FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2496

DATE FILMED 3/25/88 CAMERA NO. 4

CAMERAMAN GPC

88040684156

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 22, 1987

MEMORANDUM

TO: LAWRENCE M. NOBLE
ACTING GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

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

SUBJECT: QUARTERLY FILERS (UNAUTHORIZED COMMITTEES) WHICH FAILED TO FILE THE 1986 12 DAY PRE-GENERAL REPORT BY ELECTION DAY

The attached list of unauthorized committees consists of forty-nine (49) quarterly filers which failed to file a 1986 12 Day Pre-General Report by Election Day, November 4, 1986. In accordance with Standard 3 of the RAD Review and Referral Procedures, further examination is required by your office.

Unlike the mandatory reporting requirement placed upon monthly filers, 2 U.S.C. §434(a)(4)(A)(ii) requires quarterly filers to submit 12 Day Pre-General Reports only if the committees make contributions to or expenditures on behalf of federal candidates involved in the general election. All unauthorized committees were sent prior notification regarding the pre- and post-general filing requirements on September 29, 1986 (Attachment 50).

The Party/Non-Party Branch conducted a thorough examination to identify quarterly filers disclosing contributions or expenditures between October 1 and October 15, 1986. The research revealed committees that submitted:

a) 12 Day Pre-General Reports in an untimely manner;

b) 30 Day Post-General Reports indicating that 12 Day Pre-General Reports should have been filed; and

c) Year End Reports indicating that 12 Day Pre-General Reports should have been filed.

ATTACHMENT 1

8804063041157

For your information, the pertinent supporting documentation on each committee has been arranged in alphabetical order. Statistics on all C indices only reflect activity through December 31, 1986. Any reports disclosing activity in 1987 have not been reviewed.

The following committees were previously referred either to your office or to the Audit Division for a possible 2 U.S.C. §438(b) audit.

(1)

(2)

(3)

(4)

(5)

(6)

If you have any questions, please contact Lisa J. Stolaruk at 376-2480.

Attachments

8804063458

88040684159

C00097485 Merck & Co., Inc. Political Action Committee (Merck PAC)

8804058416O

MERCK & CO, INC POLITICAL ACTION COMMITTEE (MERCK PAC)

(Attachments 31a - 31h)

8 8 0 4 0 5 8 4 1 6 1

COMMITTEE	DOCUMENT	RECEIPTS		DISBURSEMENTS		TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
MERCK & CO, INC POLITICAL ACTION COMMITTEE (MERCK PAC)						NON-PARTY QUALIFIED		ID #C00097485
CONNECTED ORGANIZATION: MERCK & CO INC								
1985	STATEMENT OF ORGANIZATION - AMENDMENT					10JUL85	2	85FEC/378/0854
	MID-YEAR REPORT	21,396		5,815		1JAN85 -30JUN85	11	85FEC/379/4611
	YEAR-END	23,797		25,299		1JUL85 -31DEC85	10	86FEC/395/2813
1986	APRIL QUARTERLY	9,698		2,298		1JAN86 -31MAR86	9	86FEC/408/2475
	JULY QUARTERLY	14,045		26,350		1APR86 -30JUN86	11	86FEC/420/4941
	OCTOBER QUARTERLY	13,952		29,050		1JUL86 -30SEP86	13	86FEC/437/0833
	POST-GENERAL	4,359		8,050		10CT86 -24NOV86	11	87FEC/453/0520
	NOTICE OF FAILURE TO FILE					24NOV86	1	86FEC/452/1288
	YEAR-END	8,629		1,000		25NOV86 -31DEC86	11	87FEC/457/2373
1987	MISCELLANEOUS NOTICE FROM FEC					21JAN87	1	87FEC/455/2977
	TOTAL	95,876	0	97,862	0		88	TOTAL PAGES

All reports have been reviewed.
Ending cash-on-hand as of 12/31/86: $8,313
Outstanding debts owed by the committee as of 12/31/86: $0

Attachment 31a

Attachment 31b

TELECON

ANALYST: Chris Nuland

CONVERSATION WITH: Leah Dunnigan

COMMITTEE: Merck & Co., PAC

DATE: 1/5/87

SUBJECT(S): Non-Filing of the 30 Day Post-General Report

Ms. Dunnigan called this morning in response to the non-filer letter the committee received. She stated that the committee did not intentionally not file the report, but that it was simply overlooked. I recommended that the report be filed with the Commission as soon as possible.

8804058416 2

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Attachment 31c
87 JAN 7 A8:19

MERCK PAC: U.S.

The Political Action Committee of Merck & Co., Inc.

COMMITTEE MEMBERS

R.F. Hendrickson, Chairman
F.H. Spiegel, Jr., Treasurer
James Gillis, Ph.D., Secretary
C.A. Abramson
D.W. Byles
R.F. Enck
R.F. Hirschmann, Ph.D.
A.L. Goenbel
C.C. Leighton, M.D.
L.L. Whitney

January 5, 1987

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

FEC Identification No.: C 000 97485

Re: 30 Day Post-General Election Report

Dear Commissioners:

As you requested in your letter dated December 23, 1986, I have attached the 30 Day Post-General Election Report for MERCK PAC: U.S., the political action committee of Merck & Co., Inc. This report covers all activity for the period October 1, 1986 through November 24, 1986.

In a telphone conversation this morning with Mr. Christopher Nuland of the Commission, Mrs. Leah Dunnigan, our MERCK PAC Administrator, acknowledged our oversight. Mr. Nuland directed that the report be filed as quickly as possible to avoid any further action by the Commission.

It is my understanding that by filing this report promptly we have fulfilled the requirements of 2 U.S.C. (Section 434 (a)).

Again, I apologize for the oversight. Please contact me or Mrs. Dunnigan in the MERCK PAC office if you have any questions concerning the attached report.

Sincerely,

Francis H. Spiegel, Jr.
Treasurer, MERCK PAC: U.S.

Attachment

3 9 0 4 0 5 8 4 1 6 3

Attachment 31a

RECEIVED FEC

87 JAN 7 AM 8:19

REPORT OF RECEIPTS AND DISBURSEMENTS
For a Political Committee Other Than an Authorized Committee

Summary Page

1. Name of Committee (In Full)
THE MERCK & CO., INC. POLITICAL ACTION COMMITTEE, MERCK PAC: U.S.

Address (Number and Street)
126 East Lincoln Avenue
Post Office Box 2000

City, State and ZIP Code
Rahway, New Jersey 07065

☐ Check here if address is different than previously reported

2. FEC Identification Number
C 000 97485

3. ☐ This committee qualified as a multicandidate committee during the Reporting Period on _____ (Date)

4. TYPE OF REPORT (Check appropriate box)

(a)
☐ April 15 Quarterly Report ☐ October 15 Quarterly Report
☐ July 15 Quarterly Report ☐ January 31 Year End Report
☐ July 31 Mid Year Report (Non-Election Year Only)
☐ Monthly Report for _____
☐ Twelfth day report preceding _____ (Name of Election) on _____ in the State of _____
☒ Thirtieth day report following the General Election on _____ in the State of _____
☐ Termination Report

(b) Is this Report an Amendment?
☐ YES ☐ NO

SUMMARY	COLUMN A This Period	COLUMN B Calendar Year-to-Date
5. Covering Period October 1, 1986 through November 24, 1986		
6 (a) Cash on hand January 1, 19 86		$ 24,374.57
(b) Cash on Hand at Beginning of Reporting Period	$4,374.03	
(c) Total Receipts (from Line 18)	$4,359.67	$ 42,057.13
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	$8,733.70	$ 66,431.70
7 Total Disbursements (from Line 28)	$8,050.00	$ 65,748.00
8 Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	$ 683.70	$ 683.70
9 Debts and Obligations Owed TO The Committee (Itemize all on Schedule C or Schedule D)	$	
10 Debts and Obligations Owed BY the Committee (Itemize all on Schedule C or Schedule D)	$	

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

Francis H. Spiegel, Jr. Treasurer
Type or Print Name of Treasurer

Signature of Treasurer _____ Date 12/31/86

For further information contact:
Federal Election Commission
999 E Street NW
Washington DC 20463
Toll Free 800-424-9530
Local 202 376-3120

Willful failure to file this report or willfully falsifying information may subject the person signing this report to the penalties of 2 U.S.C. § 437g

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used

FEC FORM 3X (3 80)

9873034905318941 P 4

SUMMARY PAGE
of Receipts and Disbursements
(Page 2, FEC FORM 3X)

MERCK PAC, I.D. (C 000 07465)
THE MERCK & CO., INC. POLITICAL ACTION COMMITTEE

From 10/1/86 To 11/26/86

	COLUMN A Total This Period	COLUMN B Calendar Year To Date	
I. RECEIPTS			
11. CONTRIBUTIONS (other than loans) FROM:			
(a) Individuals/Persons Other Than Political Committees. . . . . (Memo Entry Unitemized $ 3386.03)	$ 6,308.03	$ 46,712.16	11(a)
(b) Political Party Committees.	--	--	11(b)
(c) Other Political Committees.	--	--	11(c)
(d) TOTAL CONTRIBUTIONS (other than loans) (Add 11(a), 11(b) and 11(c))	$ 6,308.03	$ 46,712.16	11(d)
12. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES.	--	--	12
13. ALL LOANS RECEIVED	--	--	13
14. LOAN REPAYMENTS RECEIVED.	--	--	14
15. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	--	--	15
16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	--	--	16
17. OTHER RECEIPTS (Dividends, Interest, etc.).	51.64	$ 1,344.97	17
18. TOTAL RECEIPTS (Add 11(d), 12, 13, 14, 15, 16 and 17).	$ 6,359.67	$ 48,057.13	18
II. DISBURSEMENTS			
19. OPERATING EXPENDITURES	--	$ 698.00	19
20. TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES.	--	$ 20,950.00	20
21. CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	$ 7,750.00	$ 41,500.00	21
22. INDEPENDENT EXPENDITURES (use Schedule E).	--	--	22
23. COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES. . . . . (2 U.S.C. §441a(d)) (Use Schedule F)	--	--	23
24. LOAN REPAYMENTS MADE	--	--	24
25. LOANS MADE	--	--	25
26. REFUNDS OF CONTRIBUTIONS TO			
(a) Individuals/Persons Other Than Political Committees.	--	--	26(a)
(b) Political Party Committees	--	--	26(b)
(c) Other Political Committees	--	--	26(c)
(d) TOTAL CONTRIBUTION REFUNDS (Add 26(a), 26(b) and 26(c)).	--	--	26(d)
27. OTHER DISBURSEMENTS	300.00	$ 2,600.00	27
28. TOTAL DISBURSEMENTS (add lines 19, 20, 21, 22, 23, 24, 25, 26(d) and 27).	$8,050.00	$ 65,748.00	28
III. NET CONTRIBUTIONS AND NET OPERATING EXPENDITURES			
29. TOTAL CONTRIBUTIONS (other than loans) from Line 11(d)	$ 6,308.03	$ 46,712.16	29
30. TOTAL CONTRIBUTION REFUNDS from Line 26(d)			30
31. NET CONTRIBUTIONS (other than loans) (Subtract Line 30 from Line 29)	$ 6,308.03	$ 46,712.16	31
32. TOTAL OPERATING EXPENDITURES from Line 19 . .	$ --	$ 698.00	32
33. OFFSETS TO OPERATING EXPENDITURES from Line 15	--	--	33
34. NET OPERATING EXPENDITURES (Subtract Line 33 from Line 32)	--	$ 698.00	34

FEC 78 10:41 PM 6 5 4 3 2 1

SCHEDULE B — ITEMIZED DISBURSEMENTS

FOR LINE NUMBER: 21

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

NAME OF COMMITTEE (In Full)

THE MERCK & CO., INC. POLITICAL ACTION COMMITTEE, MERCK PAC: U.S. C 000 97485

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
GRANITE STATERS FOR THE RE-ELECTION OF JUDD GREGG Post Office Box 3671 Nashua, New Hampshire 03061	GREGG, Judd NH-2 U.S. Representative Disbursement for: ☐ Primary ☒ General ☐ Other (specify)	10/3/86	$500.00
B. Full Name, Mailing Address and ZIP Code WAYNE OWENS FOR CONGRESS 275 East South Temple Salt Lake City, Utah 84111	Purpose of Disbursement OWENS, Wayne UT-2 U.S. Representative Disbursement for: ☐ Primary ☒ General ☐ Other (specify)	Date (month, day, year) 10/3/86	Amount of Each Disbursement This Period $500.00
C. Full Name, Mailing Address and ZIP Code MISSISSIPPIANS FOR WAYNE DOWDY Post Office Box 686 McComb, Mississippi 39648	Purpose of Disbursement DOWDY, Wayne — MS-4 U.S. Representative Disbursement for: ☐ Primary ☒ General ☐ Other (specify)	Date (month, day, year) 10/3/86	Amount of Each Disbursement This Period $500.00
D. Full Name, Mailing Address and ZIP Code BROYHILL FOR SENATE COMMITTEE 1400 Battleground Avenue Greensboro, North Carolina 27408	Purpose of Disbursement BROYHILL, James T. U.S. Senate—North Carolina Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year) 10/3/86	Amount of Each Disbursement This Period $1,000.00
E. Full Name, Mailing Address and ZIP Code SENATOR DALE BUMPERS RE-ELECTION COMMITTEE P.O. Box 2700 Little Rock, Arkansas 72744	Purpose of Disbursement BUMPERS, Dale U.S. Senate Arkansas Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year) 10/3/86	Amount of Each Disbursement This Period $1,000.00
F. Full Name, Mailing Address and ZIP Code SLABY FOR CONGRESS 3020 Burnbrick Road Post Office Box 1105 Bath, Ohio 44210	Purpose of Disbursement SLABY, Lynn OH-14 U.S. Representative Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year) 11/4/86	Amount of Each Disbursement This Period $500.00
G. Full Name, Mailing Address and ZIP Code McINTYRE FOR CONGRESS Post Office Box 1105 Evansville, Indiana 47706	Purpose of Disbursement McINTYRE, Rick IN-8 U.S. Representative Disbursement for: ☐ Primary ☒ General ☐ Other (specify)	Date (month, day, year) 11/4/86	Amount of Each Disbursement This Period $500.00
H. Full Name, Mailing Address and ZIP Code MIKE NORTON FOR CONGRESS 9122 West 88th Avenue Westminster, Colorado 80005	Purpose of Disbursement NORTON, Mike Colorado-2 U.S. Representative Disbursement for: ☐ Primary ☒ General ☐ Other (specify)	Date (month, day, year) 11/4/86	Amount of Each Disbursement This Period $500.00
I. Full Name, Mailing Address and ZIP Code JIMMY HAYES FOR CONGRESS COMMITTEE P.O. Box 30476 Lafayette, Louisiana 70503	Purpose of Disbursement HAYES, Jimmy Louisiana-7 U.S. Representative Disbursement for: ☐ Primary ☒ General ☐ Other (specify)	Date (month, day, year) 11/4/86	Amount of Each Disbursement This Period $500.00
SUBTOTAL of Disbursements This Page (optional)			$5,500.00
TOTAL This Period (last page this line number only)			

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Attachment 31g

TELECON

ANALYST: Chris Nuland

CONVERSATION WITH: Leah Dunnigan

COMMITTEE: Merck & Co. PAC

DATE: 1/29/87

SUBJECT(S): Chronic Late Filer Notice and Failure to Timely File the 12 Day Pre-General Report

Ms. Dunnigan just received the Chronic Late Filer Notice which listed the 12 Day Pre-General Report as being one of the reports filed late. She said that the activity for the 12 Day period was included in the 30 Day Post-General Report and asked if she needed to submit anything further regarding the 12 Day Pre-General Report. I told her that she could submit a letter of response for the public record, but that it was unnecessary to file a separate report, since the pre-election period had been covered in the post-election report.

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Attachment 9(h)

MERCK PAC: U.S.

The Political Action Committee of Merck & Co., Inc.

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87 JAN 29 P 3:48

COMMITTEE MEMBERS

P.E. Gustafson, Chairman
F.H. Speigel, Jr., Treasurer
James Gibb, Ph.D., Secretary
C.A. Alexander
B.R. Allen
R.S. Ehler
E.J. Gladstone, Ph.D.
A.L. Gosule
C.C. Lofgren, M.D.
F.L. Wilney

January 29, 1987

Ms. Lisa J. Stolarsk
FEDERAL ELECTION COMMISSION
999 "E" Street, N.W.
Washington, D.C. 20463

FEC ID No.: C 000 97485

Dear Ms. Stolarsk:

Enclosed is the January 31 Year-End Report for MERCK PAC: U.S., the political action committee of Merck & Co., Inc. This report covers all activity for the period November 25, 1986 through December 31, 1986.

I appreciate your calling my attention to the 12-Day Pre-General Election report for the period covering October 1, 1986 through October 15, 1986. As you pointed out in your letter to me, all of the information covering the above time period was included in our 30-Day Post General Election report.

In a phone conversation this morning with Mr. Christopher Baland of your office, Mrs. Leah Dunnigan, our MERCK PAC Administrator, was advised that there is no need to prepare a separate report for the period between October 1 through October 15. Thus, by submitting the enclosed January 31 report along with the 30-Day Post General report and the quarterly reports which MERCK PAC has filed with the Commission throughout the 1985-1986 election cycle, it is my understanding that we have now filed all of the reports required by the U.S. Code of Federal Regulations (Section 434 (a)).

If you have any questions or need additional information, please contact me or Mrs. Dunnigan in the MERCK PAC office.

Many thanks for your cooperation in this matter.

Sincerely,

F. H. Speigel, Jr.
Treasurer, MERCK PAC: U.S.

Enclosure

87030452784168

P.O. Box 2000, Rahway, New Jersey 07065/Telephone (201) 574-6888

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

FIRST GENERAL COUNSEL'S REPORT

RAD REFERRALS: 87MP-[illegible]134
STAFF MEMBER: George F. Rishel

SOURCE OF MUR: INTERNALLY GENERATED

8804058469

Merck & Co., Inc. Political Action Committee
and Francis H. Spiegel, as treasurer

88040584170

RELEVANT STATUTE: 2 U.S.C. § 434(a)(4)(A)(ii)

INTERNAL REPORTS CHECKED: Referral Materials

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

The Report Analysis Division ("RAD") referred the above-listed 49 committees to the Office of the General Counsel on May 22, 1987. The basis of the attached referrals is their failure to either file a 12-day Pre-Election Report or file such report in a timely fashion.

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that for unauthorized committees filing quarterly, such committees shall file a Pre-Election Report before any election in which the committee makes a contribution to or expenditure on behalf of a candidate in such election. Such report shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) such election and shall be complete as of the 20th day before the election. 2 U.S.C. § 434(a)(4)(A)(ii).

The 1986 Pre-Election Report for the 1986 General Election was due on October 23, 1986, complete as of October 15, 1986. Quarterly

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filers were notified on September 29, 1986, of the requirement for filing the Pre-Election Report.

The following committees filed a 12-Day Pre-Election Report, but did not file it in a timely fashion:

Committee	Date Filed	Pre-Election Activity

8804058417 2

disclosed activity indicating a 12-Day Pre-Election Report should have been filed:

Committee	Date Filed1/	Pre-Election Activity

8804058417 3

1/ The date filed is that on which the Post-General Election Report was filed. The number of days late is that for the filing of the 12-Day Pre-Election Report. In some cases, the Post-General Election Report was filed after December 4, 1986. The late filings of such reports, however, were not included as a basis for these referrals. Therefore, no recommendations have been made with respect to the late filing of any Post-General Election Report.

Merck & Co., Inc. PAC	1-7-87 (76 days late)	$5,500 in contributions to five candidates

8804068417 4

8804058417 5

The following committees filed a Year End Report disclosing activity indicating that 12-Day Pre-Election Report should have been filed:

COMMITTEE	Date Filed[4]/	Pre-Election Activity

Accordingly, with regard to 48 of these 49 committees, the Office of the General Counsel recommends that the Commission open Matter Under Review and find reason to believe these committees

and their treasurers violated 2 U.S.C. § 434(a)(4)(A)(ii). This Office recommends that the Commission decline to open a Matter Under Review [redacted]

III. RECOMMENDATIONS

1. Open Matters Under Review with respect to the following committees and find reason to believe the following committees and their treasurers violated 2 U.S.C. § 434(a)(4)(A)(ii):

88040584176

Merck & Co., Inc. Political Action Committee and Francis H. Spiegel, as treasurer

89040584177

2. Approve and send the attached letters and factual and legal analyses to the respective committees listed in recommendation 1.

3.

6/10/87
Date

Lawrence M. Noble
Acting General Counsel

Attachments
1. Referral Materials
2. Letters and Factual and Legal Analyses (48)

8804058417 8

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

RAD Ref.'s
87NF-86
THROUGH
87NF-134

(continued)

8904058417 9

8804058480

Merck & Co., Inc. Political Action Committee
and Francis H. Spiegel, as treasurer

(continued)

8804058418

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 15, 1987, the Commission decided by a vote of 6-0 to take the following actions in RAD Ref.'s 87NF-86 through 87NF-134:

1. Open Matters Under Review with respect to the following committees and find reason to believe the following committees and their treasurers violated 2 U.S.C. § 434(a)(4)(A)(ii):

(continued)

Federal Election Commission
Certification for RAD Ref.'s 87NF-86
through 87NF-134
June 15, 1987

Merck & Co., Inc. Political Action Committee and Francis H. Spiegel, as treasurer

8804058418 2

(continued)

2. Approve and send the letters and factual and legal analyses to the respective committees listed in recommendation 1.

3

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

Attest:

6-16-87
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary: Thurs., 6-11-87, 12:34
Circulated on 48 hour tally basis: Thurs., 6-11-87, 4:00
Deadline for vote: Mon., 6-15-87, 4:00

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 1, 1987

Francis H. Spiegel, Treasurer
Merck & Co., Inc.
Political Action Committee
126 E. Lincoln Avenue
Box 2000
Rahway, N.J. 07065

RE: MUR 2496
Merck & Co., Inc. Political Action Committee and Francis H. Spiegel, as treasurer

Dear Mr. Spiegel:

On June 15, 1987, the Federal Election Commission found that there is reason to believe Merck & Co., Inc. Political Action Committee ("Committee") and you, as treasurer, violated 2 U.S.C. § 434(a)(4)(A)(ii), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office, within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information demonstrating that no further action should be taken against the 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 the 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 the 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, the Commission will not entertain requests for pre-probable cause conciliation 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 the General Counsel will not ordinarily give extensions beyond 20 days.

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

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 Sandra Dunham, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,

Scott E. Thomas
Chairman

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form

8804058418 5

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Merck & Company, Inc. Political Action Committee and Francis H. Spiegel, as treasurer

MUR: 2496

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that for unauthorized committees filing quarterly, such committees shall file a Pre-Election Report before any election in which the committee makes a contribution to or expenditure on behalf of a candidate in such election. Such report shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) such election and which shall be complete as of the 20th day before the election. 2 U.S.C. § 434(a)(4)(A)(ii).

The 1986 Pre-Election Report for the 1986 General Election was due on October 23, 1986, and complete as of October 15, 1986. Quarterly filers were notified on September 29, 1986, of the requirement for filing the Pre-Election Report. The committee filed a 1986 Post-General Election Report that disclosed $3,500 in contributions to five candidates between October 1, 1986, and October 15, 1986. Thus, the committee was required to file a 12-Day Pre-Election Report by October 23, 1986, and complete as of October 15, 1986. The Committee did not file a report disclosing this activity until it filed its 1986 Post-General Election Report on January 7, 1987. Accordingly, the committee and its treasurer have violated 2 U.S.C. § 434(a)(4)(A)(ii).

8804584186

MERCK PAC: U.S.

The Political Action Committee of Merck & Co., Inc.

RECEIVED AT THE FEC
COM3925
87 JUL 16 A10:02

COMMITTEE MEMBERS

R.F. Hendrickson, Chairman
F.H. Spiegel, Jr., Treasurer
James Gillis, Ph.D., Secretary
C.A. Abramson
D.W. Byles
R.F. Ecock
R.F. Hirschmann, Ph.D.
A.L. Goeschel
C.C. Leighton, M.D.
L.L. Whitney

July 13, 1987

87 JUL 16 A10:23

Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2496
Merck & Co., Inc.
Political Action Committee

Dear Sir/Madam:

The Merck & Co., Inc. Political Action Committee ("Committee") and Francis A. Spiegel, Treasurer, received on July 7, 1987 the Federal Election Commission's letter indicating that the Committee may have violated certain provisions under the Federal Election Campaign Act of 1971 ("Act") as amended.

The Committee is interested in pursuing pre-probable cause conciliation as provided for at 11 CFR §111.18 (d).

It is also the Committee's intention and my intention to be represented by in-house counsel in this matter. Enclosed is the completed Designation of Counsel form which authorizes Richard A. Thompson to receive any notifications and other communications from the Commission in connection with this matter.

Very truly yours,

Francis H. Spiegel, Treasurer

mdc/7204b

P.O. Box 2000, Rahway, New Jersey 07065/Telephone (201) 574-5655

8830403641987

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2496

NAME OF COUNSEL: Richard A. Thompson

ADDRESS: Merck & Co., Inc.
126 E. Lincoln Ave., P.O. Box 2000
Rahway, NJ 07065

TELEPHONE: (201) 574-4331

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.

7/10/87
Date

Signature Francis H. Spiegel

RESPONDENT'S NAME: Merck & Co., Inc.

ADDRESS: Political Action Committee
126 E. Lincoln Avenue
P.O. Box 2000
Rahway, NJ 07065

HOME PHONE:

BUSINESS PHONE: (201) 574-4000

8804056841988

QCC43926
RECEIVED AT THE FEC
87 JUL 16 A8:05

MERCK & CO., INC.
P. O. BOX 2000
RAHWAY, NEW JERSEY 07065-0900

OFFICE OF CORPORATE STAFF COUNSEL

87 JUL 16 A10:23
RECEIVED
FEDERAL ELECTION COMMISSION
GENERAL COUNSEL

July 14, 1987

Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2496
Merck & Co., Inc.
Political Action Committee

Dear Sir/Madam:

I am a Senior Attorney at Merck & Co., Inc. and I have been designated as Counsel by the Treasurer of the Merck & Co., Inc. Political Action Committee ("Committee") for the Matter Under Review. On behalf of the Committee, I would like to submit for your consideration, some reasons why no action should be taken against the Committee.

I have been involved with the Committee since its first Statement of Organization was filed in 1978 and this Matter Under Review is the first allegation of any violation by the Committee.

Although Mr. Spiegel is responsible for filing of the Reports of Receipts and Disbursements ("Report"), he is ably assisted by a Committee Administrator ("Administrator"). As with many corporate PACs, the Treasurer is a senior level person who has other day-to-day responsibilities in addition to those of the Committee. It is the practice for Mr. Spiegel's secretary, upon receiving the notification and forms from the Federal Election Commission ("Commission"), to forward them to the Administrator who prepares them for the Treasurer's review and signature before filing. However, it is my understanding that due to an inadvertent administrative error, the Pre- and Post-November 1986 General Election Report was not timely filed.

Consideration should also be given to the fact that following the December 23, 1986 letter from the Commission bringing to the Committee's attention the possibility of a violation of the Federal Election Campaign Act ("Act") for failure to file, the Committee immediately filed its Report (dated 12/31/86).

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This immediate response to the Commission's inquiry as well as a telephone call to Mr. Nuland of the Commission apologizing for the oversight also evidences the Committee's concern for complying with the Act. I do not believe further action against the Committee would serve the Commission, as the Committee has taken action to avoid a repeat of its failure to timely file by putting reminder redundancy into its procedures. The individuals involved have expressed their concern in letters dated January 5, 1987 and January 29, 1987 and I believe further action would be punitive. Your consideration for no action against the Committee is respectfully requested.

Very truly yours,

Richard A. Thompson

/mdc

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SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Merck & Co., Inc. Political Action) MUR 2496
Committee and Francis H. Spiegel,)
as treasurer)
)

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On June 15, 1987, the Commission found reason to believe that Merck & Co., Inc. Political Action Committee and Francis H. Spiegel, as treasurer, violated 2 U.S.C. § 434(a)(4)(A)(ii) by failing to file a 1986 Pre-Election Report in a timely manner. When the Merck & Co., Inc. Political Action Committee filed its 1986 Post-Election Report, it disclosed $3,500 in contributions to five candidates between October 1, 1986 and October 15, 1986. Thus, the committee was required to file a Pre-Election Report by October 23, 1986, and complete as of October 15, 1986. The committee did not file a report disclosing this activity until it filed its 1986 Post-Election Report on January 7, 1987. By letter dated July 13, 1987, 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

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III. RECOMMENDATIONS

1. Enter into conciliation with the Merck & Co., Inc. Political Action Committee and Francis H. Spiegel, as treasurer, prior to a finding of probable cause to believe.

2. Approve the attached proposed conciliation agreement and letter.

8/24/87
Date

Lawrence M. Noble (ZJ)
Lawrence M. Noble
Acting General Counsel

Attachments
1. Request for conciliation
2. Proposed agreement and letter

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Merck & Co., Inc. Political Action Committee and Francis H. Spiegel, as treasurer	)	MUR 2496

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 27, 1987, the Commission decided by a vote of 4-0 to take the following actions in MUR 2496:

1. Enter into conciliation with the Merck & Co., Inc. Political Action Committee and Francis H. Spiegel, as treasurer, prior to a finding of probable cause to believe.

2. Approve the proposed conciliation agreement and letter, as recommended in the General Counsel's report signed August 24, 1987.

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

Attest:

8-27-87
Date

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Mon., 8-24-87, 4:32
Circulated on 48 hour tally basis: Tues., 8-25-87, 11:00
Deadline for vote: Thurs., 8-27-87, 11:00

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 28, 1987

Richard A. Thompson, Esquire
Merck & Co., Inc.
126 E. Lincoln Avenue
P.O. Box 2000
Rahway, NJ 07065

RE: MUR 2496
Merck & Co., Inc. Political
Action Committee and
Francis H. Spiegel,
as treasurer

Dear Mr. Thompson:

On June 15, 1987, the Federal Election Commission found reason to believe that Merck & Co., Inc. Political Action Committee and Francis H. Spiegel, as treasurer, violated 2 U.S.C. § 434(a)(4)(A)(ii). At your request, on August 27, 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 Sandra Dunham, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble (SD)
Lawrence M. Noble
Acting General Counsel

Enclosure
Conciliation Agreement

CCL 4694
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
87 NOV -2 AM 11:50

MERCK & CO., INC.
P. O. BOX 2000
RAHWAY, NEW JERSEY 07065-0900

OFFICE OF CORPORATE STAFF COUNSEL

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 NOV -3 AM 10:28

October 30, 1987

Lawrence M. Noble, General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2496
Merck & Co., Inc. Political Action Commission
and Francis H. Spiegel as treasurer

Dear Mr. Noble:

As per your letter of October 20, 1987 concerning the above subject, enclosed are a check in the amount of Three Hundred Fifty 00/100 Dollars ($350.00) as payment of the civil penalty and the Conciliation Agreement with my signature.

Thank you for your indulgence in this matter.

Yours truly,

Richard A. Thompson /mdc.

Richard A. Thompson
(201) 574-4331

mdc/7446b
Enclosures

cc: L. Dunnigan

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62-23
311

MERCK & CO., INC.

C 604487

PAYEE NO.	CHECK DATE	PAY	AMOUNT
411793	10/29.87	$350.00	$350.00

MORGAN BANK-DELAWARE
WILMINGTON, DELAWARE

OPERATING ACCOUNT
CHECK VOID AFTER SIX MONTHS

TO THE ORDER OF
FEDERAL ELECTION COMMISSION
999 "E" STREET NW
WASHINGTON, D.C. 20463

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

"604487" :031100238: 230 01 565"

8041497

OCC# 4694

MEMORANDUM

TO: DEBRA A. TRIMIEW

FROM: CECILIA LIEBER

TO: CECILIA LIEBER

FROM: ~~DEBRA A. TRIMIEW~~ Michele Broussard

CHECK NO. C604487 { A COPY OF WHICH IS ATTACHED } RELATING TO

MUR 2496 (Dunham) AND NAME Merck & Co, Inc PAC and Francis H. Spiegel as treasurer

WAS RECIEVED ON 11/3/87. PLEASE INDICATE THE ACCOUNT INTO WHICH IT SHOULD BE DEPOSITED:

/ X / BUDGET CLEARING ACCOUNT { 95F3875.16 }

/ / CIVIL PENALTIES ACCOUNT { 95-1099.160 }

/ / OTHER _____

SIGNATURE Michele Broussard DATE 11/3/87

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 NOV -3 AM 10: 27

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT
87 NOV 20 PM 3:50

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Merck & Co., Inc. Political Action) MUR 2496
Committee and Francis H. Spiegel,)
as treasurer)

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by Richard A. Thompson, the attorney for Merck & Co., Inc. Political Action Committee.

The attached agreement contains no changes from the agreement approved by the Commission on October 16, 1987. A $350 check for the civil penalty has also been received.

II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with Merck &. Co., Inc. Political Action Committee and Francis H. Spiegel, as treasurer.

2. Close the file.

3. Approve the attached letter.

11/20/87
Date

Lawrence M. Noble
General Counsel

Attachments
1. Conciliation Agreement
2. Photocopy of civil penalty check
3. Letter to Respondent

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Merck & Co., Inc. Political Action Committee and Francis H. Spiegel, as treasurer	)	MUR 2496

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on November 25, 1987, the Commission decided by a vote of 6-0 to take the following actions in MUR 2496:

1. Accept the conciliation agreement with Merck &. Co., Inc. Political Action Committee and Francis H. Spiegel, as treasurer, as recommended in the General Counsel's report signed November 20, 1987.
2. Close the file.
3. Approve the letter, as recommended in the General Counsel's report signed November 20, 1987.

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

Attest:

11-25-87
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Fri., 11-20-87, 3:50
Circulated on 48 hour tally basis: Mon., 11-23-87, 11:00
Deadline for vote: Wed., 11-25-87, 11:00

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

01 December 1987

Richard A. Thompson, Esquire
Merck & Co., Inc.
126 E. Lincoln Avenue
P.O. Box 2000
Rahway, New Jersey 07065

RE: MUR 2496
Merck & Co., Inc. Political
Action Committee and
Francis H. Spiegel, as treasurer

Dear Mr. Thompson:

On November 25, 1987, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on Merck & Co., Inc. Political Action Committee's behalf in settlement of a violation of 2 U.S.C. § 434(a)(4)(A)(ii), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter and 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 Sandra Dunham, the staff member assigned to this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

8040584200

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Merck & Co., Inc. Political Action) MUR 2496
Committee and Francis J. Spiegel,)
as 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 the Merck & Co., Inc. Political Action Committee and Francis J. Spiegel, as treasurer ("Respondents") violated 2 U.S.C. § 434(a)(4)(A)(ii).

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, Merck & Co., Inc. Political Action Committee, is a political committee within the meaning of 2 U.S.C. § 431(4).

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2. Respondent, Francis H. Spiegel, is the treasurer of Merck & Co., Inc. Political Action Committee.

3. Respondents filed a 1986 Post-Election Report that disclosed contributions made to five candidates between October 1, 1986 and October 15, 1986. The total financial activity for this period of time was $4,478.00

4. Thus, Respondents were required to file a Pre-Election Report in a timely manner.

5. Respondents did not file a report disclosing these contributions until it filed its 1986 Post-Election Report on January 7, 1987.

V. Respondents failed to file their 1986 Pre-Election Report in a timely manner.

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Three Hundred and Fifty dollars ($350.00), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. 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.

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

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

X. 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 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
General Counsel

12/1/87
Date

FOR THE RESPONDENTS:

Richard A. Thompson
Attorney for Respondents

Oct. 29, 1987
Date

8804063942 03

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2496

DATE FILMED 3/25/88 CAMERA NO. 4

CAMERAMAN GPC

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