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SENSITIVE

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

FIRST GENERAL COUNSEL'S REPORT

MUR: 4910R
DATE COMPLAINT FILED: July 14, 1999
DATE OF NOTIFICATION: July 23, 1999
DATE ACTIVATED: January 26, 2001
DATE TRANSFERRED: August 16, 2001

EXPIRATION OF STATUTE OF
LIMITATIONS: March 10, 2003

COMPLAINANT: Tom Blomquist

RESPONDENTS: The Honorable Rush Holt
Rush Holt for Congress, Inc. and Pamela H. Mount, as Treasurer
Margaret Lancefield

RELEVANT STATUTES: 2 U.S.C. § 431(8) and (13)
2 U.S.C. § 432(i)
2 U.S.C. § 434(a)(6)(A)
2 U.S.C. § 434(b)(3)(A)
2 U.S.C. § 441a(a)(1)
2 U.S.C. § 441a(f)
11 C.F.R. § 100.12
11 C.F.R. § 100.20
11 C.F.R. § 100.21
11 C.F.R. § 104.3(a)(3)
11 C.F.R. § 104.3(b)(4)
11 C.F.R. § 104.3(d)
11 C.F.R. § 104.5(f)
11 C.F.R. § 104.7
11 C.F.R. § 104.8
11 C.F.R. § 110.1(b)
11 C.F.R. § 110.1(k)
11 C.F.R. § 110.9(a)
11 C.F.R. § 110.10
New Jersey Statutes Annotated § 17:16I-4.

INTERNAL REPORTS CHECKED: FEC Indices and Disclosure Reports

FEDERAL AGENCIES CHECKED: None

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FEDERAL ELECTION
COMMISSION
SECRETARIAT

23-04-406-4272

1 **I. GENERATION OF MATTER**

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3 This matter was generated based on a complaint from Tom Blomquist that the

4 Commission received on July 14, 1999. Rush Holt for Congress Inc. ("the Committee") is the
5 principal campaign committee of Rush Holt.² Pamela H. Mount is the treasurer of Rush Holt for
6 Congress, Inc.³

7 **II. FACTUAL AND LEGAL ANALYSIS**

8 **A. Law**

9 The Federal Election Campaign Act of 1971, as amended, ("the Act") states that each
10 report of a political committee shall disclose the identification of each "person (other than a
11 political committee) who makes a contribution to the reporting committee during the reporting
12 period, whose contribution or contributions have an aggregate amount or value in excess of \$200
13 within the calendar year (or election cycle, in the case of an authorized committee of a candidate
14 for Federal office) . . . together with the date and amount of any such contribution." 2 U.S.C.
15 § 434(b)(3)(A). "Identification" of an individual means the name, mailing address, occupation
16 and the individual's employer's name. 2 U.S.C. § 431(13). "Occupation" means the principal
17 job title or position of an individual and whether or not the individual is self-employed.

² In an August 21, 2000, amendment to its statement of organization, the Committee referred to itself as Rush Holt for Congress, Inc. rather than Rush Holt for Congress, its previous name; however, the treasurer omitted checking off the box to indicate a new name.

³ Edmund W. Stiles was the treasurer of the Committee at the time of the activity at issue. Pamela H. Mount became treasurer of the Committee on April 3, 2002.

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1 11 C.F.R. § 100.20. "Employer" means the organization or person by whom an individual is
2 employed. 11 C.F.R. § 100.21.

3 When the treasurer of a political committee shows that best efforts have been used to
4 obtain, maintain, and submit the information required by the Act, any report of such committee
5 shall be considered in compliance with the Act. 2 U.S.C. § 432(i). With regard to reporting the
6 identification of each person whose contribution(s) to the political committee and its affiliated
7 political committee exceed \$200 in a calendar year (or in an election cycle in the case of an
8 authorized committee), the treasurer and the committee will only be deemed to have exercised
9 best efforts to obtain, maintain, and report the required information if: 1) all written solicitations
10 for contributions include a clear request for the contributor's full name, mailing address,
11 occupation and name of employer, and include an accurate statement of Federal law regarding
12 the collection and reporting of individual contributor identifications and the request and
13 statement appear in a clear and conspicuous manner on any response material included in the
14 solicitation; and 2) for each contribution received aggregating in excess of \$200 per calendar year
15 (or per election cycle, in the case of an authorized committee) which lacks required contributor
16 information, such as the contributor's full name, mailing address, occupation or name of
17 employer, the treasurer makes at least one effort after receipt of the contribution to obtain the
18 missing information. 11 C.F.R. § 104.7(b).

19 Such effort must consist of either a written request sent to the contributor or an oral
20 request documented in writing. *Id.* Either request must be made no later than thirty (30) days
21 after receipt of the contribution and must clearly ask for the missing information and include an
22 accurate statement of Federal law regarding the collection and reporting of individual contributor

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1 identifications. Written requests must include the statement in a clear and conspicuous manner
2 and must include a pre-addressed return post card or envelope for the response material. *Id.*

3 If any of the contributor information is received after the contribution has been disclosed
4 on a regularly scheduled report, the political committee shall either file with its next regularly
5 scheduled report, an amended memo Schedule A listing all contributions for which contribution
6 identifications have been received during the reporting period covered by the next regularly
7 scheduled report together with the dates and amounts of the contribution(s) and an indication of
8 the previous report(s) to which the memo Schedule A relates, or file on or before its next
9 regularly scheduled reporting date, amendments to the report(s) originally disclosing the
10 contribution(s), which include the contributor identifications together with the dates and amounts
11 of the contribution(s). *Id.* Amendments must be filed for all reports that cover the two-year
12 election cycle in which the contribution was received and that discloses itemizable contributions
13 from the same contributor. *Id.*

14 The Act requires a candidate's principal campaign committee to notify the Secretary or
15 the Commission, and the Secretary of State, as appropriate, in writing, of any contribution of
16 \$1,000 or more received by any authorized committee of such candidate after the 20th day, but
17 more than 48 hours before, any election. 2 U.S.C. § 434(a)(6)(A). This notification must be
18 made within 48 hours after the receipt of the contribution and must include the name of the
19 candidate and the office sought by the candidate, the identification of the contributor, and the
20 date of receipt and amount of the contribution. *Id.* The notification shall be in addition to the
21 reporting of these contributions on the post-election report. 11 C.F.R. § 104.5(f).

22 The Act states that no person shall make a contribution to any candidate and his
23 authorized committees with respect to any Federal election which, in the aggregate, exceeds

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\$1,000. 2 U.S.C. § 441a(a)(1). The Act also prohibits candidates and committees from knowingly accepting contributions that exceed the limit. 2 U.S.C. § 441a(f). The term "contribution" includes a gift, subscription, loan (except for a loan made in accordance with 11 C.F.R. § 100.7(b)(11)), advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(8).

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B. Complaint

The complaint alleges that Rush Holt and the Committee violated the Act and Commission regulations by: failing to identify the occupations or employers of a large percentage of contributors; failing to provide the complete names of a large percentage of contributors; untimely reporting last-minute contributions; accepting contributions in excess of the \$1,000

limit per election for individuals; and accepting an illegal loan.⁴ See Complaint, Page 1. According to the complaint, most of the alleged violations regarding incomplete contributor information occurred in the Committee's 1998 July and October Quarterly Reports. The complainant alleges that the Committee failed to provide identification information for 78 of 225 contributors, or 35% of the contributors, disclosed in its July Quarterly Report and for 174 of 278, or 63% of the contributors, in its October Quarterly Report.

The complainant states that the allegations are based on "personal knowledge obtained through the public disclosure of FEC campaign reports." *Id.* The complainant further states that the Committee's failure to obey the law does not stem from ignorance of the law because the Commission previously advised the Committee of legal requirements when it sent letters to the Committee on "July 9, 1998; June 25, 1998; June 16, 1998; June 2, 19998 [sic]; July 11, 1998; and June 18, 1996" and that the Committee's noncompliance constitutes knowing and willful violations.⁵

C. Response

1. Contributor Identification

Respondents assert that the Committee filed reports in a timely manner with as much information as the Committee had and continued to exercise due diligence by dutifully and repeatedly requesting any missing information from contributors. See Response, Page 1.

⁴ The complaint also alleges that Rush Holt has violated the Act by avoiding paying taxes for employees by classifying staffers as "independent contractors." See Complaint at Page 1. The payment of taxes for campaign employees is not within the jurisdiction of the Commission and consequently, is not discussed in this Report.

⁵ The Reports Analysis Division ("RAD") sent a Request for Additional Information ("RFAI") to the Committee on the dates identified by the complainant except for the July 11, 1998 date. RAD sent a July 11, 1996 RFAI to the Committee; it appears that the complainant made a typographical error in regard to the year for this RFAI.

1 Respondents state that the Committee filed amendments to its reports when it received the
2 missing information. *Id.*

3 **2. Last-Minute Contributions**

4 Respondents state that because the complainant has failed to identify specific instances
5 where the Committee failed to file 48 Hour Notices, they cannot respond except to state that the
6 Committee has taken every step to comply with this requirement. *Id.* According to respondents,
7 the Commission and the Committee have been in communication to discuss compliance with the
8 requirements for filing 48 Hour Notices and the Commission "has communicated its satisfaction
9 with the campaign's efforts." *Id.*

10 **3. Excessive Contributions**

11 Respondents note that while the complainant alleges that the Committee accepted
12 excessive contributions on five occasions, he fails to identify the specific contributions. *Id.*
13 According to respondents, the Committee has worked diligently to comply with the Act and
14 regulations and has consistently returned the excessive amount of any contribution that has
15 exceeded the permitted maximum limit. *Id.*

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D. Analysis

1. Contributor Identification

This Office identified 89 contributions, or 34% of the contributions, on the Committee's 1998 July Quarterly Report that lacked employer and/or occupation information required by 2 U.S.C. §§ 434(b)(3)(A) and 431(13).⁶ On October 23, 1998, the Committee filed an amendment to its July Quarterly Report that provided employer and/or occupation information for 50 of the 89 contributors.

A review of the Committee's October Quarterly Report revealed incomplete contributor identification information for 186 contributions, or 61% of the contributions. Of the 186 contributions that were missing information, 124 lacked employer and/or occupation information, 59 lacked the contributor's last name and employer and/or occupation information, 2 lacked a complete mailing address and employer and/or occupation information, and 1 lacked the contributor's last name.⁷ See Holt Committee 1998 October Quarterly Report. RAD sent a December 8, 1998, RFAI to the Committee regarding its October Quarterly Report that addressed a significant increase in the number of entries for which the occupations and/or employers of contributors were not provided. On January 15, 1999 and February 16, 1999, the

⁶ This figure excludes contributions from individuals that the Committee itemized even though itemization was not required because the aggregate was \$200 or less. See 2 U.S.C. § 434(b)(3)(A). Additionally, this figure excludes contributions where the occupation field indicated "retired."

⁷ On October 26, 1998, the Committee filed an amendment to its October Quarterly Report that provided the last names of contributors for 53 contributions missing such information. The Committee also provided the last names of contributors for 4 contributions in a February 16, 1999, amendment to the October Quarterly Report.

1 Committee filed amendments to its October Quarterly Report that provided contributor employer
2 and/or occupation information for 149 contributions.⁸

3 Prior to the December 8, 1998, RFAI, RAD had notified the Committee regarding its
4 need to establish best efforts and to provide employer and/or occupation information for
5 individual contributors whose aggregate contributions exceeded \$200 on two occasions, in a
6 June 2, 1998, RFAI regarding the 1998 April Quarterly Report and a June 16, 1998, RFAI
7 regarding the 1998 12 Day Pre-Primary Report. See 2 U.S.C. §§ 432(i), 434(b)(3)(A), 431(13)
8 and 11 C.F.R. § 104.7. As a result of these communications, on August 13, 1998, the Committee
9 filed an amendment to its Pre-Primary Report that included a sample contributor solicitation card
10 and a thank you letter. The thank you letter included the statement "Federal law requires political
11 committees to report the name, mailing address, occupation and name of employer for each
12 individual whose aggregate contributions are in excess of \$200 in a calendar year." The
13 Committee indicated in a letter accompanying the amendment that pursuant to the Committee's
14 fundraising procedures, a contributor card is sent with each letter of solicitation and that if the
15 contributor card is not returned or is incomplete, a thank you letter requesting the information is
16 sent out within 10 days of receiving the contribution.

17 Although the Committee failed to report all the required information, it appears to be
18 demonstrating best efforts by requesting contributor identification information in its solicitation
19 materials, sending a thank you letter that includes a follow-up request for missing contributor

⁸ The January 15, 1999, amendment provided employer and/or occupation information for 39 contributions and the February 16, 1999, amendment provided contributor information for 110 contributions: employer and/or occupation information for 105 contributions; last name of contributor and employer and/or occupation information for 4 contributions; and complete address and employer and/or occupation information for 1 contribution.

1 identification information within 10 days of receipt of the contribution, and filing amended
2 reports to provide missing contributor identification information. See 2 U.S.C. § 432(i) and
3 11 C.F.R. § 104.7. Consequently, this Office recommends that the Commission find no reason to
4 believe Rush Holt and Rush Holt for Congress, Inc. and Pamela H. Mount, as Treasurer, violated
5 2 U.S.C. § 434(b)(3)(A).

6 **2. Last-Minute Contributions**

7 **2. 1998 July Quarterly Report**

8 The Committee was required to file 48 Hour Contribution/Loan Notices for contributions
9 of \$1,000 or more received after the close of books for the 12 Day Pre-Primary Report, during
10 the period from May 14, 1998 through May 30, 1998. See 2 U.S.C. § 434(a)(6)(A). RAD sent
11 an August 25, 1998, RFAI regarding the July Quarterly Report that indicated that the Committee
12 may have failed to file one or more of the required 48 Hour Notices regarding "last minute"
13 contributions received.

14 Through this Office's review of the Committee's July Quarterly Report, the report
15 covering the time period from May 14, 1998 through May 30, 1998, as well as the 48 Hour
16 Notices of Contributions Received, staff identified six contributions of \$1,000 for which the
17 Committee failed to file 48 Hour Notices as required by 2 U.S.C. § 434(a)(6)(A).⁹ Additionally,
18 this Office identified seven contributions for which the Committee's 48 Hour Contribution
19

⁹ The contributions disclosed in the July Quarterly are as follows: \$1,000 from Doreen Spitzer on 5/20/98 designated for the primary; \$1,000 from Doreen Spitzer on 5/20/98 designated for the general; \$1,000 from Theodore Cross on 5/15/98 designated for the primary; \$1,000 from Theodore Cross on 5/15/98 designated for the general; \$1,000 from Mary Cross on 5/15/98 designated for the primary; and \$1,000 from Mary Cross on 5/15/98 designated for the general.

1 Notices appear to have been filed late.¹⁰ See 2 U.S.C. § 434(a)(6)(A) and 11 C.F.R. § 104.5(f).

2 **3. 30 Day Post-Election Report**

3 The Committee was also required to file 48 Hour Contribution Notices for contributions
4 of \$1,000 or more received after the close of books for the 12 Day Pre-General Report, during the
5 period from October 15, 1998 through October 31, 1998. See 2 U.S.C. § 434(a)(6)(A). RAD
6 sent a January 12, 1999, RFAI regarding the 30 Day Post-General Report that indicated that the
7 Committee may have failed to file one or more of the required 48 Hour Notices regarding "last
8 minute" contributions received.

9 Through this Office's review of the Committee's 30 Day Post-General Report, the report
10 covering the time period from October 15, 1998 through October 31, 1998, as well as the 48
11 Hour Notices of Contributions Received, staff identified 12 contributions of \$1,000 or more for
12 which the Committee failed to file 48 Hour Notices.¹¹ See 2 U.S.C. § 434(a)(6)(A).
13 Additionally, this Office identified 17 contributions for which the Committee's 48 Hour

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The contributions identified are as follows: \$1,000 from Jay Summerville received on 5/21/98 and reported on 5/31/98; \$1,000 from Michael Blumenthal received on 5/22/98 and reported on 5/31/98; \$1,000 from Nancy Hartog received on 5/26/98 and reported on 5/31/98; \$1,000 from Louise Schiller received on 5/27/98 and reported on 5/31/98; \$1,000 from Carol Spears received on 5/27/98 and reported on 5/31/98; \$1,000 from Russell Wilkinson received on 5/27/98 and reported on 5/31/01; \$1,000 from Richard Codey received on 5/28/98 and reported on 6/1/98.

¹¹ The contributions are as follows: \$1,000 from Deanna Clingham on 10/30/98; \$1,000 from Jerold Zaro on 10/31/98; \$1,000 from Jordan Glatt on 10/31/98; \$1,000 from Karen Roberts on 10/28/98; \$1,000 from Marjorie Roswell on 10/30/98; \$1,000 from Michelle Preston on 10/30/98; \$1,000 from Richard Marshall on 10/30/98; \$1,000 from Robert Hendrickson on 10/31/98; \$1,000 from Hoyer for Congress on 10/30/98; \$1,000 from American Federation of State, County and Municipal Employees on 10/31/98; \$1,000 from the National Committee to Preserve Social Security and Medicare on 10/31/98; \$2,500 from the United Steelworkers of America on 10/31/98.

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Contribution Notices appear to have been filed late.¹² *Id.*

Because it appears that candidate Rush Holt was not involved in the failure to report or the late reporting of last-minute contributions, this Office also recommends that the Commission find no reason to believe Rush Holt violated 2 U.S.C. § 434(a)(6)(a).

3. Excessive Contributions

Although the complainant did not identify the 5 excessive contributions he alleged the Committee accepted, this Office notes that RAD addressed 13 possible excessive contributions in four RFAI's sent to the Committee regarding four of its 1998 disclosure reports: the July Quarterly; the October Quarterly; the 12 Day Pre-General; and the 30 Day Post-General

¹² For some contributions, this Office noticed a discrepancy between the date of receipt disclosed on the 48 Hour Notice of Contributions/Loans and the date of receipt on the 30 Day Post-General. This Office used the earliest date of receipt in determining whether the 48 Hour Notices were filed on time.

The contributions are as follows: \$1,000 from Andrew Appel received on 10/17/98 and reported on 10/24/98; \$1,000 from David Egger received on 10/17/98 and reported on 10/24/98; \$1,000 from Janet Schwartz received on 10/21/98 and reported on 10/24/98; \$1,000 from Jerome Kohlberg received on 10/21/98 and reported on 10/24/98; \$1,000 from Joan Blessing received on 10/24/98 and reported on 10/28/98; \$1,000 from Buck Blessing received on 10/24/98 and reported on 10/28/98; \$1,000 from William Schwartz received on 10/21/98 and reported on 10/24/98; \$1,000 from William Robins received on 10/21/98 and reported on 10/24/98; \$1,000 from Doreen Spitzer received on 10/17/98 and reported on 10/24/98; \$2,500 from the NJ Democratic State Committee received on 10/24/98 and reported on 10/28/98; \$1,000 from the Princeton Community Democratic Organization received on 10/24/98 and reported on 10/28/98; \$5,000 from the American Federation of Teachers received on 10/20/98 and reported on 10/24/98; \$1,000 from the Archer's Arrows PAC received on 10/16/98 and reported on 10/24/98; \$1,500 from the Association of Trial Lawyers of America received on 10/19/98 and reported on 10/24/98; \$2,000 from the National Association of Retired Federal Employees received on 10/24/98 and reported on 10/28/98; \$1,000 from the National Education Association PAC received on 10/20/98 and reported on 10/28/98; \$1,000 from the Planned Parenthood Action Fund received on 10/20/98 and reported on 10/24/98.

1 Reports.¹³ It appears that the Committee accepted 10 contributions exceeding the contribution
2 limits by a total of \$5,600, and a detailed discussion of the 13 contributions at issue follows.

3 a. 1998 July Quarterly Report

4 RAD sent the Committee an August 25, 1998, RFAI regarding its July Quarterly Report
5 and highlighted contributions from two individuals, Marilyn Fraker and Richard Ullman, that
6 appeared excessive.

7 (1) Marilyn Fraker

8 Marilyn Fraker appears to have contributed a total of \$1,000 to the Committee for the
9 primary and \$1,500 for the general. Mrs. Fraker made a \$1,000 contribution on March 10, 1998
10 designated for the primary, a \$500 contribution on March 17, 1998 designated for the general,
11 and a \$1,000 contribution on June 23, 1998 designated for the general. In response to the RFAI,
12 the Committee indicated that the \$1,000 contribution made by Marilyn Fraker on March 10, 1998
13 and designated for the primary election was a joint contribution from Mrs. Fraker and her
14 husband, Joseph Fraker. In its October 23, 1998, amendment to the 1998 April Quarterly Report,
15 the Committee reported the March 10, 1998, contribution as a \$500 contribution made by
16 Marilyn Fraker and designated for the primary and a \$500 contribution made by Joseph Fraker
17 and designated for the primary. The Committee also indicates that the \$500 contribution made
18 by Marilyn Fraker on March 17, 1998 and designated for the general was actually for the
19 primary. However, the Committee failed to obtain a written reattribution of the March 10, 1998,
20 contribution and a written redesignation of the March 17, 1998, contribution and therefore, it

¹³ As the complaint was filed on July 14, 1999, a few weeks before the Committee's 1999 Mid-Year Report was filed, it appears that the complainant is referring to apparent excessive contributions that were allegedly received during 1998.

1 appears that Mrs. Fraker made and the Committee received an excessive contribution in the
2 amount of \$500. See 11 C.F.R. §§ 103.3(b)(3), 110.1(b)(5)(ii)(B), and 110.1(k).

3 **(2) Richard Ullman**

4 Richard Ullman appears to have contributed a total for \$500 to the Committee for the
5 primary and \$1,500 for the general. Mr. Ullman made a \$500 contribution on January 30, 1998
6 designated for the primary, a \$500 contribution on February 25, 1998 designated for the general
7 and a \$1,000 contribution on June 5, 1998 designated for the general. In its October 23, 1998,
8 amendment to the 1998 April Quarterly Report, the Committee changed the designation for the
9 \$500 contribution made on February 25, 1998 to the primary election. The Committee stated in
10 the cover letter accompanying the amendment that it checked off the wrong box on Schedule A
11 of the original report. Consequently, Mr. Ullman contributed a total of \$1,000 for the primary
12 and \$1,000 for the general. Therefore, Mr. Ullman did not make and the Committee did not
13 receive an excessive contribution in the amount of \$500.

14 **b. 1998 October Quarterly Report**

15 RAD sent a December 8, 1998, RFAI to the Committee regarding its October Quarterly
16 Report and highlighted contributions from two individuals, Peter Benchley and William Roth,
17 that appeared excessive.

18 **(1) Peter Benchley**

19 Peter Benchley appears to have contributed a total of \$2,000 to the Committee for the
20 general. Mr. Benchley made a \$1,000 contribution on June 30, 1998 designated for the general
21 and a \$1,000 contribution on September 25, 1998 also designated for the general. On
22 December 28, 1998, the Committee filed an amendment to its October Quarterly Report
23 indicating that the Committee refunded a \$1,000 contribution from Peter Benchley on

December 22, 1998. Included with the amendment was a copy of the Committee's refund check made payable to Mr. Benchley and dated December 21, 1998. However, the contribution was not refunded within 60 days after the date of receipt of the contribution and therefore, it appears that Mr. Benchley made and the Committee received an excessive contribution in the amount of \$1,000. See 11 C.F.R. § 103.3(b)(3). Additionally, the Committee erroneously reported the refund in an amendment of the October Quarterly Report rather than in the 1998 Year End Report, the report covering the period during which the refund was made. See 11 C.F.R. §§ 103.3(b)(5), 104.3(b), and 104.8.

(2) William Roth

William Roth appears to have contributed a total of \$2,500 to the Committee for the general. Mr. Roth made a \$1,000 contribution on June 30, 1998 designated for the general, a \$1,000 contribution on July 2, 1998 designated for the general, and a \$500 contribution on October 27, 1998 designated for the general. In the Committee's cover letter to its February 23, 1999, amendment to its 30 Day Post-Election Report, the Committee indicates duplicate reporting of the same \$1,000 contribution from William Roth on June 30, 1998 and July 2, 1998. In its February 23, 1999, amendment to its 1998 July Quarterly Report, the \$1,000 contribution from William Roth made on June 30, 1998 is crossed out with the notation that the contribution was reported twice by mistake. Consequently, it appears that Mr. Roth did not make and the Committee did not receive an excessive contribution in the amount of \$1,000 in regard to the June 30, 1998 and July 2, 1998, contributions. The October 27, 1998, contribution was later refunded and is included in the discussion of the 1998 30 Day Post-General Report.

c. 1998 12 Day Pre-General Report

RAD sent a December 8, 1998, RFAI to the Committee regarding its 12 Day Pre-General

1 Report and highlighted contributions from three individuals, Catherine Brown, Barbara Chancellor,
2 and Sally Schroeder, that appeared excessive.

3 **(1) Catherine Brown**

4 Catherine Brown appears to have contributed a total of \$1,700 to the Committee for the
5 general. Ms. Brown made a \$200 contribution on June 13, 1998 designated for the general, a
6 \$500 contribution on August 20, 1998 designated for the general and a \$1,000 contribution on
7 October 13, 1998 designated for the general. On December 28, 1998, the Committee filed an
8 amendment to its 1998 12-Day Pre-General Report that disclosed a \$700 refund to Catherine
9 Brown on December 22, 1998 and included a copy of the refund check. However, the refunds
10 were not made within 60 days after the receipt of the contributions and therefore, it appears that
11 Catherine Brown made and the Committee received excessive contributions in the amount of
12 \$700. See 11 C.F.R. § 103.3(b)(3). In addition, the Committee erroneously reported the refunds
13 in an amendment to the 12 Day Pre-General Report rather than in the 1998 Year End Report, the
14 report covering the period during which the refunds were made. See 11 C.F.R. §§ 103.3(b)(5),
15 104.3(b), and 104.8.

16 **(2) Barbara Chancellor**

17 Barbara Chancellor appears to have contributed a total of \$1,400 to the Committee for the
18 general. Ms. Chancellor made a \$400 contribution on July 6, 1998 designated for the general and
19 a \$1,000 contribution on October 8, 1998 also designated for the general. In the amendment to
20 the 12 Day Pre-General Report filed on December 28, 1998, the Committee disclosed a \$400
21 refund to Barbara Chancellor on December 22, 1998 and included a copy of the refund check.
22 However, the refund was not made within 60 days after the receipt of the contribution and
23 therefore, it appears that Barbara Chancellor made and the Committee received an excessive

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1 contribution in the amount of \$400. See 11 C.F.R. § 103.3(b)(3). In addition, the Committee
2 erroneously reported the refund in an amendment to the 12 Day Pre-General Report rather than in
3 the 1998 Year End Report, the report covering the period during which the refund was made.
4 See 11 C.F.R. §§ 103.3(b)(5), 104.3(b), and 104.8.

5 **(3) Sally Schroeder**

6 Sally Schroeder appears to have contributed a total of \$1,500 to the Committee for the
7 general. Ms. Schroeder made a \$1,000 contribution on June 18, 1998 designated for the general
8 and a \$500 contribution on October 13, 1998 also designated for the general. A review of the
9 contributor index for Sally Schroeder reflects the two contributions described above but does not
10 indicate that any refunds were made. Consequently, it appears that Sally Schroeder made and the
11 Committee received an excessive contribution in the amount of \$500.

12 **d. 1998 30 Day Post-General Report**

13 RAD sent a January 12, 1999, RFAI to the Committee regarding its 30 Day Post-General
14 Report and highlights contributions from five individuals, H. Peter Gray, Edward Kahn,
15 David Egger, Elizabeth Roswell and William Roth, that appeared excessive.

16 **(1) H. Peter Gray**

17 H. Peter Gray appears to have contributed a total of \$1,250 to the Committee for the
18 general. Mr. Gray made a \$1,000 contribution on June 30, 1998 designated for the general and a
19 \$250 contribution on November 2, 1998 also designated for the general. On February 24, 1999,
20 the Committee filed an amendment to the 30 Day Post-General Report indicating that

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1 Mr. Gray's \$250 contribution was reattributed to his wife, Jean Gray, and enclosed a reattribution
2 letter signed by Mr. and Mrs. Gray. The reattribution letter is dated February 8, 1999 and
3 therefore, was not made within 60 days after receipt of the contribution. See 11 C.F.R.
4 § 110.1(k). Consequently, it appears that Mr. Gray made and the Committee received an
5 excessive contribution in the amount of \$250. Additionally, the reattribution was erroneously
6 reported in an amendment to the 30 Day Post-General Report rather than in the 1999 Mid-Year
7 Report, the report covering the period when the redesignation was received, and although
8 reported, was not reported on Schedule A in the specific manner required by 11 C.F.R.
9 § 104.8(d).

10 (2) Edward Kahn

11 Edward Kahn appears to have contributed a total of \$1,750 to the Committee for the
12 general. Mr. Kahn made a \$750 contribution on October 14, 1998 designated for the general and
13 a \$1,000 contribution on October 28, 1998 also designated for the general. On February 23,
14 1999, the Committee filed an amendment to the 30 Day Post-General Report indicating that
15 Mr. Kahn's October 28, 1998, contribution was reattributed to his wife, Hana Kahn, and
16 enclosed a reattribution letter signed by Mr. and Mrs. Kahn. The reattribution letter is dated
17 February 1, 1999 and therefore, the reattribution was not made within 60 days after receipt of the
18 contribution. See 11 C.F.R. § 110.1(k). Consequently, it appears that Mr. Kahn made and the
19 Committee received an excessive contribution in the amount of \$750. Additionally, the
20 reattribution was erroneously reported in an amendment to the 30 Day Post-General Report rather
21 than in the 1999 Mid-Year Report, the report covering the period when the reattribution was
22 received, and although reported, was not reported on Schedule A in the specific manner required
23 by 11 C.F.R. § 104.8(d).

(3) David Egger

David Egger appears to have contributed a total of \$2,000 to the Committee for the general. Mr. Egger made a \$1,000 contribution on June 23, 1998 designated for the general and a \$1,000 contribution on October 17, 1998 also designated for the general. On February 23, 1999, the Committee filed an amendment to its 30 Day Post-General Report indicating that Mr. Egger was reattributing the October 17, 1998, contribution to his wife, Audrey Egger, and enclosed a reattribution letter signed by Mr. and Mrs. Egger. The reattribution letter is dated January 30, 1999 and therefore, the reattribution was not made within 60 days after receipt of the contribution. See 11 C.F.R. § 110.1(k). Consequently, it appears that Mr. Egger made and the Committee received an excessive contribution in the amount of \$1,000. Additionally, the reattribution was erroneously reported in an amendment to the 30 Day Post-General Report rather than in the 1999 Mid-Year Report, the report covering the period when the reattribution was received. See 11 C.F.R. § 104.8.

(4) Elizabeth Roswell

Elizabeth Roswell appears to have contributed a total of \$1,500 to the Committee for the general. Ms. Roswell made a \$500 contribution on September 21, 1998 designated for the general and a \$1,000 contribution on October 27, 1998 also designated for the general. On February 24, 1999, the Committee filed an amendment to its 30 Day Post-General Report indicating that \$500 of the \$1,000 contribution made by Elizabeth Roswell on October 27, 1998 was being redesignated to 1996 primary debt and included a redesignation letter signed by Ms. Roswell. The redesignation letter is dated February 14, 1999 and therefore, the redesignation was not made within 60 days after receipt of the contribution. See 11 C.F.R.

§ 110.1(b)(5)(ii)(b). Consequently, it appears that Ms. Roswell made and the Committee received an excessive contribution in the amount of \$500. Additionally, the redesignation was erroneously reported in an amendment to the 30 Day Post-General Report rather than in the 1999 Mid-Year Report, the report covering the period when the redesignation was received, and although reported, was not reported on Schedule A in the specific manner required by 11 C.F.R. § 104.8(d).

(5) William Roth

William Roth also made a \$500 contribution designated for the general on October 27, 1998. As discussed earlier, William Roth previously made a \$1,000 contribution designated for the general on June 30, 1998. The Committee apparently refunded the later \$500 contribution to William Roth on December 22, 1998 and reported the refund in its December 28, 1998, amendment to the 12 Day Pre-General Report. Consequently, because the refund was made within 60 days of receipt of the contribution, it appears that Mr. Roth did not make and the Committee did not receive an excessive contribution in the amount of \$500. However, the Committee erroneously reported the refund in an amendment to the 12 Day Pre-General Report rather than in the 1998 Year End Report, the report covering the period during which the refund was made. See 11 C.F.R. §§ 103.3(b)(5), 104.3(b), and 104.8.

Based on the above-noted circumstances, it appears that the Committee received 10 contributions exceeding the contribution limits by a total of \$5,600. With the exception of the contribution from Sally Schroeder, the Committee attempted corrective action by either refunding the contribution or excessive portion of the contribution or obtaining written redesignations and reattributions from the contributors; however, several refunds, redesignations and reattributions did not occur within the required 60-day time period. See 11 C.F.R.

1 §§ 103.3(b)(3), 110.1(b)(5)(ii)(B) and 110.1(k). If the redesignations or reattributions could not
2 be obtained within 60 days after receipt of the contribution, the Committee should have refunded
3 the contributions. See 11 C.F.R. § 103.3(b)(3).

4
5 At

6 this time, there is no information indicating that candidate Rush Holt was involved in the
7 acceptance of the aforementioned contributions that exceeded contribution limits and therefore,
8 we are not making any recommendations regarding Rush Holt relative to these contributions. In
9 addition, we are not making recommendations regarding the individual contributors for two
10 reasons. First, the Committee has demonstrated several deficiencies in reporting and it is unclear
11 whether the initial designations for the contributions reported by the Committee were the actual
12 designations made by the individual contributors or merely the designations which the
13 Committee reported.¹⁵ Second, pursuit of these individuals would not be an efficient use of the
14 Commission's limited resources relative to the other pending matters given the low dollar
15 amount of the excessive contributions and the fact that, with the exception of the \$500
16 contribution from Sally Schroeder noted earlier, the excessive contributions were eventually
17 refunded, reattributed, or redesignated.¹⁶

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¹⁵ The allegation in the complaint regarding excessive contributions is very general and does not specify the particular contributions at issue. Consequently, the contributors were not notified of the complaint.

¹⁶ The 10 excessive contributions range from \$250 to \$1,000.

23-04-406-4294

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Pages 24 through 27 have been removed.

23-04-406-4296

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IV. RECOMMENDATIONS

1. Find no reason to believe Rush Holt and Rush Holt for Congress, Inc. and Pamela H. Mount, as Treasurer, violated 2 U.S.C. § 434(b)(3)(A).
- 2.
3. Find no reason to believe Rush Holt violated 2 U.S.C. § 434(a)(6)(a).
- 4.
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9.

Lawrence H. Norton
General Counsel

10/17/02
Date

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23.04.406.4297