



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2359

DATE FILMED 8/14/87 CAMERA NO. 2

CAMERAMAN GPC

87040653686

PUBLIC RECORD INDEX - MUR 2359

1. Memo, 20 Jan 87, John D. Gibson (Reports Analysis Division) to Charles N. Steele (General Counsel), Subj: Referral of Capitol Political Action Committee (CAPPAC), w/encl (RAD Referral Package).
2. First Gen. Counsel's Rpt, 3 Mar 87.
3. Memo, 3 Mar 87, OGC to OCS, Subj: RAD Ref 87NF3 - 1st G.C. Rpt.
4. Certification of Cmsn. Vote, dtd 6 Mar 87.
5. Ltr, 11 Mar 87, Scott E. Thomas (Chmn, FEC) to Arnold Hiller (Treas., CAPPAC).
6. Ltr, 31 Mar 87, A. Hiller to FEC.
7. Ltr, 31 Mar 87, Marc J. Scheineson (Counsel to CAPPAC) to FEC.
8. Ltr, 10 Apr 87, L.M. Noble to M.J. Scheineson.
9. Ltr, 17 Apr 87, M.J. Schieneson to FEC.
10. G.C. Rpt, 22 May 87.
11. Memo, 28 May 87, OCS to OGC, Subj: MUR 2359 - G.C. Rpt.
12. Memo, 28 May 87, OCS to OGC, Subj: Comments on MUR 2359, w/atch (Comments of Chmn. Thomas).
13. Certification of Cmsn Vote, dtd 29 May 87.
14. Ltr, 4 Jun 87, L.M. Noble to M.J. Scheineson.
15. G.C. Report, 29 Jun 87.
16. Memo, 30 Jun 87, OGC to OCS, Subj: MUR 2359 - G.C. Rpt.
17. Certification of Cmsn. Vote, dtd 2 Jul 87.
18. Ltr, 7 Jul 87, L.M. Noble to M.J. Scheineson, w/encl (Executed Conciliation Agreement).

-END-

NOTE: In preparing its file for the public record, O.G.C. routinely removes those documents in which it perceives little or no public interest, and those documents, or portions thereof, which are exempt from disclosure under the Freedom of Information Act.

8704053687



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 20, 1987

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA *Ch*
STAFF DIRECTOR

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

SUBJECT: REFERRAL OF CAPITOL POLITICAL ACTION COMMITTEE

This is a referral of the Capitol Political Action Committee ("the Committee"). The Committee failed to file the 1986 October Quarterly Report of Receipts and Disbursements within thirty (30) days from the date of the Non-Filer Notice. In addition, this report also meets the criterion of not being filed by Election Day, November 4, 1986. According to the RAD Review and Referral Procedures for Unauthorized Committees (Standard 3), further examination is required by your office.

In addition, please note that a Chronic Late Filer Notice was sent to the Committee on December 9, 1986, for failing to file the 1985 Mid-Year and Year End Reports and the 1986 April Quarterly, July Quarterly and October Quarterly Reports in a timely manner. Should the Committee file one additional report in an untimely manner during the election cycle, the Committee will be referred to your office as a Chronic Late Filer.

If you have any questions regarding this matter, please contact Michael Butterfield at 376-2480.

Attachment

87040353688

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: January 20, 1987

ANALYST: Michael Butterfield

I. COMMITTEE: Capitol Political Action Committee
(C00168161)
Ralph Eric Grunewald, Treasurer^{1/}
P.O. Box 75669
Washington, DC 20013

II. RELEVANT STATUTE: 2 U.S.C. §434(a)(4)(A)(i)
11 CFR 104.5(c)(1)(i)(A)

III. BACKGROUND:

Failure to File the 1986 October Quarterly Report by Election Day

The Capitol Political Action Committee ("the Committee") failed to file the 1986 October Quarterly Report of Receipts and Disbursements by Election Day, November 4, 1986. The Committee was notified on September 19, 1986 that the report was due on October 15, 1986 (Attachment 2).

On December 8, 1986, a Non-Filer Notice was sent to the Committee for its failure to file the 1986 October Quarterly Report (Attachment 3).

On December 8, 1986, the Reports Analysis Division ("RAD") analyst called the Committee regarding the Committee's failure to file the report. Arnold Hiller, current treasurer for the Committee, stated that he had the completed 1986 October Quarterly and 30 Day Post-General Reports and would be mailing them on December 9, 1986 (Attachment 4).

^{1/} Although Ralph Eric Grunewald is the treasurer of record, Arnold Hiller has stated that he is the current treasurer and will submit an amended Statement of Organization reflecting the change.

9704053689

**CAPITOL POLITICAL ACTION COMMITTEE
REPORTS ANALYSIS OGC REFERRAL
PAGE 2**

On January 5, 1987, the RAD analyst conducted a follow-up phone call to inquire why the Commission had not received the tardy reports. Mr. Hiller stated that he had sent the reports by courier to the Commission in early December. The RAD analyst requested that duplicate copies be sent, and Mr. Hiller agreed to mail them as soon as possible (Attachment 5).

As of this date, the report has not been filed.

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

87040353690

8 7 0 4 0 5 3 6 9 1

FEDERAL ELECTION COMMISSION
COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) (85-86)DATE 14JAN87
PAGE 1

NON-PARTY RELATED

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
CAPITOL PAC						
CONNECTED ORGANIZATION:	BLANK					
				NON-PARTY QUALIFIED		ID #C00168161
1985	APRIL QUARTERLY REQUEST FOR ADDITIONAL INFORMATION	5,470	937	1FEB85 -15APR85	61	85FEC/375/2130
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1FEB85 -15APR85	2	86FEC/450/5347
	MID-YEAR REPORT	6,415	3,784	1FEB85 -15APR85	13	87FEC/452/3958
	REQUEST FOR ADDITIONAL INFORMATION			16APR85 -15JUL85	73	85FEC/385/2723
	REQUEST FOR ADDITIONAL INFORMATION 2ND			16APR85 -15JUL85	3	86FEC/450/5338
	OCTOBER QUARTERLY	6,827	6,192	16APR85 -15JUL85	1	87FEC/452/3971
	REQUEST FOR ADDITIONAL INFORMATION			16JUL85 -15OCT85	85	85FEC/392/0051
	REQUEST FOR ADDITIONAL INFORMATION 2ND			16JUL85 -15OCT85	1	86FEC/450/5335
	YEAR-END	4,840	2,685	16JUL85 -15OCT85	1	87FEC/452/3972
	REQUEST FOR ADDITIONAL INFORMATION			16OCT85 -31JAN86	69	86FEC/403/4478
	REQUEST FOR ADDITIONAL INFORMATION 2ND			16OCT85 -31JAN86	2	86FEC/450/5344
1986	MISCELLANEOUS NOTICE FROM FEC			16OCT85 -31JAN86	1	87FEC/452/3973
	APRIL QUARTERLY - AMENDMENT	4,975	7,086	9DEC86	2	86FEC/450/5338
	REQUEST FOR ADDITIONAL INFORMATION			1JAN86 -31MAR86	26	86FEC/443/0343
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1JAN86 -31MAR86	3	86FEC/450/5337
	JULY QUARTERLY - AMENDMENT	7,855	9,357	1JAN86 -31MAR86	1	87FEC/452/3974
	REQUEST FOR ADDITIONAL INFORMATION			1APR86 -30JUN86	33	86FEC/443/0311
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1APR86 -30JUN86	2	86FEC/450/5341
	NOTICE OF FAILURE TO FILE			1APR86 -30JUN86	1	87FEC/452/3975
	NOTICE OF FAILURE TO FILE			1JUL86 -30SEP86	1	86FEC/450/2909
				24NOV86	1	86FEC/452/1363
	TOTAL	36,382	0 29,041	0	381	TOTAL PAGES

All reports have been reviewed
Cash on hand as 6/30/86: \$7,957
Debts and obligations owed by the committee
as of 6/30/86: \$0
Debts and obligations owed to the committee
as of 6/30/86: \$0

QUARTERLY REPORT NOTICE

FEDERAL ELECTION COMMISSION

PARTIES AND PAGE

September 19, 1986

WHO MUST FILE

ALL Party Committees, Nonconnected Committees and Separate Segregated Funds, except those that file monthly (see below), must file a quarterly report by October 15, 1986.

WHAT MUST BE REPORTED

The report must disclose all financial activity that occurred from the close of books for the last report filed through September 30, 1986. Political committees that have not previously filed a financial disclosure report should report all financial activity through September 30, 1986.* For more detailed instructions, consult your campaign guide.

WHEN TO FILE

Reports sent by registered or certified mail must be postmarked no later than midnight October 15, 1986. Reports hand delivered or mailed first class must be received no later than close of business October 15, 1986.

WHERE AND HOW TO FILE

Committees should consult the instructions on the enclosed FEC Form 3X for details.

MONTHLY FILERS

Committees that file on a monthly schedule must file their next report by October 20, 1986, and disclose all financial activity from September 1 through September 30, 1986. (See Monthly Filers on the reverse side.)

COMPLIANCE

Political committees are fully liable for failure to file any report required under the Act. Failure to file in a timely fashion is also a serious violation. Offending committees are subject to enforcement action. Committees must also submit legible reports which can be clearly reproduced. Illegible reports and reports submitted on non-FEC forms will not be accepted, and committees filing such documents will be required to refile.

*The first report filed by a committee shall include all amounts received or disbursed prior to becoming a political committee, even if such amounts were not received or disbursed during the current reporting period. See 11 CFR 104.3(a) and (b).

REMINDERS

QUARTERLY FILERS

Committees that make contributions or expenditures (including independent expenditures) in connection with an election, and coordinated party expenditures in connection with a general election, must file a pre-election report if this activity has not been previously disclosed. See the January 1986 issue of the Federal Election Commission Record for primary and general election filing requirements.

MONTHLY FILERS

Committees that are filing monthly must file a pre-general election report due on October 23, a post-general election report due on December 24, and a year-end report due January 31, 1987, instead of monthly reports on November 20, December 20 and January 20, 1987. See the schedule below.

<u>REPORT</u>	<u>PERIOD COVERED</u>	<u>REG./CHIEF MAILING DATE</u>	<u>FILING DATE</u>
Pre-general	10/01 - 10/15	10/20/86	10/23/86
Post-general	10/16 - 11/24	12/24/86	12/24/86
Year-end	11/25 - 12/31	01/31/87	01/31/87

See General Election Notice

INDEPENDENT EXPENDITURES

Any independent expenditure aggregating \$1,000 or more and made between 2 and 20 days before an election must be reported within 24 hours after the expenditure is made. See 11 CFR 104.4(c)(2) and (3) for information concerning where to file.

A notice explaining general election filing requirements will be sent to you before the general election.

FOR INFORMATION CALL: Information Services Division
800/424-9530 or 202/376-3120

87040553693



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-7

DEC 8 1986

Ralph Eric Grunewald, Treasurer
CAPITOL PAC
P.O. Box 75669
Washington, DC 20013

Identification Number: C00168161

Reference: October Quarterly Report (7/1/86-9/30/86)

Dear Mr. Grunewald:

It has come to the attention of the Federal Election Commission ("the Commission") that your committee may be in violation of 2 U.S.C. §434(a) for failing to file the above referenced Report of Receipts and Disbursements. You were notified previously of the due date for this report.

It is important that you file this report immediately with the Federal Election Commission, 999 E Street, NW, Washington, DC 20463 (or with the Clerk of the House or the Secretary of the Senate, as appropriate). A copy of the report or the relevant portions should also be filed with the Secretary of State or equivalent State officer. See 2 U.S.C. §439.

Although the Commission may initiate an audit or legal enforcement action concerning this matter, your prompt response and a letter of explanation will be taken into consideration.

If you have any questions, please contact Michael Butterfield on our toll-free number (800) 424-9530. Our local number is (202) 376-2480.

Sincerely,

A handwritten signature in cursive script, reading "John D. Gibson".

John D. Gibson
Assistant Staff Director
Reports Analysis Division

8704053694

MEMORANDUM TO THE FILES:

COMMITTEE: CAPITOL PAC
I.D. NUMBER: C00168161
CONTACT: ARNOLD HILLER
DATE: 12/8/86
ANALYST: BUTTERFIELD
SUBJECT: OVERDISCLOSURE ON FEC REPORTS

I spoke to Arnold Hiller concerning the committee's problem of overdisclosure on FEC reports. Mr. Hiller, who identified himself as the current treasurer, agreed not to submit the excess records on future FEC reports.

I also informed Mr. Hiller that the current treasurer listed with the FEC is Mr. Ralph Eric Grunewald. Mr. Hiller stated that he has been treasurer for the committee for awhile and that it was an oversight on his part not to file the amended Statement of Organization. I informed Mr. Hiller that he could submit the treasurer change in letter form. Mr. Hiller agreed to state the change in the cover letter.

And lastly, I informed Mr. Hiller that as of this date we have not received the October Quarterly report. He indicated that he had the reports completed (30 Day Post-General and October Quarterly) and would be mailing them on December 9, 1986. *[Signature]*

87040553695

MEMORANDUM TO THE FILES:

COMMITTEE: CAPITOL PAC
I.D. NUMBER: C00168161
CONTACT: Arnold Hiller
DATE: 1/5/87
ANALYST: BUTTERFIELD
SUBJECT: FOLLOW-UP ON PREVIOUS CONVERSATION

I called Mr. Hiller to inform him that the FEC has still not received the October Quarterly report. I also stated that the 30 Day Post-General report is now considered tardy. He stated that both of the reports were sent by courier in early December. Mr. Hiller apologized for not responding to the RFAI's and would submit duplicates for the 30 Day Post-General and October Quarterly as soon as possible. Finally, I emphasized that the Commission places extreme importance on timely filing and responding to RFAI's.

87040553696

FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20563

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION:

87NF-3
STAFF MEMBER: Garr

SOURCE OF MUR: INTERNALLY GENERATED

RESPONDENT'S NAME: Capitol Political Action Committee
Arnold Hiller, Treasurer

RELEVANT STATUTE: 2 U.S.C. § 434(a)(4)(A)(i)
2 U.S.C. § 433(c)

INTERNAL REPORTS
CHECKED: FEC Disclosure Documents

FEDERAL AGENCIES
CHECKED:

87 MAR 3 P 1:26

GENERATION OF MATTER

The Capitol Political Action Committee ("Committee") and Ralph Eric Gruenwald, as Treasurer were referred to the Office of General Counsel by the Reports Analysis Division for failing to file the 1986 October Quarterly Report by Election Day, November 4, 1986.

SUMMARY OF ALLEGATIONS

On September 19, 1986, the Commission sent the Committee a Quarterly Report Notice which referenced the filing date for the 1986 October Quarterly Report; on December 8, 1986, a Non-Filer Notice was sent to the Committee for failing to file the 1986 October Quarterly Report.

Additionally, on December 8, 1986, a Reports Analysis Division analyst spoke with Arnold Hiller, current treasurer for the Committee, who stated that the 1986 October Quarterly and 30

87040653697

Day Post-General Reports had been completed and would be mailed on December 9, 1986.^{1/}

On January 5, 1987, the RAD analyst again contacted Mr. Hiller to determine why the Committee had failed to file the 1986 October Quarterly and 30 Day Post General Reports. Mr. Hiller stated that the reports had been sent by courier to the Commission in early December. Because the Commission has no record of their receipt, the RAD analyst requested that duplicate copies be sent. Mr. Hiller agreed to mail them as soon as possible.

As of this date, the Committee's 1986 October Quarterly Report has not been filed.

FACTUAL AND LEGAL ANALYSIS

Pursuant to 2 U.S.C. § 434(a)(4)(A)(i), all political committees other than authorized committees of a candidate, may elect to file, in a calendar year in which a regularly scheduled election is held, a quarterly report which shall be filed no later than the 15th day after the last day of each calendar quarter, except that the report for the quarter ending on December 31 of such calendar year shall be filed no later than January 31 of the following calendar year.

^{1/} Although Ralph Eric Grunewald is the treasurer of record, Arnold Hiller has stated that he is the current treasurer and will submit an amended Statement of Organization reflecting the change. As of this date, he has failed to do so.

87040553698

The Committee's failure to file its 1986 October Quarterly Report is, in the view of this Office, a violation of 2 U.S.C. § 434(a)(4)(A)(i).

Pursuant to 2 U.S.C. § 433(c) all political committees are required to report to the Commission any change in information previously submitted in a statement of organization no later than 10 days after the date of the change.

Although Mr. Hiller advised on December 8, 1986, that he serves as the Committee's current treasurer, as of this date, the Committee has not filed an amended Statement of Organization naming a new treasurer. The Committee's failure to file an amended Statement of Organization is, in the view of this Office, a violation of 2 U.S.C. § 433(c).

RECOMMENDATION

The Office of General Counsel recommends that the Commission:

- 1) Open a MUR;
- 2) Find reason to believe that the Capitol Political Action Committee and Arnold Hiller, as Treasurer, violated 2 U.S.C. §§ 434(a)(4)(A)(i) and 433(c);
- 3) Approve and send the attached letter and legal and factual analysis.

Charles N. Steele
General Counsel

Date

3/3/87

BY:

Lawrence M. Noble
Deputy General Counsel

Attachments

1. Referral
2. Proposed letter and legal and factual analysis

87040553699

87040353700

Attachment(s) 1, 2
to First General Counsel's Report.

have been removed from this
position in Public Record File.

See Index Item(s) 1, 5



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *Cox*
DATE: March 3, 1987
SUBJECT: RAD 87NF-3: First General Counsel's Report

The attached is submitted as an Agenda document
for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS

48 Hour Tally Vote ☒ [x]
Sensitive ☒ [x]
Non-Sensitive ☐ []

24 Hour No Objection ☐ []
Sensitive ☐ []
Non-Sensitive ☐ []

Information ☐ []
Sensitive ☐ []
Non-Sensitive ☐ []

Other ☐ []

DISTRIBUTION

Compliance ☒ [X]
Audit Matters ☐ []

Litigation ☐ []
Closed MUR Letters ☐ []

Status Sheets ☐ []
Advisory Opinions ☐ []

Other (see distribution below) ☐ []

87040553701

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Capitol Political Action Committee)
Arnold Hiller, Treasurer)

RAD Ref. 87NF-3

(*mur*
2359)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on March 6, 1987, the Commission decided by a vote of 5-0 to take the following actions in RAD Ref. 87NF-3:

1. Open a MUR.
2. Find reason to believe that the Capitol Political Action Committee and Arnold Hiller, as Treasurer, violated 2 U.S.C. §§ 434(a)(4)(A)(i) and 433(c).
3. Approve and send the letter and legal factual analysis, as recommended in the First General Counsel's Report signed March 3, 1987.

Commissioners Aikens, Elliott, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioner Josefiak did not cast a vote.

Attest:

3-6-87

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Tues., 3-3-87, 1:26
Circulated on 48 hour tally basis: Wed., 3-4-87, 11:00
Deadline for vote: Fri., 3-6-87, 11:00



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 11, 1987

Arnold Hiller, Treasurer
Capitol Political Action Committee
P.O. Box 75669
Washington, D.C. 20013

RE: MUR 2359
Capitol Political Action
Committee
Arnold Hiller, Treasurer

Dear Mr. Hiller:

On March 6, 1987, the Federal Election Commission determined that there is reason to believe the Capitol Political Action Committee and you, as treasurer, violated 2 U.S.C. §§ 433(c) and 434(a)(4)(A)(i), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within fifteen days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation will not be entertained after briefs on probable cause have been mailed to the respondent.

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 General Counsel is not authorized to 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 a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be 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 Shelley Garr, the staff person assigned to this matter, at (202)376-8200.

Sincerely,



Scott E. Thomas
Chairman

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

87040353704



CAPITAL POLITICAL ACTION COMMITTEE

P.O. Box 75669 • Washington, D.C. 20013 • 202/547-6415

March 31, 1987

Ralph Grunewald, chairman

Arnie Hiller, treasurer

EXECUTIVE BOARD

Elise Eplan

Ron Fried

Bernie Friedman

Philip Friedman

Nancy Kohn

Michael Kempner

Marc Scheineson

Jonathan Slade

Judith Slovin

HAND DELIVERED

Federal Election Commission

PEPCO

PEPCO Building

999 E Street, N.W.

Washington, D.C. 20463

Attn: Shelly Garr, Esquire

Dear Members of the Commission:

The Capital Political Action Committee is a small voluntary PAC with no professional staff. We will be represented with respect to pending MUR 2359 by Marc J. Scheineson, Esq., our General Counsel and a member of the Executive Board. Please address all future correspondence to him c/o Finley, Kumble, Wagner, et al., 1120 Connecticut Avenue, N.W., Suite 1000, Washington, D.C. 20036. Mr. Scheineson may be reached at (202) 857-4498 with any questions or if you require additional information.

Thank you for your cooperation in this matter.

Sincerely,

Arnie Hiller
Arnie Hiller

cc: Mr. Jonathan Slade
Mr. Ralph Grunewald
Marc J. Scheineson, Esq.

5946I

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2359

NAME OF COUNSEL: Marc J. Scheineson, Esq.

ADDRESS: 1120 Connecticut Avenue, N.W.

Suite 1000

Washington, D.C. 20036

TELEPHONE: (202) 857-4498

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf before
the Commission.

3/30/87
Date

Arnie M. Hiller
Signature

RESPONDENT'S NAME: Arnie Hiller

ADDRESS: Tycon Courthouse

2070 Chain Bridge Road

Vienna, Virginia 27180

HOME PHONE: (703) 237-0636

BUSINESS PHONE: (703) 448-1900

87040553706

FINLEY, KUMBLE, WAGNER, HEINE,
UNDERBERG, MANLEY, MYERSON & CASEY

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

1120 CONNECTICUT AVENUE, N. W.
WASHINGTON, D. C. 20036

(202) 687-4000
CABLE: CANKEY

TELEX: 692415/804000
TELECOPIER: (202) 687-4416

425 PARK AVENUE
NEW YORK, NEW YORK 10022
(212) 371-8900

9100 WILSHIRE BOULEVARD
BEVERLY HILLS, CALIFORNIA 90212
(310) 850-6100

101 WEST BROADWAY
SAN DIEGO, CALIFORNIA 92101
(619) 231-6700

777 BRICKELL AVENUE
MIAMI, FLORIDA 33131
(305) 371-2800

110 EAST BROWARD BOULEVARD
FT. LAUDERDALE, FLORIDA 33301
(305) 527-2800

707 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90017
(213) 612-3100

4400 MCARTHUR BOULEVARD
NEWPORT BEACH, CALIFORNIA 92660
(714) 851-2155

444 WORLD TRADE CENTER
401 EAST PRATT STREET
BALTIMORE, MARYLAND 21202
(301) 561-0212

LECONFIELD HOUSE
CURZON STREET 8TH FLOOR
LONDON, W1V 2LZ ENGLAND
1-481

March 31, 1987

HAND DELIVERED

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

Attn: Shelly Garr, Esquire

Dear Members of the Commission:

In my pro bono position as General Counsel of the Capital Political Action Committee ("CAPPAC"), I only yesterday became aware of a pending investigation by the Commission into certain alleged filing irregularities by CAPPAC's Treasurer. CAPPAC maintains a Post Office Box which apparently is checked infrequently during lag periods between elections. For this reason, the Commission's letter of March 11, 1987 indicating a "reason to believe" that filing violations have occurred, was not referred to my attention until yesterday.

Pursuant to a telephone conversation with Shelly Garr of the General Counsel's Office today, I respectfully request an extension of time to properly prepare a detailed letter presenting the facts and requesting pre-probable cause conciliation.

Thank you for your consideration and cooperation in this matter.

Best regards.

Sincerely,

Marc J. Scheineson
Marc J. Scheineson

cc: Mr. Jonathan Slade
Mr. Ralph Grunewald
Mr. Arnie Hiller

59451

GC # 3018

MAN 2359

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
MAY 31 1987

87040553707

7



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 10, 1987

Marc J. Scheinson, Esquire
1120 Connecticut Avenue, N.W.
Suite 1000
Washington, D.C. 20036

RE: MUR 2359
Capital Political
Action Committee

Dear Mr. Scheinson:

This is in response to your letter dated March 31, 1987, requesting an extension of time to respond to the Commission's reason to believe notification. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on April 15, 1987.

If you have any questions, please contact Shelley Garr, the staff member assigned to this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble
Acting General Counsel

BY: 
George F. Rishel
Acting Associate General Counsel

87040553708

QCC#3162
RECEIVED AT THE FEC

**FINLEY, KUMBLE, WAGNER, HEINE,
UNDERBERG, MANLEY, MYERSON & CASEY**

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

**1120 CONNECTICUT AVENUE, N. W.
WASHINGTON, D. C. 20006**

(202) 657-4000
CABLE: DANKEY

TELEX: 683415/804000
TELECOMER: (202) 657-4410

87 APR 21 AM: 44

425 PARK AVENUE
NEW YORK, NEW YORK 10022
(212) 371-8800

3400 WILSHIRE BOULEVARD
BEVERLY HILLS, CALIFORNIA 90210
(310) 850-8100

101 WEST BROADWAY
SAN DIEGO, CALIFORNIA 92101
(619) 231-8700

777 BRICKELL AVENUE
MIAMI, FLORIDA 33131
(305) 371-2600

110 EAST BROWARD BOULEVARD
FT. LAUDERDALE, FLORIDA 33301
(305) 527-2800

709 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90017
(213) 412-3100

4400 McARTHUR BOULEVARD
NEWPORT BEACH, CALIFORNIA 92660
(714) 861-2300

444 WORLD TRADE CENTER
401 EAST PRATT STREET
BALTIMORE, MARYLAND 21202
(301) 952-0812

LECONFIELD HOUSE
CURSON STREET, 5TH FLOOR
LONDON, W1Y 7PB, ENGLAND
1-401-4558

April 17, 1987

HAND DELIVERED

The Honorable Scott E. Thomas
Chairman
Federal Election Commission
PEPCO Building
999 E Street, N.W.
Washington, D.C. 20463

Re: Capital Political Action Committee
(FEC ID No. 000168161; MUR 2359)

Dear Mr. Chairman:

In my capacity as General Counsel to the Capital Political Action Committee ("CAPPAC"), I have only recently become aware of the Commission's prior correspondence with our Treasurer, Arnie Hiller. I regret that this matter had to advance to this point before I was informed and before a program of corrective action was implemented by the Executive Committee.

We respectfully request pre-probable cause conciliation under 11 C.F.R. 111.18(d).

The remainder of this letter presents: (i) our understanding of the factual basis of the Commission's allegations; (ii) an explanation of the mitigating factors underlying those allegations; and (iii) a description of the corrective procedures we propose to utilize to prevent the reoccurrence of any alleged violations in the future.

87 APR 21 AM: 15

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

8704053709

- 2 -

A. History of CAPPAC

1. CAPPAC is a small voluntary unincorporated organization composed of young professionals in the Greater Washington, D.C. community. It collects between \$30,000-\$40,000 per two year election cycle and contributes those funds, less minimal administrative expenses, to candidates for the U.S. Senate or House of Representatives who have been supportive of the State of Israel. The PAC has no professional administrative staff and all its officers and board members serve on a strictly voluntary basis. It offers two classes of membership; a general \$100 membership and a \$250 membership, over the two year election cycle. Two hundred-fifty dollar contributors become members of the allocations committee which chooses to whom political contributions are made.

2. A Statement of Organization was filed with the Commission on June 25, 1983, listing Judith E. Slovin as the PAC's original Treasurer. A revised Statement of Organization was filed on July 19, 1983, naming Ralph Grunewald as the successor Treasurer. Mr. Grunewald was subsequently elected Chairman of the PAC in May 1984, and Arnie Hiller became the PAC's third successor Treasurer at that time. Our records contain no revised Statement of Organization informing the Commission of Mr. Hiller's appointment. The revised form is enclosed for filing with this correspondence. All new members are required to complete an informational card requesting data sufficient to comply with the reporting requirements of the Commission. We maintain a computer data base upon which we enter membership information to use in preparation of FEC filings.

3. CAPPAC maintains a Post Office Box at the Main Post Office facility on Capitol Hill. The volume of unsolicited mail received by the PAC requires that a separate mailing address be maintained.

B. Prior Filings

1. Filings were prepared correctly and filed timely, to my knowledge, throughout 1983 and 1984.

2. The Commission has outlined a series of late filings during Mr. Hiller's tenure beginning with the July 31, 1985 filing. The October 1986 filing was apparently not received prior to the Commission's March 11, 1987 correspondence. Additionally, by a series of six letters all dated December 10, 1986, the Commission requested amended filings of all reports since the April 1985 Quarterly Report because: (i) in certain instances, occupations of our \$250 contributors were not

8704053710

- 3 -

included; (ii) certain mailing addresses of contributors were not listed; and (iii) the contributions of members of the Executive Committee which were paid in installments were not aggregated correctly.

3. The October 1986 report and all amended reports were subsequently filed on March 9, 1987.

C. Explanation for Prior Filings

1. There is clearly no excuse for the alleged pattern of violations of Commission filing regulations. The matter has now been brought to the attention of the PAC Chairmen and General Counsel and corrective action has been initiated as described in Section D below.

2. As General Counsel, I had continuously requested Mr. Hiller to forward all reports to me for my review prior to filing. He failed to do so, but constantly assured me that all filings had been properly prepared and filed.

3. Mr. Hiller apparently incorrectly assumed that filing deadlines were merely recommendations and that reports could be filed late with no repercussions, since the Commission had not objected to filing delays prior to November 17, 1986.

4. Mr. Hiller did not receive the series of Commission notices dated December 8, 9, and 10, 1986 until late December. The PAC mailbox was not checked on a regular basis during certain inactive periods between election cycles, including early December 1986.

5. Upon receipt of those December notices, Mr. Hiller contacted the Reports Analysis Division in late December and explained that the amendments requested could take a considerable period of time to prepare because of the part-time voluntary nature of his position and the fact that he had no staff support. The RAD Analyst indicated that 30 days was an acceptable period of time to amend previously submitted reports. Mr. Hiller also notified the Analyst that it was no use filing the October 1986 report which had been prepared incorrectly because it would also have to be amended for the same reasons as all the others. The Analyst apparently assented to this request for a delay in filing that report as well.

6. In earlier conversations with RAD staff, Mr. Hiller apparently delayed filing the October report and there can be no excuse for that. Its filing, however, was continuously

8704053711

- 4 -

delayed due to the need to obtain substantial additional information as identified by the Commission in its December 10, 1986 correspondence with respect to prior 1985-1986 filings.

7. These filing delays were only compounded by an injury to Mr. Hiller on January 10, 1987, that resulted in knee surgery. He was unable to return to the office to assume his business responsibilities until February 3, 1987. Attached is medical information substantiating this injury. Unfortunately, Mr. Hiller did not make the CAPPAC Executive Committee aware of these unfulfilled responsibilities during his convalescence so that we could have interceded to complete these filings on his behalf. It is my understanding that Mr. Hiller contacted the RAD Analyst informing him of his medical circumstances and explained that all the reports would be completed together as soon as he was able to return to his office.

8. After he returned to his office on February 3, 1987, the reports were prepared as quickly as practicable and the RAD was kept advised of Mr. Hiller's progress.

D. Corrective Action

1. The most important step toward a permanent correction of these past mistakes is that the CAPPAC Executive Committee and General Counsel is now fully aware of the less than responsible performance of its Treasurer.

2. The PAC has now filed all amended reports, an amended Statement of Organization and the October 1986 Quarterly Report.

3. The Board has implemented a strict oversight procedure to remain continuously informed of the status of these reports. Mr. Hiller is required to submit the completed draft report to me at least 10 days in advance of all filing deadlines. I will then be directly responsible to the Executive Committee to insure that all filings contain complete information and are filed timely. The CAPPAC By-Laws will be amended to incorporate this requirement.

4. Mr. Hiller has been severely reprimanded by the Board. The limited budget of the PAC for administrative expenses, however, requires that we continue to utilize Mr. Hiller's computer facilities. If he fails to submit these reports for my review and filing in the future, however, he will be dismissed as Treasurer immediately.

5. The Board adopted a policy to maintain its existing Post Office Box because of the flood of unsolicited invitations to fundraisers and other requests for contributions. That box

87040353712

FINLEY, KUMBLE, WAGNER, HEINE,
UNDERBERG, MANLEY, MYERSON & CASEY

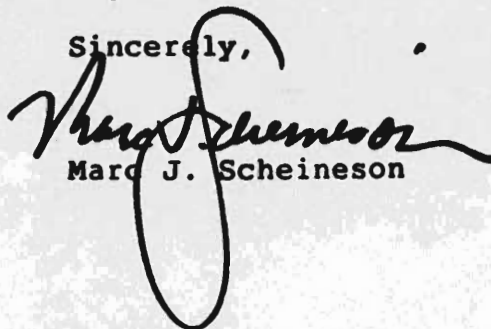
- 5 -

will be checked, however, at least weekly at all times during the year.

6. At no time since our organization has CAPPAC attempted to conceal contributions or expenditures nor intentionally attempted to thwart full disclosure to the Commission. This regrettable episode was due in large part to a failure in our small and unsophisticated administrative system. We have learned from our prior mistakes. We hope that this information is sufficient to enable you to conciliate this matter without filing suit or assessing civil penalties.

Thank you for your consideration of our conciliation request and for your continued cooperation.

Sincerely,



Marc J. Scheineson

cc: Shelly Garr, Esquire
Mr. Jonathan Slade, Co-Chair
Mr. Ken Hecht, Co-Chair
Mr. Ralph Grunewald
Mr. Arnie Hiller

60481

87040553713

STATEMENT OF ORGANIZATION

(see reverse side for instructions)

1. (a) Name of Committee (in Full) CAPITAL POLITICAL ACTION COMMITTEE (CAPPAC)	<input type="checkbox"/> Check if name or address is changed.	2. Date April 13, 1987
(b) Address (Number and Street) P.O. Box 75669		3. FEC Identification Number C00168161
(c) City, State and ZIP Code Washington, D.C. 20013		4. Is this an amended Statement? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

5. TYPE OF COMMITTEE (check one):

- ☐ (a) This committee is a principal campaign committee. (Complete the candidate information below.)
- ☐ (b) This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)
- | | | | |
|-------------------|-----------------------------|---------------|----------------|
| Name of Candidate | Candidate Party Affiliation | Office Sought | State/District |
|-------------------|-----------------------------|---------------|----------------|
- ☐ (c) This committee supports/opposes only one candidate _____ and is NOT an authorized committee.
(Name of candidate)
- ☐ (d) This committee is a _____ committee of the _____ Party.
(National, State or subordinate) (Democratic, Republican, etc.)
- ☐ (e) This committee is a separate segregated fund.
- ☒ (f) This committee supports/opposes more than one Federal candidate and is NOT a separate segregated fund nor a party committee.

6. Name of Any Connected Organization or Affiliated Committee	Mailing Address and ZIP Code	Relationship

If the registering political committee has identified a "connected organization" above, please indicate type of organization:

- ☐ Corporation ☐ Corporation w/o Capital Stock ☐ Labor Organization ☐ Membership Organization ☐ Trade Association ☐ Cooperative

7. Custodian of Records: Identify by name, address (phone number - optional) and position, the person in possession of committee books and records.

Full Name	Mailing Address and ZIP Code	Title or Position
Arnie Hiller, Tycon Courthouse,	2070 Chain Bridge Road, Vienna, VA	Treasurer

8. Treasurer: List the name and address (phone number - optional) of the treasurer of the committee; and the name and address of any designated agent (e.g., assistant treasurer).

Full Name	Mailing Address and ZIP Code	Title or Position
Arnie Hiller, Tycon Courthouse,	2070 Chain Bridge Road, Vienna, VA	Treasurer

9. Banks or Other Depositories: List all banks or other depositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds.

Name of Bank, Depository, etc.	Mailing Address and ZIP Code
First American Bank, NA Washington, DC	444 North Capitol Street, NW Washington, DC 20001

I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.

Arnie Hiller

Type or Print Name of Treasurer

SIGNATURE OF TREASURER

4/14/87

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. §437g.

For further information contact:

Federal Election Commission, Toll Free 800-424-9630, Local 202-523-4088

--	--	--	--	--	--	--	--

FEC FORM 1 (3/80)

37040553714

PROOF OF LOSS

IMPORTANT The furnishing of this form is not an acknowledgment that you are entitled to benefits. However, the accurate completion of this form is necessary to determine promptly the benefits to which you may be entitled.

STATEMENT OF INSURED

- Name of Policyholder: Arnold M. Miller Date of Birth: 11-4-54 Policy No. (s): _____
- Name of Covered Person(s) presenting claim: Arnold M. Miller Date of Birth: _____
- Residence address: 5712 N. 18th St. Arlington Virginia 22207 Telephone: _____
- Mailing address (if different): _____
- Name of your firm or employer: U.S. Space Transportation
- Business address: 2070 Chain Bridge Road, Box 232, Vienna, Virginia 22180 Telephone: _____
- Job title: President
- Full Duties (describe in detail): CEO, manager, and director of operations - RESEARCH, SPACE FLIGHT, and related activities - research & development
- Have you any other Major Medical, Hospital Insurance and/or Disability Income Insurance? ☒ Yes ☐ No
If "yes", give names of companies and amount of benefit in cash: IBM, Insurance - \$100,000

TO CLAIMANT: Answer the following if (1) your claim is for monthly benefits for total disability, and (2) you perform your job in the capacity of: _____
Answer No to the following question if you are self employed.
Does your employer contribute, in whole or in part, towards the premium payment on the policy(ies) under which you are submitting a claim? ☐
If your claim is under two or more policies, please indicate whether your above answer applies to ☐ all policies or ☐ only policy number(s): _____
Your Social Security Number: _____

PRESENT CLAIM

- Present claim is the result of (check one): ☐ SICKNESS ☒ ACCIDENT ☐ NON DISABLING INJURY
- Date sickness began: Jan. 10, 1987
- Nature of sickness: injury to left knee - requiring surgery and recuperation
- Date of accident: Jan. 10, 1987
- How and where did accident occur: Slipped - while working, U.S. Space Transportation
- Describe injuries: Extensive, complete tear of left knee.
- Date first unable to work: 1/12/87 Time: _____
- (a) When did you resume work full time? _____ (b) If unable to resume work full time when did you resume work part time? _____
(c) If unable to resume work when do you expect to be able to do so? _____
- If you are now disabled, state (a) the number of hours lost daily from your work _____ and (b) the regular duties you _____
- Names and addresses of all physicians attending you: Dr. Jeffrey S. Halka
- Dates of medical attendance: (a) At home or hospital: 1/10/87, 1/16/87
(b) At doctor's office: 1/15/87, 1/21/87
- If confined to a hospital, dates of confinement: From _____ To _____
- Name and address of hospital: Reston Hospital
- If attended by a nurse at home, give dates of attendance: _____

NOTE: If your claim is for Non Disabling Injury benefits only, please attach itemized medical bills. If your policy contains indemnity for Surgeon's Fees, Medical Attendance, Care at Home by a Graduate Nurse, or Major Medical Expenses, please submit itemized bills.

Any person who knowingly and with intent to defraud any insurance company or other person files a statement of claim containing any misstatement, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

Florida 3rd degree felony - other states as the law applies.

Date: 2/2/87 Signature: Arnold M. Miller

I hereby authorize any physician, hospital, clinic or other medically related facility, insurance company or other organization, institution or records or knowledge of me or my health, to furnish to the Massachusetts Casualty Insurance Company of Boston, Massachusetts, or its representative, such information including copies of all hospital or medical records. A photostatic copy of this authorization shall be considered as effective as the original.

Dated this 2nd day of March 1987 Signed: Charles Miller
Address: 5712 N. 18th St. Arlington, Virginia (City) Arlington, Virginia (State)

THIS PROOF OF LOSS MUST BE DATED AND SIGNED
If a Covered Person is a minor it must be signed by adult Policyholder

87040553715

RESTON HOSPITAL CENTER
1850 TOWN CENTER PKY
RESTON, VA. 22090
(703). 689 9000

3 PATIENT CONTROL NUMBER
402620
 5 BC/BS PROV NO **389** 6 FEDERAL TAX NO **62 1113733** 7 MEDICARE NO **49 0107** 8 MEDICAD NO **49 01070**

9 PATIENT'S LAST NAME **HILLER** FIRST NAME **ARNOLD** 10 SEX **M** 11 PATIENT'S ADDRESS **5712 N. 16TH STREET ARLINGTON VA 22205**

12 DATE **11-04-84** 13 SEX **M** 14 AGE **6** 15 DATE **01-16-87** 16 AM **01-16-87** 17 THROUGH **01-16-87**

18 OCCURRENCE **CD** 19 DATE **CD** 20 OCCURRENCE **CD** 21 DATE **CD** 22 OCCURRENCE **CD** 23 DATE **CD** 24 OCCURRENCE **CD** 25 DATE **CD** 26 FROM **CD** 27 THROUGH **CD**

28 **HILLER, ARNOLD M.**
5712 N. 16TH STREET
ARLINGTON, VA 22205

29 DESCRIPTION	30 QTY	31 UNITS	32 TOTAL CHARGES	33	34	35	36
PHARMACY	250	10	176 00				
IV SOLUTIONS	258	2	24 00				
MED SUR SUPPLIES	270	17	515 30				
LABORATORY	300	5	79 00				
OR SERVICES	360	2	940 00				
ANESTHESIA	370	1	97 50				
REC RM	710	3	225 00				
TOTAL CHARGES	001		2,057 60				

37 PRIOR **GUARDIAN** 38 DEDUCTIBLE **Y** 39 CO-INSURANCE **Y** 40 EST RESPONSIBILITY **2,057 60** 41 PRIOR PAYMENTS **2,057 60**

42 DUE FROM PATIENT **DUE FROM PATIENT** 43 GROUP NAME **US SEARCH INC** 44 INSURANCE GROUP NO **G209571-IC**

45 EMPLOYER'S NAME **HILLER, ARNOLD M.** 46 SEX **M** 47 REL **01** 48 CERT-SSN-HC ID NO **067 46 9508** 49 EMPLOYER LOCATION **US SEARCH INC**

50 PRINCIPAL AND OTHER DIAGNOSES DESCRIPTIONS 51 ICD CODE 52 OTHER DIAGNOSES CODE

87040553715

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Capital Political Action Committee)
Arnold Hiller, Treasurer)

MUR 2359

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On March 6, 1987, the Commission found reason to believe that Capital Political Action Committee ("CAPPAC") and Arnold Hiller, as treasurer, violated 2 U.S.C. §§ 433(c) and 434(a)(4)(A)(i) by failing to file an amended Statement of Organization naming a new treasurer and by failing to file the 1986 October Quarterly Report, respectively. By letter dated April 17, 1987, counsel for respondents requested to settle this matter prior to a finding of probable cause to believe (Attachment 1).

II. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

87040553717

APR 26 11:17

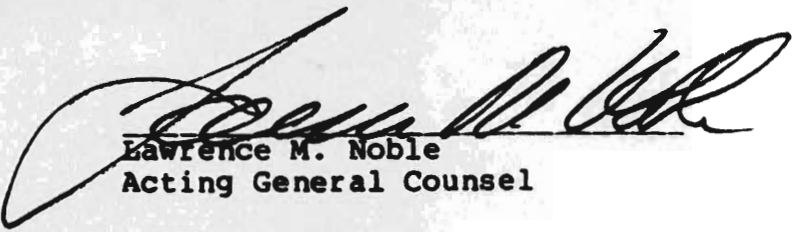
87040553718

III. RECOMMENDATIONS

1. Enter into conciliation with Capital Political Action Committee and Arnold Hiller, as treasurer, prior to a finding of probable cause to believe.
2. Approve the attached proposed conciliation agreement and letter.

Date

5/22/87


Lawrence M. Noble
Acting General Counsel

Attachments

1. Request for conciliation
2. Proposed agreement and letter

2/ The amended Statement of Organization was filed on April 22, 1987.

87040653719

Attachment(s) 1, 2
to General Counsel's Report
have been removed from this
position in Public Record File.
See Index Item(s) 9, 14



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary

FROM: Office of General Counsel *Cef.*

DATE: May 26, 1987

SUBJECT: MUR 2359 - General Counsel's Report

The attached is submitted as an Agenda document
for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS

48 Hour Tally Vote ☒
Sensitive ☒
Non-Sensitive ☐

24 Hour No Objection ☐
Sensitive ☐
Non-Sensitive ☐

Information ☐
Sensitive ☐
Non-Sensitive ☐

Other ☐

DISTRIBUTION

Compliance ☒

Audit Matters ☐

Litigation ☐

Closed MUR Letters ☐

Status Sheets ☐

Advisory Opinions ☐

Other (see distribution below) ☐

87040553720



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
ACTING GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/SUSAN GREENLEE ^{S.G.}

DATE: MAY 28, 1987

SUBJECT: COMMENTS ON MUR 2359: General Counsel's Report
Signed May 22, 1987

Attached is a copy of Commissioner Thomas's
vote sheet with comments regarding the above-captioned matter.

Attachment:
copy of vote sheet

87040653721

BALLOT



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

DATE & TIME TRANSMITTED: TUESDAY, MAY 26, 1987 4:00

COMMISSIONER: AIKENS, ELLIOTT, JOSEFIAK, McDONALD, McGARRY, THOMAS

RETURN TO COMMISSION SECRETARY BY THURSDAY, MAY 28, 1987 4:00

SUBJECT: MUR 2359- General Counsel's Report
Signed May 22, 1987

27 MAY 28 AIO:04

OFFICE OF THE SECRETARY
FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

- (✓) I approve the recommendation
() I object to the recommendation

COMMENTS: _____

DATE: 5/28/87

SIGNATURE *John Thomas*

A DEFINITE VOTE IS REQUIRED. ALL BALLOTS MUST BE SIGNED AND DATED.
PLEASE RETURN ONLY THE BALLOT TO THE COMMISSION SECRETARY.
PLEASE RETURN BALLOT NO LATER THAN DATE AND TIME SHOWN ABOVE.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Capital Political Action Committee)
Arnold Hiller, Treasurer) MUR 2359

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 28, 1987, the Commission decided by a vote of 6-0 to take the following actions in MUR 2359:

1. Enter into conciliation with Capital Political Action Committee an Arnold Hiller, as treasurer, prior to finding of probable cause to believe.
2. Approve the proposed conciliation agreement and letter, as recommended in General Counsel's Report signed May 22, 1987.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

5-29-87

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Fri., 5-22-87, 11:17
Circulated on 48 hour tally basis: Tues., 5-26-87, 4:00
Deadline for vote: Thurs., 5-28-87, 4:00



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 4, 1987

Marc J. Scheineson, Esquire
1120 Connecticut Avenue, N.W.
Suite 1000
Washington, D.C. 20036

RE: MUR 2359
Capital Political
Action Committee

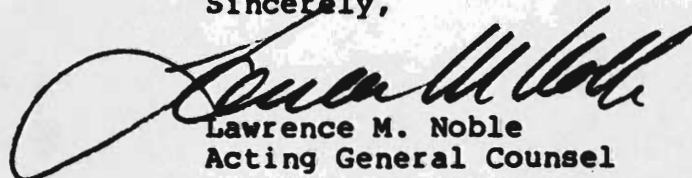
Dear Mr. Scheineson:

On March 6, 1987, the Federal Election Commission found reason to believe that Capital Political Action Committee and Arnold Hiller, as Treasurer, violated 2 U.S.C. §§ 433(c) and 434(a)(4)(A)(i), provisions of the Federal Election Campaign Act of 1971, as amended. At your request, on May 28, 1987, the Commission determined 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 in settlement of this matter. If your clients agree with the provisions of the enclosed agreement, please sign and return it, 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.

If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Shelley Garr, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,


Lawrence M. Noble
Acting General Counsel

Enclosure
Conciliation Agreement

87040553724

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Capital Political Action Committee)
Arnold Hiller, Treasurer)

MUR 2359

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by Kenneth Hecht and Jonathan Slade, Co-Chairmen for the Capital Political Action Committee ("CAPPAC") (Attachment I). The agreement contains no changes from the agreement initially approved by the Commission.

Also attached is a copy of a check for \$750.00 representing CAPPAC's payment of a civil penalty.

II. RECOMMENDATION

The Office of General Counsel recommends that the Commission accept the agreement in settlement of this matter and close the file.

Date

6/29/87


Lawrence M. Noble
Acting General Counsel

Attachments:

- 1) Conciliation agreement
- 2) Proposed letter

87040553726

Attachment(s) H 2
to General Counsel's Report
have been removed from this
position in Public Record File.
See Index Item(s) 18



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *Red*
DATE: June 30, 1987
SUBJECT: MUR 2359 - General Counsel's Rpt.

The attached is submitted as an Agenda document
for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS

48 Hour Tally Vote ☒ [X]
Sensitive ☒ [X]
Non-Sensitive ☐ []

24 Hour No Objection ☐ []
Sensitive ☐ []
Non-Sensitive ☐ []

Information ☐ []
Sensitive ☐ []
Non-Sensitive ☐ []

Other ☐ []

DISTRIBUTION

Compliance ☒ [X]

Audit Matters ☐ []

Litigation ☐ []

Closed MUR Letters ☐ []

Status Sheets ☐ []

Advisory Opinions ☐ []

Other (see distribution
below) ☐ []

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Capital Political Action Committee)
Arnold Hiller, Treasurer)

MUR 2359

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 2, 1987, the Commission decided by a vote of 6-0 to accept the agreement in settlement of this matter and close the file, as recommended in the General Counsel's Report signed June 29, 1987.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

7-2-87

Date

Mary W. Emmons for

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Tues., 6-30-87, 10:18
Circulated on 48 hour tally basis: Tues., 6-30-87, 4:00
Deadline for vote: Thurs., 7-02-87, 4:00



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 7, 1987

Marc J. Scheineson, Esquire
1120 Connecticut Avenue, N.W.
Suite 1000
Washington, D.C. 20004

RE: MUR 2359
Capital Political Action Committee
Arnold Hiller, Treasurer

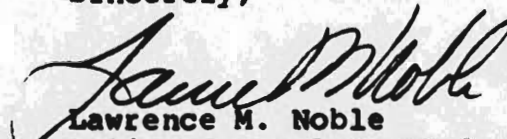
Dear Mr. Scheineson:

On July 2, 1987, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of violations of 2 U.S.C. §§ 434(a)(4)(A)(i) and 433(c), provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to the Capital Political Action Committee and Arnold Hiller, as treasurer. This matter will become a part of the public record within 30 days. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Shelley Garr, the staff member assigned to this matter at (202) 376-8200.

Sincerely,


Lawrence M. Noble
Acting General Counsel

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Capital Political Action Committee) MUR 2359
Arnold Hiller, Treasurer)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Capital Political Action Committee and Arnold Hiller, as treasurer, ("Respondents") violated 2 U.S.C. §§ 433(c) and 434(a)(4)(A)(i).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Respondent, Capital Political Action Committee, is a political committee within the meaning of 2 U.S.C. § 431(4).
2. Respondent, Arnold Hiller, is the treasurer of Capital Political Action Committee.

87040353730

3. On December 8, 1986, Arnold Hiller advised the Commission that he serves as treasurer for Capital Political Action Committee.

4. Capital Political Action Committee filed an amended Statement of Organization naming Arnold Hiller as treasurer on April 22, 1987.

5. Respondents were required to file the 1986 October Quarterly Report on October 15, 1986. The report was filed on March 30, 1987, 166 days late.

V. Pursuant to 2 U.S.C. § 434(a)(4)(A)(i), all political committees other than authorized committees of a candidate, may elect to file, in a calendar year in which a regularly scheduled election is held, quarterly reports which shall be filed no later than the 15th day after the last day of each calendar quarter, except that the report for the quarter ending on December 31 of such calendar year shall be filed no later than January 31 of the following calendar year. Respondents' failure to file its 1986 October Quarterly Report in a timely manner is in violation of 2 U.S.C. § 434(a)(4)(A)(i).

VI. Pursuant to 2 U.S.C. § 433(c) all political committees are required to report to the Commission any change in information previously submitted in a Statement of Organization no later than 10 days after the date of the change.

37040653731

Respondents' failure to file an amended Statement of Organization within 10 days of its change in treasurer is in violation of 2 U.S.C. § 433(c).

VII. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Seven Hundred and Fifty Dollars (\$750.00), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

IX. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

X. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

XI. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or

87040553732

oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:



Lawrence M. Noble
Acting General Counsel

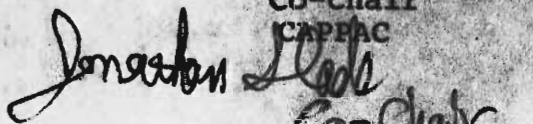
Date

7/7/87

FOR THE RESPONDENTS:


(Name) Kenneth Hecht
(Position) Co-Chair

6-11-87
Date


Jonathan Slade
Co-Chair
CAPPAC

87040553733



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

THIS IS THE BEGINNING OF MUR # 2359
DATE FILMED 8/14/87 CAMERA NO. 2
CAMERAMAN GPC

8704053734



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20461

9-21-87

THE FOLLOWING MATERIAL IS BEING ADDED TO THE
PUBLIC FILE OF CLOSED MUR 2359

87040654270

CAPITAL POLITICAL ACTION COMMITTEE

P. O. BOX 75669
WASHINGTON, D.C. 20013

1169

68-482/680

PAY
TO THE
ORDER OF

FEDERAL ELECTION COMMISSION

6/12 1987 \$750.00

Seven hundred fifty dollar and 2

DOLLARS

The
Business
Bank

VIENNA, VIRGINIA 22180

FOR

MUR 2359 - Constance

Arnold Hiller

⑈00001169⑈ ⑈056004623⑈ ⑈1011162⑈

MEMORANDUM

TO:

Debra A. Reed ^{Trimiew}

TO:

Cecilia Lieber

FROM:

Cecilia Lieber

FROM:

Debra A. Reed ^{Trimiew}

CHECK NO. 1169

(a copy of which is attached)

RELATING

TO MUR 2359 (Carr)

AND NAME

Capital Political Action Committee

WAS RECEIVED ON 6/24/87

PLEASE INDICATE THE ACCOUNT INTO

WHICH IT SHOULD BE DEPOSITED:

/ ✓

BUDGET CLEARING ACCOUNT

(#95F3875.16)

/ /

CIVIL PENALTIES ACCOUNT

(#95-1099.160)

/ /

OTHER

SIGNATURE

Debra A. Reed

DATE

6/25/87

CC#3687

87 JUN 24 P 3:00

RECEIVED
GENERAL COUNCIL

FINLEY, KUMBLE, WAGNER, HEINE,
UNDERBERG, MANLEY, MYERSON & CASEY

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

1180 CONNECTICUT AVENUE, N. W.
WASHINGTON, D. C. 20036

(202) 687-4000
CABLE: DANKEY

TELEX: 882418/804000
TELECOMEX: (202) 687-4410

425 PARK AVENUE
NEW YORK, NEW YORK 10022
(212) 371-8900

8100 WILSHIRE BOULEVARD
BEVERLY HILLS, CALIFORNIA 90212
(213) 880-8100

101 WEST BROADWAY
SAN DIEGO, CALIFORNIA 92101
(619) 231-8700

777 BRICKELL AVENUE
MIAMI, FLORIDA 33131
(305) 371-8900

110 EAST BROWARD BOULEVARD
FT. LAUDERDALE, FLORIDA 33301
(305) 527-2800

707 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90017
(213) 612-3100

4400 MACARTHUR BOULEVARD
NEWPORT BEACH, CALIFORNIA 92660
(714) 881-2255

944 WORLD TRADE CENTER
401 EAST PRATT STREET
BALTIMORE, MARYLAND 21202
(301) 982-0812

LECONFIELD HOUSE
CURZON STREET, 8TH FLOOR
LONDON, W1T 7PB, ENGLAND
1-481-4558

June 18, 1987

HAND DELIVERED

Lawrence M. Noble, Esquire
Acting General Counsel
Federal Election Commission
PEPCO Building, Room 657
999 E Street, N.W.
Washington, D.C. 20463

Re: In the Matter of Capital Political Action Committee
(MVR 2359)

Dear Mr. Noble:

The Executive Committee of the Capital Political Action Committee ("CAPPAC") has reviewed the Conciliation Agreement drafted by your office and has voted to sign it in its current form. Attached is the original executed Agreement and a check in the amount of \$750 which reflects the civil penalty assessed pursuant to Paragraph VII of the Agreement.

87 JUN 24 P 3:30

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

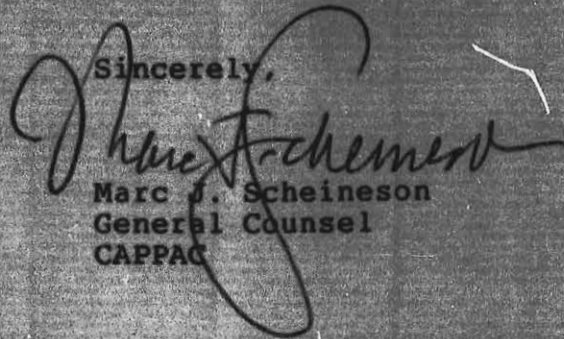
87040654272

- 2 -

Please telephone me with any questions or if additional information is required. Thank you for your cooperation and the professional assistance rendered by Ms. Shelley Garr of your staff.

Best regards.

Sincerely,



Marc J. Scheineson
General Counsel
CAPPAC

cc: Ms. Shelley Garr
Mr. Jonathan Slade
Mr. Ken Hecht
Mr. Arnie Hiller

6545I

87040654273

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Capital Political Action Committee) MUR 2359
Arnold Hiller, Treasurer)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Capital Political Action Committee and Arnold Hiller, as treasurer, ("Respondents") violated 2 U.S.C. §§ 433(c) and 434(a) (4) (A) (i).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a) (4) (A) (i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Respondent, Capital Political Action Committee, is a political committee within the meaning of 2 U.S.C. § 431(4).
2. Respondent, Arnold Hiller, is the treasurer of Capital Political Action Committee.

87040654274

3. On December 8, 1986, Arnold Hiller advised the Commission that he serves as treasurer for Capital Political Action Committee.

4. Capital Political Action Committee filed an amended Statement of Organization naming Arnold Hiller as treasurer on April 22, 1987.

5. Respondents were required to file the 1986 October Quarterly Report on October 15, 1986. The report was filed on March 30, 1987, 166 days late.

V. Pursuant to 2 U.S.C. § 434(a)(4)(A)(i), all political committees other than authorized committees of a candidate, may elect to file, in a calendar year in which a regularly scheduled election is held, quarterly reports which shall be filed no later than the 15th day after the last day of each calendar quarter, except that the report for the quarter ending on December 31 of such calendar year shall be filed no later than January 31 of the following calendar year. Respondents' failure to file its 1986 October Quarterly Report in a timely manner is in violation of 2 U.S.C. § 434(a)(4)(A)(i).

VI. Pursuant to 2 U.S.C. § 433(c) all political committees are required to report to the Commission any change in information previously submitted in a Statement of Organization no later than 10 days after the date of the change.

87040554275

Respondents' failure to file an amended Statement of Organization within 10 days of its change in treasurer is in violation of 2 U.S.C. § 433(c).

VII. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Seven Hundred and Fifty Dollars (\$750.00), pursuant to 2 U.S.C. § 437g(a) (5) (A).

VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a) (1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

IX. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

X. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

XI. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or

87040654276

oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble
Acting General Counsel

Date

FOR THE RESPONDENTS:

(Name) Kenneth Heckit
(Position) Co-Chair
Co-Chair
CAPPAC

6-11-87
Date

Jonathan Slade
Co-Chair
Jonathan Slade
Co-Chair
CAPPAC

87040354277

CCG#3652
RECEIVED AT THE FEC

**FINLEY, KUMBLE, WAGNER, HEINE,
UNDERBERG, MANLEY, MYERSON & CASEY**

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

**180 CONNECTICUT AVENUE, N. W.
WASHINGTON, D. C. 20006**

(202) 857-4000
CABLE: DANKEY

TELEX: 580415 / 80-1000
TELECOPIER: (202) 857-4110

87 JUN 22 AID: 51

480 PARK AVENUE
NEW YORK, NEW YORK 10022
(212) 371-8800

5100 WILSHIRE BOULEVARD
BEVERLY HILLS, CALIFORNIA 90210
(310) 850-0100

101 WEST BROADWAY
SAN DIEGO, CALIFORNIA 92101
(619) 231-5700

777 BRICKELL AVENUE
MIAMI, FLORIDA 33131
(305) 371-2901

100 EAST BROWARD BOULEVARD
FT. LAUDERDALE, FLORIDA 33301
(305) 887-2600

707 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90017
(213) 482-3100

4000 MARTINEZ BOULEVARD
NEWPORT BEACH, CALIFORNIA 92660
(714) 424-2200

444 WORLD TRADE CENTER
401 EAST PRATT STREET
BALTIMORE, MARYLAND 21202
(301) 642-0000

LECONFIELD HOUSE
CURSON STREET, 5TH FLOOR
LONDON, U.K. W7B, ENGLAND
1-401-4500

June 18, 1987

HAND DELIVERED

Lawrence M. Noble, Esquire
Acting General Counsel
Federal Election Commission
PEPCO Building, Room 657
999 E Street, N.W.
Washington, D.C. 20463

Re: In the Matter of Capital Political Action Committee
(MVR 2359)

Dear Mr. Noble:

The Executive Committee of the Capital Political Action Committee ("CAPPAC") has reviewed the Conciliation Agreement drafted by your office and has voted to sign it in its current form. Attached is the original executed Agreement and a check in the amount of \$750 which reflects the civil penalty assessed pursuant to Paragraph VII of the Agreement.

87 JUN 22 9:3:29

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

87040654278

FINLEY, KUMBLE, WAGNER, HEINE,
UNDERBERG, MANLEY, MYERSON & CASEY

- 2 -

Please telephone me with any questions or if additional information is required. Thank you for your cooperation and the professional assistance rendered by Ms. Shelley Garr of your staff.

Best regards.

Sincerely,



Marc J. Scheineson
General Counsel
CAPPAC

cc: Ms. Shelley Garr
Mr. Jonathan Slade
Mr. Ken Hecht
Mr. Arnie Hiller

65451

87040554279

CAPITAL POLITICAL ACTION COMMITTEE

P. O. BOX 75689
WASHINGTON, D.C. 20013

8 7 0 4 0 5 5 4 2 8 0

1169

PAY
TO THE
ORDER OF

FEDERAL ELECTION COMMISSION

6/12

1987

88-482/500

\$ 750.00

Seven hundred fifty dollars and 2

DOLLARS

The
Business
Bank

MEMPHIS, TENNESSEE 38103

FOR

MUR 2358 - Conduit

James M. Miller

⑆00001169⑆ ⑆056004623⑆ ⑆1011162⑆