



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4724

DATE FILMED 7/7/98 CAMERA NO. 1

CAMERAMAN EES

98043893156



MC SQUARED CONSULTING

February 24, 1998

MUR 4724

FEB 26 2 34 PM '98
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL COUNSEL

Federal Election Commission
Office of General Counsel
999 E Street NW
Sixth Floor
Washington DC 20004

To Whom it May Concern;

Enclosed please find four originals of a complaint containing various allegations I am filing as managing partner on behalf of M C Squared Consulting, a market research firm located in Lexington, Kentucky.

We realize the F.E.C is not an avenue to collect money owed, and our communiqué is only intended to set the record straight, not to use the F.E.C as a collection agency. However, in an attempt to collect the amounts owed our firm by the Feinberg for Congress campaign, we have retained an attorney by the name of Oscar Gerald, Esq. of Gerald Maloney & Jones, PSC, 259 West Short Street, Lexington, Kentucky 40507. His telephone number is (606) 255-7946.

If I can be of any further assistance, please do not hesitate to contact me. Thank you.

Sincerely,

Sam C. McIntosh
Managing Partner

Enclosure

cc: Oscar Gerald, Esq.



COMPLAINT

Sam C. McIntosh
3352 Kenesaw Drive
Lexington, KY 40515
phone (606)-271-8366

Complainant

and

M C Squared Consulting
120 Dennis Drive, Suite 3
Lexington, KY 40503
phone (606)-278-9299 or 800-370-6071

vs.

MUR 472⁴
FEB 26 2 35 PM '98
RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Howard Feinberg
409 Bluebird Drive
Russell, KY 41169
phone (606)-836-9100

Respondents

and

Dr. Howard Feinberg
1901 Winchester Avenue
Ashland, KY 41101
phone (606)-329-9712

and

Gail Feinberg, personally and
as Treasurer for the Feinberg for Congress Campaign
409 Bluebird Drive
Russell, KY 41169
phone (606)-836-9100

and

Dr. Gail Feinberg
717 Third Avenue
Chesapeake, OH 45619
phone (614)-867-6687

and

Feinberg for Congress
409 Bluebird Drive
Russell, KY 41169
phone (606)-836-9100

Comes now the complainant, Sam C. McIntosh, and being duly sworn, states as follows:

1. To begin, the cover letter that the Treasurer Gail Feinberg signed and accompanied the FEC Form 3 year end report, contains erroneous information. In the first paragraph, she states that the management company was fired about two weeks prior to the January 24 writing of this cover letter. Truth be told the management company, my firm of M C Squared Consulting, was not fired but we resigned the campaign on December 31, 1997 due to the fact that the campaign had not paid its consulting fees to our firm for the time period of June 1997 to December 1997(see exhibit # 1 our resignation letter). Although I will be the first to admit that this falsehood is a minor matter, I believe it will serve to demonstrate that this campaign has repeatedly gone to extreme measures to avoid complete and full disclosure regarding their campaign activities, disbursements, and their debts and obligations.

2. Page 54—Debts and Obligations page—Schedule D. The campaign reports that they owe our firm \$5,000.00 for management of the campaign from June 1997 to December 1997, this amount is disputed. The campaign has an invoice for \$25,000.00 for this time period. I alone have invested 2,039.5 hours working in this campaign (the calculations here demonstrate that the campaign's intentions are to pay our firm less than the federally allowed minimum wage).

3. Page 54—Debts and Obligations page—Schedule D. The campaign reports that the disputed amount of \$5,000.00 owed to our firm is not due until after the 1998 primary election is over. Furthermore, the campaign states that this is supported by a written agreement. There is not and has never been a written agreement, allowing the campaign to delay any payment for this long of a period of time. In addition, I question can the campaign delay paying its debts and obligations until after the primary election has occurred.

4. Page 54—Debts and Obligations page—Schedule D. The campaign commissioned a public opinion poll by our firm during July and August 1997, the cost of this survey was \$10,500.00. The Campaign did not pay for the survey prior to closing the books on December 31, 1997 and does not report this amount in their debts and obligations. Furthermore, the campaign finally retired this invoiced amount on January 15, 1998(see exhibit # 2 Certified Check and the letter the candidate wrote).

5. Page 54—Debts and Obligations page—Schedule D. The campaign commissioned a Fourth Congressional District Electoral Targeting Study by our firm during July and August 1997, the cost of this study was \$3,500.00. The Campaign also did not pay for this study prior to closing the books on December 31, 1997 and does not report this amount in their debts and obligations. Furthermore, the campaign finally retired this invoiced amount on January 15, 1998(see exhibit # 3 Certified Check and the letter the candidate wrote).

6. Page 54—Debts and Obligations page—Schedule D. The campaign held a fund raiser on December 11, 1997 at Bruce Leslie's residence in Greenup County, Kentucky (see exhibit # 4 fund raising invitation). The campaign does not report the catered services of personnel, food and drink in their debts and obligations.

7. Page 54—Debts and Obligations page—Schedule D. The campaign held a fund raiser on December 11, 1997 at Bruce Leslie's residence in Greenup County, Kentucky (see exhibit # 4 fund raising invitation). The campaign does not report the fund raiser at Mr. Leslie's residence as an in kind contribution anywhere in the FEC year end report.

8. Page 54—Debts and Obligations page—Schedule D. The campaign dismissed campaign employee, Jeff Allen, on December 16, 1997. Mr. Allen was on salary at \$425.00 per week (the filed report will support this amount and pay period). The campaign's pay cycle was honored every two weeks, however as of this writing the campaign has failed to pay Mr. Allen for the final week of work performed from Wednesday, December 10 to Tuesday, December 16, 1997. This amount does not appear in the campaign's debts and obligations.

9. Page 54—Debts and Obligations page—Schedule D. The campaign dismissed campaign employee, Ricky Caudill, on December 16, 1997. Mr. Caudill was on salary at \$450.00 per week (the filed report will support this amount and pay period). The campaign's pay cycle was honored every two weeks, however as of this writing the campaign has failed to pay Mr. Caudill for the final week of work performed from Wednesday, December 10 to Tuesday, December 16, 1997. This amount does not appear in the campaign's debts and obligations.

10. Page 54—Debts and Obligations page—Schedule D. The campaign owed former campaign worker Jeff Allen for his monthly expense reimbursement for the months of November and December 1997 in the amount of \$1,608.27. This amount does not appear in the campaign's debts and obligations. Furthermore, the campaign finally retired this amount on January 30, 1998 (see exhibit # 5 of the copy of this check dated on January 9, 1998, the envelope was postmarked on January 29, 1998 and a letter from the candidate that clearly states he knew the debt existed). In addition, to this expense amount being retired more than 90 days after the expenses occurred I believe that a further violation occurred surrounding this expense. By this I mean that Mr. Allen accompanied the candidate and the treasurer to San Antonio, Texas at the end of October 1997, for the National Osteopathic Annual Convention as an attempt to raise money for the campaign. On this trip Mr. Allen arrived before the candidate and the treasurer in Texas, and had to secure the hotel room on his own personal debit card. Upon their departure, the candidate and the treasurer informed Mr. Allen they had paid for all of the hotel rooms during their stay in Texas, however this was not the case as Mr. Allen found out at the end of November 1997 when his bank statement reflected that his account had been debited more than \$650.00 for the Texas lodging. Since this amount was on his debit card (similar to a credit card) and he was not reimbursed for this amount within the 60 day period for the credit card reimbursements I think a violation has occurred here as well. I don't know whether this amount can be construed as a forced contribution by the campaign or not, but it definitely was not retired by the time period outlined in the FEC laws governing reimbursements.

11. Page 54—Debts and Obligations page—Schedule D. The campaign owes former campaign worker Ricky Caudill for his monthly expense reimbursement for the months of November and December 1997 in the amount of \$1,722.89. This amount does not appear in the campaign's debts and obligations. As of this writing the campaign has not made an attempt to retire this debt and obligation.

The undersigned, Sam C. McIntosh, hereby states all allegations contained herein are true and accurate to the best of his knowledge and belief. Dated this 25th day of February, 1998.

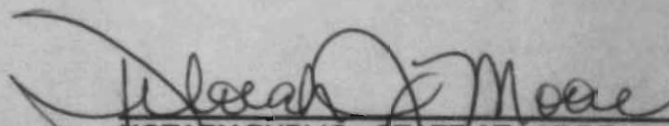

SAM C. MCINTOSH

COMMONWEALTH OF KENTUCKY

COUNTY OF FAYETTE

SUBSCRIBED AND SWORN, to before me, a Notary Public, this 25th day of February, 1998, by Sam C. McIntosh.




NOTARY PUBLIC - STATE AT LARGE
My Commission Expires: 1-6-2000

January 6, 1998

TO: Dr. Howard Feinberg
1901 Winchester Avenue
Ashland, KY 41101

FROM: Sam C. McIntosh, M C Squared Consulting

RE: Termination of Services and Demand on Outstanding Debt Obligations

Dr. Feinberg;

This letter is to serve as official notice that our firm, M C Squared Consulting, is terminating any and all consulting services to your Congressional campaign. This termination of consulting services is effective as of December 31, 1997. Our firm worked in good faith in a consulting capacity on behalf of your campaign until December 31, 1997. In addition, we mutually agreed to terminate management services, at your request, which we did on Monday, December 15, 1997 at approximately 9:00 p.m. At this time we are terminating our relationship with your campaign for failure to pay acknowledged debts. However, termination of this relationship shall in no way release you, the client, from your obligation to make timely payments to M C Squared Consulting for all services rendered through the date of termination. Our firm is owed outstanding invoices totaling \$38,200.00 (\$10,000.00 for the July/August '97 poll, \$3,200.00 for the targeting study, and \$25,000.00 for the Consulting/Management fee for June through December 1997).

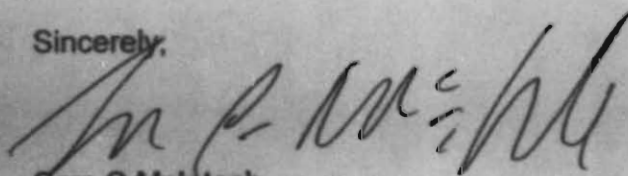
Over the course of the last few months we have tried repeatedly to bring the financial matters to a close, however you and your campaign have failed to address this issue with the urgency that was necessary. It is unfortunate that your campaign has taken the approach it has taken in this matter, and it may appear to you that our action is extreme here, but I feel that we are left with no alternative.

As per your conversation of Monday, January 5, 1998 with my partner David McCreary you indicated to him that your Treasurer would be coming to our Lexington, KY offices on January 15, 1998 to have him assist her in her preparations of your financial report. David also indicated that she needs to deliver checks for at least the targeting and the survey at this time. He also informed me that you need and we will provide the telephone billing documentation for the November/December 1997 expense reimbursement, but allow me to intervene here and state that the poll and the targeting invoices are separate billings and will not be negotiated as part of any monies owed for expense reimbursements either being paid or reimbursed. As far as the monetary obligation that your campaign has for the professional services I provided from June to December 31, 1998, this debt needs to be accounted for as well.

On a personal note, Howard, I worked harder and longer, and did more for you and your campaign than any three people on your staff combined. I sacrificed of myself personally, and of my business professionally for your candidacy. I always was looking out for everyone else to make sure that they were taken care of first. You know this, and that is why I always allowed the campaign not to address my needs because I felt your staff's needs were of greater importance for your candidacy. David and I have tried to get some type of time frame and payment schedule from you on this matter, but you seem to always defer this discussion. David also informed me that you were going to call me last evening to discuss this matter, but you failed to do so. Howard, there is no need to be afraid of talking to me, but we do need to bring this matter to a close. I did not give you my services for free for the last 30 weeks of 1997 at an average of 60+ hours per week, you know the increased pressure and responsibility I performed for you over the last six month period. Everyone has been paid, and in some cases paid exceptionally well, however you refuse to pay the person who should have meant the most to your campaign efforts.

In closing, as I told you back in December in our office I think you are the best candidate for the Fourth Congressional District of Kentucky. I still think this, and I wish you the best in your political endeavors this Spring.

Sincerely,



Sam C. McIntosh
M C Squared Consulting

98043893163

9 8 0 4 3 8 9 3 1 6 4



UNITED STATES POSTAL SERVICE™

POST OFFICE TO ADDRESSEE

EE281302857US

ORIGIN (POSTAL USE ONLY)			
PO ZIP Code 20503	Day of Delivery ☒ Next ☐ Second	Flat Rate Envelope ☐	
Date in Mo. Day Year 10 7 98	☐ 12 Noon ☒ 3 PM	Postage \$ 10.75	
Time in AM ☐ PM ☒	Military ☐ 2nd Day ☐ 3rd Day	Return Receipt Fee	
Weight lbs. ozs. 10 7	Int'l Alpha Country Code	COD Fee	Insurance Fee
No Delivery ☐ Weekend ☐ Holiday	Acceptance Clerk Initials LNA	Total Postage & Fees \$ 10.75	

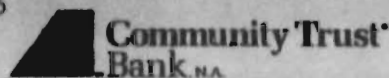
SEE REVERSE SIDE FOR
SERVICE GUARANTEE AND
INSURANCE COVERAGE LIMITS

CUSTOMER USE ONLY	
METHOD OF PAYMENT: Express Mail Corporate Acct. No. Federal Agency Acct. No. or Private Service Acct. No.	☐ WAIVER OF SIGNATURE (Domestic Only) Additional merchandise insurance is void if waiver of signature is requested. I wish delivery to be made without obtaining signature of addressee or addressee's agent. If delivery employee judges that article can be left in secure location and I authorize that delivery employee's signature constitutes valid proof of delivery. ☐ NO DELIVERY ☐ Weekend ☐ Holiday
FROM: (PLEASE PRINT) PHONE 606, 275-9299 M C Sybrand Consulting 1200 Woodmont Dr. Suite 300 Washington, NY 10502	TO: (PLEASE PRINT) PHONE 606, 275-9712 Dr. Howard Feinberg 1001 N. Buchanan Ave. Arlington, VA 22201
FOR PICKUP OR TRACKING CALL 1-800-222-1811 www.usps.gov EMS	

Label 11-B July 1997

Customer Copy





NOTICE TO CUSTOMER

The purchase of an indemnity bond will be required before any check on this bank will be replaced or refunded in the event it is lost, misplaced, or stolen.

004376

January 15, 1998

73-269/421

 PAY TO THE
ORDER OF M C 2

\$**10,500.00

I0500DOLS00CTS

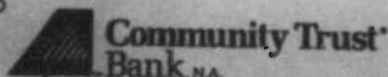
DOLLARS

CASHIER'S CHECK

REMITTER HOWARD FEINBERG TO CONGRESS

FOR REPLACE CK 261/4000059858

#004376# 0042102694: 000091415#

 5
6
3
1
9


NOTICE TO CUSTOMER

The purchase of an indemnity bond will be required before any check on this bank will be replaced or refunded in the event it is lost, misplaced, or stolen.

PURCHASER

CASH REC'D.

T.I.N. #

004376

LA

 PAY TO THE
ORDER OF H C 2

January 15, 1998

73-269/421

\$**10,500.00

I0500DOLS00CTS

DOLLARS

CASHIER'S CHECK

REMITTER HOWARD FEINBERG TO CONGRESS

FOR REPLACE CK 261/4000059858

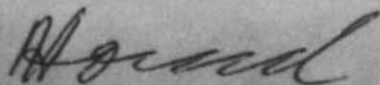
COPY-NON-NEGOTIABLE!

Dave,

Enclosed is the check which I promised. As I stated in our conversation at your office and by phone I still require receipts for each of the charges. I do not want this payment or your business to be hurt because of Sams illness. I must however, have copies of the individual receipts and a further itemization to account for these expenditures.

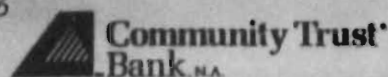
I must justify each of these charges to my treasurer prior to closing this statement. This check is being sent over the objections of my treasurer and accountant under the mutual agreement that each of these charges will be accounted for and settled later. As we discussed I will need copies of the phone bill, individual charges, receipts for purchases, etc. This includes a listing of how much of the charges are for computer access time, use of fax and copiers, office rent etc. which I did not agree to.

This check does not constitute acceptance of all of these charges. It is being sent at your request due to your year end accounting procedures and will have to be settled when I have been provided all of the receipts and materials requested.



Howard L. Feinberg, D.O.

93043893166



NOTICE TO CUSTOMER

The purchase of an indemnity bond will be required before any check on this bank will be replaced or refunded in the event it is lost, misplaced, or stolen.

004375

LA

January 15, 1998

73-269/421

PAY TO THE
ORDER OF M C 2

\$***3,500.00

3500 DOLS 00 CTS

DOLLARS

CASHIER'S CHECK

REMITTER HOWARD FEINBERG TO CONGRESSFOR REPLACE CHECK #262

#004375# 1042102694 000091115#

67



NOTICE TO CUSTOMER

The purchase of an indemnity bond will be required before any check on this bank will be replaced or refunded in the event it is lost, misplaced, or stolen.

PURCHASER _____

CASH REC'D. _____

T.I.N. # _____

004375

LA

January 15, 1998

73-269/421

PAY TO THE
ORDER OF M C 2

\$***3,500.00

3500 DOLS 00 CTS

DOLLARS

CASHIER'S CHECK

REMITTER HOWARD FEINBERG TO CONGRESSFOR REPLACE CHECK #262

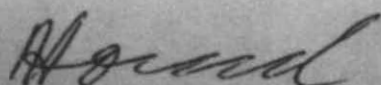
COPY-NON-NEGOTIABLE

Dave,

Enclosed is the check which I promised. As I stated in our conversation at your office and by phone I still require receipts for each of the charges. I do not want this payment or your business to be hurt because of Sams illness. I must however, have copies of the individual receipts and a further itemization to account for these expenditures.

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This check does not constitute acceptance of all of these charges. It is being sent at your request due to your year end accounting procedures and will have to be settled when I have been provided all of the receipts and materials requested.



Howard L. Feinberg, D.O.

98043893168

PLEASE RETURN THIS WITH YOUR CONTRIBUTION

Name: _____

Address: _____

City: _____

State: _____ Zip: _____

Occupation: _____

Employer: _____

THE INFORMATION ABOVE MUST BE COMPLETE.

Federal law requires political committees to report the name, mailing address, occupation and the name of the employer for each individual whose aggregate contribution is in excess of \$200.00 in a calendar year.

No 0753

**Fundraising Reception Honoring
HOWARD FEINBERG, CANDIDATE FOR CONGRESS**

Thursday, December 11th, 1997

6:00 - 8:00 p.m.

EXHIBIT "4"

at the home of

Mr. & Mrs. P. Bruce Leslie

98 Sunset Court, Bellefonte Heights, KY

R.S.V.P., Questions and directions, toll free (888) 277-1998

\$250 per ticket

Co-hosted by:

Mr. & Mrs. Brian Ashley

Mr. John Artis

Mr. & Mrs. Matthew Samuel

Dr. & Mrs. Larry Fields

Mr. & Mrs. Michael Wilson

Mr. & Mrs. Dan Green

Dr. & Mrs. Maurice Oakley

Dr. Charles M. Rhodes

Mr. & Mrs. Earl Marshall

Mr. & Mrs. Phillip Biggs

Mr. & Mrs. Donald "Sonny" Davidson

Paid for by: THE COMMITTEE TO ELECT HOWARD FEINBERG TO CONGRESS

Gail Feinberg, Treasurer

No 0753

COMMITTEE TO ELECT
HOWARD FEINBERG TO CONGRESS
409 BLUEBIRD DR.
RUSSELL, KY 41169

254

DATE 1/9/88

73-88
121

PAY
TO THE
ORDER OF

Jeff Allen

\$1608.27

one thousand six hundred eight & 27/100

27
DOLLARS



Community Trust*
Bank, N.A.
Member FDIC
Spartanburg, South Carolina

FOR

[Signature]

⑈000254⑈ ⑆042100803⑆

4000059858⑈

9804389317C

1/21/68
rec-11/21/68
PB

Jeff Allen
120 Dennis Drive Suite 3
Lexington, KY 40503



90503/2317

Personnel

98043893171

Jeff,

Enclosed is the expense check I spoke to you about. Please let me know if there are any other outstanding debts. I want to once again thank you for the outstanding work you have done for me and my campaign. As we discussed by phone the decision to have you return to MC squared payroll was due to the economic pressures at the time. Unfortunately my relationship with Sam has deteriorated. I know that this could put you in an awkward position. I am sorry if it has done so.

I hope you understand that your loyalty and service to me is appreciated. It is my hope that we will be able to work together in the future. I have nothing but respect for you and hope you will consider a position with me after I win my election. Please let me know if there is anything I can do for you.

Sincerely,



Howard L. Feinberg, D.O.

Jeff,

I don't know why but this has
come back to me with address
unknown. I am sending it to
MC 2 for you

Please let me know when it arrives

-Howard

(606) 836-9100 - home

980043893172



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1998

Sam McIntosh, Managing Partner
3352 Kenesaw Drive
Lexington, Kentucky 40503

Dear Mr. McIntosh:

This letter acknowledges receipt on February 26, 1998, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended. The respondents 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 4724. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

A handwritten signature in dark ink, appearing to read "Andrew Turley", is written over a horizontal line.

Andrew Turley, Supervisory Attorney
Central Enforcement Docket

Enclosure
Procedures

98043693173



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1998

Dr. Howard Leslie Feinberg
409 Bluebird Drive
Russell, Kentucky 41169

Re: MUR 4724

Dear Dr. Feinberg:

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 4724. Please refer to this number in all future correspondence.

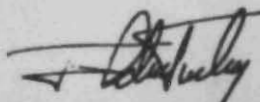
The complaint was not sent to you earlier due to administrative oversight. Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the Office of the General Counsel, 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.

98043893174

If you have any questions, please contact Alva E. Smith at (202) 694-1650. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Andrew Turley, Supervisory Attorney
Central Enforcement Docket

Enclosures

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

98043893175



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1998

Dr. Gail Denise Feinberg, Treasurer
Committee to Elect Howard Feinberg to Congress
409 Bluebird Drive
Russell, Kentucky 41169

Re: MUR 4724

Dear Dr. Feinberg:

The Federal Election Commission received a complaint which indicates that the Committee to Elect Howard Feinberg to Congress and you, as treasurer, may have violated sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4724. Please refer to this number in all future correspondence.

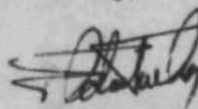
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98043893176

If you have any questions, please contact Alva E. Smith at (202) 694-1650. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Andrew Turley, Supervisory Attorney
Central Enforcement Docket

Enclosures

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

98043893177

McBRAYER, MCGINNIS, LESLIE & KIRKLAND

MAIN & HARRISON STREETS

P. O. BOX 347

GREENUP, KENTUCKY 41144-0347

606-473-7303

FACSIMILE 606-473-9003

W. TERRY McBRAYER
JOHN R. MCGINNIS
PHILLIP BRUCE LESLIE *
WILLIAM D. KIRKLAND
J. D. ATKINSON, JR.
JAMES G. AMATO
GEORGE D. GREGORY **
BRENT L. CALDWELL
W. BRENT RICE
JAMES H. FRAZIER, III ***
STEPHEN C. CAWOOD
JOHN G. IRVIN, JR.
CHRISTOPHER H. HILL
LISA ENGLISH HINKLE
WILLIAM R. PALMER, JR.
BRUCE W. MACDONALD *
LUKE BENTLEY III
STEPHEN G. AMATO
MARY ESTES HAGGIN
R. STEPHEN MCGINNIS ****
JON A. WOODALL
MARIA S. BUCKLES
MARGARET H. YOUNG
STEWART DOUGLAS HENDRIX
JULIE A. COBBLE
MELINDA G. WILSON
MARY ELIZABETH CUTTER

* ALSO ADMITTED IN OHIO

** ALSO ADMITTED IN COLORADO

*** ALSO ADMITTED IN TEXAS & FLORIDA

**** ALSO ADMITTED IN WEST VIRGINIA

WATSON CLAY (1906-1986)
OSCAR SAMMONS (1906-1986)

163 WEST SHORT STREET
SUITE 300
LEXINGTON, KENTUCKY 40507-1361
606-231-8780
FACSIMILE 606-231-8818
REAL ESTATE FAX 606-255-9777

300 STATE NATIONAL
BANK BUILDING
P. O. BOX 1100
FRANKFORT, KENTUCKY 40602-1100
502-223-1200
FACSIMILE 502-227-7385

DIRECTOR OF GOVERNMENTAL RELATIONS
MIKE HELTON
STATE NATIONAL BANK BUILDING
306 ANN STREET
SUITE 308
FRANKFORT, KENTUCKY 40601-2847
502-278-1178
FACSIMILE 502-278-234

March 19, 1998

Federal Election Commission
999 E Street, N. W.
Washington, D.C. 20463

Re: Sam C. McIntosh & M C Squared Consulting
v. Howard Feinberg, et als
MUR No: 4724

Gentlemen:

Enclosed is a Response of the Feinberg Respondents to the
Complaint filed in the above matter.

Please advise if any additional information is required.

Sincerely yours,

Phillip Bruce Leslie

PBL/dm
Enclosure

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

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FEDERAL ELECTION
COMMISSION

MAR 23 1 32 PM '98

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RE: MUR 4724

SAM C. MCINTOSH and
M C SQUARED CONSULTING

COMPLAINANTS

VS.

HOWARD FEINBERG; DR. HOWARD
FEINBERG; GAIL FEINBERG, PERSONALLY
AND AS TREASURER OF THE FEINBERG FOR
CONGRESS CAMPAIGN; DR. GAIL FEINBERG;
and FEINBERG FOR CONGRESS

RESPONDENT

RESPONSE OF RESPONDENTS

Come the Respondents, and each of them, by counsel, and do herein respond to the Complaint of the Complainants, Sam C. McIntosh and M C Squared Consulting, by objecting to said Complaint and requesting its immediate dismissal.

Perhaps the tenor of the Complaint is spelled out not in the Complaint itself, but rather in the transmittal letter signed by Mr. McIntosh which is attached to this Response as Exhibit "A". In that letter, Mr. McIntosh indicates he realizes the Federal Election Committee is not a collection agency and the Complaint is only intended to "set the record straight". In the very next sentence he advises the name of his attorney who has been retained for collection purposes. Clearly, this Complaint is nothing more than a veiled collection effort with its primary purpose being an attempt to extract money from the campaign under the threat of the damage such a Complaint would do to the elec-

tion chances of the candidate.

It is the position of all Respondents there are no funds due Complainants, but if Complainants truly believe so, then this is not the proper forum to decide that issue.

Accordingly, the Complaint should be summarily dismissed.

Nonetheless, the Respondents understand their duty to respond to the issues raised.

This Response will respond to the paragraphs of the Complaint as numbered.

1. This is a classic case of "you can't fire me because I just quit". The facts surrounding the unfortunate problems that existed between the consultant and the campaign were merely misinterpreted by the campaign treasurer. This is nothing more than an error in semantics, if that.

2. The Respondents stand by the line item on Schedule D which states they owe the firm \$5,000.00 for the period indicated. Respondents understand this amount is disputed, but the fact the Complainants billed the campaign for a different amount does not make it a valid and legal obligation of the campaign. It was and is the position of the Respondents that the sum of \$5,000.00 is owed to M C Squared Consulting for the period mentioned.

3. The statement in the Complaint that the amount of \$5,000.00 owed to M C Squared Consulting was not due until after the 1998 primary election is accurate. This is exactly the agreement struck between the campaign and the consulting firm. This fact may be disputed by the consultant, but it does not

alter the accuracy of the statement from the campaign's standpoint. To the extent the campaign treasurer thought there was a written agreement, this is in error, but it does not materially effect the accuracy of the campaign's position on the due date of this obligation nor does it materially effect the filing with the Commission.

4. It was mutually agreed between Respondents and Complainants that this debt would be due in January, 1998. Payment was made at that time. Since this matter was not owed until after December 31, 1997, it was not listed as a debt. It is questionable if a provider agrees they are owed a sum of money in January, 1998, whether or not such is a reportable obligation of the campaign during an earlier reporting period. The campaign treasurer interpreted this agreement as obviating the need to list the debt during the December 31, 1997, reporting period. If this was an error, it was an error of judgment. There was no intent to violate any section of the law. The debt was not disputed and was, indeed, paid as agreed in January, 1998.

5. This is essentially the same issue as No. 4. Mr. McIntosh's firm was paid in January of 1998, as agreed upon. It is interesting to note that no objection to the timing of the payment is included in the Complaint.

6. Printed information from the Commission reviewed by the campaign treasurer indicated individuals may volunteer to hold a fundraising party for candidate in their home, and so long as the expenses do not exceed \$1,000.00 per candidate per election for food, beverage and invitations for the event, it will not be deemed a contribution. The campaign has been advised the

expenses did not exceed \$1,000.00 for the reception in question.

Additionally, the costs of the reception were not made available to the campaign until after December 31, 1997, and, therefore, in any event would not have been known to or reportable by the campaign during the reporting period in question.

7. See No. 6.

8. See No. 9 below.

9. Mr. Jeff Allen was paid for all services rendered through December 12, 1997. Any services rendered after that date were the obligation of the Complainants individually. The date listed in the Complaint on which Mr. Allen was terminated is incorrect. There were no amounts owing to Mr. Allen and, therefore, no listing was made in the schedules.

10. The campaign has yet to receive proper documentation for these expenses despite several requests of Mr. McIntosh. As an act of good faith and despite proper documentation, the candidate personally contacted Mr. Allen and offered to pay these amounts. A check was sent to the home address given, but returned. The payment was then sent to Mr. Allen care of the consultant. To date, the campaign has still not received appropriate documentation of these expenses.

The first invoice received by the campaign for these services was in December, 1997. Good faith payment was made in January, 1998, which was within the period for timely reimbursement.

11. The campaign disputes this debt. The bulk of this

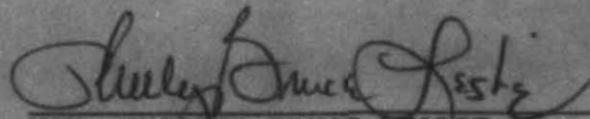
200430893183
mileage expense as incurred by Mr. Caudill commuting from his home to his work site. At other times, Mr. Caudill drove a private vehicle and incurred no expense. The campaign made it abundantly clear to its consultant that commuting costs would not be paid and would not be considered a legitimate campaign expense. The Respondents do not feel this is a valid debt.

In conclusion, any actual reporting errors, if any, were ones of form and not of substance.

The Respondents - be they involved in a political campaign or a regular business venture - certainly have the right to dispute on a good faith basis charges that are submitted to the campaign and these disputes constitute the bulk and major thrust of this Complaint.

This is not the proper forum to resolve these disputes and the Complaint should be dismissed forthwith.

Additionally, the Respondents advise the Commission that pursuant to 2 USC Section 437 (g) (a) (4) (B) and Section 437 (j) (a) (12) (a), they wish all pleadings, correspondence and other written documentation submitted herein as well as oral conversations attendant to remain private and not be made public.



HON. PHILLIP BRUCE LESLIE
P. O. Box 347
Greenup, KY 41144-0347
Phone: (606) 473-7303
Fax: (606) 473-9003

Copies to:

Hon. Andrew Turley - VIA FAX NO. 202-219-3923 & U.S. MAIL
Supervising Attorney
Central Enforcement Docket
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Mr. Sam C. McIntosh - VIA U. S. MAIL
3352 Kenesaw Dr.
Lexington, KY 40516

M C Squared Consulting - VIA U. S. MAIL
120 Dennis Dr., Ste. 3
Lexington, KY 40503

980433893184



MC SQUARED CONSULTING

EXHIBIT

"A"

February 24, 1998

Federal Election Commission
Office of General Counsel
999 E Street NW
Sixth Floor
Washington DC 20004

To Whom it May Concern;

Enclosed please find four originals of a complaint containing various allegations I am filing as managing partner on behalf of M C Squared Consulting, a market research firm located in Lexington, Kentucky.

We realize the F.E.C is not an avenue to collect money owed, and our communiqué is only intended to set the record straight, not to use the F.E.C as a collection agency. However, in an attempt to collect the amounts owed our firm by the Feinberg for Congress campaign, we have retained an attorney by the name of Oscar Gerald, Esq. of Gerald Maloney & Jones, PSC, 259 West Short Street, Lexington, Kentucky 40507. His telephone number is (606) 255-7946.

If I can be of any further assistance, please do not hesitate to contact me. Thank you.

Sincerely,

Sam C. McIntosh
Managing Partner

Enclosure

cc: Oscar Gerald, Esq.



STATEMENT OF DESIGNATION OF COUNSEL

MUR 4724

NAME OF COUNSEL: HON. PHILLIP BRUCE LESLIE

FIRM: MCBRAYER, MCGINNIS, LESLIE & KIRKLAND

ADDRESS: CORNER OF MAIN & HARRISON STREETS

P. O. BOX 347

GREENUP, KENTUCKY 41144-0347

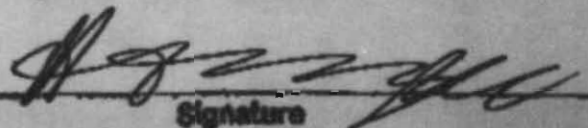
TELEPHONE: (606) 473-7303

FAX: (606) 473-9003

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.

3/19/98

Date


Signature

RESPONDENT'S NAME: FEINBERG FOR CONGRESS

ADDRESS: 409 BLUEBIRD DRIVE

RUSSELL, KENTUCKY 41169

TELEPHONE: HOME (606) 836-9100

BUSINESS (606) 329-9712

98043893186

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4724

NAME OF COUNSEL: HON. PHILLIP BRUCE LESLIE

FIRM: MCBRAYER, MCGINNIS, LESLIE & KIRKLAND

ADDRESS: CORNER OF MAIN & HARRISON STREETS

P. O. BOX 347

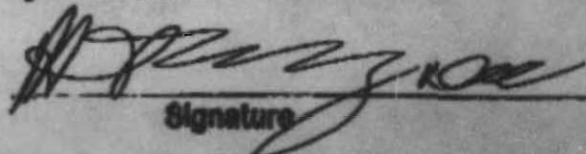
GREENUP, KENTUCKY 41144-0347

TELEPHONE: (606) 473-7303

FAX: (606) 473-9003

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.

3/19/98
Date


Signature

RESPONDENT'S NAME: DR. HOWARD FEINBERG

ADDRESS: 2109 CARTER AVENUE
ASHLAND KY 41101

TELEPHONE: HOME: (606) 836-9100

BUSINESS: (606) 329-9712

98043893187

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4724

NAME OF COUNSEL: HON. PHILLIP BRUCE LESLIE

FIRM: MCBRAYER, MCGINNIS, LESLIE & KIRKLAND

ADDRESS: CORNER OF MAIN & HARRISON STREETS

P. O. BOX 347

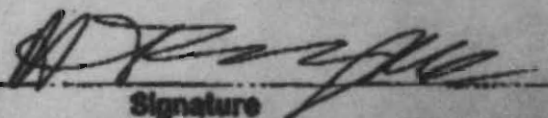
GREENUP, KENTUCKY 41144-0347

TELEPHONE: (606) 473-7303

FAX: (606) 473-9003

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.

3/19/98
Date


Signature

RESPONDENT'S NAME: HOWARD FEINBERG

ADDRESS: 409 BLUEBIRD DRIVE

RUSSELL, KENTUCKY 41169

TELEPHONE: HOME (606) 836-9100

BUSINESS (606) 329-9712

98043893188

STATEMENT OF DESIGNATION OF COUNSEL

BAR 4724

NAME OF COUNSEL: HOW, PHILLIP BRUCE LESLIE

FIRM: MCBRAYER, MCGINNIS, LESLIE & KIRKLAND

ADDRESS: CORNER OF MAIN & HARRISON STREETS

P. O. BOX 347

GREENUP, KENTUCKY 41144-0347

TELEPHONE: (606) 473-7303

FAX: (606) 473-9003

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.

3/19/98
Date

Phil Feinberg
Signature

RESPONDENT'S NAME: DR. GAIL FEINBERG

ADDRESS: 409 BLUEBIRD DRIVE

RUSSELL, KENTUCKY 41169

TELEPHONE: HOME: (606) 836-9100

BUSINESS: (614) 867-6687

98043893189

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4724

NAME OF COUNSEL: HOH, PHILLIP BRUCE LESLIE

FIRM: MCBRAYER, MCGINNIS, LESLIE & KIRKLAND

ADDRESS: CORNER OF MAIN & HARRISON STREETS

P. O. BOX 347

GREENUP, KENTUCKY 41144-0347

TELEPHONE: (606) 473-7303

FAX: (606) 473-9003

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.

3/19/98

Date

Gail Feinberg
Signature

RESPONDENT'S NAME: GAIL FEINBERG, PERSONALLY AND AS TREASURER
FOR THE FEINBERG FOR CONGRESS CAMPAIGN

ADDRESS: 409 BLUEBIRD DRIVE

RUSSELL, KENTUCKY 41169

TELEPHONE HOME: (606) 836-9100

BUSINESS: (614) 867-6687



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 23, 1998

Honorable Phillip Bruce Leslie
McBrayer, McGinnis, Leslie & Kirkland
Main & Harrison Streets
P.O. Box 347
Greenup, KY 41144-0347

RE: MUR 4724
Committee to Elect Howard Feinberg for Congress
Dr. Gail Feinberg

Dear Mr. Leslie:

This letter is to inform you that the letter we sent to your clients, Committee to Elect Howard Feinberg for Congress and Dr. Gail Feinberg, on March 6, 1998, contained a typographical error which may create some confusion. We wish to briefly clarify the matter and eliminate any confusion which may have been caused.

In paragraph 1 of our letter, we identified the Committee to Elect Howard Feinberg to Congress ("Committee") and you, as treasurer, as parties which the complainant alleged may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Paragraph 2, however, states that "you have the opportunity to demonstrate in writing that no action should be taken against you..." Our letter should have stated that *the Committee and you* have the opportunity to demonstrate in writing that no action should be taken.

I apologize for any inconvenience. Please call me at (202) 694-1650 if I can be of any further assistance.

Sincerely,

Alva E. Smith, Paralegal
Central Enforcement Docket

98043893191

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARY

MAY 22 3 34 PM '98

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).

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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 Pueblo 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 97L-03
RAD 97NF-03

RAD 97NF-08
RAD 97NF-16
RAD 97NF-18

RAD 97NF-19
Pre-MUR 360
Pre-MUR 361

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

MUR 4539
MUR 4543
MUR 4625
MUR 4640
MUR 4663

MUR 4698
MUR 4699
MUR 4705
MUR 4706
MUR 4712
MUR 4714
MUR 4717

MUR 4718
MUR 4723
MUR 4724
MUR 4727

5/22/98
Date

LM Noble (LNL)
Lawrence M. Noble
General Counsel

98043893195

BEFORE THE FEDERAL ELECTION COMMISSION

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

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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

980043893197



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 16, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Sam McIntosh, Managing Partner
3352 Kenesaw Drive
Lexington, KY 40503

RE: MUR 4724

Dear Mr. McIntosh:

On February 26, 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,

A handwritten signature in dark ink, appearing to read "F. Andrew Turley".

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

98043893198

MUR 4724

FEINBERG FOR CONGRESS

Mr. Sam McIntosh, Managing Partner of MC Squared Consulting, alleges that Feinberg for Congress improperly reported only \$5,000 of a \$25,000 debt owed to his company. Mr. McIntosh also alleges several other reporting problems, including: the improper reporting of two debts to his company totaling \$14,000 in 1997; failure to report fundraising expenses and debts for two fund-raisers held in the home of Mr. Bruce Leslie; and failure to report the salaries for two former employees, Mr. Allen and Mr. Caudill. Complainant further alleges that the campaign owes Mr. Caudill \$1,722 for unreimbursed expenses, which had also not been reported by the Committee.

Feinberg for Congress denies that any funds are due to MC Squared. They dispute the claimed debt of \$25,000, asserting that only \$5,000 was due and that this amount was paid as agreed between the parties in January 1998. The Committee asserts that the two fund-raisers were conducted by volunteers and that expenses for them did not exceed \$1,000. The Committee denies that any funds are due to either Mr. Allen or Mr. Caudill, since all amounts due were previously paid in full.

There appears to be no serious intent to violate FECA and the matter does not warrant the significant resources necessary to establish what appear to be minor reporting violations. This matter is less significant relative to other matters pending before the Commission.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 16, 1998

Honorable Phillip Bruce Leslie
McBrayer, McGinnis, Leslie & Kirkland
Main and Harrison Streets
P.O. Box 347
Greenup, KY 41144-0347

RE: MUR 4724

Committee to Elect Howard Feinberg for Congress, Dr. Gail Feinberg, and
Dr. Howard Feinberg

Dear Mr. Leslie:

On March 6, 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.

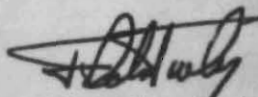
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Page 2

Honorable Phillip Bruce Leslie

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

98043893201

MUR 4724
FEINBERG FOR CONGRESS

Mr. Sam McIntosh, Managing Partner of MC Squared Consulting, alleges that Feinberg for Congress improperly reported only \$5,000 of a \$25,000 debt owed to his company. Mr. McIntosh also alleges several other reporting problems, including: the improper reporting of two debts to his company totaling \$14,000 in 1997; failure to report fundraising expenses and debts for two fund-raisers held in the home of Mr. Bruce Leslie; and failure to report the salaries for two former employees, Mr. Allen and Mr. Caudill. Complainant further alleges that the campaign owes Mr. Caudill \$1,722 for unreimbursed expenses, which had also not been reported by the Committee.

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There appears to be no serious intent to violate FECA and the matter does not warrant the significant resources necessary to establish what appear to be minor reporting violations. This matter is less significant relative to other matters pending before the Commission.

98043893202



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4724

DATE FILMED 1/7/98 CAMERA NO. 1

CAMERAMAN SES

98043893203