



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF TUE # 999

Date Filmed 5/15/80 Camera No. --- 2

Cameraman SR

001185222

1. The following service is requested (check one) **999**
☐ Show to whom and date delivered
☐ Show to whom, date, and address of delivery
☐ RESTRICTED DELIVERY
☐ Show to whom and date delivered
☐ RESTRICTED DELIVERY
☐ Show to whom, date, and address of delivery \$
 (MULTIPLY POSTMASTER FOR FEES)

2. ADDRESSEE TO
C. J. Nougne

3. DESCRIPTION
 4. FIELD NO. CERTIFIED NO. INSURED NO.
743871

Always obtain signature of addressee or agent)

5. I enclose the article described above
 6. I enclose the article described above
 Addressee ☐ Authorized agent ☒

7. DATE OF DELIVERY
1/19/77
Paul Muller

8. RETURN THIS (complete only if requested)

9. UNABLE TO DELIVER BECAUSE

CLERK'S INITIALS



7828 814 403

1. To fill in complete items 1, 2, and 3. Add your address in the RETURN TO space on the envelope.

2. The following service is requested (check one):

show to whom and date delivered ☐ C

show to whom, date, and address of delivery ☐ C

RESTRICTED DELIVERY ☐ C

show to whom and date delivered ☐ C

RESTRICTED DELIVERY ☐ C

show to whom, date, and address of delivery \$ ☐ C

CONSULT POSTMASTER FOR FEES

ARTICLE ADDRESSED TO:

3. ARTICLE DESCRIPTION

REGISTERED NO. CERTIFIED NO. INSURED NO.

(Always obtain signature of addressee or agent)

I have received this article described above:

if (initials) Addressee Authorized agent

DATE OF DELIVERY

POSTMARK

ADDRESS

4. UNABLE TO DELIVER BECAUSE

CLERK'S INITIALS

SEP 10 1974

7828 814 403

1. To fill in complete items 1, 2, and 3. Add your address in the RETURN TO space on the envelope.

2. The following service is requested (check one):

show to whom and date delivered ☐ C

show to whom, date, and address of delivery ☐ C

RESTRICTED DELIVERY ☐ C

show to whom and date delivered ☐ C

RESTRICTED DELIVERY ☐ C

show to whom, date, and address of delivery \$ ☐ C

CONSULT POSTMASTER FOR FEES

ARTICLE ADDRESSED TO:

3. ARTICLE DESCRIPTION

REGISTERED NO. CERTIFIED NO. INSURED NO.

(Always obtain signature of addressee or agent)

I have received this article described above:

if (initials) Addressee Authorized agent

DATE OF DELIVERY

POSTMARK

ADDRESS

4. UNABLE TO DELIVER BECAUSE

CLERK'S INITIALS

SEP 10 1974

Copyright 1977, U.S. Post Office

Copyright 1977, U.S. Post Office



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

September 12, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

C. J. Hougue, President
Albuquerque Moving & Storage, Inc.
7510 Menaul Northeast
Albuquerque, New Mexico 87710

Re: MUR 999 (79)

Dear Mr. Hougue:

On August 14, 1979, based on information ascertained in the normal course of its supervisory responsibilities, the Federal Election Commission found reason to believe that your corporation may have violated a provision of the Federal Election Campaign Act of 1971, as amended.

Specifically, it appears that your corporation violated 2 U.S.C. § 441b(a) in 1977 by making a \$100.00 corporate contribution to the Democratic Party of the State of New Mexico. However, after considering the circumstances in this matter, the Commission has determined that no further action should be taken but noted that steps should be taken to ensure that no corporate contributions occur in the future. Accordingly, the file will be closed in this matter.

If you have any questions concerning this matter or if there is any relevant factual or legal materials you wish to submit for the public record, please contact Conley Edwards, Jr., the staff member assigned to this matter, at (202) 523-4060.

Sincerely,

William C. Oldaker
General Counsel

00010185224



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

August 31, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Dan J. Croy
Post Office Box 485
Tesuque, New Mexico 97574

Re: MUR 999 (79)

Dear Mr. Croy:

On August 14, 1979, based on information ascertained in the normal course of its supervisory responsibilities, the Federal Election Commission found reason to believe that you may have violated a provision of the Federal Election Campaign Act of 1971, as amended.

The Federal Election Campaign Act includes a loan in the definition of a contribution. 2 U.S.C. § 431(e). Therefore, the loan/contribution you made to the Democratic Party of the State of New Mexico may have violated 2 U.S.C. § 441a(a)(1)(c) in that it was in excess of the \$5,000 contribution limitation. However, after considering the circumstances in this matter, the Commission has determined that no further action should be taken but noted that steps should be taken by you to ensure that no excessive contributions occur in the future. Accordingly, the file will be closed in this matter.

If you have any questions concerning this matter or if there is any relevant factual or legal materials you wish to submit for the public record, please contact Conley Edwards, Jr., the staff member assigned to this matter, at (202) 523-0406 or our toll-free line (800) 424-9530.

Sincerely,

A handwritten signature in dark ink, appearing to read "W. C. Oldaker", is written over the typed name.

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

August 31, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Eliu Romero, Treasurer
Democratic Party of the State
of New Mexico
4155 Montgomery N.E.
Albuquerque, New Mexico 87109

Re: MUR 999 (79)

Dear Mr. Romero:

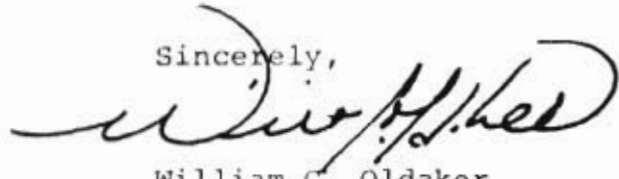
On August 14, 1979, based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission found reason to believe that you may have violated a provision of the Federal Election Campaign Act of 1971, as amended.

Specifically, it appears that your Committee violated 2 U.S.C. § 441b(a) by accepting a \$100 corporate contribution from the Albuquerque Moving and Storage, Inc.; violated 2 U.S.C. § 441a(f) in 1977 by accepting loans/contributions in excess of \$5,000 in a calendar year from Dan J. Croy; violated 2 U.S.C. § 435(b) by failing to include the campaign finance report(s) availability notice on your Committee's solicitation materials; and violated 2 U.S.C. § 432(a) by failing to cease Committee operations for an indeterminate period in 1977, while the Committee's position of treasurer was vacant. However, after considering the circumstances in this matter, the Commission has determined that no further action should be taken, but noted that steps should be taken by the Committee to ensure full compliance with the Act in the future. Accordingly, the file will be closed in this matter.

- 2 -

If you have any questions concerning this matter or if there is any relevant factual or legal materials you wish to submit for the public record, please contact Conley Edwards, Jr., the staff member assigned to this matter, at (202) 523-4060 or our toll-free line (800) 424-9530.

Sincerely,

A handwritten signature in dark ink, appearing to read "W. C. Oldaker", written in a cursive style.

William C. Oldaker
General Counsel

8 5 2 2 7

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 999 (79)
Democratic Party of the)
State of New Mexico)
Albuquerque Moving and Storage, Inc.)
Dan J. Croy)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on August 24, 1979, the approved by a vote of 4-0 the correction of the year dates in recommendations 3 and 4 of the First General Counsel's dated August 7, 1979 which had been approved by the Commission on August 14, 1979 listing the incorrect dates. The year dates should read 1977 not 1976.

Voting for this determination were Commissioners Tiernan, McGarry, Reiche and Harris.

Attest:

8/24/79
Date

Lana L. Stafford
Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 8-22-79, 11:35
Circulated on 48 hour vote basis: 8-22-79, 4:00

August 22, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 999

Please have the attached Errata Sheet on MUR 999
distributed to the Commission on a 48 hour tally basis.

Thank you.

00040185229



FEDERAL ELECTION COMMISSION

1325 K STREET NW
WASHINGTON, D.C. 20463

August 22, 1979

MEMORANDUM

TO: The Commission

FROM: William C. Oldaker *WCO*
General Counsel

SUBJECT: Errata Sheet - MUR 999 (79)

79 AUG 22 AM 11:35

In the First General Counsel's Report dated August 7, 1979, and approved by the Commission on August 14, 1979, the year dates in recommendations 3 and 4 are incorrect. The year dates should read 1977 not 1976 as they now read.

We need the Commission's approval in order to correct the certification.

Attachment: Page 3 of GC Report

000171R5230

According to the audit report the Committee operated without a treasurer for an indeterminate period during 1977.

The Committee violated 2 U.S.C. §432(a) by failing to cease operation for an indeterminate period during 1977 when the treasurer's position was vacant.

RECOMMENDATIONS

1. Find reason to believe that the Democratic Party of the State of New Mexico violated 2 U.S.C. §441b(a) by accepting a corporate contribution.
2. Find reason to believe that the Albuquerque Moving and Storage, Inc. violated 2 U.S.C. §441b(a) by making a corporate contribution to the Democratic Party of the State of New Mexico.
3. Find reason to believe that in 1977 Dan J. Croy violated 2 U.S.C. §441a(a)(1)(C) by contributing in excess of \$5,000.00 in a calendar year to the Democratic Party of the State of New Mexico.
4. Find reason to believe that in 1977 the Democratic Party of New Mexico violated 2 U.S.C. §441a(f) by accepting contributions in excess of the \$5,000.00 in a calendar year from Dan J. Croy.
5. Find reason to believe that the Democratic Party of the State of New Mexico violated 2 U.S.C. §435(b) by failing to include the campaign finance report(s) availability notice on their solicitation materials.
6. Find reason to believe that the Democratic Party of the State of New Mexico violated 2 U.S.C. §432(a) by failing to cease Committee operations for an indeterminate period in 1977 while the Committee's position of treasurer was vacant.
7. Send attached letters.

Attachments:

Audit Report
3 letters

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Democratic Party of the State of) MUR 999
New Mexico)
Albuquerque Moving and Storage, Inc.)
Dan J. Croy)

CERTIFICATION

I, Lena L. Stafford, Recording Secretary at the Executive Session of the Federal Election Commission on August 14, 1979, do hereby certify that the Commission determined by a vote of 4-2 to take the following actions in the above-captioned matter:

1. Find reason to believe that the Democratic Party of the State of New Mexico violated 2 U.S.C. §441b(a) by accepting a corporate contributions.
2. Find reason to believe that the Albuquerque Moving and Storage, Inc., violated 2 U.S.C. §441b(a) by making a corporate contribution to the Democratic Party of the State of New Mexico.
3. Find reason to believe that in 1976 Dan J. Croy violated 2 U.S.C. §441a(a)(1)(C) by contributing in excess \$5,000.00 in a calendar year to the Democratic Party of the State of New Mexico.
4. Find reason to believe that in 1976 the Democratic Party of New Mexico violated 2 U.S.C. §441a(f) by accepting contributions in excess of \$5,000.00 per calendar year from Dan J. Croy.
5. Find reason to believe that the Democratic Party of the State of New Mexico violated 2 U.S.C. §435(b) by failing to include the campaign finance report(s) availability notice on their solicitation materials.

(continued)

0040185232

6. Find reason to believe that the Democratic Party of the State of New Mexico violated 2 U.S.C. §432 (a) by failing to cease Committees operations for an indeterminate period 1977 while the Committee's position of treasurer was vacant.
7. Send letters of admonishment in each of the above findings.
8. Close the file.

Commissioners Aikens, Friedersdorf, Reiche, and Tiernan voted affirmatively. Commissioners Harris and McGarry dissented.

Attest:

8/17/79
Date

Lena L. Stafford
Lena L. Stafford
Recording Secretary

00040185233



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS *more by pc*

DATE: AUGUST 9, 1979

SUBJECT: OBJECTION - MUR 999 - First General Counsel's
Report dated 8-7-79; Received in
OCS 8-7-79, 2:17

The above-named document was circulated on a 48 hour vote basis at 11:00, August 8, 1979.

Commissioner Aikens submitted an objection at 3:00, August 8, 1979, thereby placing MUR 999 on the Executive Session Agenda for August 14, 1979.

August 7, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 999

Please have the attached First GC Report on MUR 999 distributed to the Commission on a 48 hour tally basis.

Thankkyou.

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FEDERAL ELECTION COMMISSION

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO COMMISSION AUG 7 1979

MUR NO. 999
STAFF MEMBER(S) Edwards

SOURCE OF MUR: INTERNALLY GENERATED

RESPONDENT'S NAME: Democratic Party of the State of New Mexico
Albuquerque Moving and Storage, Inc.
Dan J. Croy

RELEVANT STATUTE: 2 U.S.C. §441b(a) 2 U.S.C. §435(b)
2 U.S.C. §441a(a)(1)(C) 2 U.S.C. §432(a)
2 U.S.C. §441a(f)

INTERNAL REPORTS CHECKED: Audit's interim Report
Committee's Financial Reports

FEDERAL AGENCIES CHECKED: NONE

GENERATION OF MATTER

This matter was referred to the Office of General Counsel by the Audit Division from findings made by that Division during the audit of the Democratic Party of the State of New Mexico. ("Committee"). (Attachment I)

SUMMARY OF ALLEGATIONS

An audit finding and a review of the financial reports submitted to the Commission by the Committee for the period commencing January 1, 1976, through October 23, 1978, revealed that the Committee may have violated 2 U.S.C. §441b(a) by accepting a corporate contribution from the Albuquerque Moving and Storage, Inc. and that the making of that contribution may have constituted a violation of 2 U.S.C. §441b.

In addition, the Committee may have violated 2 U.S.C. §441a(f) by accepting an excessive contribution from an individual and that this individual may have violated 2 U.S.C. §441a(a)(1)(C) by making an excessive contribution to the Committee.

Additionally, the Committee may have violated 2 U.S.C. §435(b) by failing to include the required written notice of the availability of their campaign finance reports; and 2 U.S.C. §432(a) by accepting contributions and making expenditures while there was a vacancy in the office of treasurer.

44:24 10/27/79

PRELIMINARY LEGAL ANALYSIS

A. Receipt of a Corporate Contribution

2 U.S.C. §441b(a) expressly forbids any contributions and/or expenditures of corporate funds in connection with any election of any federal candidate or for any federal candidate to knowingly accept, receive, or expend any corporate funds in connection with any federal election.

An audit of the Committee's financial reports of receipts and expenditures revealed that the Committee received a one hundred dollar (\$100.00) contribution from an apparent corporate entity. This entity has been verified by New Mexico's Office of Secretary of State as a duly registered corporate entity.

B. Individual Contributor Limitations

2 U.S.C. §441a(a)(1)(C) states that no person shall make contributions to any political committee in any calendar year which, in the aggregate, exceed \$5,000. In addition, 2 U.S.C. §441a(f) provides that a political committee shall not knowingly accept an excessive contribution in violation of the contribution and expenditure limitations.

In March of 1977, Mr. Dan J. Croy was the guarantor of a \$10,000.00 loan/contribution on behalf of the Committee, in addition to a \$750.00 personal loan to the Committee during the same calendar year. Mr. Croy may have violated 2 U.S.C. §441a(a)(1)(C) by exceeding the \$5,000 contributions limitation to a political committee in a calendar year by \$5,750.00. According to the audit report their loan was repaid in November 1978.

The Committee violated 2 U.S.C. §441a(f) by accepting this excessive loan/contribution from an individual contributor.

C. Availability Notice

According to the audit report, the committee may have violated 2 U.S.C. §435(b) by failing to include the appropriate notice on their solicitation materials.

D. Vacancy in Treasurer's Position

2 U.S.C. §432(a) states, in part, that no contribution and no expenditure shall be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of chairman or treasurer.

According to the audit report the Committee operated without a treasurer for an indeterminate period during 1977.

The Committee violated 2 U.S.C. §432(a) by failing to cease operation for an indeterminate period during 1977 when the treasurer's position was vacant.

RECOMMENDATIONS

1. Find reason to believe that the Democratic Party of the State of New Mexico violated 2 U.S.C. §441b(a) by accepting a corporate contributions.

2. Find reason to believe that the Albuquerque Moving and Storage, Inc. violated 2 U.S.C. §441b(a) by making a corporate contribution to the Democratic Party of the State of New Mexico.

3. Find reason to believe that in 1976 Dan J. Croy violated 2 U.S.C. §441a(a)(1)(C) by contributing in excess \$5,000.00 in a calendar year to the Democratic Party of the State of New Mexico.

4. Find reason to believe that in 1976 the Democratic Party of New Mexico violated 2 U.S.C. §441a(f) by accepting contributions in excess of \$5,000.00 per calendar year from Dan J. Croy.

5. Find reason to believe that the Democratic Party of the State of New Mexico violated 2 U.S.C. §435(b) by failing to include the campaign finance report(s) availability notice on their solicitation materials.

6. Find reason to believe that the Democratic Party of the State of New Mexico violated 2 U.S.C. §432(a) by failing to cease Committees operations for an indeterminate period 1977 while the Committee's position of treasurer was vacant.

7. Send attached letters.

Attachments:

Audit Report
3 letters



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 10, 1979

MEMORANDUM

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER *OBP*
STAFF DIRECTOR

FROM: *RC* BOB COSTA/JOANN MCSORLEY *JS*

SUBJECT: INTERIM AUDIT REPORT FOR THE
DEMOCRATIC PARTY OF NEW MEXICO

Attached for your consideration and review is the interim audit report for the Democratic Party of New Mexico ("the Committee"). Please note in Finding A we state that the Committee does not meet the definition of a political committee, as defined by 2 U.S.C. 431(d), for 1978 and any findings arising during this period lie outside the scope of the audit. The Committee's only Federal activity for 1977 was a \$1,250.00 transfer to a Federal committee. In view of the limited Federal activity for 1977-1978, we would like to provide the Democratic Party of New Mexico with the alternative of accepting a \$250.00 refund from the Federal committee, which would bring the Committee outside the provisions of 2 U.S.C. 433 and 434. Findings A through E involve only 1977 activity and would no longer be applicable should the Committee accept the refund.

The referral of the matters noted in Finding C and D will be dependent upon the Committee's response to the recommendation noted in Finding A of the Interim Audit Report.

If you have any questions concerning this matter, please contact Bruce Shelton or Joann McSorley at 3-4155.

Attachment as stated



Attachment I



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20461

INTERIM REPORT OF THE AUDIT DIVISION ON THE DEMOCRATIC PARTY OF NEW MEXICO

I. Background

A. Overview

This interim report is based on an audit of the Democratic Party of New Mexico ("the Committee"), undertaken by the Audit Division of the Federal Election Commission in accordance with the Commission's audit policy to determine whether there has been compliance with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The audit was conducted pursuant to Section 438(a)(8) of Title 2 of the United States Code which directs the Commission to make from time to time audits and field investigations with respect to reports and statements filed under the provisions of the Act.

The Committee registered with the U.S. General Accounting Office, on May 17, 1974. The Committee maintains its headquarters in Albuquerque, New Mexico.

The audit covered the period from January 1, 1976 through October 23, 1978, the final coverage date of the most recent report filed by the Committee at the time of the audit. The Committee reported a beginning cash balance on January 1, 1976 of \$2,210.14, total receipts for the period of \$100,496.68, total expenditures for the period of \$101,476.24 and a closing cash balance on October 23, 1978 of \$1,945.97. ^{1/}

This audit report is based on documents and working papers which support each of the factual statements. They form part of the record upon which the Commission based its decisions on the matters in the report and were available to Commissioners and appropriate staff for review.

^{1/} The computed ending cash using the above reported figures is \$1,230.58 (difference of \$715.39). The reported ending cash is accurate, although receipt and expenditures totals as reported do not include the activity of a Committee account noted in Finding A.



B. Key Personnel

The principal officers of the Committee during the period of the audit were the following:

<u>Name</u>	<u>Office</u>	<u>Period in Office</u>
Mr. Ben Alexander	Chairman	1-1-76 - 2-29-76
Mr. G. M. Glover	Chairman	3-1-76 - 5-15-77
Mr. Dan Croy	Chairman	5-16-77 - 7-21-78
Mr. Lawrence Ingram	Chairman	7-22-78 - 10-23-78
Mr. Odis Echols, Jr.	Treasurer	1-1-76 - 2-29-76
Mr. Jerry N. Smith	Treasurer	3-1-76 - 2-12-78
Mr. Eliu Romero	Treasurer	2-13-78 - 10-23-78

C. Scope

The audit included such tests as verification of total reported receipts and expenditures and individual transactions; review of required supporting documentation; and analysis of Committee debts and obligations; and such other audit procedures as deemed necessary under the circumstances.

II. Audit Findings and Recommendations

A. Reporting of Receipts and Expenditures

Section 434(b)(1) through (3), (8), (9) and (11) of Title 2, United States Code, requires, in part, a political committee to include in its reports the amount of cash on hand at the beginning of the reporting period, the identification of each person from whom it has received contributions or made expenditures, which in the aggregate exceed \$100, during the calendar year together with the date, amount, and total sum of all contributions and expenditures within the calendar year.

Our review of records revealed that the Committee failed to file reports containing all the receipts and expenditures from January 1, 1977 through December 31, 1977. During this period, the activity of one (1) of the depositories was not included in the Committee's reported figures. As a result, approximately \$42,915.05 in receipts and \$42,155.63 in expenditures were not reported during 1977. The Executive Director had no explanation for the omission but agreed to file a comprehensive amendment to disclose the unreported activity, if necessary.

However, during our review of the undisclosed activity of the campaign depository, we noted the Committee's only Federal activity for 1977 was one (1) transfer of \$1,250.00 to a Federal committee. Additionally, the Committee had only \$10.00 of Federal activity during 1978 and is not considered a "political committee", as defined in 2 U.S.C. 431(d), for that year. In view of the limited Federal activity for 1977-1978, the Committee is provided with the alternative of accepting a refund of \$250.00 (that amount in excess of \$1,000.00) from the Federal committee, thereby precluding the provisions of 2 U.S.C. 433 and 434. In selecting the alternative, the Committee would be deemed not to be a "political committee" for 1977. The findings and recommendations in this report involve only 1977 activity and as a result of accepting a refund, would no longer be applicable.

Recommendation

The Audit staff recommends that the Committee file a comprehensive amendment disclosing the unreported activity for 1977 within 30 days of receipt of this report.

Alternatively, the Committee may accept a refund from the Federal committee for the amount in excess of \$1,000 and will not be deemed a "political committee" for 1977. All other findings and recommendations noted in this report will no longer be applicable. The Committee should provide the Audit staff with copies of both sides of the refund check with the reverse side being endorsed by the Committee, within 30 days of receipt of this report.

B. Receipt of Corporate Contribution

Section 441b(a) of Title 2 of the United States Code states, in part, that it is unlawful for any corporation to make a contribution or expenditure in connection with any Federal election to political office, and it is unlawful for any candidate, political committee, or other person to knowingly accept or receive any such contribution.

A review of the Committee's contribution records and verification with the appropriate Secretary of State, indicated that one (1) corporation made a contribution of \$100 during 1977 to the Committee.

The Committee's Executive Director was unable to provide an explanation of the receipt but agreed to take the appropriate action.

000185242

Recommendation

The Audit staff recommends that the Committee refund the above corporate contribution and submit for the Audit staff's review a copy of the cancelled check (front and back) used to refund the contribution, or provide evidence that the contribution was not funded from corporate sources, within 30 days of receipt of this report.

C. Limitations on Contributions

Section 441a(a)(1)(C) of Title 2 of the United States Code requires that no person shall make contributions to any other political committee (State party committee) in any calendar year which, in the aggregate, exceeds \$5,000. Additionally, Section 100.4(a)(1)(i) of the Code of Federal Regulations defines, in part, a loan to include a guarantee, endorsement, and any other form of security where the risk of non-payment rests withthe guarantor..., and that a loan is a contribution to the extent that the obligation remains outstanding.

During the course of the audit, it was determined that an official of the Committee was the guarantor of a \$10,000 loan incurred by the Committee during March 1977. The loan remained outstanding until November 1978 when the balance (\$8,179.33) was paid off, thus satisfying the obligation.

Further, it was noted the same Committee official made a personal loan to the Committee in the amount of \$750.00 during 1977. The Executive Director was unaware of the details of the loan but indicated that it had been paid off in November 1978.

Recommendation

It is the recommendation of the Audit staff that this matter be referred to the Office of General Counsel for consideration.

D. Disclosure of Transfers

Section 434(b)(4) of Title 2, United States Code states, in part, that each report shall contain the name and address of each political committee from which the reporting committee received any transfer of funds, together with the amounts and dates of all transfers.

Further, Section 104.2(b)(4) of the Code of Federal Regulations states, in part, that each report shall disclose the identification of each political committee or other political organization from which the reporting committee received any transfer of funds in any amount during the reporting period, together with the amounts and dates of all transfers, including aggregate year to date transfers.

During the audit, it was determined that the Committee did not itemize three (3) transfers-in from political organizations totaling \$2,423.00, representing 25% of the number and 13.6% of the dollar amount of all transfers. Two (2) of these transfers exceed \$1,000 and will be referred to RAD pursuant to Directive 19 if the Committee is deemed to be a "political committee" for 1977 (See Finding A).

The Committee was unable to provide an explanation why the transfers were not itemized.

Recommendation

The Audit staff recommends that the Committee file an amended report disclosing the transfers within 30 days of receipt of this report.

E. Other Matters

Presented below are other matters discussed with the Committee during the audit for which the Audit staff feels no further action is warranted. The Committee has been advised of these discrepancies and informed of the respective requirements of the Act.

(1) Solicitation materials used by the Committee did not contain the disclaimer notice as required by Section 435(b), Title 2 of the United States Code.

(2) Although the Statement of Organization indicates that there has not been a vacancy in the Office of Treasurer, conversation with the Executive Director revealed that the Committee operated without a Treasurer for an indeterminate time during 1977. The Treasurer's duties during the period were performed by the Chairman of the Committee.

0017185244



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

C. J. Hougue, President
Albuquerque Moving & Storage,
Inc.
7510 Menaul Northeast
Albuquerque, New Mexico 87710

Re: MUR 999 (79)

Dear Mr. Hougue:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, it appears that your corporation, Albuquerque Moving and Storage, Inc. violated 2 U.S.C. §441b(a) by making a corporate contribution of one hundred dollars (\$100.00) to the Democratic Party of the State of New Mexico. We have numbered this matter MUR 999 (79).

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Conley Edwards, Jr., the staff member assigned to this matter, at (202) 523-4060 or our toll-free line 800 424-9530.

This matter will remain confidential in accordance with 2 U.S.C. Section 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

cc: Donna K. Smith, Treasurer
Democratic Party of the
State of New Mexico



FEDERAL ELECTION COMMISSION

1425 K STREET NW.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Donna K. Smith, Treasurer
Democratic Party of the
State of New Mexico
4155 Montgomery N.E.
Albuquerque, New Mexico 87109

Re: MUR 999 (79)

Dear Ms. Smith:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found that your Committee may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, it appears that your Committee violated 2 U.S.C. §441b(a) by accepting a \$100.00 corporate contribution from the Albuquerque Moving and Storage, Inc.; violated 2 U.S.C. §441a(f) in 1976 by accepting loans/contributions in excess of \$5,000.00 per calendar year from Dan J. Croy; violated 2 U.S.C. §435(b) by failing to include the campaign finance report(s) availability notice on your Committee solicitation materials; and violated 2 U.S.C. §432(a) by failing to cease Committee operations for an indeterminate period in 1977 while the Committee's position of treasurer was vacant. We have numbered this matter MUR 999 (79).

Under the Act, you have an opportunity to demonstrate that no action should be taken against your committee. 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.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Conley Edwards, Jr., the staff member assigned to this matter, at (202) 523-4060 or our toll free line 800 424-9530.

This matter will remain confidential in accordance with 2 U.S.C. Section 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

cc: Brad L. Hays, State Chairman



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Dan J. Croy
Post Office Box 485
Tesuque, New Mexico 87574

Re: MUR 999 (79)

Dear Mr. Croy:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, it appears that in 1977 you violated 2 U.S.C. §441a(a)(1)(C) by making loan/contributions in excess of the \$5,000.00 contribution limitation per calendar year. We have numbered this matter MUR 999 (79).

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Conley Edwards, Jr., the staff member assigned to this matter, at (202) 523-4060 or our toll-free line 800 424-9530.

This matter will remain confidential in accordance with 2 U.S.C. Section 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

cc: Donna K. Smith, Treasurer
Democratic Party of the
State of New Mexico

mur 99

A-489



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 28, 1979

MEMORANDUM

TO: Robert J. Costa

THROUGH: Orlando B. Potter
Staff Director

FROM: William C. Oldaker
General Counsel *[Signature]*

SUBJECT: Interim Audit Report for the Democratic
Party of New Mexico

The Office of General Counsel has reviewed the interim audit report of the Democratic Party of New Mexico ("the Committee"), having been undertaken pursuant to 2 U.S.C. § 438(a)(8).

This Office is in the process of instituting a compliance action to investigate the excessive loan/contribution noted under Part B of the audit report. Additionally, the Committee's failure to include the notice as required by 2 U.S.C. § 435(b) and its continued operation during a vacancy in the office of treasurer in violation of 2 U.S.C. § 432(a) will also be included in the compliance action.





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 10, 1979

MEMORANDUM

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER
STAFF DIRECTOR

FROM: BOB COSTA/JOANN MCSORLEY

SUBJECT: INTERIM AUDIT REPORT FOR THE
DEMOCRATIC PARTY OF NEW MEXICO

Attached for your consideration and review is the interim audit report for the Democratic Party of New Mexico ("the Committee"). Please note in Finding A we state that the Committee does not meet the definition of a political committee, as defined by 2 U.S.C. 431(d), for 1978 and any findings arising during this period lie outside the scope of the audit. The Committee's only Federal activity for 1977 was a \$1,250.00 transfer to a Federal committee. In view of the limited Federal activity for 1977-1978, we would like to provide the Democratic Party of New Mexico with the alternative of accepting a \$250.00 refund from the Federal committee, which would bring the Committee outside the provisions of 2 U.S.C. 433 and 434. Findings A through E involve only 1977 activity and would no longer be applicable should the Committee accept the refund.

The referral of the matters noted in Finding C and D will be dependent upon the Committee's response to the recommendation noted in Finding A of the Interim Audit Report.

If you have any questions concerning this matter, please contact Bruce Shelton or Joann McSorley at 3-4155.

Attachment as stated





FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20461

INTERIM REPORT OF THE AUDIT DIVISION ON THE DEMOCRATIC PARTY OF NEW MEXICO

I. Background

A. Overview

This interim report is based on an audit of the Democratic Party of New Mexico ("the Committee"), undertaken by the Audit Division of the Federal Election Commission in accordance with the Commission's audit policy to determine whether there has been compliance with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The audit was conducted pursuant to Section 438(a)(8) of Title 2 of the United States Code which directs the Commission to make from time to time audits and field investigations with respect to reports and statements filed under the provisions of the Act.

The Committee registered with the U.S. General Accounting Office, on May 17, 1974. The Committee maintains its headquarters in Albuquerque, New Mexico.

The audit covered the period from January 1, 1976 through October 23, 1978, the final coverage date of the most recent report filed by the Committee at the time of the audit. The Committee reported a beginning cash balance on January 1, 1976 of \$2,210.14, total receipts for the period of \$100,496.68, total expenditures for the period of \$101,476.24 and a closing cash balance on October 23, 1978 of \$1,945.97. ^{1/}

This audit report is based on documents and working papers which support each of the factual statements. They form part of the record upon which the Commission based its decisions on the matters in the report and were available to Commissioners and appropriate staff for review.

^{1/} The computed ending cash using the above reported figures is \$1,230.58 (difference of \$715.39). The reported ending cash is accurate, although receipt and expenditures totals as reported do not include the activity of a Committee account noted in Finding A.



B. Key Personnel

The principal officers of the Committee during the period of the audit were the following:

<u>Name</u>	<u>Office</u>	<u>Period in Office</u>
Mr. Ben Alexander	Chairman	1-1-76 - 2-29-76
Mr. G. M. Glover	Chairman	3-1-76 - 5-15-77
Mr. Dan Croy	Chairman	5-16-77 - 7-21-78
Mr. Lawrence Ingram	Chairman	7-22-78 - 10-23-78
Mr. Odis Echols, Jr.	Treasurer	1-1-76 - 2-29-76
Mr. Jerry N. Smith	Treasurer	3-1-76 - 2-12-78
Mr. Eliu Romero	Treasurer	2-13-78 - 10-23-78

C. Scope

The audit included such tests as verification of total reported receipts and expenditures and individual transactions; review of required supporting documentation; and analysis of Committee debts and obligations; and such other audit procedures as deemed necessary under the circumstances.

II. Audit Findings and Recommendations

A. Reporting of Receipts and Expenditures

Section 434(b)(1) through (3), (8), (9) and (11) of Title 2, United States Code, requires, in part, a political committee to include in its reports the amount of cash on hand at the beginning of the reporting period, the identification of each person from whom it has received contributions or made expenditures, which in the aggregate exceed \$100, during the calendar year together with the date, amount, and total sum of all contributions and expenditures within the calendar year.

Our review of records revealed that the Committee failed to file reports containing all the receipts and expenditures from January 1, 1977 through December 31, 1977. During this period, the activity of one (1) of the depositories was not included in the Committee's reported figures. As a result, approximately \$42,915.05 in receipts and \$42,155.63 in expenditures were not reported during 1977. The Executive Director had no explanation for the omission but agreed to file a comprehensive amendment to disclose the unreported activity, if necessary.

However, during our review of the undisclosed activity of the campaign depository, we noted the Committee's only Federal activity for 1977 was one (1) transfer of \$1,250.00 to a Federal committee. Additionally, the Committee had only \$10.00 of Federal activity during 1978 and is not considered a "political committee", as defined in 2 U.S.C. 431(d), for that year. In view of the limited Federal activity for 1977-1978, the Committee is provided with the alternative of accepting a refund of \$250.00 (that amount in excess of \$1,000.00) from the Federal committee, thereby precluding the provisions of 2 U.S.C. 433 and 434. In selecting the alternative, the Committee would be deemed not to be a "political committee" for 1977. The findings and recommendations in this report involve only 1977 activity and as a result of accepting a refund, would no longer be applicable.

Recommendation

The Audit staff recommends that the Committee file a comprehensive amendment disclosing the unreported activity for 1977 within 30 days of receipt of this report.

Alternatively, the Committee may accept a refund from the Federal committee for the amount in excess of \$1,000 and will not be deemed a "political committee" for 1977. All other findings and recommendations noted in this report will no longer be applicable. The Committee should provide the Audit staff with copies of both sides of the refund check with the reverse side being endorsed by the Committee, within 30 days of receipt of this report.

B. Receipt of Corporate Contribution

Section 441b(a) of Title 2 of the United States Code states, in part, that it is unlawful for any corporation to make a contribution or expenditure in connection with any Federal election to political office, and it is unlawful for any candidate, political committee, or other person to knowingly accept or receive any such contribution.

A review of the Committee's contribution records and verification with the appropriate Secretary of State, indicated that one (1) corporation made a contribution of \$100 during 1977 to the Committee.

The Committee's Executive Director was unable to provide an explanation of the receipt but agreed to take the appropriate action.

Recommendation

The Audit staff recommends that the Committee refund the above corporate contribution and submit for the Audit staff's review a copy of the cancelled check (front and back) used to refund the contribution, or provide evidence that the contribution was not funded from corporate sources, within 30 days of receipt of this report.

C. Limitations on Contributions

Section 441a(a)(1)(C) of Title 2 of the United States Code requires that no person shall make contributions to any other political committee (State party committee) in any calendar year which, in the aggregate, exceeds \$5,000. Additionally, Section 100.4(a)(1)(i) of the Code of Federal Regulations defines, in part, a loan to include a guarantee, endorsement, and any other form of security where the risk of non-payment rests withthe guarantor..., and that a loan is a contribution to the extent that the obligation remains outstanding.

During the course of the audit, it was determined that an official of the Committee was the guarantor of a \$10,000 loan incurred by the Committee during March 1977. The loan remained outstanding until November 1978 when the balance (\$8,179.33) was paid off, thus satisfying the obligation.

Further, it was noted the same Committee official made a personal loan to the Committee in the amount of \$750.00 during 1977. The Executive Director was unaware of the details of the loan but indicated that it had been paid off in November 1978.

Recommendation

It is the recommendation of the Audit staff that this matter be referred to the Office of General Counsel for consideration.

D. Disclosure of Transfers

Section 434(b)(4) of Title 2, United States Code states, in part, that each report shall contain the name and address of each political committee from which the reporting committee received any transfer of funds, together with the amounts and dates of all transfers.

Further, Section 104.2(b)(4) of the Code of Federal Regulations states, in part, that each report shall disclose the identification of each political committee or other political organization from which the reporting committee received any transfer of funds in any amount during the reporting period, together with the amounts and dates of all transfers, including aggregate year to date transfers.

During the audit, it was determined that the Committee did not itemize three (3) transfers-in from political organizations totaling \$2,423.00, representing 25% of the number and 13.6% of the dollar amount of all transfers. Two (2) of these transfers exceed \$1,000 and will be referred to RAD pursuant to Directive 19 if the Committee is deemed to be a "political committee" for 1977 (See Finding A).

The Committee was unable to provide an explanation why the transfers were not itemized.

Recommendation

The Audit staff recommends that the Committee file an amended report disclosing the transfers within 30 days of receipt of this report.

E. Other Matters

Presented below are other matters discussed with the Committee during the audit for which the Audit staff feels no further action is warranted. The Committee has been advised of these discrepancies and informed of the respective requirements of the Act.

(1) Solicitation materials used by the Committee did not contain the disclaimer notice as required by Section 435(b), Title 2 of the United States Code.

(2) Although the Statement of Organization indicates that there has not been a vacancy in the Office of Treasurer, conversation with the Executive Director revealed that the Committee operated without a Treasurer for an indeterminate time during 1977. The Treasurer's duties during the period were performed by the Chairman of the Committee.

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FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20461

THIS IS THE BEGINNING OF MUR # 999

Date Filmed 5/15/80 Camera No. --- 2

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