



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3507

DATE FILMED 4-3-96 CAMERA NO. 3

CAMERAMAN JMN

96043 / 30910

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

APR 17 12 31 PM '92

Steve Petrov
46 W. Ferry St.
New Hope
PA 18938

Federal Elections Bureau
Attn. General Council
999 E. St., NW
Washington
DC 20463

MUR 3507

APR 17 PM 3:44

To whom it may concern:

The enclosed fund-raising letter shows that Thomas Lingenfelter (who resides at 400 East Court St., Doylestown PA, 18901) has been raising money from his business address which is listed on the bottom of the fund-raising letter. The anti-Clinton flyer and the Brown bumper sticker, both of which were obtained from Mr. Lingenfelter's business address fail to state who paid for them.

It is also my understanding that the national campaign expects volunteers to forward the donations which they collect to the national campaign rather than spend them independently.

Furthermore I do not know if Mr. Lingenfelter is required to register the committee which he has created but if he is I would also request that you check to see if he has met such a requirement.

Steve Petrov
Steve Petrov

Seen to and subscribed before me
this 14 day of April 1992

Bettina Lyles Butler

NOTARIAL SEAL
BETTINA LYLES BUTLER, Notary Public
City of Philadelphia, Penn. County
My Commission Expires 12/31/94

9604373091

BILL CLINTON RECORD ON WORKERS RIGHTS (after 11 years as head of state government.)

THE RIGHT TO A SAFE WORKPLACE

Arkansas ranks last in the nation in worker safety ("California First, Arkansas Last in Job Safety Study," Washington Post, Jan. 1, 1992, p. A29).

Workers in Arkansas do not enjoy the protection of right-to-know legislation to inform them of hazardous materials at the job site. Clinton promised to work for right-to-know, but when workers needed help, he reneged on his commitment. (AFL-CIO Shuns Governor's Race," Arkansas Gazette, April 15, 1990, p. 1A.)

JOBS AND JOBLESS PROTECTION

Arkansas ranked 8th in unemployment as of October, 1991 (Bureau of Labor Statistics) and 47th in per capita income. (data from the U.S. Census Bureau.)

In 1990 youth unemployment in Arkansas was 23.1 percent or 49th, topped only by Mississippi.

In 1990, the Southern Regional Council ranked Arkansas as the second worst state for working people. Once again, only Mississippi saved the state from last place.

In 1990, the Arkansas Industrial Development Corporation, with Governor Clinton's active participation, provided a \$300,000 loan guarantee to Morrilton Plastics so they could build an inventory cushion to withstand an upcoming strike. Striking workers lost this battle as did state taxpayers who must now pay off this loan. Morrilton Plastics went into bankruptcy. ("Clinton Assailed by Union," Arkansas Gazette, March 2, 1991, p. 1C.)

Governor Clinton was featured in an advertisement (Korean Economic Daily, May 1990) pushing Arkansas' low wage rate and anti-union bias. The state's right-to-work and anti-violence laws (using state police to protect scab replacement works) were used to promote the pro-business environment in Arkansas.

We the People BROWN '92

Dear

Thank you for your help in coordinating the _____ section of the crucial Pennsylvania campaign. Calls continue to pour into our headquarters, as thousands of Pennsylvanians join the fight to Take Back America.

Enclosed are the following materials for you to copy and distribute:

- Press releases
- T-shirt w/order form
- Brown For President Issues & Bio
- Brown vs. Clinton Literature

FUNDRAISING INSTRUCTIONS:

Please encourage people to support Jerry Brown through contributions in the form of personal checks of no more than \$100.00. PLEASE REFRAIN FROM PERSONAL REMARKS ON THE MEMO SPACE OF THE CHECKS. This is a prerequisite for receiving matching federal funds. Checks should be forwarded to the Pennsylvania Headquarters at the below address so we can continue to solidify our campaign for victory on April 28th.

The staff here in Doylestown is ready and willing to assist you with any questions or problems that may arise. We wish you the best of luck and the greatest success.

Sincerely,

ala

PENNSYLVANIA BROWN FOR PRESIDENT

11 W. Court Street, Doylestown PA 18901 215-345-8550 FAX 215-345-7262

92 APR 17 PM 3:44

RECEIVED
OFFICE OF THE ATTORNEY GENERAL
PENNSYLVANIA

96043730943

Brown '92

(800) 426-1112

9 6 0 4 3 7 3 0 9 4 4



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 22, 1992

Steve Petrov
46 W. Ferry Street
New Hope, PA 18938

RE: MUR 3507

Dear Mr. Petrov:

This letter acknowledges receipt on April 17, 1992, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by Thomas Lingenfelter, Pennsylvania Brown for President, and Brown for President and Blaine Quick, as treasurer. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 3507. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

A handwritten signature in cursive script, reading "Teresa A. Hennessy", is written above the typed name.

Teresa A. Hennessy
Assistant General Counsel

Enclosure
Procedures

96043730945



FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

April 22, 1992

Thomas Lingenfelter
400 East Court Street
Doylestown, PA 18901

RE: MUR 3507

Dear Mr. Lingenfelter:

The Federal Election Commission received a complaint which indicates 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 3507. 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.

96043730946

If you have any questions, please contact Tamara Kapper, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Teresa A. Hennessy

Teresa A. Hennessy
Assistant General Counsel

Enclosures

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

96043730947



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 22, 1992

Pennsylvania Brown for President
11 W. Court Street
Doylestown, PA 18901

RE: MUR 3507

Dear Treasurer:

The Federal Election Commission received a complaint which indicates that the Pennsylvania Brown for President ("Committee") 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 3507. 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 the Committee and you, as treasurer, 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.

96043730940

If you have any questions, please contact Tamara Kapper, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Teresa A. Hennessy

Teresa A. Hennessy
Assistant General Counsel

Enclosures

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

cc: Edmund G. Brown, Jr.
Brown for President

96043730949



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 22, 1992

Mr. Edmund G. Brown, Jr.
3022 Washington Street
San Francisco, CA 94115

RE: MUR 3507

Dear Mr. Brown:

The Federal Election Commission received a complaint which indicates that Pennsylvania Brown for President and its treasurer, Brown for President and Blaine Quick, 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 3507. 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 the Committees and their treasurers, 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.

96043730950

If you have any questions, please contact Tamara Kapper, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Teresa A. Hennessy

Teresa A. Hennessy
Assistant General Counsel

Enclosures

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

96043730951



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 22, 1992

Brown for President
Blaine Quick, Treasurer
2121 Cloverfield Blvd., Suite 120
Santa Monica, CA 90404

RE: MUR 3507

Dear Mr. Quick:

The Federal Election Commission received a complaint which indicates that Brown for President ("Committee") 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 3507. 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 the Committee and you, as treasurer, 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.

96043730952

If you have any questions, please contact Tamara Kapper, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Teresa A. Hennessy

Teresa A. Hennessy
Assistant General Counsel

Enclosures

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

cc: Edmund G. Brown, Jr.

96043730953

LAW OFFICES OF
OXMAN AND JAROSCAK

14126 EAST ROSECRANS BOULEVARD
SANTA FE SPRINGS, CALIFORNIA 90670

TELEPHONE (310) 921-8088
FAX (310) 921-2288

MUR
3507

OGC 4688

TO: Ms. Tamara Kapper FAX NO. (202) 219-3923
General Counsel's Office

DATE: May 12, 1992 TIME: 1:00 p.m. PDST

SUBJECT: Brown for President PAGES: 10
Campaign
Steven Petrov Complaint
MUR 3507

92 MAY 12 PM 3:50

Dear Ms. Kapper:

Accompanying this telefax is the Brown for President Campaign's response to the complaint filed by Steven Petrov with the FEC on April 17, 1992. We will forward the original by mail. Please contact us if you need additional information.

Very truly yours,

R. Brian Oxman
R. Brian Oxman

RBO:ma
Enclosures

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LAW OFFICES OF
OXMAN AND JAROSCAK
14126 EAST ROSECRAUS BOULEVARD
SANTA FE SPRINGS, CALIFORNIA 90670
(213) 921-5058
TELECOPIER (213) 921-2298

May 12, 1992

Office of the General Counsel
Federal Election Commission
999 "E" Street N.W.
Washington D.c. 20463

92 MAY 18 PM 3:38

Re: Brown for President Campaign

MUR 3507

April 17, 1992, Letter from Steve Petrov to
the Federal Election Commission

Dear Sirs:

We represent the Brown for President Campaign in connection with the April 17, 1992 letter from Steve Petrov to the Federal Election Commission. We request the Commission take no action concerning this complaint. The Brown for President Campaign has received \$835.00 in contributions from various contributors solicited by Mr. Thomas Lingenfelter and not only have all of these contributors been informed that they are contributing to the Brown for President Campaign, but also they have received acknowledgement from the Campaign for their contributions.

The Brown for President Campaign has requested its volunteers, including Mr. Lingenfelter, to forward donations they collect from contributors to the national campaign. Prior to accepting any such monies the Campaign requires full disclosure of the contribution, the contributor's name, address, signature, and all other requirements necessary to disclose the contribution in its Federal Election Report. The Campaign makes sure contributors know they are contributing to the Campaign.

Enclosed as Exhibit "A" is a copy of the Brown for President Fundraising and Reimbursement Guidelines which have been sent to not only Mr. Lingenfelter, but also all volunteers who solicit money on behalf of the Campaign. Mr. Lingenfelter has been notified that he must identify the source of all of his solicitations as coming from the Brown for President Campaign or, in the alternative, they must not be made. All of the contributions that were received by Mr. Lingenfelter have been properly forwarded to the national

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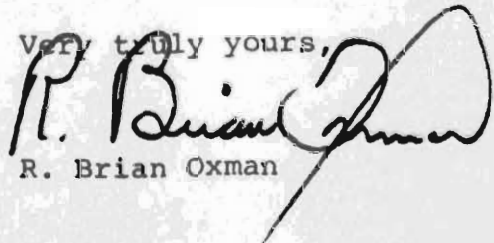
Office of the General Counsel
Federal Election Commission
May 12, 1992
Page 2

campaign with full disclosure to the Federal Election Commission.

The Campaign has notified Mr. Lingenfelter in a letter attached as Exhibit "B" that a complaint concerning his activities has been filed with the Federal Election Commission. We have requested his total compliance with all Federal Election Commission requirements and have also required that he sign an agreement whereby he will comply with such requirements as a prerequisite to continued association with the Brown for President Campaign.

We request you take no action concerning Mr. Petrov's April 17, 1992, complaint because the Brown for President Campaign has and will continue to take all necessary steps to insure total compliance with all Federal Election Commission regulations.

Very truly yours,



R. Brian Oxman

RBO:ma

96043730956

LAW OFFICES OF
OXMAN AND JAROSCAK
14126 EAST ROSECRANS BOULEVARD
SANTA FE SPRING, CALIFORNIA 90670
(213) 921-5058
TELECOPIER (213) 921-2298

92 MAY 18 PM 3:38

May 12, 1992

Mr. Thomas Lingenfelter
11 W Court Street
Doylestown, Pennsylvania 18901

Re: Brown for President Campaign

Dear Mr. Lingenfelter:

The Brown for President Campaign has requested we notify you that under regulations established by the Federal Election Commission, all persons acting on behalf of the Campaign must meet the requirements of the Federal Election Campaigns Act, 2 U.S.C. section 431 et seq. This includes at a minimum all solicitations on behalf of the Campaign must be identified as coming from the Campaign, all contributors to the Campaign must know their contributions are going to the Campaign, and all contributors must provide sufficient identifying information for inclusion in the Campaign's report to the Federal Election Commission.

It is come to our attention your solicitations on behalf of the Brown for President Campaign may not satisfy the requirements of the Federal Election Commission. A complaint to the Federal Election Commission has indicated you are not identifying your solicitation efforts as being part of the Brown for President Campaign. We must be assured you are giving sufficient information to contributors and all funds you receive are forwarded to the national campaign.

If the Brown for President Campaign is to continue to maintain a relationship with you, it is necessary there be total compliance with all Federal Election Commission regulations. Enclosed is a copy of our fundraising guidelines. Any failure to comply with these guidelines will require the Brown for President Campaign to sever any official relationship with you.

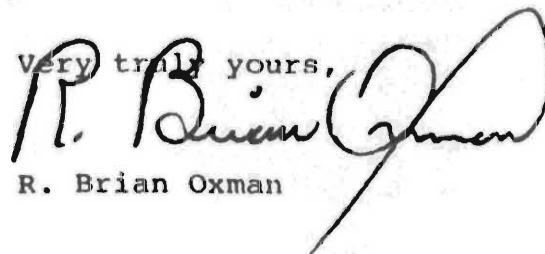
Please acknowledge your willingness to comply with the guidelines by signing a copy of this letter and returning it

9604373057

Mr. Thomas Lingenfelter
May 12, 1992
Page 2

to us in the enclosed reply envelope. We look forward to your continued support of Governor Brown and your excellent efforts in his behalf.

Very truly yours,



R. Brian Oxman

RBO:ma
Enclosures

AGREED AND ACCEPTED this ____ day of May, 1992.

Thomas Lingenfelter

96043730959

**BROWN FOR PRESIDENT
FUNDRAISING AND REIMBURSEMENT GUIDELINES**

Never before has there been such an exciting opportunity for all individuals to give themselves the power to take back their country! Fundraising fuels the ability of individuals who share a common vision to spread their message and create a powerful momentum to create change.

The "*We the People*" movement is committed to being a voice for individuals rather than a vehicle for special interests. For this reason, the Brown for President campaign accepts donations from individuals of no more than \$100, and does not accept money from corporations, political action committees or special interest groups. Although other presidential campaigns are funded without such restrictions, *we the people* do have the power to bring back democracy. We can teach ourselves and each other how to make our vision a reality and individually create opportunities to raise funds that will thrust our movement forward.

The following guidelines are meant to familiarize you with the procedures for small fundraising events that we have found to be extremely effective in raising funds and for teaching others that they have the power to organize, to make a difference and create change.

We ask that you read these guidelines carefully to ensure that all your efforts at fundraising are "authorized" by the Brown for President campaign and are in full compliance with Federal Election Commission (FEC) laws.

CONTRIBUTION GUIDELINES

Although the law allows for campaign contributions of up to \$1000 by individuals, Governor Brown has limited his contributions to a maximum of \$100.

Contributions should be in the form of a personal check or money-order. Cash donations up to \$100 are acceptable but not matchable under the Federal Matching Funds Program.

All contributions must first be sent to the National Headquarters for deposit into the campaign's bank account.

- Personal checks, cashiers checks and money orders must be made out to: **Brown for President.** Every money order and cashiers check must be sent in with the attached pro-forma.
- Personal checks should include name and legal mailing address.
- All cash donations must also be sent to National Headquarters. We encourage you not to send cash through the mail so please purchase a money order made out to Brown for President for the amount of cash collected. All cash

92 MAY 18 PM 3:38

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donations must have the name, address, phone number and signature of each person contributing. You may use the attached cash voucher for all cash donations.

- Corporate contributions are not acceptable.
- More than one contribution per check may be submitted, however each person contributing must fill out a pro-forma.
- We require a daytime and home phone number is when possible so that we may contact contributors directly in case there is a question about any of the information provided.

FUNDRAISING AVENUES

HOUSE PARTIES

The most effective method used to educate the grassroots public and to solicit contributions is the house party. A house party is an informal fundraiser that you can organize in your home, business or restaurant. It can be anything from an information forum to a potluck dinner. It is a form of gathering together while promoting and fundraising for the Brown for President campaign.

- Request house party kits by phone or in writing to National Headquarters. Please send \$10 to cover the cost of each kit. The kit provides a video presentation with Governor Brown, contribution envelopes, various literature pieces and bumper stickers as well as tips for conducting a successful house party.
- A house party event code will be issued with each kit.
- Contribution checks that are collected at the house party should have your code written in the bottom left corner of each check.
- Once the checks are sent in to National Headquarters, contributions will be accounted to your code.

ENDORSEMENT ADS

To let your community know that you support Jerry Brown for President (Edmund G. Brown Jr.), you may want to run an endorsement newspaper ad. The following guidelines will help you with this process. Remember to call the National Office if there are any procedures which need clarification.

- Call your local newspaper and determine costs for section and size.
- Collect contributions (no more than \$100 per individual) until the total collected covers the cost of the ad.
- Funds should be collected according to contribution policies.
- Send checks to National Headquarters and not the local newspaper.
- Send a list of the names of people who contributed \$25 and over for the endorsement ad to the National Headquarters with the checks. These names will appear in the ad unless otherwise stated.
- Remember to allow National Headquarters the processing time to comply with your local newspaper deadline.
- Send National the name, address and telephone number of the contact person at your local newspaper.
- Send an invoice from the newspaper for the cost of the ad.

The National Office will send the required information package and check to your local newspaper.

SMALL EVENTS

Another grassroots fundraising opportunity is to organize a small event. This can be held at your local community center, someone's home, or some other locality. Small events often include local entertainment or guest speakers from your community. It differs from a house party in that it may incur costs which will need to be reimbursed.

Pre-approved budgets are required for small events to be authorized by the Brown for President campaign.

Event budgets should include costs anticipated with:

- Flyers to promote event
- Literature
- Food
- Venue
- Postage
- Printing
- Telephone

Event budgets should also include your financial goals for your fundraising event. Event expenses may not exceed 50% of fundraising goals.

After you have planned and documented your budget, send a copy of it to National Headquarters. You will then need to call for pre-authorized approval for any and all budget items.

EVENT BUDGETS AND CODES

Reimbursement from the campaign for fundraising event expenses can only be made for authorized events in which budgets have been previously approved by the national office. *You should not incur expenses for events until they have been authorized by the National Headquarters.*

All events that are authorized by the campaign will be given an event code after your budget has been approved. This code is issued from the National Headquarters in Santa Monica. It should be written on the bottom left corner of checks that you receive from the fundraising event.

REIMBURSEMENT

Approved expenditures will be reimbursed by the National Office upon receipt of the funds raised by your event and receipts for all expenses. Total reimbursements for any event will be made to a maximum of 50% of funds raised only. Since we want to maximize the use of actual contributions to the campaign, we encourage you to keep costs as far below the 50% limit as possible.

UNAUTHORIZED AVENUES

EVENTS

You may undertake any independent activity at your own expense as long as you use the written disclaimer that the activity is not paid for and authorized by Brown for President. You may not use campaign printed material to publicize the event.

MERCHANDISE

Brown for President has not authorized any merchandise. This does not mean that we discourage T-shirts, buttons and bumper stickers. It means that you, as an authorized Brown for President agent, are not allowed to sell merchandise at your event. However, you may have private vendors sell merchandise outside of your venue but then, you must allow any vendor, who wishes, to sell anything. Additionally:

- All merchandise must be funded by the vendor; with all profits going to the vendor.
- No donations may be accepted from merchandise sales.
- The vendor may sell items other than Brown for President merchandise.
- NO merchandise may claim "Paid and Authorized by Brown for President". If you see merchandise with this claim written on it, please call your state coordinator or the National Headquarters.
- No vendors are allowed into events Paid For and Authorized by Brown for President.
- If you allow vendors to sell merchandise outside of your event please have them sign the attached disclosure statement and return it to National Headquarters immediately.

If you have bought and sold merchandise in the past, please document this as well as you can and send it in to National Headquarters.

- You must include how much you spent and how much money was raised.
- Please itemize the merchandise.

VERIFICATION

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

)
) ss.
)

92 MAY 18 PM 3:39

I, R. Brian Oxman, declare and say:

I am an attorney at law admitted to practice before all the courts of the State of California and I am the attorney for Governor Edmund G. Brown, Jr., and the Brown for President Campaign. I have the permission and consent of the Campaign Manager and Treasurer of the Brown for President Campaign to make this Verification and I make this verification on their behalf.

I have read the foregoing response to the complaint filed by Steven Petrov and know that it is true of my own knowledge, except as to those matters which are stated on information and belief and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct.

Executed this 12th day of May, 1992, at Santa Fe Springs, California.

R. Brian Oxman

R. Brian Oxman

SUBSCRIBED AND SWORN TO BEFORE ME

THIS 12th DAY OF May, 1992

Maureen Patricia Jaroschak
NOTARY PUBLIC



SENT BY OXMAN & JAROSCHAK

1 5- 8-92 5135PM :

3189212200

318 449 1903:W 2

STATEMENT OF DESIGNATION OF COUNSELMUR 3507 Steven Petrov ComplaintNAME OF COUNSEL: Oxman and JaroschakADDRESS: 14126 East Rosecrans Blvd.
Santa Fe Springs, CA 90670TELEPHONE: (310) 921-5058 Or (310) 912-7881

92 MAY 13 PM 9:51

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.

May 7, 1992

Date



Signature
Jackie Evans, Campaign Manager
Brown for President Campaign

RESPONDENT'S NAME: Edmund Brown, Jr. and Brown for President CampaignADDRESS: 1212 Cloverfield Blvd.Suite 120Santa Monica, CA 90404

HOME PHONE: _____

BUSINESS PHONE: (310) 449-1911

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RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

mail
3507

MAY 13 11 12 AM '92

92 MAY 14 PM 3:34

May 7, 1992

Tamara Kapper
Federal Election Commission

Ms. Kapper:

The first point to be clarified is the fact that the Commission did not notify me in writing, within five days of receiving the complaint. The fact is this notification was postmarked some ten (10) days later. Therefore I consider the action itself moot.

Nevertheless, I have the following response to this complaint:

I did not produce nor did I distribute the bumper sticker referred to in the complaint. To my knowledge, two or three stickers similar to the example were sent here by the National Brown Headquarters. I did not acquire any additional bumper stickers.

I have seen the anti-Clinton literature referred to but I am not aware of its origin or distribution. I did not produce it. I believe the original consisted of more than one page of material.

All monies collected for Brown for President are forwarded to the National Office. I have not involved myself with campaign money in any other way.

And finally...one question. What recourse do I have through the Federal Election Commission in dealing with this complainant who appears to be abusing the political process in order to further his own malicious agenda?

Regards,


Thomas Lingenfelter

96043730966

DGC 8055

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIN OFFICE

Heritage Collectors' Society

DEC 21 11 59 AM '92

92 DEC 29 AM 11:57

December 23, 1992

Federal Election Commission
999 E Street NW
Washington DC 20004

MUR 3507

Dear Commission:

This is to inform you that we have not received full payment for expenses incurred on behalf of "Brown for President," Jody Evans, Campaign Manager, 2121 Cloverfield Boulevard, Suite 120, Santa Monica, California 90404-5277.

We were promised full payment was "in the mail" on numerous occasions. In several telephone conversations we were promised the full amount would be sent overnight but received nothing. On one occasion through regular first class mail we received approximately 15% of the amount owed.

We have patiently attempted to resolve this matter many times and to date we have not received a response.

We would appreciate your assistance in resolving this matter.

Sincerely,



Thomas A. Lingenfelter

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RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION

MAY 23 9 55 AM '94

In the Matter of:

Thomas Lingenfelter

Brown for President and Blaine
Quick, as treasurer

Edmund G. Brown, Jr.

) MURs 9507
)
)
)
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)
)

SENSITIVE

GENERAL COUNSEL'S REPORT

I. GENERATION OF THE MATTER

The Office of the General Counsel received numerous complaints from individuals alleging, inter alia, that various political campaign committees involved with the 1992 presidential campaign of Governor Edmund Jerry Brown were failing to reimburse certain expenses incurred by individuals on behalf of the presidential committees.

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presented to the Commission. After reviewing the relevant provisions of the Statute and Regulations this report addresses individually the matters as they pertain to first, the campaign of Mr. Brown

II. FACTUAL & LEGAL ANALYSIS

A. The Law

According to the Federal Election Campaign Act of 1971, as amended ("the Act"), a 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 to any candidate, campaign committee, political party or organization in connection with any federal election. 2 U.S.C. § 441b(b)(2). The Act makes it illegal for a person to make contributions to any candidate with respect to any election for Federal office which, in the aggregate, exceed \$1,000, and makes it illegal for a political committee to knowingly accept such a contribution. 2 U.S.C. §§ 441a(a)(1)(A) and 441a(f).

The value of services provided without compensation by any individual who volunteers on behalf of a candidate or political committee is not considered a contribution. 2 U.S.C. § 431(9)(B)(vi). However, the costs incurred by an individual from personal funds for providing goods or services on behalf of a

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candidate are considered contributions in-kind. Therefore, if an individual performs a service or provides goods in cooperation with the committee, the value of such are considered to be "in-kind" contributions. As such the expenses are subject to the limits of the Act and must be reported by the committee both as contributions received and expenditures. 11 C.F.R. § 109.1.

Exempted from the definition of a contribution are any unreimbursed payments from a volunteer's personal funds for usual and normal subsistence expenses incidental to volunteer activity. Also exempted from the definition of contribution are unreimbursed transportation expenses by an individual on behalf of a candidate, provided the expenses do not exceed \$1,000 with respect to any single election in a calendar year. 11 C.F.R. § 100.7(b)(8). Non-exempt transportation and subsistence cost while traveling on behalf of a candidate or committee are contributions unless the individual is reimbursed within thirty days (sixty days for credit card purchases). 11 C.F.R. § 116.5. Political committees shall treat as debts such obligations until the individual is reimbursed or a debt settlement plan review is completed. 11 C.F.R. § 116.5(d).

The Act defines a political committee to be any group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year. 2 U.S.C. § 431(4). Political committees are required under the Act to register and file periodic financial disclosure reports to the Federal Election Commission. 2 U.S.C. §§ 433 and 434.

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According to 2 U.S.C. § 434(b)(8), political committees filing reports under the Act shall disclose the amount and nature of outstanding debts and obligations owed by or to such political committees. Furthermore, a political committee shall report a disputed debt, (provided the creditor has provided something of value) and shall continue to disclose the debt on the appropriate reports until the dispute is resolved. 11 C.F.R. § 116.10(a).

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With regard to salary payments to campaign staff, if a political committee does not pay an employee for services rendered to the political committee in accordance with an employment contract or a formal or informal agreement to do so, the unpaid amount either may be treated as a debt owed by the committee to the employee or, provided that the employee signs a written statement agreeing to be considered a volunteer, converted to a volunteer services arrangement, and thereby the unpaid amount shall not be considered a contribution. The political committee must continue to report the obligation until either the debt settlement is approved, the employee agrees to convert to become a volunteer, or the committee pays the debt. 11 C.F.R. § 116.6.

The Act prohibits any corporation whatever from making any contribution or expenditure in connection with any federal election and prohibits any candidate or political committee from knowingly accepting such a prohibited contribution or expenditure. 2 U.S.C. § 441b.

Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate through any general

public political advertising, such communication shall clearly state who paid for the communication. 2 U.S.C. § 441d(a). Bumper stickers and similar small items upon which a disclaimer can not be conveniently printed are exempted from carrying a disclaimer. 11 C.F.R. § 110.11(a)(2).

A political committee may maintain a petty cash fund for disbursements not in excess of \$100 to any person in connection with a single purchase or transaction. 2 U.S.C. § 432(h)(2).

B. The Matters Under Review (MURs)

1. MURs Involving Brown for President Campaign

a. MUR 3507

The complaint in this matter was received on April 17, 1992, wherein the complainant Steve Petrov alleges that Thomas Lingenfelter had been conducting fundraising activities on behalf of Brown for President ("Brown Committee") at his place of business, thereby violating laws prohibiting the making of corporate contributions by using instruments of his business for fundraising activities. Attachment 1. Petrov also makes the following allegations: that he obtained from Lingenfelter an anti-Clinton flyer and a Brown bumper sticker, neither of which carries the disclaimer required by 2 U.S.C. § 441(d); that Lingenfelter may not have forwarded to the Brown Committee contributions that he collected on its behalf; and that Lingenfelter may have been required to register and file with the

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Federal Election Commission ("FEC") as a political committee. Additionally, during discussions with the Respondents, this Office was made aware of a disputed debt claim by Lingenfelter against the Brown Committee. Lingenfelter and Brown have submitted responses to Mr. Petrov's complaint. Attachments 2 and 3.

1. Alleged Corporate Contributions

With regard to the allegation that Lingenfelter violated laws prohibiting the making of corporate contributions by using instruments of his business for fundraising activities, Petrov enclosed with his complaint a fundraising letter that includes Lingenfelter's business address and the name "Pennsylvania Brown for President".³ The Act prohibits any corporation whatever from making any contribution or expenditure in connection with any federal election and prohibits any candidate or political committee from knowingly accepting such a prohibited contribution or expenditure. 2 U.S.C. § 441b.

Mr. Lingenfelter has responded that his business, Heritage Collector's Society, is an unincorporated sole proprietorship. Staff from this Office confirmed with the Pennsylvania Secretary of Commonwealth Corporation Division that Lingenfelter's business is not a corporation. Because Lingenfelter's business is not a corporation, his fundraising activities are not limited by the prohibitions against corporate contributions as provided by 2 U.S.C. § 441b. Therefore, this Office recommends that the

3. "Pennsylvania Brown for President" is not a political organization registered with the Federal Election Commission, and, according to the FEC Audit division, is not the name of a state bank account opened by the Brown committee.

Commission find no reason to believe that Thomas Lingenfelter violated 2 U.S.C. § 441b.

ii. Alleged 441d Violation

The Complainant also alleges that campaign materials that he obtained from Lingenfelter's place of business (the fundraising letter, a bumper sticker, and a flyer) do not contain disclaimers to identify who paid for the pieces. As noted above, the general rule is that whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate through any general public political advertising, such communication shall clearly state who paid for the communication. 2 U.S.C. § 441d(a). An inspection of the materials submitted with the complaint show that they do not contain disclaimers. Attachment 1, pages 2-4. The Brown Committee failed to respond to the issue of the campaign materials or their lack of disclaimers.

It appears from Lingenfelter's responses that Lingenfelter was not the person who produced or distributed any of the materials at question here. In an April 30, 1992, telephone conversation with staff from this Office, Mr. Lingenfelter states that the complainant came into his office and took the materials and left. With respect to the bumper stickers, Lingenfelter states that two or three similar bumper stickers were sent to him by the "National Brown Headquarters" and that he did not produce or distribute the stickers. Regardless of their origin however, bumper stickers and similar small items upon which a disclaimer can not be conveniently printed are exempted from carrying a

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disclaimer. 11 C.F.R. § 110.11(a)(2). Thus, the bumper stickers do not provide a basis for this Office to recommend reason to believe.

Lingenfelter also states that the letter that is the subject of this complaint was not a fundraising letter, but rather a sample letter to be distributed for internal purposes to other Brown campaign offices in Pennsylvania. In such an instance, this letter would not be a direct mailing or other public advertisement and thus, a disclaimer would not be necessary. 11 C.F.R. § 110.11(a)(1).

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With regard to the anti-Clinton flyer, Lingenfelter states that although he has seen the piece before, (and believes that it originally consisted of more than one page), he does not know the origin or distribution of the flyer. The flyer attached to the complaint is one page titled "Bill Clinton Record on Workers (sic) Rights". The text does not advocate the election or defeat of any candidate. Nothing on the page or in the complaint presents evidence that the flyer was distributed to the general public, and nothing identifies its origin. In light of Lingenfelter's statements that none of the materials were paid for by him or from his office, and without any indication that the materials were paid for by the Brown Committee, this Office has concluded that this flyer does not provide a basis for recommending reason to believe. Accordingly, this Office recommends that the Commission find no reason to believe that Thomas Lingenfelter and Brown for President and Blaine Quick, as treasurer, violated 2 U.S.C. § 441d(a).

iii. Alleged 432(b)(1) Violation

Petrov provides no evidence or specific information in support of his allegation that Lingenfelter failed to forward contributions to the Brown campaign. Lingenfelter denies that he independently spent any of the money raised for Brown and states that all monies collected were forwarded to the national office. The Brown Committee corroborates Mr. Lingenfelter's statement and notes that all of the donations from contributors that were received by Mr. Lingenfelter, totaling \$835, were properly forwarded to the national campaign with full disclosure to the Federal Election Commission. (See Attachment 3, pp. 1 & 2). Therefore, this Office recommends that the Commission find no reason to believe that Thomas Lingenfelter violated 2 U.S.C. § 432(b)(1) for failing to forward contributions.

iv. Unreimbursed Expenses

Petrov also alleges that Lingenfelter's fundraising activities for Brown necessitate his registering and reporting as a political committee. As noted above, the relevant statute provides that any person that receives contributions or makes expenditures in excess of \$1,000 during a calendar year is considered to be a political committee and thus required to register and report in accordance with the Act. 2 U.S.C. § 431(4)(a).

As stated, Lingenfelter's organization, Pennsylvania Brown for President, is not a registered political committee. However, rather than acting as a political committee, as alleged, it appears that Lingenfelter was acting as an individual volunteer

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expecting reimbursement for his expenditures. Lingenfelter has provided copies of ledgers and invoices submitted to the Brown Committee showing that he incurred expenses totaling at least \$9,000 for shipping charges and utilities on behalf of Brown for President. Attachment 4. The Committee made one reimbursement to Lingenfelter totaling \$1,574.33 and reported that disbursement on the 1992 June Monthly report as being a reimbursement for office expenses. Attachment 5. What is at issue here, then, is not whether Mr. Lingenfelter should have been registered as a political committee, but rather whether his advance of \$9,000 constitutes an excessive contribution.

Section 441a(a)(1)(A) limits to \$1,000 the amount an individual can contribute to a candidate with respect to any federal election. The \$9,000 incurred by Lingenfelter on behalf of the Brown campaign is an in-kind contribution approximately \$6,500 in excess of the FECA limits.⁴ Therefore, this Office recommends that the Commission find reason to believe that Thomas Lingenfelter violated 2 U.S.C. § 441a(a)(1)(A) and that the Brown Committee violated 2 U.S.C. § 441a(f) for receiving the excessive in-kind contribution from Mr. Lingenfelter.

As stated above, the Brown campaign made one reimbursement to Lingenfelter totaling \$1,574. Since Lingenfelter has stated and provided evidence that he has been unsuccessful in his attempts to be paid the balance, the Brown Committee should have been

4. Because the other \$1,574.33 in expenses was reimbursed, that amount did not constitute a contribution. Likewise, having made no other contributions to Brown, \$1,000 is also subtracted from the total excessive amount.

reporting its obligation to Mr. Lingenfelter until the debt is paid, (or reported it as a disputed debt until settled).⁵ A review of the Brown for President reports disclose no obligations to Mr. Lingenfelter. Therefore, this Office also recommends that the Commission find reason to believe that Brown for President and Blaine Quick, as treasurer, violated 2 U.S.C. § 434(b).

5. Alternatively, the Brown Committee should have reported the receipt of the contribution and a refund of the excessive amount.

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PAGES 12 THRU 15 DO NOT PERTAIN TO THIS MATTER.

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d. Conclusion; Brown MURs

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What is apparent from all of these MURs is that the Brown Committee was often not monitoring the conduct of its volunteers. In several instances the Brown Committee appears to have engaged in conduct that would have these volunteers believe that the campaign would reimburse them for activity undertaken in support of Brown's candidacy. Thus, focusing on the Brown campaign as the responsible party in these matters would be the most prudent use of the Commission's resources in this case. Accordingly, this Office recommends that the Commission find reason to believe that Thomas Lingenfelter violated 2 U.S.C. § 441a(a)(1)(A), but take no further action and send an admonishment letter.¹⁰

Regarding the Brown Committee however, this Office recommends that the Commission enter into pre-probable cause conciliation with Brown for President and Blaine Quick, as treasurer.

10. This recommendation to take no further action is consistent with the earlier treatment of KIMCO.

PAGES 17 THRU 27 DO NOT PERTAIN TO THIS MATTER.

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III. RECOMMENDATIONS

In the context of MUR 3507, find no reason to believe that Thomas Lingenfelter violated 2 U.S.C. §§ 441b, 441d(a), and 432(b)(1).

In the context of MUR 3507, find reason to believe that Thomas Lingenfelter violated 2 U.S.C. § 441a(a)(1)(A), take no further action, and send an admonishment letter.

In the context of MUR 3507, find reason to believe that Brown for President and Blaine Quick, as treasurer, violated 2 U.S.C. §§ 441a(f) and 434(b).

In the context of MUR 3507, find no reason to believe that Brown for President and Blaine Quick, as treasurer, violated 2 U.S.C. § 441d(a).

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Approve the attached Factual and Legal Analyses to
Thomas Lingenfelter

Close MUR 3507 as it pertains to Thomas Lingenfelter.

Approve the appropriate letters.

Lawrence M. Noble
General Counsel

5/20/94
Date

BY:


Lois G. Lerner
Associate General Counsel

Staff assigned: Jeffrey Long

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Long

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Thomas Lingenfelter;
Brown for President and Blaine
Quick, as treasurer;
Edmund G. Brown, Jr.

)
)
) MURs 3507
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)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 26, 1994, the Commission decided by a vote of 4-0 to take the following actions in MURs 3507

In the context of MUR 3507, find no reason to believe that Thomas Lingenfelter violated 2 U.S.C. §§ 441b, 441d(a), and 432(b)(1).

In the context of MUR 3507, find reason to believe that Thomas Lingenfelter violated 2 U.S.C. § 441a(a)(1)(A), take no further action, and send an admonishment letter.

In the context of MUR 3507, find reason to believe that Brown for President and Blaine Quick, as treasurer, violated 2 U.S.C. §§ 441a(f) and 434(b).

In the context of MUR 3507, find no reason to believe that Brown for President and Blaine Quick, as treasurer, violated 2 U.S.C. § 441d(a).

(continued)

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Federal Election Commission
Certification for MURs 3507

Page 2

May 26, 1994

With regard to MURs 3507
enter into pre-probable cause conciliation
with Brown for President and Blaine Quick, as
treasurer, and approve the Factual and Legal
Analysis and Conciliation Agreement.

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(continued)

Federal Election Commission
Certification for MURs 3507

Page 3

May 26, 1994

Approve the Factual and Legal Analyses to
Thomas Lingenfelter

Close MUR 3507 as it pertains to Thomas
Lingenfelter.

Approve the appropriate letters, as
recommended in the General Counsel's Report
dated May 20, 1994.

Commissioners Aikens, Elliott, Potter, and Thomas voted
affirmatively for the decision; Commissioners McDonald and
McGarry did not cast votes.

Attest:

5-26-94
Date

Delores Hardy
for Marjorie W. Emmons,
Secretary of the Commission

Received in the Secretariat: Mon., May 23, 1994 9:55 a.m.
Circulated to the Commission: Mon., May 23, 1994 4:00 p.m.
Deadline for vote: Thurs., May 26, 1994 4:00 p.m.

bjr

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

JUNE 6, 1994

Thomas Lingenfelter
11 W. Court Street
Box 2390
Doylestown, PA 18901

RE: MUR 3507
Thomas Lingenfelter

Dear Mr. Lingenfelter:


On May 26, 1994, the Federal Election Commission found no reason to believe that you violated 2 U.S.C. §§ 441b, 441d(a) and 432(b)(1). On that same date, the Commission found reason to believe that you did violate 2 U.S.C. § 441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended ("the Act.") However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that incurring expenses on behalf of a federal candidate in excess of the Act's contribution limitations is a violation of the Act. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter.

If you have any questions, please contact Jeffrey Long, the staff member assigned to this matter, at (202) 219-3690.

For the Commission,


Trevor Potter
Chairman

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Thomas Lingenfelter

MUR: 3507

This matter was generated by a complaint filed by Steve Petrov on April 17, 1992, alleging that Thomas Lingenfelter violated the Federal Election Campaign Act of 1971, as amended ("the Act"), in connection with Mr. Lingenfelter's campaign activity involving the presidential campaign of Governor Jerry Brown.

A. The Law

According to the Act, a 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 to any candidate, campaign committee, political party or organization in connection with any federal election. 2 U.S.C. § 441b(b)(2). The Act makes it illegal for a person to make contributions to any candidate with respect to any election for Federal office which, in the aggregate, exceed \$1,000, and makes it illegal for a political committee to knowingly accept such a contribution. 2 U.S.C. §§ 441a(a)(1)(A) and 441a(f).

The value of services provided without compensation by any individual who volunteers on behalf of a candidate or political committee is not considered a contribution. 2 U.S.C. § 431(9)(B)(vi). However, the costs incurred by an individual from personal funds for providing goods or services on behalf of a candidate are considered contributions in-kind. Therefore, if an

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individual performs a service or provides goods in cooperation with the committee, the value of such are considered to be "in-kind" contributions. As such the expenses are subject to the limits of the Act and must be reported by the committee both as contributions received and expenditures. 11 C.F.R. § 109.1.

B. The Analysis

Complainant Steve Petrov alleges that Thomas Lingenfelter, by conducting fundraising activities on behalf of Brown for President ("Brown Committee"), should have registered and reported as a political committee. Lingenfelter's organization, Pennsylvania Brown for President, is not a registered political committee.

It appears that rather than acting as a political committee, Lingenfelter was acting as an individual volunteer expecting reimbursement for his expenditures. Lingenfelter has provided copies of ledgers and invoices submitted to the Brown Committee showing that he incurred expenses totaling at least \$9,000 for shipping charges and utilities on behalf of Brown for President. The Brown Committee made one reimbursement to Lingenfelter totaling \$1,574.33 and reported that disbursement on the 1992 June Monthly report as being a reimbursement for office expenses. What is at issue here, then, is not whether Mr. Lingenfelter should have been registered as a political committee, but rather whether his advance of \$9,000 constitutes an excessive contribution.

Section 401a(a)(1)(A) limits to \$1,000 the amount an individual can contribute to a candidate with respect to any federal election, including in-kind contributions in the form of expenses incurred on behalf of a candidate. The \$9,000 incurred

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by Lingenfelter on behalf of the Brown campaign is an in-kind contribution \$6,500 in excess of the FECA limits.¹ Therefore, there is reason to believe that Thomas Lingenfelter violated 2 U.S.C. § 441a(a)(1)(A).

1. Because the other \$1,574.33 in expenses was reimbursed, that amount did not constitute a contribution. Likewise, having made no other contributions to Brown, \$1,000 is also subtracted from the total excessive amount.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

JUNE 6, 1994

R. Brian Oxman, Esquire
Oxman and Jaroscak
14126 East Rosecrans Boulevard
Sante Fe Springs, CA 90670

RE: MURs 3507
Brown for President and
Blaine Quick, as treasurer

Dear Mr. Oxman:

On April 22, 1992, and February 8, 1993, the Federal Election Commission notified your clients, Brown for President and Blaine Quick, as treasurer ("Committee"), of complaints (MURs 3507 respectively) alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). Copies of the complaints were forwarded to your clients at that time. In addition, on October 20, 1992, the Commission notified your clients that it had found reason to believe they violated 2 U.S.C. §§ 432(h), 434(b)(8) and 441b with regard to MUR 3632.

As you may be aware, on October 22, 1993, the D.C. Circuit declared the Commission unconstitutional on separation of powers grounds due the presence of the Clerk of the House and the Secretary of the Senate or their designees as members of the Commission. FEC v. NRA Political Victory Fund, 6 F.3d 821 (D.C. Cir. 1993), petition for cert. filed, (U.S. No. 93-1151, Jan. 18, 1994). Since the decision was handed down, the Commission has taken several actions to comply with the Court's decision. While the Commission petitions the Supreme Court for a writ of certiorari, the Commission, consistent with that opinion, has remedied any possible constitutional defect identified by the Court of Appeals by reconstituting itself as a six member body without the Clerk of the House and the Secretary of the Senate or their designees. In addition, the Commission has adopted specific procedures for revoting or ratifying decisions pertaining to open enforcement matters.

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Upon further review of the allegations contained in the complaints and information filed by you in MURs 3507 the Commission, also on May 26, 1994, found that there is reason to believe your clients violated 2 U.S.C. §§ 441a(f), 434(b) and 434(b)(8) and no reason to believe your clients violated 2 U.S.C. § 441d(a). The Factual and Legal Analysis, which formed a basis for the Commission's findings, is attached for your information.

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 receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

In order to expedite the resolution of this matter, the Commission has also decided to offer 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.

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation and if you agree with the provisions of the enclosed agreement, please sign and return the agreement, 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.

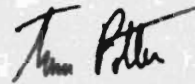
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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.

R. Brian Oxman, Esquire
Page 3

If you have any questions, please contact Jeffrey Long, the staff member assigned to this matter, at (202) 219-3690.

For the Commission,



Trevor Potter
Chairman

Enclosure
Factual & Legal Analysis
Conciliation Agreement

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENTS:

MURs: 3507

Brown for President and
Blaine Quick, as treasurer

These matters were generated by complaints filed by Steve Petrov. The complaints involve, inter alia, the failure of Brown for President and Blaine Quick, as treasurer ("Brown Committee"), to reimburse certain expenses incurred by individuals on behalf of the Brown presidential campaign.

A. The Law

According to the Federal Election Campaign Act of 1971, as amended ("the Act"), a 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 to any candidate, campaign committee, political party or organization in connection with any federal election. 2 U.S.C. § 441b(b)(2). The Act makes it illegal for a person to make contributions to any candidate with respect to any election for Federal office which, in the aggregate, exceed \$1,000, and makes it illegal for a political committee to knowingly accept such a contribution. 2 U.S.C. §§ 441a(a)(1)(A) and 441a(f).

The value of services provided without compensation by any individual who volunteers on behalf of a candidate or political committee is not considered a contribution. 2 U.S.C. § 431(9)(B)(vi). However, the costs incurred by an individual

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from personal funds for providing goods or services on behalf of a candidate are considered contributions in-kind. Therefore, if an individual performs a service or provides goods in cooperation with the committee, the value of such are considered to be "in-kind" contributions. As such the expenses are subject to the limits of the Act and must be reported by the committee both as contributions received and expenditures. 11 C.F.R. § 109.1.

Exempted from the definition of a contribution are any unreimbursed payments from a volunteer's personal funds for usual and normal subsistence expenses incidental to volunteer activity. Also exempted from the definition of contribution are unreimbursed transportation expenses by an individual on behalf of a candidate, provided the expenses do not exceed \$1,000 with respect to any single election in a calendar year. 11 C.F.R § 100.7(b)(8). Non-exempt transportation and subsistence cost while traveling on behalf of a candidate or committee are contributions unless the individual is reimbursed within thirty days (sixty days for credit card purchases). 11 C.F.R. § 116.5. Political committees shall treat as debts such obligations until the individual is reimbursed or a debt settlement plan review is completed. 11 C.F.R. § 116.5(d).

According to 2 U.S.C. § 434(b)(8), political committees filing reports under the Act shall disclose the amount and nature of outstanding debts and obligations owed by or to such political committees. Furthermore, a political committee shall report a disputed debt, (provided the creditor has provided something of

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value) and shall continue to disclose the debt on the appropriate reports until the dispute is resolved. 11 C.F.R. § 116.10(a).

With regard to salary payments to campaign staff, if a political committee does not pay an employee for services rendered to the political committee in accordance with an employment contract or a formal or informal agreement to do so, the unpaid amount either may be treated as a debt owed by the committee to the employee or, provided that the employee signs a written statement agreeing to be considered a volunteer, converted to a volunteer services arrangement, and thereby the unpaid amount shall not be considered a contribution. The political committee must continue to report the obligation until either the debt settlement is approved, the employee agrees to convert to become a volunteer, or the committee pays the debt. 11 C.F.R. § 116.6.

A political committee may maintain a petty cash fund for disbursements not in excess of \$100 to any person in connection with a single purchase or transaction. 2 U.S.C. § 434(h)(2).

B. The Analysis

1. MUR 3507

The complaint in this matter was received on April 17, 1992, wherein the complainant Steve Petrov makes allegations against a Thomas Lingenfelter, an individual volunteer, in connection with that individuals fundraising activities on behalf of Brown for President. During discussions with the Respondents, this Office was made aware of a disputed debt claim by Lingenfelter against the Brown Committee. Lingenfelter and Brown have submitted responses to Mr. Petrov's complaint.

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Lingenfelter has provided copies of ledgers and invoices submitted to the Brown Committee showing that he incurred expenses totaling at least \$9,000 for shipping charges and utilities on behalf of Brown for President. Because Lingenfelter's organization, Pennsylvania Brown for President, is not a registered political committee, it appears that Lingenfelter was acting as an individual volunteer expecting reimbursement for his expenditures. The Committee made one reimbursement to Lingenfelter totaling \$1,574.33 and reported that disbursement on the 1992 June Monthly report as being a reimbursement for office expenses. What is at issue here, then, is whether Mr. Lingenfelter's advance of \$9,000 constitutes an excessive contribution.

Section 441a(a)(1)(A) limits to \$1,000 the amount an individual can contribute to a candidate with respect to any federal election. The \$9,000 incurred by Lingenfelter on behalf of the Brown campaign is an in-kind contribution approximately \$6,500 in excess of the FECA limits.¹ Therefore, there is reason to believe that Brown for President and Blaine Quick, as treasurer, violated 2 U.S.C. § 441a(f) for receiving the excessive in-kind contribution from Mr. Lingenfelter.

As stated above, the Brown campaign made one reimbursement to Lingenfelter totaling \$1574. Lingenfelter has stated and provided evidence that he has been unsuccessful in his attempts to be paid

1. Because the other \$1,574.33 in expenses was reimbursed, that amount did not constitute a contribution. Likewise, having made no other contributions to Brown, \$1,000 is also subtracted from the total excessive amount.

the balance. Therefore, obviously aware of Lingenfelter's claim, the Brown Committee should have been reporting its obligation to Mr. Lingenfelter as a disputed debt until it is settled, or alternatively, reported an excessive contribution and refund. A review of the Brown for President reports disclose no such transactions with Mr. Lingenfelter. Therefore, there is also reason to believe that Brown for President and Blaine Quick, as treasurer, violated 2 U.S.C. § 434(b).

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FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20543

JULY 25, 1994

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

R. Brian Oxman, Esquire
Oxman & Jaroscak
14126 East Rosecrans Boulevard
Sante Fe Springs, CA 90670

RE: MURs 3507
Brown for President and
Blaine Quick, as treasurer

Dear Mr. Oxman:

On June 6, 1994, you were notified that the Federal Election Commission determined to enter into negotiations directed toward reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. On that same date you were sent a conciliation agreement offered by the Commission in settlement of this matter.

Please note that conciliation negotiations entered into prior to a finding of probable cause to believe are limited to a maximum of 30 days. To date, you have not responded to the proposed agreement. The 30 day period for negotiations will soon expire. Unless we receive a response from you within five days, this Office will consider these negotiations terminated and will proceed to the next stage of the enforcement process.

Should you have any questions, please contact me at (202) 219-3690.

Sincerely,

Jeffrey D. Long
Paralegal

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FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

In the Matter of

FEB 23 2 31 PM '96

Brown for President and
Blaine Quick, as treasurer

)
) MURs 3507, 3632, 3736
)

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On May 26, 1994, the Commission found reason to believe that the Brown Committee violated 2 U.S.C. §§ 432(h), 434(b), 434(b)(8), and 441a(f) in connection with that Committee's failure to report certain disputed debts. This Office presented to the Brown Committee the Commission's offer to conciliate these matters in a letter dated June 6, 1994.

This report briefly

discusses the three matters and, in light of the age of these matters and the relatively small amount of money involved, rather than conducting an investigation the Office of General Counsel recommends that the Commission take no further action against the Brown Committee and close the files.

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II. MUR SUMMARIES

a. MUR 3507

At issue is the allegation that the Brown Committee received an excessive contribution from Thomas Lingenfelter, a Brown for President volunteer, in the form of unreimbursed shipping and utility charges that Lingenfelter indicated were expenses incurred on behalf of the Brown Committee. The Committee argues that it had no ties to Lingenfelter after an initial reimbursement and letter asking the volunteer to either comply with the Committee's reporting requirements or sever any official relationship. Lingenfelter has failed to provide evidence of his attempts to be paid, providing only a copy of a billing statement addressed to Brown for President. Without investigating whether or not Lingenfelter made additional requests for reimbursement to the Brown Committee, it can not be shown that the Brown Committee accepted the excessive in-kind contribution in violation of 2 U.S.C. § 441a(f), or that the Brown Committee had knowledge of any disputed debt to be reported.

b. MUR 3632

The issues in this MUR are a \$28,493 disputed debt between the Committee and a vendor and the disbursement of cash in excess of \$100, both of which were apparently initiated by a volunteer campaign worker using his personal funds. Further complicating this matter during negotiations is the fact that the Committee's responsibility for the disputed debt with the vendor remains the subject of civil litigation.

c. MUR 3736

The disputed debt in this matter again involves reimbursements to a volunteer. The Brown Committee contends that it never agreed to reimburse its volunteer Larry Kaplan for his travel expenses as he has alleged, except for specific expenses consistent with its policy applied to all other volunteers and agreed to in advance. The amount of money in dispute between the Brown Committee and Mr. Kaplan is \$2,950.

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The Brown Committee has little current activity and appears to be removed from the electoral process. Their 1995 Year End Report discloses \$1,078 cash on hand at the beginning of the period; \$0 receipts; \$3 total reimbursements; \$1,074 cash on hand at the end of the period. Given the amount of time spent thus far on a small amount of money relative to other matters before the Commission, and the amount of time an investigation would involve to establish what appear to be reporting violations from the 1992 election cycle, the Office of General Counsel recommends that the Commission expend no further resources and close these matters.

III. RECOMMENDATIONS

1. Take no further action against Brown for President and Blaine Quick, as treasurer.
2. Close the files in MURs 3507, 3632 and 3736.
3. Approve the appropriate letters.

Lawrence M. Noble
General Counsel

Date 2/22/96

BY:

[Signature]
Lois G. Lerner
Associate General Counsel

Staff Assigned: Jeffrey Long

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Brown for President and)
Blaine Quick, as treasurer.)

MURs 3507, 3632, 3736

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on February 29, 1996, the Commission decided by a vote of 4-0 to take the following actions in MURs 3507, 3632, 3736:

1. Take no further action against Brown for President and Blaine Quick, as treasurer.
2. Close the file in MURs 3507, 3632, 3736.
3. Approve the appropriate letters, as recommended in the General Counsel's Report dated February 22, 1996.

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

Attest:

2/29/96
Date

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

Received in the Secretariat: Fri., Feb. 23, 1996 2:31 p.m.
Circulated to the Commission: Mon., Feb. 26, 1996 11:00 a.m.
Deadline for vote: Thurs., Feb. 29, 1996 4:00 p.m.

lrd

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 5, 1996

Thomas Lingenfelter
11 W. Doyle Street
Box 2390
Doylestown, Pennsylvania 18901

RE: MUR 3507
Brown for President and Blaine Quick,
as treasurer

Dear Mr. Lingenfelter:

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jeffrey D. Long". The signature is fluid and cursive.

Jeffrey D. Long
Paralegal

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 5, 1996

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Steven Petrov
46 W. Ferry Street
New Hope, Pennsylvania 18938

RE: MUR 3507
Brown for President and Blaine Quick,
as treasurer

Dear Mr. Petrov:

This is in reference to the complaint you filed with the Federal Election Commission on April 17, 1992, concerning allegations against the Brown for President committee and Thomas Lingenfelter.

Based on that complaint, on May 26, 1994, the Commission found reason to believe that Thomas Lingenfelter violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended, and decided to take no further action. The Commission also found that there was reason to believe Brown for President and Blaine Quick, as treasurer, violated 2 U.S.C. §§ 434(b) and 441a(f), and instituted an investigation of this matter. However, after considering the circumstances of this matter, the Commission determined to take no further action against the Committee, and closed the file in this matter on February 29, 1996. This matter will become part of the public record within 30 days. The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Jeffrey D. Long
Paralegal

Enclosure
General Counsel's Report

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3507

DATE FILMED 4-3-96 CAMERA NO. 3

CAMERAMAN JMN

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