



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 31, 2001

MEMORANDUM

TO: LOIS G. LERNER
ACTING GENERAL COUNSEL

THROUGH: JAMES A. PEHRKON
STAFF DIRECTOR

FROM: JOHN D. GIBSON
ASSISTANT STAFF DIRECTOR
REPORTS ANALYSIS DIVISION

SUBJECT: REFERRAL OF GEORGE GROGAN FOR US SENATE

FEB 1 9 52 AM '01
FEDERAL ELECTION COMMISSION
OFFICE OF THE ACTING GENERAL COUNSEL

The George Grogan for US Senate committee ("the Committee") has failed to file the required 48-Hour Notifications for three (3) candidate loans, totaling \$91,000 received prior to the 2000 Nebraska Primary Election. According to the 1999-2000 Reports Analysis Division Review and Referral Procedures for Authorized Committees an examination by your office is required.

George Grogan lost the Primary Election in Nebraska receiving four percent (4%) of the vote.

If you have any questions regarding this referral, please contact Pat Sheppard at 694-1130.

Attachment

6421-504-40-12

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: January 31, 2001

ANALYST: Pat Sheppard

I. COMMITTEE: George Grogan for US Senate
(C00353342)
Barbara Fajen, Treasurer
Seim, Johnson, Sestak & Quist
10843 Old Mill Road Suite 400
Omaha, NE 68154

II. RELEVANT STATUTE: 2 U.S.C. §434(a)(6)
11 CFR §104.5(f)

III. BACKGROUND:

Failure to File 48-Hour Notifications

The George Grogan for US Senate committee ("the Committee") has failed to file the required 48-Hour Notifications for three (3) candidate loans, totaling \$91,000 received prior to the 2000 Nebraska Primary Election.

The candidate was involved in the Primary Election held on May 9, 2000. Prior Notice was sent to the Committee on April 3, 2000 (Attachment 2). The Notice includes a section titled "48 Hour Notices on Contributions". This section reads: "Notices are required if the committee receives contributions (including in-kind gifts or advances of goods or services; loans from the candidate or other non-bank sources; and guarantees or endorsements of loans to the candidate or committee) of \$1,000 or more, during the period of April 20 through May 6, 2000. The notices must reach the appropriate federal and state filing offices within 48 hours of the committee's receipt of the contribution(s)."

Schedule A of the Committee's July Quarterly Report indicates that the Committee failed to file three (3) 48-Hour Notices for loans received during the aforementioned period (Attachment 3). The following is a list of the loans for which no 48-Hour Notices were filed:

<u>Contributor Name</u>	<u>Date</u>	<u>Amount</u>
George Grogan	04/26/00	\$45,000
George Grogan	05/01/00	\$16,000
George Grogan	05/03/00	\$30,000

On October 24, 2000, a Request for Additional Information ("RFAI") was sent to the Committee (Attachment 4). The RFAI notes on an informational basis that the Committee may have failed to file one or more of the required 48-Hour Notices for "last minute" contributions of \$1,000 or more. The notice requests the Committee to review its procedures for checking contributions received during the aforementioned time period. In addition, the notice states that although the Commission may take legal action, any response would be taken into consideration.

On November 1, 2000, Barbara Fajen ("the Treasurer"), telephoned a Reports Analysis Division analyst. The Treasurer stated that she had just received the notice sent in reference to the termination report. The analyst informed her that additional notices had also been sent on previous reports. The Treasurer explained that the address the Commission was using was no longer active. The candidate has since sold his home and moved to Arizona. The analyst informed her that she should provide the Commission with a more accurate address. The analyst then proceeded to explain the 48-Hour Notice requirement and highlighted the fact that the Committee failed to file any for the primary election. The Treasurer then clarified that the candidate had withdrawn from the election in early April. She also mentioned that he had made a public announcement; however, his name remained on the state ballot. (Attachment 5).

On November 7, 2000, the Committee responded by letter to the RFAI referencing the July Quarterly Report (Attachment 6). In the letter, the Treasurer provides the Commission with the date that the candidate withdrew from the election. The Treasurer states that "As he had withdrawn from the race and indicated he ... would not be seeking repayment of any personal funds put into his campaign, we did not feel that the funds constituted a loan and therefore did not require reporting on FEC Form 6."

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/	PARTY	RECEIPTS		DISBURSEMENTS		COVERAGE DATES	# OF	IMAGE
			PRIMARY	GENERAL	PRIMARY	GENERAL		PAGES	LOCATION
			TYPE OF FILER						

GROGAN, GEORGE C	SENATE	REPUBLICAN PARTY			NEBRASKA		2000 ELECTION	ID# SONE00031	
1. STATEMENT OF CANDIDATE									
2000 STATEMENT OF CANDIDATE							3FEB00	2	20SEN/006/2137
2. PRINCIPAL CAMPAIGN COMMITTEE									
GEORGE GROGAN FOR U S SENATE							ID #C00353342	SENATE	
2000 STATEMENT OF ORGANIZATION							3FEB00	2	20SEN/006/2139
STATEMENT OF ORGANIZATION - AMENDMENT							28FEB00	2	20SEN/009/2545
STATEMENT OF ORGANIZATION - AMENDMENT							7NOV00	2	20SEN/039/1070
APRIL QUARTERLY			509,740		384,890		1JAN00 -31MAR00	91	20SEN/012/2022
APRIL QUARTERLY - AMENDMENT			509,740		384,890		1JAN00 -31MAR00	94	20SEN/040/0012
REQUEST FOR ADDITIONAL INFORMATION							1JAN00 -31MAR00	4	20FEC/635/1721
REQUEST FOR ADDITIONAL INFORMATION 2ND							1JAN00 -31MAR00	4	20FEC/648/4416
PRE-PRIMARY			427,350		486,594		1APR00 -19APR00	47	20SEN/015/1822
PRE-PRIMARY - AMENDMENT			427,350		486,594		1APR00 -19APR00	53	20SEN/040/0107
REQUEST FOR ADDITIONAL INFORMATION							1APR00 -19APR00	4	20FEC/635/1714
REQUEST FOR ADDITIONAL INFORMATION 2ND							1APR00 -19APR00	4	20FEC/648/4420
JULY QUARTERLY			205,997		271,540		20APR00 -30JUN00	43	20SEN/020/1703
JULY QUARTERLY - AMENDMENT							20APR00 -30JUN00	2	20SEN/039/1073
JULY QUARTERLY - AMENDMENT			205,997		271,540		20APR00 -30JUN00	44	20SEN/040/0161
REQUEST FOR ADDITIONAL INFORMATION							20APR00 -30JUN00	3	20FEC/635/1718
REQUEST FOR ADDITIONAL INFORMATION 2ND							20APR00 -30JUN00	4	20FEC/648/4424
OCTOBER QUARTERLY			0		0		16SEP00 -30SEP00	3	20SEN/039/1076
NOTICE OF FAILURE TO FILE							16SEP00 -30SEP00	2	20FEC/647/1886
YEAR-END			0		0		1OCT00 -31DEC00	5	21SEN/001/2640
TERMINATION REPORT			11,161		11,224		1JUL00 -15SEP00	10	20SEN/028/2546
1'ST LETTER INFORMATIONAL NOTICE							1JUL00 -15SEP00	2	20FEC/632/1793
TOTAL			1,154,248	0	1,154,248	0		425	TOTAL PAGES
3. AUTHORIZED COMMITTEES									
4. JOINT FUNDRAISING COMMITTEES AUTHORIZED BY THE CAMPAIGN									

All reports for the 1999-2000 cycle, except for the 2000 Year-End, have been reviewed.

Cash on hand as of 12/31/00: \$0.00
Debts owed to the committee: \$0.00
Debts owed by the committee: \$0.00

PRIMARY ELECTION REPORT NOTICE

FEDERAL ELECTION COMMISSION

NEBRASKA
Congressional Committees

April 3, 2000

FOR COMMITTEES INVOLVED IN THE PRIMARY (05/09/00)

REPORT	REPORTING PERIOD ¹	REG./CERT. MAILING DATE ²	FILING DATE
Pre-Primary	04/01/00 - 04/19/00 -----48 Hour Notices-----	04/24/00	04/27/00
July Quarterly	04/20/00 - 06/30/00	07/15/00	07/15/00 ³

WHO MUST FILE

Principal campaign committees of congressional candidates⁴ (including unopposed candidates) who seek nomination in the primary must file the above reports and notices. If the campaign has more than one authorized committee(s), in addition to the principal campaign committee, the principal campaign committee must also file a consolidated report on Form 3Z.

48 HOUR NOTICES ON CONTRIBUTIONS

Notices are required if the committee receives contributions (including in-kind gifts or advances of goods or services; loans from the candidate or other non-bank sources; and guarantees or endorsements of bank loans to the candidate or committee) of \$1,000 or more, during the period of April 20 through May 6, 2000.

The notices must reach the appropriate federal and state filing offices within 48 hours of the committee's receipt of the contribution(s). U.S. House candidates faxing 48-hour notices should transmit them to the FEC at 202/219-0174. Senate candidates should transmit them to the Secretary of the Senate at 202/224-1851. Note that 48-hour notices are the only FEC documents that may be faxed.

¹These dates indicate the beginning and the end of the reporting period. A reporting period always begins the day after the closing date of the last report filed. If the committee is new and has not previously filed a report, the first report must cover all activity that occurred before the committee registered.

²Reports sent by registered or certified mail must be postmarked by the mailing date; otherwise, they must be received by the filing date.

³Filing dates are not extended when they fall on nonworking days; however, the FEC and Secretary of the Senate will be open to receive reports on July 15.

⁴An individual becomes a candidate for Federal office (and thus triggers registration and reporting obligations) when his or her campaign exceeds \$5,000 in either contributions or expenditures. If the campaign has not exceeded the \$5,000 threshold, it is not required to file reports.

(over)

LABEL

Committees should affix the peel-off label from the envelope to line 1 of the report. Corrections should be made on the label.

COMPLIANCE

Treasurers of political committees are responsible for the accuracy of all reports and for filing all reports on time. Treasurers may be subject to enforcement action if reports are not filed timely or reports are inaccurate. Committees filing illegible reports or using non-FEC forms (except for FEC approved computer generated forms) will be required to refile.

ELECTRONIC FILING

U.S. House candidates have the option of filing electronically. If you are interested in this option, review the enclosed handout entitled "Electronic Filing," and call the Data Division at (800) 424-9530 or (202) 694-1306.

21-04-405-1284

SCHEDULE A-

EXPENSE RECEIPTS

Attachment # 3

PAGE 1 OF 2

FOR LINE NUMBER

13A

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

GEORGE GROGAN FOR U.S. SENATE

A. Full Name, Mailing Address and ZIP Code GEORGE GROGAN 1446 NORTH 142 CIRCLE OMAHA NE 68154 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer NONE Occupation RETIRED Aggregate Year-to-Date > \$ 695000.00	Date (month, day, year) 04/26/2000	Amount of Each Receipt this Period 45000.00
B. Full Name, Mailing Address and ZIP Code GEORGE GROGAN 1446 North 142 Circle Omaha NE 68154 Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer NONE Occupation RETIRED Aggregate Year-to-Date > \$ 695163.70	Date (month, day, year) 05/01/2000	Amount of Each Receipt this Period 163.70
C. Full Name, Mailing Address and ZIP Code GEORGE GROGAN 1446 North 142 Circle Omaha NE 68154 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer NONE Occupation RETIRED Aggregate Year-to-Date > \$ 71163.70	Date (month, day, year) 05/01/2000	Amount of Each Receipt this Period 16000.00
D. Full Name, Mailing Address and ZIP Code GEORGE GROGAN 1446 North 142 Circle Omaha NE 68154 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer NONE Occupation RETIRED Aggregate Year-to-Date > \$ 74163.70	Date (month, day, year) 05/03/2000	Amount of Each Receipt this Period 30000.00
E. Full Name, Mailing Address and ZIP Code GEORGE GROGAN 1446 North 142 Circle Omaha NE 68154 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer NONE Occupation RETIRED Aggregate Year-to-Date > \$ 773163.70	Date (month, day, year) 05/09/2000	Amount of Each Receipt this Period 32000.00
F. Full Name, Mailing Address and ZIP Code GEORGE GROGAN 1446 North 142 Circle OMAHA NE 68154 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer NONE Occupation RETIRED Aggregate Year-to-Date > \$ 793163.70	Date (month, day, year) 05/15/2000	Amount of Each Receipt this Period 20000.00
G. Full Name, Mailing Address and ZIP Code GEORGE GROGAN 1446 NORTH 142 CIRCLE OMAHA NE 68154 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer NONE Occupation RETIRED Aggregate Year-to-Date > \$ 803163.70	Date (month, day, year) 05/22/2000	Amount of Each Receipt this Period 10000.00

SUBTOTAL of Receipts This Page (optional)

153163.70

TOTAL This Period (last page this line number only)

5821 504 40 12

**FEDERAL ELECTION COMMISSION**
WASHINGTON, D.C. 20463

RQ-2

Barbara Fajen, Treasurer
George Gorgan for US Senate
1446 North 142 Circle
Omaha, NE 68154

Identification Number: C00353342

OCT 24 2000

Reference: July Quarterly Report (4/20/00-6/30/00)

Dear Ms. Fajen:

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

-Schedule A of your report indicates that your committee may have failed to file one or more of the required 48 hour notices regarding "last minute" contributions received by your committee after the close of books for the 12 Day Pre-Primary Report. A principal campaign committee must notify the Commission, in writing, within 48 hours of any contribution of \$1,000 or more received between two and twenty days before an election. These contributions are then reported on the next report required to be filed by the committee. To ensure that the Commission is notified of last minute contributions of \$1,000 or more to your campaign, it is recommended that you review your procedures for checking contributions received during the aforementioned time period. Although the Commission may take legal action, any response you wish to provide concerning this matter will be considered. (11 CFR §104.5(f))

-On Schedule B of your report, you have itemized disbursements for which you have failed to include the address. Please amend your report to include the missing information. (11 CFR §104.3(b)(4))

-Commission Regulations define the term "purpose" to mean a brief statement or description of why a disbursement was made. Examples are "dinner expense", "media", "salary", "polling", "travel", "party fees",

21-04-405-1227

"phone banks", "travel expenses", "travel expense reimbursement" and "catering costs". Examples of election day and voter registration activity include "exit polling", "door-to-door get out the vote", "get out the vote phone calls" and "driving voters to the polls". Unacceptable descriptions, which require additional clarification, include but are not limited to "advance", "consulting", "commission", "contract labor", "election day expense", "expenses", "other expenses", "expense reimbursement", "miscellaneous", "outside services", "get-out-the-vote" and "voter registration". (11 CFR § 104.3(b)(4) Please amend Schedule B of your report to correct the descriptions which do not meet the requirements of the Regulations.

-Schedule B of your report discloses reimbursements to individuals for transactions other than travel, meals and lodging. Please be advised that when itemizing reimbursements to individuals for goods or services, if the payment to the original vendor aggregates in excess of \$200 in a calendar year, a memo entry including the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information. (11 CFR § 104.9)

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Secretary of the Senate, 232 Hart Senate Office Building, Washington, DC 20510 within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Pat Sheppard
Assistant Branch Chief
Reports Analysis Division

TELECON

Analyst: Pat Sheppard

Committee: George Grogan for US Senate
Barbara Fajen, Treasurer
(402) 330-2660

Date: November 1, 2000

Subject: Information Notice referencing the Termination Report

Ms. Fajen called to ask what problems were preventing the committee from terminating. I told her that several letters had been mailed to the committee referencing problems on several reports filed by her. Ms. Fajen stated that she had just received the letter for the termination report. It has been forwarded to her by the candidate. She stated that the address the Commission was using was no longer active. She told me that the candidate had sold his home and had moved to Arizona. I told her that she should provide us with a more accurate address. I told her what the other letters were questioning, especially the failure to file the required 48 hour notices. She stated that she was not aware of the requirement. She also said that the candidate had withdrawn from the election in early April. She stated the he had made a public announcement, however his name remained on the state ballot. I told her that she should also continue to file reports until the Commission tells her that she no longer has to. She asked if I would fax her copies of the letters that were mailed. She said she would contact the candidate as soon as possible and start working on the responses.

SECRETARY OF THE SENATE
NOV -7 11:32

November 6, 2000

Pat Sheppard
Assistant Branch Chief
Reports Analysis Division
Secretary of the Senate
232 Hart Senate Office Building
Washington, D.C. 20510

Identification Number: C00353342

Reference: 48 Hour Notice of Contributions/Loans Received

Dear Ms. Sheppard:

George Grogan withdrew from the Nebraska Senate Race on April 13, 2000. Election ballots had already been printed at that time which included Mr. Grogan's name. During the time period April 20 through May 6, 2000, the campaign committee did not receive any contributions in excess of \$1,000.00 that would require reporting on FEC Form 6.

During this same time period, April 20 through May 6, 2000, Mr. Grogan had put funds into the campaign totaling \$91,000.00. As he had withdrawn from the race and indicated he would cover all remaining expenses and would not be seeking repayment of any personal funds put into his campaign, we did not feel that the funds constituted a loan and therefore did not require reporting on FEC Form 6.

If further clarification is needed I can be reached at (402) 330-2660.

Thank you for your assistance.

Sincerely,

Barbara J. Fajen
Treasurer

BF:ljh

P.O. Box 540940, Omaha, NE 68154-0940
(402) 498-9494 Fax - (402) 498-9994 www.Grogan2000.org