 was outstanding. Additionally, the interest rate of 6% is far less than the interest rate normally charged on an unsecured personal loan and there is nothing disclosed on the public record as to either the timeliness of repayment or other terms and conditions which may have a bearing on the Federal Election Campaign Act issues raised. Finally, there was no disclosure whatsoever of the loan on any filings of the Fox for Congress Committee in 1992 nor in any subsequent year during which the loan remained outstanding.

The Loan Constituted A Contribution

> ***"A loan to a candidate or political committee is a contribution to the extent it remains outstanding. Repayments made on a loan reduce the amount charged against the lender's contribution limit. However, a loan that exceeds the lender's or endorser's contribution limit is unlawful even if repaid in full."***
>
> ***FEC Campaign Guide for Nonconnected Committees***
> ***March 1995, Page 10***

The Federal Election Campaign Act and the regulations enacted by the Federal Election Commission pursuant to the Act unequivocally treat personal loans to Congressional candidates, such as the one in the instant case, as contributions, subject to the same limits as other contributions. The large personal loan given to candidate Fox by a major political contributor, Bruce Toll, is a classic example of a loan which constitutes a contribution.

A leading treatise on campaign finance laws, Federal Regulation of Campaign Finance and Political Activity, by Thomas Schwarz and Alan Straus (Matthew Bender, New York, 1985), summarizes the state of the law with respect to loans to Congressional candidates as follows:

Loans, Advances, and Deposits

Except for certain bank loans made in the ordinary course of business,[35] loans are contributions.[36] A loan becomes a contribution at the time it is made by the lender, and it remains a contribution, and must be reported as such, to the extent that any principal amount remains unpaid.[37] The aggregate outstanding principal amount of a loan to a political committee or candidate, when added to other contributions made by the lender to that committee or candidate, may not exceed the maximum contribution limitations.[38]

Note 35: 2 U.S.C. § 431(8)(B)(vii)(Supp. III 1979); 11 CFR § 100.7(b)(11)

Note 36: 2 U.S.C. § 431(8)(A)(i)(Supp. III 1979); 11 CFR § 100.7(a)(1). *See, e.g.*, AO 1981-20, *Fed. Elec. Camp. Fin. Guide* (CCH) ¶ 5610 (June 4, 1981) (joint investment of state and federal PAC funds to buy treasury note, where neither had the funds sufficient by itself to make the purchase, constituted a contribution in the form of a loan to the federal PAC). *Compare* AO 1981-19, *Fed. Elec. Camp. Fin. Guide* (CCH) ¶ 5609 (June 4, 1981) (joint investment of federal and non-federal funds by a political committee permitted where it did not yield any direct or indirect advantage or preferred treatment to the federal fund); AO 1978-40, *Fed. Elec. Camp. Fin. Guide* (CCH) ¶ 5341 (September 1, 1978) (loans obtained by federal candidate to pay living and personal expenses during a period of candidacy are contributions under the Act and must be reported as such; amount loaned by an individual with respect to any election may not exceed $1,000) *See also* MUR 1134 (June 18, 1980) (interspousal loans considered contributions).

Note 37: 11 C.F.R. § 100.7(a)(1)(i)(B)

Note 38: *Id. See also* MUR 1130 (Apr. 24, 1981); MUR

896 (July 29, 1980) (excessive loan); MUR 967 (June 24, 1980) (attempt to characterize excessive loan as business transaction failed for lack of substantiation of business transactions); MUR 1055 (July 22, 1980) (excessive loan deemed knowingly accepted by candidate)

As previously noted, the State Ethics Commission Statements of Financial Interest and the Clerk of the U.S. House of Representatives Financial Disclosure Forms filed and signed by Fox place the date of the Toll loan between August 1, 1992 and December 31, 1992. During that entire period, Fox was a candidate for Congress, both accepting and disbursing funds through the Fox for Congress Committee. His campaign committee operations continued throughout 1993 and have continued uninterrupted to this day. In short, at all times material to the issues associated with the Toll loan, Fox was actively filing reports as a candidate with the Federal Election Commission.

The characterization of the loan as a "personal loan" from Toll to Fox in no way diminishes its legal status as a contribution. The Federal Election Commission has repeatedly determined that loans to candidates to cover living and personal expenses during a campaign are still considered contributions according to the Federal Election Campaign Act. (See: Federal Election Commission Advisory Opinion 1978-40) The fact that the Committee's Federal Election Commission Reports show repeated contributions by Fox to Fox for Congress Committee in 1992 further weaken any claim that a personal loan to Fox would have no influence on the campaign.

There is an exception in the Act that provides that loans by lending institutions made in the ordinary course of business to candidates do not constitute contributions to the candidate or the candidate's authorized committee. (See: 2 U.S.C. § 431(8)(B)(vii); 11 C.F.R. § 100.7(b)(11)). Not only does the exception not apply in the present case, because Toll is not a lending institution, but it is interesting to note that even if the loan in question did come from a lending institution, it would probably still violate the Act because of its extraordinarily generous terms. Toll is charging Fox a mere 6% interest on a loan of from $15,001 to $50,000 which has run for over four years. If Fox went to the Wright-Patman Congressional Federal Credit Union, through which he carries his VISA card, he would pay 12.5% for a personal loan and have to pay off the balance in 42 months. Moreover, under the Congressional Credit Union guidelines, he probably would not have even qualified for an unsecured personal loan of the size given him by Toll.

Toll Contributions Exceed Limitations

Bruce Toll's personal loan to Jon Fox constituted a contribution to the Fox campaign far in excess of the $1,000 limitation allowed under the Federal Election Campaign Act. The large outstanding loan balance (in excess of $15,000 for the years 1993 through 1996, and possibly currently) means that all of Toll's subsequent major contributions to the Fox for Congress Committee constitute excessive contributions and must be returned. As noted in Federal Regulation of Campaign Finance and Political Activities (op. cit.), a loan which constitutes a contribution remains a contribution until it is repaid. Since Fox's filing with the Clerk of the U.S. House of Representatives in 1997 for the calendar year 1996 shows the loan remaining outstanding in an amount in excess of $15,000, it follows that the $2,000 contributed by Toll to the Fox for Congress Committee in the 1994 election cycle and the $2,000 contributed in the 1996 election cycle exceeded the legal limits. Since Fox has not yet filed his Financial Disclosure Statement for calendar year 1997 with the Office of the Clerk of the U.S. House of Representatives, it is not known whether the loan remains outstanding. If it does, the $2,000 already contributed by Toll to Fox for Congress Committee for the 1998 election cycle would similarly exceed the legal limitations and have to be returned.

Failure to Disclose Loan Constitutes Reporting Violation

One reason that the excessive personal loan to Jon Fox continued for so long is that the Fox for Congress Committee failed to disclose the transaction in their reports to the Federal Election Commission. The Federal Election Campaign Act requires that all applicable contributions and loans be disclosed in the reports filed with the Federal Election Commission. Reporting requirements set forth in 11 CFR require reporting of all outstanding loans as well as all payments made to reduce outstanding loans. As such, the status of the Toll loan should have been reported on each report filed by the Fox for Congress Committee since the loan was made in 1992. A review of the reports filed by the Fox for Congress Committee found no reporting of any aspect of the loan.

Public disclosure is one of the essential elements of the Federal Election Campaign Act. Fox is an attorney, his campaign has previously contracted for legal services on occasion and the Federal Election Commission has advisory opinions available as well as expert counsel for those uncertain as to the requirements of the law. Moreover, the area of the law violated in this case is one where the principles of the law are clear, well-established, and not difficult to understand. Further, the fact that the Fox for Congress Committee had paid $950 in fines to the FEC in 1995 for violating election law during his 1994 race should have sensitized the Committee to the importance of following the law. (See: "Fox Agrees to Pay $950 Fine for Election Law Violation," Gannett News Service, June 30, 1995)

Conclusion

None of the essential facts supporting this complaint are in dispute. Indeed, virtually all the information on the personal loan, the pattern of major donations by Toll to the Fox for Congress Committee and the failure to disclose the existence of the loan in FEC filings comes from documents filed either by Fox himself or the Fox for Congress Committee. Nor is there any question that Fox was a candidate for Congress at the time the large, personal loan was made to him.

Even a cursory review of similar cases involving personal loans to candidates reveals how clearly the facts in this case show the Toll loan to be a contribution far in excess of the legal limitations. In the Federal Election Commission Advisory Opinion 1978-40 cited earlier, for example, there was a personal loan of just $3,900 from 10 individuals to an individual, made prior to the individual's filing a statement of candidacy, with the strict proviso that the money just go for personal and family living expenses. The Commission concluded that the loan was a contribution for purposes of the Act, that it had to be disclosed in reports filed with the FEC and that "the amount contributed (loaned) by any individual with respect to any election not exceed $1,000. [1] 2 U.S.C. § 434(b), § 441a(a)(1)."

Contrast that fact pattern with the Fox case where a major donor to a Congressional candidate provides a $15,001 to $50,000 personal loan to that same candidate and allows the loan to be outstanding through two full election cycles while continuing to give the legal maximum in each and every cycle while the candidate's committee fails to disclose any aspect of the transaction to the Federal Election Commission.

The fact that Representative Fox failed to properly disclose to the FEC the large personal loan from one of his top political contributors for three election cycles is bad enough. The fact that Fox won his last election by just 84 votes (the closest Congressional race in the country) underscores the seriousness of the public integrity issues in this case.

Given the very compelling pattern of facts present in this case, the public is entitled to a full and prompt investigation. The public has lost faith in the integrity of its governmental institutions, including Congress, because all too often they have seen the public trust betrayed to advance personal and political interests.

NATIONAL LEGAL AND POLICY CENTER

By:______________________________

Kenneth Boehm

Chairman

Subscribed and sworn before me this 11th day of December, 1997.

State of Virginia

County of Fairfax

Notary Public

My Commission Expires: March 31, 1999

98043893023

EXHIBITS

Exhibit 1: 1991 State Ethics Commission Statement of Financial Interest

Exhibit 2: 1992 State Ethics Commission Statement of Financial Interest

Exhibit 3: 1993 State Ethics Commission Statement of Financial Interest

Exhibit 4: Financial Disclosure Statement (1/1/91 to 3/26/92) filed with the Office of the Clerk, U.S. House of Representatives

Exhibit 5: Financial Disclosure Statement (1/1/91 to 7/31/92) filed with the Office of the Clerk, U.S. House of Representatives

Exhibit 6: Financial Disclosure Statement (1/1/93 to 4/1/94) filed with the Office of the Clerk, U.S. House of Representatives

Exhibit 7: Financial Disclosure Statement (1994) filed with the Office of the Clerk, U.S. House of Representatives

Exhibit 8: Financial Disclosure Statement (1995) filed with the Office of the Clerk, U.S. House of Representatives

Exhibit 9: Financial Disclosure Statement (1996) filed with the Office of the Clerk, U.S. House of Representatives

FEDERAL ELECTION COMMISSION
Washington, DC 20463

January 29, 1998

Kenneth Boehm, Chairman
National Legal and Policy Center
1309 Vincent Place, Suite 1000
McLean, VA 22101

RE: MUR 4712

Dear Mr. Boehm:

This letter acknowledges receipt on January 22, 1998, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended. The respondent(s) will be notified of this complaint within five business 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 notarized and sworn to in the same manner as the original complaint. We have numbered this matter MUR 4712. 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,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Enclosure
Procedures

FEDERAL ELECTION COMMISSION
Washington, DC 20463

January 29, 1998

Mr. Frank W. Jenkins, Treasurer
Fox for Congress Committee
PO Box 632
Jenkintown, PA 19046

RE: MUR 4712

Dear Mr. Jenkins:

The Federal Election Commission received a complaint which indicates that Fox for Congress 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 4712. 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) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

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

98043893027

FEDERAL ELECTION COMMISSION
Washington, DC 20463

January 29, 1998

The Honorable Jon Fox
United States House of Representatives
435 Cannon House Office Building
Washington, DC 20515

RE: MUR 4712

Dear Mr. Fox:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4712. Please refer to this number in all future correspondence.

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

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

If you have any questions, please contact Alva E. Smith at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

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

cc: The Honorable Jon Fox
312 Glen Lane
Eilkins Park, PA 19027

98043893029

FEDERAL ELECTION COMMISSION
Washington, DC 20463

January 29, 1998

Mr. Richard McBride
2 Village Road
Horsham, PA 19044

RE: MUR 4712

Dear Mr. McBride:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4712. Please refer to this number in all future correspondence.

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

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

If you have any questions, please contact Alva E. Smith at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

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

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

FEB 20 1 21 PM '98

Paul E. Sullivan, Esq.
Attorney-at-Law

The Singletary Mansion
1565 The Alameda
San Jose, CA 95126

February 18, 1998

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

Attn.: Alva E. Smith

RE: MUR 4712
Fox for Congress Committee, Jon Fox individually

Dear Ms. Smith:

Enclosed is the original designation of counsel for the above named parties for MUR 4712.

Should you have further questions, please contact me at my Washington office at 202-682-4725.

Very truly yours,

Paul E. Sullivan, Esq.

cc: Honorable Jon D. Fox

98043893032

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4712

NAME OF COUNSEL: Paul E. Sullivan

FIRM:

ADDRESS: 1225 Eye Street, NW, #500
Washington, DC 20005

TELEPHONE: (202) 682-4725

FAX: (202) 682-4707

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

2/12/98
Date

Signature

RESPONDENT'S NAME: Jon Fox, Individually and for Congress Committee

ADDRESS: P.O. Box 1059
Norristown, PA 19404

TELEPHONE: HOME (215) 663-9011

BUSINESS (610) 239-0998

McBRIDE AND MURPHY
ATTORNEYS AT LAW
P. O. Box 629
HORSHAM, PA 19044

(215) 957-9950
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RICHARD P. McBRIDE
EDWARD F. MURPHY
NANCY J. WRIGHT

HORSHAM BUSINESS CENTER
SUITE 140
355 BUSINESS CENTER
DRIVE

February 27, 1998

General Counsel's Office
Federal Election Commission
999 E. Street NW
Washington, D.C. 20463

RE: MUR 4712

Dear Sir:

Please be advised that I represent Mr. Richard P. McBride with regard to the above-captioned Complaint, copy of which is attached hereto. I am enclosing herewith the Statement of Designation of Counsel which was furnished with the copy of the Complaint, signed by Mr. McBride, with regard to this representation. Allow me to briefly respond:

1. Representative Fox has apparently, at all times relevant, disclosed the existence of a personal loan as it is those very documents on which the present Complaint is based.

2. The Complaint references a personal loan made in 1992. Mr. McBride has no personal recollection after the passage of some six years as to the exact date on which this loan was made or other specific circumstances involving same.

3. The statute referenced by Complainant is itself subject to a three-year statute of limitations. This, therefore, would have expired some time in 1995.

4. It is now 1998, some six years after the alleged transgression. The statute referenced by Complainant itself would only require a candidate to retain records for three years. A private citizen can hardly be expected to have detailed recall of dates or circumstances some six years after the date of the alleged transgression. Thus, the reason for the limitation imposed within the statute at three years.

It is respectfully submitted that the statute on which the Complaint is predicated contains a limitation period which would preclude the Commission from any further investigation. It is further respectfully submitted that the reason for the limitation is obvious, six years is an unreasonable period of time to expect an individual to be in a position to have sufficient recall on details to intelligently and adequately respond to a Complaint such as the present.

Please address any further correspondence or inquiries to the undersigned with regard to this matter. Thank you for your consideration.

Respectfully submitted,

McBride and Murphy

By:
Nancy J. Wright

NJW:abh
Encl.

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4712

NAME OF COUNSEL: Nancy J. Wright, Esquire

FIRM: McBride and Murphy

ADDRESS: P.O. Box 629

Horsham, PA 19044

TELEPHONE: (215) 957-9950

FAX: (215) 957-9951

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COMMISSION
OFFICE OF GENERAL
COUNSEL

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

February 27, 1998
Date

Signature
Richard P. McBride

RESPONDENT'S NAME: Richard P. McBride

ADDRESS: P.O. Box 7168

Penllyn, PA 19422

TELEPHONE: HOME (215) 628-9339

BUSINESS (215) 957-9950

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
) CASE CLOSURES UNDER
) ENFORCEMENT PRIORITY
)

GENERAL COUNSEL'S REPORT **SENSITIVE**

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 cases permits the Commission to focus its limited resources on more important cases presently

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pending before it. Based upon this review, we have identified 14 cases that do not warrant further action relative to other pending matters.[1] The attachment to this report contains a factual summary 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 remote in time usually require a greater commitment of resources, primarily due to the fact that the evidence of such activity becomes more difficult to develop as it ages. 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 this fact, EPS provides us with the means to identify those cases which remained unassigned for a significant period due to a lack of staff 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.

[1] These cases are: Pre-MUR 360 (*First National Bank of Wheaton, IL*); Pre-MUR 361 (*Teresa Isaac for Congress*); MUR 4663 (*Rodriguez for Congress*); MUR 4698 (*Mayor Louis Bencardino*); MUR 4699 (*Warren County Democratic Committee*); MUR 4705 (*Fox for Congress*); MUR 4706 (*Carl Lindner*); MUR 4712 (*Fox for Congress*); MUR 4714 (*Mary Jane Garcia for Congress*); MUR 4717 (*Hostettler for Congress*); MUR 4718 (*Oxley for Congress*); MUR 4723 (*Oscar H. Flores*); MUR 4724 (*Feinberg for Congress*); and MUR 4727 (*Madison Magazine*).

We have identified cases that have remained on the Central Enforcement Docket for a sufficient period of time to render them stale. We recommend that these cases be closed.[3]

We recommend that the Commission exercise its prosecutorial discretion and direct closure of the cases listed below, effective June 3, 1998. Closing these cases as 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.

[3] These cases are: MUR 4539 (*Sallie Mae Student Loan*); MUR 4543 (*Besicorp*); MUR 4625 (*Hinojosa for Congress*); MUR 4640 (*New Mexicans Accion del Pueplo Citizen Action*); RAD 97L-02 (*Cooksey for Congress*); RAD 97L-03 (*Maxfield for Congress*); RAD 97NF-03 (*Dan Hansen for Congress*); RAD 97NF-08 (*Congressional Accountability PAC*); RAD 97NF-16 (*America's Fund*); 97NF-18 (*Faith, Family & Freedom PAC*); and 97NF-19 (*Pro-Hispanic PAC*).

III. RECOMMENDATIONS.

A. Decline to open a MUR, close the file effective June 3, 1998, and approve the appropriate letters in the following matters

RAD 97L-02	RAD 97NF-08	RAD 97NF-19
RAD 97L-03	RAD 97NF-16	Pre-MUR 360
RAD 97NF-03	RAD 97NF-18	Pre-MUR 361

B. Take no action, close the file effective June 3, 1998, and approve the appropriate letters in the following matters:

	MUR 4698	MUR 4718
	MUR 4699	MUR 4723
MUR 4539	MUR 4705	MUR 4724
MUR 4543	MUR 4706	MUR 4727
MUR 4625	MUR 4712	
MUR 4640	MUR 4714	
MUR 4663	MUR 4717	

5/22/98
Date

LM Noble (LGL)
Lawrence M. Noble
General Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	Agenda Document No. X98-31
Case Closures Under	)	
Enforcement Priority	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on June 9, 1998, do hereby certify that the Commission took the following actions with respect to Agenda Document No. X98-31:

1. Decided by a vote of 5-0 to

A. Decline to open a MUR, close the file effective June 15, 1998, and approve the appropriate letters in the following matters:

1. RAD 97L-02	6. RAD 97NF-18
2. RAD 97L-03	7. RAD 97NF-19
3. RAD 97NF-03	8. Pre-MUR 360
4. RAD 97NF-08	9. Pre-MUR 361
5. RAD 97NF-16	

(continued)

Federal Election Commission
Certification: Agenda Document
No. X98-31
June 9, 1998

B. Take no action, close the file effective June 15, 1998 and approve the appropriate letters in the following matters:

1.	MUR 4539	9.	MUR 4706
2.	MUR 4543	10.	MUR 4712
3.	MUR 4625	11.	MUR 4714
4.	MUR 4640	12.	MUR 4717
5.	MUR 4663	13.	MUR 4718
6.	MUR 4698	14.	MUR 4723
7.	MUR 4699	15.	MUR 4724
8.	MUR 4705	16.	MUR 4727

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

Attest:

6-10-98
Date

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

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 16, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Kenneth Boehm, Chairman
National Legal and Policy Center
1309 Vincent Place, Suite 1000
McLean, VA 22101

RE: MUR 4712

Dear Mr. Boehm:

On January 29, 1998, 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 June 15, 1998. 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

MUR 4712
FOX FOR CONGRESS

Mr. Kenneth Boehm, Chairman of the National Legal and Policy Center, alleges that Jon Fox for Congress accepted an excessive contribution, in the form of a loan, from Richard McBride in 1992. Mr. McBride and his wife also allegedly contributed $1,000 each to the Fox campaign at that time. The amount of the loan was not disclosed, but the complainant reports the amount of the interest rate as 6%, based on Rep. Fox's Statement of Financial Interest filed with the Commonwealth of Pennsylvania. MUR 4705 consists of subtantially similar allegations involving an alleged loan from another person. It also is recommended for closure.

Mr. McBride responds that he does not recall the specifics of this loan. He assumes that Rep. Fox disclosed the loan as required.

Rep. Fox retained counsel, but no response was filed on his behalf.

This matter is less significant relative to other matters pending before the Commission.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 16, 1998

Paul E. Sullivan, Esquire
1225 Eye Street, N.W., #500
Washington, D.C. 20005

RE: MUR 4712
The Honorable Jon Fox; Fox for Congress Committee; and Frank W. Jenkins, Treasurer

Dear Mr. Sullivan:

On January 29, 1998, the Federal Election Commission notified your clients 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 your clients. See attached narrative. Accordingly, the Commission closed its file in this matter on June 15, 1998.

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) 694-1650.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

MUR 4712
FOX FOR CONGRESS

Mr. Kenneth Boehm, Chairman of the National Legal and Policy Center, alleges that Jon Fox for Congress accepted an excessive contribution, in the form of a loan, from Richard McBride in 1992. Mr. McBride and his wife also allegedly contributed $1,000 each to the Fox campaign at that time. The amount of the loan was not disclosed, but the complainant reports the amount of the interest rate as 6%, based on Rep. Fox's Statement of Financial Interest filed with the Commonwealth of Pennsylvania. MUR 4705 consists of subtantially similar allegations involving an alleged loan from another person. It also is recommended for closure.

Mr. McBride responds that he does not recall the specifics of this loan. He assumes that Rep. Fox disclosed the loan as required.

Rep. Fox retained counsel, but no response was filed on his behalf.

This matter is less significant relative to other matters pending before the Commission.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 16, 1998

Nancy Wright, Esquire
McBride and Murphy
P.O. Box 629
Horsham, PA 19044

RE: MUR 4712
Richard P. McBride

Dear Ms. Wright:

On January 29, 1998, the Federal Election Commission notified your client, Richard P. McBride, 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 your client. See attached narrative. Accordingly, the Commission closed its file in this matter on June 15, 1998.

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) 694-1650.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

MUR 4712
FOX FOR CONGRESS

Mr. Kenneth Boehm, Chairman of the National Legal and Policy Center, alleges that Jon Fox for Congress accepted an excessive contribution, in the form of a loan, from Richard McBride in 1992. Mr. McBride and his wife also allegedly contributed $1,000 each to the Fox campaign at that time. The amount of the loan was not disclosed, but the complainant reports the amount of the interest rate as 6%, based on Rep. Fox's Statement of Financial Interest filed with the Commonwealth of Pennsylvania. MUR 4705 consists of subtantially similar allegations involving an alleged loan from another person. It also is recommended for closure.

Mr. McBride responds that he does not recall the specifics of this loan. He assumes that Rep. Fox disclosed the loan as required.

Rep. Fox retained counsel, but no response was filed on his behalf.

This matter is less significant relative to other matters pending before the Commission.

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4112

DATE FILMED 7/1/96 CAMERA NO. 1

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