



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 10, 2001

Chase Untermeyer, Treasurer  
Compaq Citizenship Fund, connected with  
Compaq Computer Corporation  
20555 State Highway 249  
Houston, TX 77070

RE: MUR 5193  
Compaq Citizenship Fund, connected with  
Compaq Computer Corporation and  
Chase Untermeyer, as treasurer

Dear Mr. Untermeyer:

On April 5, 2001, the Federal Election Commission found that there is reason to believe Compaq Citizenship Fund, connected with Compaq Computer Corporation and you, as treasurer, violated 2 U.S.C. § 434(a)(4)(A)(iv), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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

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

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation, and if you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

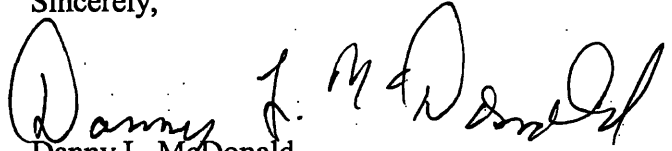
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Donald E. Campbell, the staff member assigned to this matter, at (202) 694-1650.

Sincerely,

  
Danny L. McDonald  
Chairman

Enclosures

Factual and Legal Analysis  
Procedures  
Designation of Counsel Form  
Conciliation Agreement

21.04.405.437

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

RESPONDENTS: Compaq Citizenship Fund, connected with  
Compaq Computer Corporation and  
Chase Untermeyer, as treasurer

MUR: 5193

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

The Federal Election Campaign Act of 1971, as amended ("the Act"), requires treasurers of political committees, other than authorized committees of a candidate, to file periodic reports of receipts and disbursements. 2 U.S.C. § 434(a)(1). In any calendar year in which a regularly scheduled general election is held, all political committees that choose not to file on a monthly basis shall file quarterly reports which shall be filed no later than the 15<sup>th</sup> day after the last day of each calendar quarter. 2 U.S.C. § 434(a)(4)(A)(i). In addition, in any other calendar year, treasurers of such committees must also file a report covering the period beginning January 1 and ending June 30, which shall be filed no later than July 31. 2 U.S.C. § 434(a)(4)(A)(iv).

Compaq Citizenship Fund, connected with Compaq Computer Corporation ("the Committee") is a political committee not authorized by any candidate and has elected to report on a quarterly basis. Pursuant to 2 U.S.C. § 434(a)(4)(A)(iv), the due date for the Committee's 1999 Mid-Year Report was July 31, 1999. Chase Untermeyer is the current treasurer of the committee.

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On December 30, 1998 and June 25, 1999, prior notices were sent to the Committee informing it that its 1999 Mid-Year Report was due on July 31, 1999. Following that due date, a Non-Filer Notice was sent to the Committee on August 25, 1999, via mailgram, notifying the Committee of its failure to timely file the report and of its need to do so immediately. The Committee filed a response to the Non-Filer Notice on September 3, 1999. The response stated that Compaq Computer Corporation had "outsourced its accounting operation," causing a loss of reliable, knowledgeable staff who previously prepared the reports. The response further stated that the treasurer "was not aware of this change, when, upon receipt of your form, [he] sent it to the previous office for action." The letter also stated that the treasurer has taken steps to correct the internal problem, and that the 1999 Mid-Year Report would be filed "quite soon." On November 2, 2000, the Committee filed its 1999 Mid-Year Report, 94 days late, disclosing \$16,586 in receipts and \$11,700 in disbursements. The Committee failed to file the report by the required due date.

Accordingly, there is reason to believe Compaq Citizenship Fund, connected with Compaq Computer Corporation and Chase Untermeyer, as treasurer, violated 2 U.S.C. § 434(a)(4)(A)(iv).