



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

THIS IS THE BEGINNING OF MUR # 3017

DATE FILMED 9/27/90 CAMERA NO. 3

CAMERAMAN AS

90040801185

DEC 1006

FEDERAL ELECTION COMMISSION

90 JAN -2 PM 12:23

MUR 3017

90 JAN -2 PM 1:26

December 28, 1989

Federal Election Commission
Washington, D.C. 20463

Complaint Before Federal Election Commission

11 C.F.R. 114.10
2 U.S.C. 434(b)(8)
11 C.F.R. 104.11(a)

**Failure to report properly obligations owed by a candidate and
Federal campaign to a corporation,
and other sections, as applicable, specifically relating to
prohibited corporate contributions**

Complaint Against:

(1) Carlos Perez
3232 Coral Way
Miami, Florida 33145
(2) Operating as Perez for U.S. Congress, Florida US18,
special election/1989

Complaint Filed by:

Arnold Steinberg/ Arnold Steinberg and Associates, Inc.
3719 Meadville Drive
Sherman Oaks, California 91403
818-995-7775

Nature of Complaint

Perez has solicited a prohibited contribution -- a contribution
by a corporation, Arnold Steinberg and Associates, Inc. to a
Federal campaign, Perez for Congress

Source of Information

Personal knowledge

1. Retained for Perez

Huckaby-Rodriguez, acting in behalf of Perez, retained Steinberg
to do an extensive benchmark survey in behalf of Perez. (See
documentation#1).

2. Interviewing

The project was repeatedly rescheduled and modified, and
bilingual interviewing, and interviewing of a very large number
of senior citizens, were done at extraordinary expense.
Interviewing started on Monday, June 26 and continued through
Friday, June 30, with processing over the July 4th weekend.

3. Monies

Perez never provided any normal deposit or any other subsequent
monies, despite a July 7 billing from Steinberg and Associates,
Inc. for \$20,432.50, which billing provided for a \$15,000
immediate settlement agreed to by Rodriguez and accepted by me at
the time of consideration for past business.

4. Costs Incurred

Steinberg and Associates, Inc. incurred \$11,961.96 in direct
costs, exclusive of unallocated variable costs. [Summary:
Documentation #2]

5. Pricing

Normal survey pricing methods would indicate a billing of
\$21,823.92; \$20,432.50; \$20,006.25; \$20,604.35; \$21,202.46.

6. Perez Solicitation of Prohibited Contribution

900040801106

On September 15, 1989, Perez spoke to David Steinberg. Perez refused to pay the billed amount of \$20,432.50, or the \$15,000 business settlement accepted by Rodriguez in behalf of Perez; Perez requested that he be billed \$7,500, despite being told this was below actual cost. We consider any billing below \$15,000, the trade settlement, to be soliciting an illegal corporation contribution from me. Moreover, we consider a billing and settlement of \$7,500, below cost, to be a clear corporate contribution. Perez was advised by letter on September 16 (Documentation #3).

7. Relief Sought

We want clarification so that are not put in a position of making a prohibited contribution. We want Perez's FEC campaign filings to reflect the billing he has been sent. We want Perez advised that the law prohibits corporate contributions. We want Perez advised that any settlement below the original billing (\$20,432.50) is acceptable, only insofar as it is within our business practice; that any settlement below \$15,000 (a normal trade practice compromise settlement by this firm) is a prohibited contribution; that any settlement below \$11,961.96 is an intentional and knowing prohibited contribution, because this is our incurred direct cost, and Perez has been so advised. Furthermore, we want the FEC to rule that since it is our normal trade practice to bill recalcitrant accounts with interest, that any settlement not involving interest would be a prohibited contribution. We want any settlement made to be approved by the Federal Election Commission. We want whatever further action the FEC wishes in order to set a precedent.

BY:

Arnold Steinberg

Arnold Steinberg

BY:

David Steinberg

David Steinberg

SUBSCRIBED AND SWORN TO BEFORE ME
23
THIS 23 DAY OF December 1989
Dale Alan Bailes
DALE ALAN BAILES



90040801187

JUNE 22, 1989

TO: ARNOLD STEINBERG

FR: CARLOS RODRIGUEZ *CR*

RE: FLA. CD18 SURVEY

This will confirm our earlier phone conversation regarding your services on survey work to be conducted on behalf of our client, Republican candidate, Carlos Perez, in Florida's CD18.

As we discussed, by nature of the heavy Cuban population within the district, the survey must be conducted in Spanish and English.

Moreover, it is imperative that Cuban (or Cuban-sounding) interviewers be used to avoid any possible cultural problems.

Again, I want to emphasize that the survey must be completed before the July 4th weekend.

We understand that the work will be conducted through your Sherman Oaks office to expedite the project and keep costs lower than a Florida-based project.

You will charge your usual rate with the project cost not to exceed \$25,000.

Please direct any correspondence to our office and submit reports to our address: Huckaby Rodriguez, Inc., 641 Fulton Avenue, Suite 250, Sacramento, Ca. 95825.

Again, thank you for taking on this job with such short notice.

###

HUCKABY RODRIGUEZ INC.

641 FULTON AVENUE • SUITE 250

SACRAMENTO, CA 95825 • TELEPHONE (916) 483-4995

FAX (916) 483-4264

#2 Costs

The following costs do not include numerous subsequent telephone calls to secure payment, or allowance for staff compensation to secure payment, or time spent in trying to get payment or preparing this review.

Here are the costs to Steinberg and Associates, Inc.:

Sabak Computer Services for sample	387.45 (invoice)
Field costs	9,851.58 (invoice)
Telephone calls to Perez office, and Rodriguez office, including FAX	204.59 (bill)
Shipping and express mail (est):	
(1) check to Sabak;	
(2) copies of printout	35.00
Eric Tengbergen (data processing) (using our proprietary program)	358.34 (invoice)
Binders, velo-binding, supplies;	
local telephone (est)	35.00
Office telephone to Eric (est)	10.00
Mileage/David (est)	30.00

Subtotal 10,911.96
ACTUAL COSTS PAID OUT

In addition, David's compensation:
Staff time:

David:

Sample development	6 hours	
Work with Arnold Steinberg	3 hour	
Administration; search for bilingual interviewers	2	
Work with Leslie to program questionnaire and proofread questionnaire	1 hours	
Survey briefing/supervision; and open-end coding	20 hours	
Programming for, with Eric	2 hours	
Data corrections	1 hour	
Total	35 hours	
31 hours @ \$30 hourly		1,050.00
Total		11,961.96

(Arnold Steinberg devoted approximately 25 hours to all aspects of the project, including research and preparation, design of project, interaction with staff, consulting time, questionnaire drafting and revision, analysis of data)
25 hours x \$225 = \$6,250

Here are five methods of pricing used in the survey industry:

Survey pricing Method #1:
x times actual costs
2 x 10,911.96 = 21,823.92

Survey pricing Method #2
Interviewing hours x \$55
371.50 x \$55 = \$20,432.50

Survey pricing Method #3
15% overhead charge + \$225 hourly for Steinberg
11,961.96 + 1,794.29 + 6,250 = 20,006.25

Survey pricing Method #4
20% overhead charge + \$225 hourly for Steinberg
11,961.96 + 2,392.39 + 6,250 = 20,604.35

Survey pricing Method #5
25% overhead charge + \$225 hourly for Steinberg
11,961.96 + 2,990.50 + 6,250 = 21,202.46

90040801189

**ARNOLD STEINBERG
AND ASSOCIATES INC.
SURVEY RESEARCH AND MARKETING**

3719 Meadville Drive, Sherman Oaks, California 91403
(818) 995-7775

September 16, 1989

Mr. Carlos Perez
3232 Coral Way
Miami, Florida 33145

Dear Mr. Perez:

It is my understanding that:

- (1) You continue to assume financial responsibility for the billing, but you reject a settlement of \$15,000.
- (2) You were advised that I would submit the matter to neutral arbitration, open up all records and time sheets, provide evidence of all expenses associated with your project -- including, but not limited to, interviewing, bilingual interviewing, supervision, telephoning cost of interviewing, computer programming for your interview, telephoning to your consultants and your campaign, working on, and purchasing, the sample, computer work and programming for your report, coding of open-end questions, bilingual coding of open-end questions, typing of verbatim responses, binding, shipping, supplies, and cost of any personnel who directly worked on your project; I would also indicate what portion of these costs were attributable to the lack of cooperation of your campaign personnel and the repeated change in field dates for the interviewing which, I may add, was done on a rush basis, with turnaround the July 4th holiday weekend. I will also indicate the cost of Central American bilingual interviewers, and the cost attributable to your campaign's refusal to provide a timely translation, as agreed. I will also indicate the cost implications of the abnormal number of older voters (30% over 70; a total of 56% over 60) in your district -- a fact never indicated to me by your campaign, and a major cost component of this project.

You were advised that I would accept an amount, smaller or larger than the \$15,000 that the arbiter could decide. You refused the offer of arbitration.

In view of your bad faith, as indicated by your refusal to make any payment at any time toward this survey, as well as your refusal to communicate at all with my firm, it is my expectation to take the following steps:

- (1) Prepare and mail to you a new bill that more accurately reflects our costs and a more normal profit return.
- (2) Retain legal counsel and file civil suit in California for nonpayment of the revised billing.
- (3) Advise the Federal Election Commission of the new billing so that your official campaign documents reflect it.



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 8, 1990

Arnold Steinberg
Arnold Steinberg and Associates, Inc.
3719 Meadville Drive
Sherman Oaks, CA 91403

RE: MUR 3017
Arnold Steinberg and Associates, Inc.

Dear Mr. Steinberg:

This letter acknowledges receipt of your sworn compliant raising allegations of possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). We have numbered this matter MUR 3017. Please refer to this number in all future correspondence.

Because the complaint's allegations also implicate Arnold Steinberg and Associates, Inc., under the Act, you have the opportunity to demonstrate in writing that no action should be taken against Arnold Steinberg and Associates Inc. in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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

If you have any questions, please contact Deborah Curry, the attorney assigned to this matter at (202) 376-8200. For

(4) Advise the Federal Election Commission that you have requested that I bill you below a normal settlement, indeed *below cost*, which would amount to soliciting an illegal corporate contribution -- a violation of Federal law.

(5) File a complaint with the Federal Election Commission against you and seeking prosecution.

I regret these steps, but you have left me no alternative. Frankly, I am not a charitable institution or a bank, and I don't appreciate having my organization stop everything and do your work on a rush basis, with your campaign constantly running up the costs -- all of which were expended by me *two months ago*.

Sincerely,

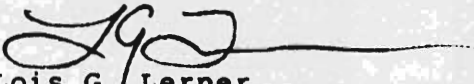


Arnold Steinberg

your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

9004001193



FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

January 8, 1990

Joan Agatheas, Treasurer
Carlos Perez Amigo '89
1635 S.W. 27 Avenue
Miami, FL 33145

RE: MUR 3017

Dear Ms. Agatheas:

The Federal Election Commission received a complaint which alleges that Carlos Perez Amigo '89 and you, as treasurer may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3017. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. 5 437g(a)(4)(B) and 5 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. 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.

If you have any questions, please contact Deborah Curry, the attorney assigned to this matter at (202) 376-8200.

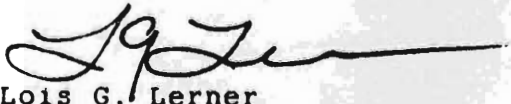
90040801194

For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

BY:


Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

90040301195



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 8, 1990

Carlos Perez
3232 Coral Way
Miami, FL 33145

RE: MUR 3017

Dear Mr. Perez:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3017. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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

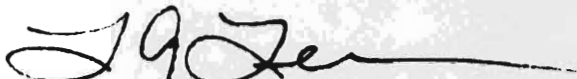
If you have any questions, please contact Deborah Curry, the attorney assigned to this matter at (202) 376-8200.

90040801196

For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



BY: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

90040801197

**ARNOLD STEINBERG
AND ASSOCIATES INC.
SURVEY RESEARCH AND MARKETING**

3719 Meadville Drive, Sherman Oaks, California 91403
(818) 995-7775

05C 5161
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

90 JAN 19 AM 9:13

January 15, 1990

Deborah Curry
Attorney
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RE: Perez for U.S. Congress
Florida, 18th Congressional District
Special Election
MUR 3017

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF LEGAL COUNSEL
90 JAN 19 AM 10:14

Dear Ms. Curry:

In reply to Lois Lerner's letter of January 8, 1990, I am enclosing:

- (1) A copy of my firm's billing of July 7 to Perez for Congress.
- (2) A copy of my letter of September 16 to Carlos Perez.
- (3) A copy of the legal action taken against Mr. Perez.

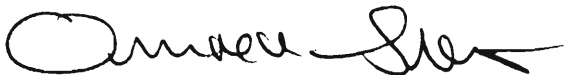
The \$15,000 settlement was offered at the time, in view of Mr. Perez' loss, and in recognition of my long-standing business relationship with his consultants. I viewed this as the minimal amount; anything below this would represent an extraordinary settlement.

In view of Mr. Perez' intransigence, we are in litigation for the full amount of \$20,432.50.

I would be pleased to provide any additional information or answer your questions.

Thank you.

Sincerely,



Arnold Steinberg

20004030128

ARNOLD STEINBERG AND ASSOCIATES INC. SURVEY RESEARCH AND MARKETING

3719 Meadville Drive, Sherman Oaks, California 91403
(818) 995-7775

STATEMENT OF ACCOUNT

To: **Perez for Congress Committee**
1635 S.W. 27th Avenue
Miami, Florida 33145
305-285-9450
Copy: **Huckaby-Rodriguez**

DATE: **July 7, 1989**

FOR SERVICES RENDERED:

DATE	CODE	PROJECT DESCRIPTION
		<p>Project 9018.USCD18(Florida) Type of Study: Benchmark Study Sample Size: 300 Hi-Probability Voters Special sample select Bilingual interviewers for entire interviewing period; bilingual interviewing delayed for translation Included extraordinary number of senior voters with lengthy average interviewing time Total: \$20,432.50 Agreed-upon with settlement with Carlos Rodriguez \$15,000.00</p> <p>AMOUNT BILLED: \$15,000</p> <p>Agency Commission/Huckaby-Rodriguez 17.65% 2,648</p> <p>TOTAL</p> <p>PAYMENTS/DEPOSIT: 0,000</p> <p>Balance Due \$17,648</p>

MEMBER: MARKETING RESEARCH ASSOCIATION, MARKETING RESEARCH ASSOCIATION OF SOUTHERN CALIFORNIA, LOS ANGELES PUBLIC AFFAIRS OFFICERS ASSOCIATION, AMERICAN ASSOCIATION OF POLITICAL CONSULTANTS, INTERNATIONAL COMMUNICATION ASSOCIATION

Statement payable upon presentation. After 15 days from statement date, add 1 1/2% (\$50 minimum) of outstanding balance, and 1 1/4% (\$50 minimum) monthly thereafter.

- A Districtwide
- B Countywide/Citywide/Ballot Measure
- C Statewide/Public Policy
- D Litigation/Jury Profile
- E Marketing Research
- F Direct Mail
- G Media/Advertising
- H Other

- 0 Expenses
- 1 Quick Track
- 2 Track
- 3 Short Follow-up
- 4 Follow-up/Short Benchmark
- 5 Major Benchmark
- 6 In-Depth Benchmark
- 7 Omnibus Benchmark

- 8 Consulting
- 9 Purchases/Commissions
- 10 Special Charges
- 11 Nonrefundable Deposit
- 12 Discount/Credit
- 13 Payment
- 14 Interest

**ARNOLD STEINBERG
AND ASSOCIATES INC.
SURVEY RESEARCH AND MARKETING**

3719 Meadville Drive, Sherman Oaks, California 91403
(818) 995-7775

September 16, 1989

Mr. Carlos Perez
3232 Coral Way
Miami, Florida 33145

Dear Mr. Perez:

It is my understanding that:

- (1) You continue to assume financial responsibility for the billing, but you reject a settlement of \$15,000.
- (2) You were advised that I would submit the matter to neutral arbitration, open up all records and time sheets, provide evidence of all expenses associated with your project -- including, but not limited to, interviewing, bilingual interviewing, supervision, telephoning cost of interviewing, computer programming for your interview, telephoning to your consultants and your campaign, working on, and purchasing, the sample, computer work and programming for your report, coding of open-end questions, bilingual coding of open-end questions, typing of verbatim responses, binding, shipping, supplies, and cost of any personnel who directly worked on your project; I would also indicate what portion of these costs were attributable to the lack of cooperation of your campaign personnel and the repeated change in field dates for the interviewing which, I may add, was done on a rush basis, with turnaround the July 4th holiday weekend. I will also indicate the cost of Central American bilingual interviewers, and the cost attributable to your campaign's refusal to provide a timely translation, as agreed. I will also indicate the cost implications of the abnormal number of older voters (30% over 70; a total of 56% over 60) in your district -- a fact never indicated to me by your campaign, and a major cost component of this project.

You were advised that I would accept an amount, smaller or larger than the \$15,000 that the arbiter could decide. You refused the offer of arbitration.

In view of your bad faith, as indicated by your refusal to make any payment at any time toward this survey, as well as your refusal to communicate at all with my firm, it is my expectation to take the following steps:

- (1) Prepare and mail to you a new bill that more accurately reflects our costs and a more normal profit return.
- (2) Retain legal counsel and file civil suit in California for nonpayment of the revised billing.
- (3) Advise the Federal Election Commission of the new billing so that your official campaign documents reflect it.

90040301200

(4) Advise the Federal Election Commission that you have requested that I bill you below a normal settlement, indeed *below cost*, which would amount to soliciting an illegal corporate contribution -- a violation of Federal law.

(5) File a complaint with the Federal Election Commission against you and seeking prosecution.

I regret these steps, but you have left me no alternative. Frankly, I am not a charitable institution or a bank, and I don't appreciate having my organization stop everything and do your work on a rush basis, with your campaign constantly running up the costs -- all of which were expended by me *two months ago*.

Sincerely,



Arnold Steinberg

90040301201

ATTORNEY OR PARTY WITHOUT ATTORNEY (NAME AND ADDRESS)

FREDERIC STEINBERG, ESQ.
6420 WILSHIRE BOULEVARD 14TH FLOOR
LOS ANGELES, CALIFORNIA 90048
STATE BAR NUMBER 32340

TELEPHONE:

(213) 658-7997

FOR COURT USE ONLY

DUPLICATE
ORIGINAL ON FILE
NOV 17 1989
L. A. M. C.
ENCINO BRANCH

ATTORNEY FOR (NAME) PLAINTIFF

Insert name of court, judicial district or branch court, if any, and post office and street address:

MUNICIPAL COURT - LOS ANGELES JUDICIAL DISTRICT
14400 ERWIN STREET MAIL VAN NUYS BRANCH
VAN NUYS, CALIFORNIA 90401

PLAINTIFF:

ARNOLD STEINBERG AND ASSOCIATES, INC.
a California corporation

DEFENDANT:

CARLOS PEREZ

☐ DOES 1 TO _____

CONTRACT

☒ COMPLAINT ☐ CROSS-COMPLAINT

CASE NUMBER:

89E09639

1. This pleading, including attachments and exhibits, consists of the following number of pages: 4

2. a. Each plaintiff named above is a competent adult

☒ Except plaintiff (name): ARNOLD STEINBERG AND ASSOCIATES, INC.

☒ a corporation qualified to do business in California

☐ an unincorporated entity (describe):

☐ other (specify):

b. ☐ Plaintiff (name):

☐ has complied with the fictitious business name laws and is doing business under the fictitious name of (specify):

☐ has complied with all licensing requirements as a licensed (specify):

c. ☐ Information about additional plaintiffs who are not competent adults is shown in Complaint—Attachment 2c.

3. a. Each defendant named above is a natural person

☐ Except defendant (name):

☐ Except defendant (name):

☐ a business organization, form unknown

☐ a corporation

☐ an unincorporated entity (describe):

☐ a public entity (describe):

☐ other (specify):

☐ a business organization, form unknown

☐ a corporation

☐ an unincorporated entity (describe):

☐ a public entity (describe):

☐ other (specify):

b. The true names and capacities of defendants sued as Does are unknown to plaintiff.

c. ☐ Information about additional defendants who are not natural persons is contained in Complaint—Attachment 3c.

d. ☐ Defendants who are joined pursuant to Code of Civil Procedure section 382 are (names):

(Continued)

If this form is used as a cross-complaint, plaintiff means cross-complainant and defendant means cross-defendant.

Form Approved by the
Judicial Council of California
Effective January 1, 1982
Rule 982.1(20)

60

COMPLAINT—Contract

76C807 6-84
RC110

CCP 425.12

PORT TITLE:

STEINBERG v PEREZ

CASE NUMBER:

COMPLAINT—Contract

Page two

4. ☐ Plaintiff is required to comply with a claims statute, and
- a. ☐ plaintiff has complied with applicable claims statutes, or
- b. ☐ plaintiff is excused from complying because (specify):
5. ☐ This action is subject to ☐ Civil Code section 1812.10 ☐ Civil Code section 2984.4.
6. This action is filed in this ☐ county ☒ judicial district because
- a. ☒ a defendant entered into the contract here.
- b. ☐ a defendant lived here when the contract was entered into.
- c. ☐ a defendant lives here now.
- d. ☒ the contract was to be performed here
- e. ☐ a defendant is a corporation or unincorporated association and its principal place of business is here.
- f. ☐ real property that is the subject of this action is located here
- g. ☐ other (specify)
7. ☐ The following paragraphs of this pleading are alleged on information and belief (specify paragraph numbers):
8. ☐ Other:
9. The following causes of action are attached and the statements above apply to each: (Each complaint must have one or more causes of action attached.)
- ☒ Breach of Contract ☒ Common Counts
- ☐ Other (specify):
10. PLAINTIFF PRAYS
- For judgment for costs of suit; for such relief as is fair, just, and equitable; and for
- ☒ damages of \$ 20,432.50
- ☒ interest on the damages ☐ according to proof ☒ at the rate of ten percent per year from (date) July 7, 1989
- ☒ attorney fees ☐ of \$ ☒ according to proof pursuant to the provisions of
- ☐ other (specify): Section 128.5 of the California Code of Civil Procedure

FREDERIC STEINBERG, ESO.
(Type or print name)


(Signature of plaintiff or attorney)

(If you wish to verify this pleading, affix a verification.)

Page two

90040801203

COURT TITLE:

STEINBERG v PEREZ

CASE NUMBER:

FIRST
(number)

CAUSE OF ACTION—Breach of Contract

Page 3

ATTACHMENT TO ☒ Complaint ☐ Cross-Complaint

(Use a separate cause of action form for each cause of action.)

BC-1. Plaintiff (name): ARNOLD STEINBERG AND ASSOCIATES, INC.
a California corporation

alleges that on or about (date): June 15, 1989

a ☐ written ☒ oral ☐ other (specify):

agreement was made between (name parties to agreement): ARNOLD STEINBERG AND ASSOCIATES, INC. (plaintiff) and CARLOS PEREZ (defendant)

☐ A copy of the agreement is attached as Exhibit A, or

☒ The essential terms of the agreement ☐ are stated in Attachment BC-1 ☒ are as follows (specify):

Defendant PEREZ hired plaintiff STEINBERG to prepare a survey for PEREZ in his campaign for political office on a rush basis since defendant was behind schedule and the field work had to be done before the July 4th holiday weekend so that defendant PEREZ could plan his campaign and allocate his budget. Defendant requested from plaintiff a political survey and related consultation with the survey to be done by Cuban interviewers and conducted through plaintiff's Sherman Oaks office to expedite the project and keep costs lower than if conducted in the field.

BC-2. On or about (dates): July 7, 1989

defendant breached the agreement by ☐ the acts specified in Attachment BC-2 ☒ the following acts

(specify): Defendant failed and refused to pay the amount promised and due plaintiff for the services contracted for as set forth above.

BC-3. Plaintiff has performed all obligations to defendant except those obligations plaintiff was prevented or excused from performing.

BC-4. Plaintiff suffered damages legally (proximately) caused by defendant's breach of the agreement

☐ as stated in Attachment BC-4 ☒ as follows (specify): Plaintiff incurred expenses in hiring personnel at defendant's request to perform services specifically for defendant (i.e. Cuban interviewers, Spanish translators, etc.) In addition, plaintiff had to pay above regular wages due to defendant's specific needs (i.e. to have the field work done before the July 4th weekend)

BC-5. ☒ Plaintiff is entitled to attorney fees by an agreement or a statute CCP 128.5

☐ of \$

☒ according to proof.

BC-6. ☒ Other: Pursuant to Code of Civil Procedure Section 128.5, plaintiff is entitled to reasonable attorney's fees incurred by plaintiff as a result of bad-faith actions or tactics that are frivolous or intended to cause unnecessary delay.

ART TITLE:

STEINBERG v PEREZ

CASE NUMBER:

SECOND

(number)

CAUSE OF ACTION—Common Counts

Page 4

ATTACHMENT TO ☒ Complaint ☐ Cross-Complaint

(Use a separate cause of action form for each cause of action.)

CC-1. Plaintiff (name): ARNOLD STEINBERG AND ASSOCIATES, INC.

alleges that defendant (name): CARLOS PEREZ

became indebted to ☒ plaintiff ☐ other (name)

a. ☐ within the last four years

(1) ☐ on an open book account for money due.

(2) ☐ because an account was stated in writing by and between plaintiff and defendant in which it was agreed that defendant was indebted to plaintiff.

b. ☒ within the last ☒ two years ☐ four years

(1) ☐ for money had and received by defendant for the use and benefit of plaintiff.

(2) ☒ for work, labor, services and materials rendered at the special instance and request of defendant and for which defendant promised to pay plaintiff

☐ the sum of \$

☒ the reasonable value.

(3) ☐ for goods, wares, and merchandise sold and delivered to defendant and for which defendant promised to pay plaintiff

☐ the sum of \$

☐ the reasonable value.

(4) ☐ for money lent by plaintiff to defendant at defendant's request.

(5) ☒ for money paid, laid out, and expended to or for defendant at defendant's special instance and request.

(6) ☐ other (specify):

CC-2. \$20,432.50

which is the reasonable value, is due and unpaid despite plaintiff's demand, plus prejudgment interest ☐ according to proof ☒ at the rate of ten percent per year from (date): July 7, 1989

CC-3. ☒ Plaintiff is entitled to attorney fees by an agreement or a statute (C.C.P. 128.5)

☐ of \$

☒ according to proof. Pursuant to CCP 128.5, plaintiff is entitled to reasonable attorney's fees incurred as a result of bad faith ac-

CC-4. ☐ Other torts of the defendant or tactics that are frivolous or intended to cause unnecessary delay.

OGC 5194

Miami, January 22, 1990

Federal Election Commission
Washington D.C. 20463

RE MUR 3017

90 JAN 23 PM 12:22

FEDERAL ELECTION COMMISSION

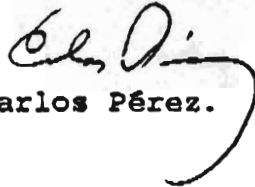
Att: Mrs. Deborah Curry:

I would appreciate very much if you could extend my response to the above mentioned complaint until Friday 26/90'

The reason for the request is the following: even though - I have been trying to get in touch with my former campaign Manager, Mr. Alex Díaz, for the several days, only today, January 22 I was able to locate him. He is the person who is familiar with most of the specifics of the above mentioned matter.

Thanking you very much for your attention to this matter.

Respectfully yours,


Carlos Pérez.

9004001206



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 24, 1990

Carlos Perez
3232 Coral Way
Miami, FL 33145

RE: MUR 3017

Dear Mr. Perez:

This is in response to your letter dated January 22, 1990, which we received on January 23, 1990, requesting an extension until January 26 to respond to Commission's notification of a complaint. This is to notify you that your response will be timely filed if received by January 26, 1990.

If you have any questions, please contact Deborah Curry, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in dark ink, appearing to be "LGL", is written over the typed name of Lois G. Lerner.

BY: Lois G. Lerner
Associate General Counsel

90040301207

OGC 5269

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

**BEFORE THE FEDERAL ELECTION COMMISSION
WASHINGTON, D.C.**

90 JAN 31 AM 9:52

90 JAN 31 PM 2:39

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

IN RE: MUR3017

RESPONSE TO MATTER UNDER REVIEW

The undersigned, as counsel for respondent in this Matter Under Review, submits there is no reason to believe that respondent violated the Federal Election Campaign Act of 1971, as amended, and that this file should be closed. In support, respondent states as follows:

1. In a complaint dated December 28, 1989 to the Federal Election Commission, Arnold Steinberg/Arnold Steinberg and Associates, Inc. ("Complainant"), asserts that "Huckaby-Rodriguez, acting on behalf of Perez, retained Steinberg" to conduct an "extensive benchmark survey" on behalf of the federal election campaign, Perez for Congress ("Respondent"), for which complainant incurred certain costs, and for which it has not been paid. [See paragraph number "1" of complaint, and attached letter of June 22, 1989 from Huckaby Rodriguez, Inc., to Arnold Steinberg.]

2. Huckaby Rodriguez, Inc., in its letter of June 22, 1989 to Arnold Steinberg, apparently contracted for "services on survey work" at a "project cost not to exceed \$25,000" with correspondence and reports to be submitted directly to Huckaby Rodriguez, Inc.

3. Services performed pursuant to this apparent contract between Huckaby Rodriguez, Inc., and complainant, was completed

90040301209

during early July, 1989 and was billed in the amount of \$20,432.50. Huckaby Rodriguez, Inc., allegedly "agreed to" a reduced flat rate of \$15,000 for the services performed pursuant to the apparent contract between it and complainant. [See, paragraph 3 of the complaint.]

4. Huckaby Rodriguez, Inc., served as a consultant to the Perez for Congress campaign. Huckaby Rodriguez, Inc., was not authorized by the Perez for Congress campaign, the candidate, or anyone on its or his behalf, to contract for the services as set forth in the letter of January 22, 1989 to Arnold Steinberg.

5. Despite the fact that there was no authorization to conduct a survey "not to exceed \$25,000," apparently Huckaby Rodriguez, Inc., authorized complainant's services and did not advise the Perez for Congress campaign, the candidate, or its campaign manager of this high expense.

6. Although Perez for Congress has no legal responsibility or liability for the services allegedly contracted for by its consultant, Huckaby Rodriguez, Inc., respondent determined what the cost would have been for similar work if such a benchmark survey were to have been performed by a firm in Florida, and gratuitously offered to pay that amount -- \$7,500 -- as a settlement of the matter.

7. The complainant advises that, "We consider any billing below \$15,000... to be soliciting an illegal corporation contribution from me." [Sic.] [See, paragraph 6 of complaint.] Despite the self-serving declaration in its Complaint of December

28, 1989, complainant asserts a conflicting position in its letter dated September 16, 1989 to the candidate: "You were advised that I would accept an amount, smaller or larger than the \$15,000 that the arbiter could decide." Clearly, if in September complainant "would accept an amount...smaller...than \$15,000" (if a third party were to decide such a reduction is warranted), complainant's declaration in December, that an offer to settle the controversy for less than \$15,000 would be "soliciting an illegal corporation contribution...", is both inconsistent and self-serving.

8. Complainant's letter of December 28, 1989 is an improper attempt to misuse the processes of the Federal Election Commission. Moreover, complainant has failed to disclose to the Federal Election Commission that it filed a lawsuit in Los Angeles Municipal Court, on November 17, 1989 against respondent. [See attached "Summons," Exhibit A.] Clearly, complainant seeks to embarrass the former candidate and to use the administrative processes of the Federal Election Commission as an extortiant pressure tactic to augment its resort to civil process through the court system on California.

9. Respondent believes that there is no legal responsibility or liability associated with the assertions raised in MUR3017 and that this dispute is one more appropriately handled through normative process in the judicial system. The dispute is inappropriate for submission to the Federal Election Commission. Complainant filed a civil suit approximately a month prior to submitting its allegations to the Federal Election Commission. If

complainant was willing to accept less than \$15,000 through "neutral arbitration" without the imprimatur of the Federal Elections Commission [see letter of September 16, 1989], the relief now requested in MUR3017 is superfluous and extortionate.

10. Respondent requests the Federal Election Commission to find no reason to believe that the complaint sets forth a possible violation of the Federal Election Campaign Act of 1971, as amended. Such a finding would provide the clarification sought by the complainant, and would preclude complainant's use of the Commission's processes as improper pressure tactics in furtherance of a parallel civil lawsuit.

Respectfully submitted,

NAGIN & GREEN
Attorneys for Respondent
3110 Southeast Financial Center
200 South Biscayne Boulevard
Miami, Florida 33131-2388
Telephone: (305) 375-0100

By: _____


Stephen E. Nagin

90040801211

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3017

NAME OF COUNSEL: NAGIN & GREEN

ADDRESS: 3110 SOUTHEAST FINANCIAL CENTER
MIAMI, FLORIDA 33131

TELEPHONE: (305) 375-0100

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.

1-26-90
Date


Signature

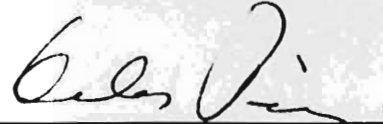
RESPONDENT'S NAME: CARLOS PEREZ

ADDRESS: 4414 Granada Blvd.
Coral Gables, Florida 33146

9004001212

VERIFICATION

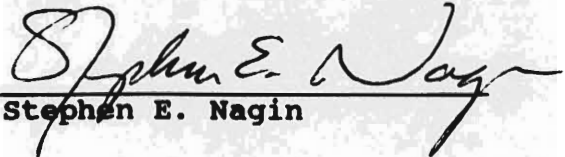
I hereby verify that I have read the Response prepared by my legal counsel and assent to its filing as a true and correct statement on my behalf.



Carlos Perez

CERTIFICATE OF SERVICE

A copy of the foregoing Response was mailed to complainant at its address of record and also was sent via facsimile transmission to the Federal Elections Commission, this 26th day of January, 1990 [original Response to be mailed on January 29, 1990].



Stephen E. Nagin

90050-P

90040801213

MUR 3017

IN THE MUNICIPAL COURT OF THE LOS ANGELES JUDICIAL DISTRICT
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

ARNOLD STEINBERG AND ASSOCIATES, CASE NO. 89E09639
INC. a California corporation,

Plaintiff,

-vs-

CARLOS PEREZ,

Defendant.

90 JUL 26 AM 11:37

FEDERAL ELECTION COMMISSION
OFFICE OF THE CLERK
WASHINGTON, D.C. 20543

AFFIDAVIT OF CARLOS PEREZ

STATE OF FLORIDA)
COUNTY OF DADE) ss:

Before me appeared Carlos Perez, who after being duly sworn, testified to the following facts, all of which are within his personal knowledge:

1. I am President of Citizens for Democracy, Inc., a South Florida-based political action group composed primarily of Cuban-Americans who support freedom and democracy around the world.

9 0 0 4 0 3 0 1 2 1 5

1 Until 1986 I was President of Banana Service, Inc., a perishable
2 fruits import company that services accounts throughout the Eastern
3 United States and Eastern Canada. I have served in the last decade
4 as a member of a Presidential commission and as a White House envoy
5 to Algeria.
6

7
8 2. In June 1989 I decided to campaign in the special
9 congressional election to replace the then recently deceased Claude
10 Pepper. I selected as my Campaign Manager, Alex Diaz, a resident
11 of the State of Florida, and as an experienced federal campaign
12 consultant, Carlos Rodriguez.
13

14
15 3. Given the extraordinarily tight timing of the
16 special election, and a diverse ethnic populace in the electoral
17 district, I recognized the need for a public opinion survey, as did
18 both Mr. Diaz and Mr. Rodriguez. We discussed the subject at
19 length, in Miami, during mid-June.
20

21
22 4. Mr. Diaz had informed me and Mr. Rodriguez that a
23 reputable Tampa-based research firm would charge about \$7500 for
24 a benchmark survey, although it could be conducted for less by
25 other researchers. Mr. Rodriguez preferred to work with a research
26 firm he had used previously.
27
28

1 5. I informed Mr. Rodriguez that the survey could be
2 done by a research firm outside of Florida but that the cost should
3 not exceed a maximum cost of \$8,000 to \$9,000. Mr. Rodriguez never
4 said prior to the survey being conducted that this amount of money
5 was insufficient for the purpose, and I made it clear that "under
6 no circumstances" should the out-of-pocket cost exceed the range
7 set forth, above. Mr. Rodriguez was not authorized to engage the
8 services of any research firm regardless of where located for a
9 survey that would cost in excess of \$8,000 to \$9,000.
10

11 6. The first time I learned of the exorbitant cost of
12 the benchmark survey was after the primary election when an invoice
13 was received from Arnold Steinberg and Associates, Inc., Inasmuch
14 as Mr. Rodriguez was not authorized as the campaign consultant to
15 engage the services of any research organization for an amount in
16 excess of the \$8,000.00 to \$9,000.00 range, Arnold Steinberg and
17 Associates, Inc., may have a claim against Huckaby-Rodriguez of
18 Sacramento, California, if that is the firm which engaged their
19 services. Neither my Campaign Manager nor anyone else in the
20 Carlos Perez Campaign Committee was authorized to contract with
21 Arnold Steinberg and Associates for any public opinion survey.
22
23
24
25
26
27
28

90040801217

1 7. There is no contract between myself or anyone
2 authorized by me, for the services rendered by Arnold Steinberg and
3 Associates, Inc. Carlos Rodriguez was not my Campaign Manager, he
4 was merely a consultant to the Campaign, and as a consultant was
5 not authorized to act without specific discretion by me. Mr.
6 Steinberg's lawyer misstates in his "Statement of Case" that Mr.
7 Rodriguez was my Campaign Manager, which was not true.

8 8. In Federal elections held in Florida, candidates are
9 required to file in Tallahassee (the state capitol) a statement
10 declaring their candidacy along with information concerning their
11 campaign staff. This is a public document. Apparently,
12 unbeknownst to me, Mr. Rodriguez misrepresented himself to Mr.
13 Steinberg, who failed to verify with me or through the public
14 records in our state capitol Mr. Rodriguez's real position with the
15 campaign. Mr. Rodriguez was not in any official position to commit
16 an expenditure of funds on behalf of the campaign, and this easily
17 could have been confirmed by Arnold Steinberg and Associates, Inc.,
18 prior to its commencement of work on behalf of my campaign.

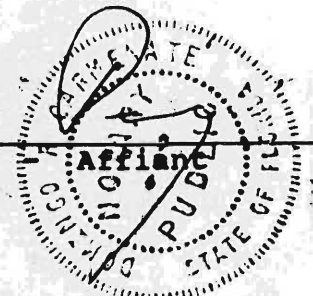
19 9. Arnold Steinberg and Associates, Inc., did not send
20 any correspondence confirming its engagement, to me or to my
21
22
23
24
25
26
27
28

1 Campaign office. Mr Rodriguez directed Arnold Steinberg and
2 Associates to send all correspondence to this office in Sacramento,
3 California, and nobody with my Campaign was aware of that fact at
4 the time. [See Exhibit A to this affidavit.] I was totally
5 unaware of the apparently unauthorized engagement of services by
6 the campaign consultant, Mr. Carlos Rodriguez.
7

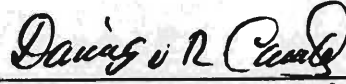
8
9 I affirm under penalty of perjury, pursuant to the laws
10 of the state of Florida, that the following is true and correct.
11

12 FURTHER AFFIANT SAYETH NOT.

13
14 
Carlos Perez



15
16 SWORN TO AND SUBSCRIBED, before me, this 18 day of May, 1990.
17

18
19 
20 STATE OF FLORIDA, Notary Public
at Large

21 Commission Expires:

22 NOTARY PUBLIC STATE OF FLORIDA
23 MY COMMISSION EXP. OCT 24, 1993
24 BONDED UNDER GENERAL LNS. 620, .
25
26
27
28

1
2
3
4
5
6
7
8 IN THE MUNICIPAL COURT OF THE LOS ANGELES JUDICIAL DISTRICT
9 COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

10
11 ARNOLD STEINBERG AND ASSOCIATES, CASE NO. 89E09639
12 INC. a California corporation,

13 Plaintiff,

14 -vs-

15 CARLOS PEREZ,

16 Defendant.
17
18

19 AFFIDAVIT OF ALEX DIAZ

20 STATE OF FLORIDA)
21) SS:
22 COUNTY OF DADE)

23 Before me appeared Alex Diaz, who, after being duly sworn
24 testified to the following facts, all of which are within his
25 personal knowledge:

26 1. I am a principal of the Diaz Group, Inc., a
27 consulting firm in Miami, Florida, specializing in political
28 advertising. I have been involved in politics in Florida for the

90040801219

1 past decade. Since 1987 I have directed four different political
2 campaigns in South Florida.

3 2. As a consequence of my work experience I am familiar
4 with the costs of public opinion surveys in Florida.
5

6 3. I served as the Campaign Manager for Carlos Perez
7 in connection with the special election for the House of
8 Representatives occasioned by the death in mid-1989 of Congressman
9 Claude Pepper.
10

11 4. The Primary election, itself, was held in early
12 August, 1989. Given the unusually short period of time during
13 which the campaign had to be conducted, Mr. Perez engaged the
14 services of a political consultant from California, to assist the
15 campaign in Miami. Mr. Carlos Rodriguez was that consultant.
16

17 5. Prior to the official announcement in early July,
18 of his intent to campaign for the Congressional race, Mr. Perez
19 planned strategy with me and Mr. Rodriguez, in Miami. As part of
20 the pre-campaign strategy in June, it was deemed valuable by all
21 three of us that a public opinion survey be conducted.
22

23 6. Mr. Rodriguez prepared the final budget for the
24 campaign and he knew that limited finances were available prior to
25 the primary election. If Mr. Perez was successful in the Primary,
26 all of us were confident that funding for the general election
27
28

90040301220

1 would not be a critical concern.

2 7. Initially, the campaign for the primary election was
3 budgeted to be \$200,000. While subsequently the budget was reduced
4 to \$150,000, for the purpose of conducting a public opinion survey,
5 Mr. Rodriguez was aware that the total estimated amount of funds
6 available to the campaign would not exceed \$200,000.
7

8 8. Mr. Perez -- to my knowledge -- never approved
9 anything in the campaign involving an expenditure of funds without
10 first having a cost estimate at his disposal. Knowing his
11 steadfast requirement in this regard, I was contacted by a research
12 firm in Tampa, Florida that offered its services. I explained the
13 type of benchmark survey that would be needed, and requested an
14 estimate of the cost. I was informed that the survey could be
15 conducted for approximately \$7,500.00. Other surveys I have been
16 involved with in South Florida campaigns were approximately the
17 same price and the cost was consistent with what one would expect
18 for such a survey, in Florida.
19
20
21

22 9. Mr. Perez, Mr. Rodriguez and I held a conversation
23 in Mr. Perez's office in Miami during mid-June, in which I advised
24 that the Tampa firm could conduct a benchmark survey for
25 approximately \$7,500.00. Mr. Rodriguez said nothing in response
26 to my discussion about the cost. After this conversation, but on
27
28

same day, and while still in Mr. Perez's office in Miami, Mr. Rodriguez said to me that he would prefer to either use a survey in Texas or one in California, both of which he was familiar with and had worked with in the past.

10. Later that day, Mr. Perez informed me that he had spoken with Mr. Rodriguez concerning having the benchmark survey done, and that he had told Mr. Rodriguez the cost should not exceed \$5,000.00 to \$9,000.00, at the maximum.

11. As a consultant to the campaign, Mr. Rodriguez was required to keep me and Mr. Perez abreast of the survey cost. He did not do so. At no time did he mention to me that the survey would cost over \$20,000. Had he done so I would have protested, inasmuch as such an expense would have been at least 10% of the entire primary campaign budget. It would have not made sense to conduct a survey at such a high cost given the financial constraints during the Primary election campaign.

12. Mr. Rodriguez apparently directed all correspondence regarding the survey reports to his California office, inasmuch as the campaign never received correspondence from Arnold Steinberg and Associates, Inc., and never was informed about the critical contents of the entire survey report until 4 or 5 days prior to the primary election. Had Mr. Rodriguez divulged the contents of the

1 would not be a critical concern.

2 7. Initially, the campaign for the primary election was
3 budgeted to be \$200,000. While subsequently the budget was reduced
4 to \$150,000, for the purpose of conducting a public opinion survey,
5 Mr. Rodriguez was aware that the total estimated amount of funds
6 available to the campaign would not exceed \$200,000.
7

8 8. Mr. Perez -- to my knowledge -- never approved
9 anything in the campaign involving an expenditure of funds without
10 first having a cost estimate at his disposal. Knowing his
11 steadfast requirement in this regard, I was contacted by a research
12 firm in Tampa, Florida that offered its services. I explained the
13 type of benchmark survey that would be needed, and requested an
14 estimate of the cost. I was informed that the survey could be
15 conducted for approximately \$7,500.00. Other surveys I have been
16 involved with in South Florida campaigns were approximately the
17 same price and the cost was consistent with what one would expect
18 for such a survey, in Florida.
19
20
21

22 9. Mr. Perez, Mr. Rodriguez and I held a conversation
23 in Mr. Perez's office in Miami during mid-June, in which I advised
24 that the Tampa firm could conduct a benchmark survey for
25 approximately \$7,500.00. Mr. Rodriguez said nothing in response
26 to my discussion about the cost. After this conversation, but on
27
28

90040801222

1 the same day, and while still in Mr. Perez's office in Miami, Mr.
2 Rodriguez said to me that he would prefer to either use a survey
3 firm in Texas or one in California, both of which he was familiar
4 with and had worked with in the past.

5
6 10. Later that day, Mr. Perez informed me that he had
7 spoken with Mr. Rodriguez concerning having the benchmark survey
8 done, and that he had told Mr. Rodriguez the cost should not exceed
9 \$8,000.00 to \$9,000.00, at the maximum.

10
11 11. As a consultant to the campaign, Mr. Rodriguez was
12 required to keep me and Mr. Perez abreast of the survey cost. He
13 did not do so. At no time did he mention to me that the survey
14 would cost over \$20,000. Had he done so I would have protested,
15 inasmuch as such an expense would have been at least 10% of the
16 entire primary campaign budget. It would have not made sense to
17 conduct a survey at such a high cost given the financial
18 limitations during the Primary election campaign.

19
20
21 12. Mr. Rodriguez apparently directed all correspondence
22 and reports to his California office, inasmuch as the Perez
23 campaign never received correspondence from Arnold Steinberg and
24 Associates, Inc., and never was informed about the critical
25 contents of the entire survey report until 4 or 5 days prior to the
26 primary election. Had Mr. Rodriguez divulged the contents of the
27
28

1 entire report in a timely fashion, significant strategic decisions
2 could have been made to alter the campaign based on the survey
3 results.

4 I affirm under penalty of perjury pursuant to the laws
5 of the state of Florida, that the foregoing is true and correct.

6
7 FURTHER AFFIANT SAYETH NOT.

8 ALEX DIAZ
9 Alex Diaz - Affiant

10
11 SWORN TO AND SUBSCRIBED, before me, this 10 day of July, 1990.

12
13 Choney D. Rogers
14 STATE OF FLORIDA, Notary Public
15 at Large

16 Commission Expires:

17 NOTARY PUBLIC, STATE OF FLORIDA.
18 MY COMMISSION EXPIRES SEPT. 9, 1990.
19 BONDED THRU NOTARY PUBLIC UNDERWRITERS.

90 AUG -8 AM 10:13

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

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

MUR 3017
DATE COMPLAINT RECEIVED
BY OGC 1-7-90
DATE OF NOTIFICATION TO
RESPONDENTS 1-8-90
STAFF MEMBER Debby Curry

COMPLAINANTS: Arnold Steinberg; Arnold Steinberg and Associates, Inc.

RESPONDENTS: Arnold Steinberg; Arnold Steinberg and Associates, Inc.; Carlos Perez; and Carlos Perez Amigo '89 and Joan Agatheas, as treasurer

RELEVANT STATUTES: 2 U.S.C. § 441b
2 U.S.C. § 434(b)(8)
11 C.F.R. § 114.10
11 C.F.R. § 104.11(a)

INTERNAL REPORTS CHECKED: Carlos Perez Amigo '89

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

This matter was generated by a complaint filed by Arnold Steinberg; Arnold Steinberg and Associates, Inc. ("Steinberg and Associates") alleging violations of the Act by Carlos Perez and Carlos Perez Amigo '89 and Joan Agatheas, as treasurer ("Perez Committee"). Complainants allege that Carlos Perez and the Perez Committee have solicited a prohibited corporate contribution from Steinberg and Associates.

II. FACTUAL AND LEGAL ANALYSIS

A. Allegations

According to complainants, Steinberg and Associates was retained by Huckaby-Rodriguez, Inc. ("Huckaby-Rodriguez") acting

90040301224

on behalf of its client, the Perez Committee, to do an extensive benchmark survey interviewing Cuban-Americans in both English and in Spanish. Complainants submit a letter, dated June 22, 1989, from Huckaby-Rodriguez confirming the survey work at a cost not to exceed \$25,000. (Attachment 1, page 3).

Complainants indicate that the project was taken on short notice and had to be expedited so that it could be completed a week later. (Attachment 1, pages 1 and 5). Complainants note that no deposit was provided at that time and that a July 7th billing a few days after completion of the project showed a project cost of \$20,432.50. (Attachment 2, page 8).

The July 7th billing provided for a \$15,000 immediate settlement as agreed to by complainants and Huckaby-Rodriguez. According to complainants, in a telephone conversation on September 15, 1989, Carlos Perez refused to pay the bill of \$20,432.50 or the \$15,000 business settlement accepted by Huckaby-Rodriguez on behalf of Mr. Perez and the Perez Committee. (Attachment 1, pages 2 and 5). In that same telephone conversation, Mr. Perez requested that he be billed \$7,500 for the survey work.

Complainants submit a summary of costs for the survey indicating that Steinberg and Associates incurred \$11,961.96 in direct costs. The complainants' submission then shows five methods for pricing used in the survey industry. (Attachment 1, page 4). The five pricing methods for survey work appear to indicate an average billing of around \$20,000. Complainants consider any billing or settlement of \$7,500 as below cost and,

90040301225

therefore, the soliciting of an illegal corporate contribution. Complainants state that Mr. Perez was advised by letter on September 16, 1989 that any settlement below cost was a corporate contribution. (Attachment 1, page 6).

B. Respondents' Submissions

1. Steinberg and Associates

Because the complaint made allegations of a corporate contribution that could implicate Steinberg and Associates, complainants were also provided an opportunity to submit additional information in the matter. Steinberg and Associates' response to the Commission's notification contained the following documents: a copy of the July 7th bill to the Perez Committee, a copy of the letter of September 16, 1989, received with the previously filed complaint and a copy of the legal action being taken by complainants against the Perez Committee. (Attachment 2). The legal action is a civil suit against the Perez Committee in municipal court for breach of contract and is based on the transaction in question. Steinberg and Associates state that the \$15,000 settlement was in consideration of Mr. Perez' election loss and the long-standing business relationship with Huckaby-Rodriguez and that anything less than this amount would be an extraordinary settlement. (Attachment 2, page 7).

2. Perez Committee

The response of the Perez Committee does not deny that Huckaby-Rodriguez might have contracted for the benchmark survey with Steinberg and Associates. (Attachment 3, page 1). The

90040301226

9 0 0 4 0 3 0 1 2 2 7

Perez Committee contends, however, that Huckaby-Rodriguez was not authorized to contract for these services and that the Perez Committee was not advised of the high expense of the survey by Huckaby-Rodriguez. (Attachment 3, page 16). Although Respondents assert no legal responsibility or liability for the services contracted by Huckaby-Rodriguez, the Perez Committee offered what they considered to be gratuitous payment of \$7,500 in settlement of the matter. (Attachment 3, page 16). This amount was based on the Perez Committee's determination of costs for similar work performed by firms in Florida. (Attachment 3, page 16). The Perez response notes that in the September 16, 1989, letter to the Committee, Steinberg and Associates indicated that they would accept an amount smaller or larger than the \$15,000 if decided by an arbiter. (Attachment 1, page 5).

Respondents believe that the allegations in this matter are in the nature of a dispute that is already being processed in the judicial system. (Attachment 3, page 17). Additionally, respondents believe that Steinberg and Associates are using the Commission enforcement process as an improper pressure tactic. (Attachment 3, page 17). Based on the foregoing, the respondents believe that the assertions in the matter are inappropriate for submission to the Commission and the Commission should find no reason to believe a violation of the Act has occurred. On July 26, 1990, respondents submitted copies of the affidavits of Carlos Perez and Alex Diaz (campaign manager) prepared in connection with the previously mentioned

civil suit in the matter. (Attachment 4).

C. Application of the Law

Pursuant to 2 U.S.C. § 441b(a) corporations are prohibited from making contributions or expenditures in connection with any election for a federal office and knowing acceptance of such contributions are prohibited by this section. The term contribution or expenditure is defined to include "any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services or anything of value." 2 U.S.C. § 431(8)(A)(i). 2 U.S.C. § 434(b)(8) requires the reporting of outstanding debts or settlements and 11 C.F.R. § 104.11(a) requires the continuous reporting of such debts until they are extinguished. Section 114.10 of Commission regulations sets the parameters for extension of credit to a candidate or political committee. Pursuant to this section, credit may be extended to a candidate or a political committee provided the credit is extended in the ordinary course of a corporation's business and the terms of the debt are substantially the same as those for a non-political debt.

The issue here is whether the Perez Committee's non-payment of the bill owing to Arnold Steinberg Associates constitutes acceptance of a prohibited corporate contribution. It is the opinion of this Office that the transaction in issue is a disputed debt and there is no reason to believe respondents have violated the Act. The evidence submitted indicates that complainants conducted a voter survey based on a contract for services arranged by the consultant for the candidate (Carlos

90040301228

Perez). Due to a short turn around time no deposit was made for the survey and the Perez Committee was billed shortly thereafter. Steinberg and Associates have refused the Perez Committee's counteroffer in settlement of the debt. Steinberg and Associates believe the counteroffer to be below its direct costs and also below what is normal in the trade for survey work. On the other hand, Perez Committee apparently asserts that its counteroffer is in line with the price for similar work by vendors in Florida.

By way of telephone calls, letters and a civil action in municipal court, Steinberg and Associates have made it very clear that it is vigorously pursuing the debt. It does not appear, therefore, that the transaction between Steinberg Associates and the Perez Committee constitutes a prohibited corporate contribution. Moreover, there is no indication that this transaction was other than in the ordinary course of business and there is no suggestion that the extension of credit or settlement of the debt has been made in a manner more favorable to the political candidate or committee because of their status as political entities. Indeed, the facts of this matter clearly indicate that this was not the case.

Furthermore, though the Perez Committee has not reported the exact amount of the debt, the Perez Committee has continuously reported that a debt is owed to Steinberg and Associates and that the amount is in the process of being determined. Accordingly, the Office of the General Counsel recommends that the Commission find no reason to believe Arnold

90040301229

Steinberg; Steinberg and Associates, Inc.; Carlos Perez and Carlos Perez Amigo '89 and Joan Agatheas, as treasurer violated 2 U.S.C. § 441b(a).

III. RECOMMENDATIONS


1. Find no reason to believe that Arnold Steinberg and Arnold Steinberg Associates, Inc. violated 2 U.S.C. § 441b(a).
2. Find no reason to believe Carlos Perez; Carlos Perez Amigo '89 and Joan Agatheas, as treasurer, violated 2 U.S.C. § 441b(a).
3. Approve the appropriate letters.

Lawrence M. Noble
General Counsel

Date

8/7/90

BY:


Lois G. Lerner
Associate General Counsel

Attachments

1. Complaint
2. Response of Steinberg Associates
3. Response of Perez and Perez committee
4. Supplemental Response of Perez

Steinberg; Steinberg and Associates, Inc.; Carlos Perez and Carlos Perez Amigo '89 and Joan Agatheas, as treasurer violated 2 U.S.C. § 441b(a).

III. RECOMMENDATIONS


1. Find no reason to believe that Arnold Steinberg and Arnold Steinberg Associates, Inc. violated 2 U.S.C. § 441b(a).
2. Find no reason to believe Carlos Perez; Carlos Perez Amigo '89 and Joan Agatheas, as treasurer, violated 2 U.S.C. § 441b(a).
3. Approve the appropriate letters.

Lawrence M. Noble
General Counsel

Date

8/7/90

BY:


Lois G. Lerner
Associate General Counsel

Attachments

1. Complaint
2. Response of Steinberg Associates
3. Response of Perez and Perez committee
4. Supplemental Response of Perez

90040801230

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Arnold Steinberg; Arnold Steinberg) MUR 3017
and Associates, Inc.; Carlos Perez;)
and Carlos Perez Amigo '89 and)
Joan Agatheas, as treasurer.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 10, 1990, the Commission decided by a vote of 6-0 to take the following actions in MUR 3017:

1. Find no reason to believe that Arnold Steinberg and Arnold Steinberg Associates, Inc. violated 2 U.S.C. § 441b(a).
2. Find no reason to believe Carlos Perez Amigo '89 and Joan Agatheas, as treasurer, violated 2 U.S.C. § 441b(a).
3. Approve the letters, as recommended in the General Counsel's Report dated August 7, 1990.

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

Attest:

8-13-90
Date

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

Received in the Secretariat: Wed., August 8, 1990 10:13 a.m.
Circulated to the Commission: Wed., August 8, 1990 4:00 p.m.
Deadline for vote: Fri., August 10, 1990 4:00 p.m.

90040301231



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

90 AUG 23 PM 3:05

SENSITIVE

August 23, 1990

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

BY: Lois G. Lerner *HL*
Associate General Counsel

SUBJECT: MUR 3017 - Arnold Steinberg; Arnold Steinberg and Associates, Inc.; Carlos Perez; and Carlos Perez Amigo '89 and Joan Agatheas, as treasurer

By General Counsel's Report signed August 7, 1990, this Office recommended that the Commission find no reason to believe the respondents had violated the Act and also recommended the approval of the appropriate letters. On August 10, 1990, the Commission approved the recommendations in the matter. As the matter is concluded against all respondents in the matter, this Office recommends that the Commission close the entire file.

RECOMMENDATION

1. Close the file.

90040801232

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Arnold Steinberg;) MUR 3017
Arnold Steinberg and Associates,)
Inc.;)
Carlos Perez;)
Carlos Perez Amigo '89 and Joan)
Agatheas, as treasurer.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 28, 1990, the Commission decided by a vote of 5-0 to close the file in MUR 3017, as recommended in the General Counsel's Memorandum dated August 23, 1990.

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

Attest:

8-28-90

Date

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

Received in the Secretariat:
Circulated to the Commission:
Deadline for vote:

Thurs., August 23, 1990 3:05 p.m.
Fri., August 24, 1990 12:00 p.m.
Tues., August 28, 1990 4:00 p.m.

dh

90040801233



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 5, 1990

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Arnold Steinberg
Arnold Steinberg and Associates, Inc.
3719 Meadville Drive
Sherman Oaks, California 91403

RE: MUR 3017
Arnold Steinberg; Arnold
Steinberg and Associates, Inc.;
Carlos Perez; Carlos Perez Amigo
'89, and Joan Agatheas, as
treasurer

Dear Mr. Steinberg:

On August 10, 1990, the Federal Election Commission reviewed the allegations of your complaint dated December 28, 1989, and found that on the basis of the information provided in your complaint, and information provided by respondents, that there is no reason to believe Arnold Steinberg; Arnold Steinberg and Associates, Inc.; Carlos Perez; and Carlos Perez Amigo '89 and Joan Agatheas, as treasurer, violated 2 U.S.C. § 441b(a). Accordingly, on August 28, 1990, the Commission closed the file in this matter.

The Federal Election Campaign Act of 1971, as amended ("the Act") allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

This matter will become a part of the public record within 30 days. If you wish to submit any materials to appear on the

90040301234

Arnold Steinberg
Page Two

public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

Sincerely,

Lawrence M. Noble
General Counsel



BY: Lois G. Lerner
Associate General Counsel

Enclosure
General Counsel's Report

90040801235



FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

September 5, 1990

Stephen E. Nagin, Esquire
Nagin & Green
3110 Southeast Financial Center
Miami, Florida 33131

RE: MUR 3017
Carlos Perez Amigo '89 and
Joan Agatheas, as treasurer;
Carlos Perez

Dear Mr. Nagin:

On January 8, 1990, the Federal Election Commission notified your clients, Carlos Perez Amigo '89 and Joan Agatheas, as treasurer, and Carlos Perez of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On August 10, 1990, the Commission found, on the basis of the information in the complaint and information provided by your clients, that there is no reason to believe Carlos Perez Amigo '89 and Joan Agatheas, as treasurer, and Carlos Perez violated 2 U.S.C. § 441b(a). Accordingly, on August 28, 1990, the Commission closed its file in this matter.

This matter will become a part of the public record within 30 days. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
General Counsel's Report

90040801236



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3017

DATE FILMED 9/27/90 CAMERA NO. 3

CAMERAMAN AS

90040801237