



FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 446

73040012187





## FEDERAL ELECTION COMMISSION

1325 K STREET NW  
WASHINGTON, D.C. 20463

February 28, 1978

MEMORANDUM TO: Bob Costa

THROUGH: Orlando B. Potter

FROM: William C. Oldaker *wco*

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With reference to a memo dated January 12, 1978, from Karyl Billups, concerning the non-filing of an Office Account Report by the Claude Pepper Campaign Committee (see Attachment), this matter was numbered MUR 496 by this office and presented to the Commission for consideration.

On February 15, 1978, the Commission voted to find no reason to believe that respondent Claude Pepper violated 2 U.S.C. §439a by failing to file an Office Account Report.

I call you attention, however, to finding number 2 on the attached Certification which refers this matter back to the Audit Division for "treatment consistent with that used for obtaining disclosure information about other office accounts."



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

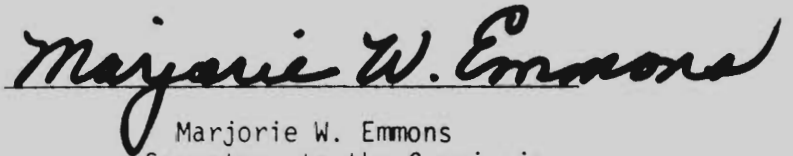
Honorable Claude Pepper (14th Fl.) )

MUR 496 (78)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on February 15, 1978, the Commission determined by a vote of 6-0 to take the following actions in the above-captioned matter:

1. Find no reason to believe that the respondent violated 2 U.S.C. Section 439a by failing to file October 15, 1977, report disclosing receipts and expenditures of the Claude Pepper Congressional Account.
2. Refer this matter to the FEC Audit Division for treatment consistent with that used for obtaining disclosure information about other office accounts.
3. Direct the Staff Director to submit procedures to the Commission for monitoring of disclosure of Office Accounts.



Marjorie W. Emmons  
Secretary to the Commission

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FEDERAL ELECTION COMMISSION  
1325 K Street N.W.  
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL  
BY OGC TO THE COMMISSION \_\_\_\_\_

MUR NO. 496  
DATE COMPLAINT RECEIVED  
BY OGC \_\_\_\_\_

ATTORNEY Lindsay

COMPLAINANT'S NAME: Internally Generated

RESPONDENT'S NAME: Honorable Claude Pepper (14th Fl.)

RELEVANT STATUTE: 2 U.S.C. §439a, 11 C.F.R. §§ 113.1(a) and (b) and  
113.4 (a) and (b).

INTERNAL REPORTS CHECKED: Materials gathered during audit

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

That Respondent failed to file reports of receipts and disbursements in connection with the Claude Pepper Congressional Account which qualifies under 11 F.C.R. 113.1 as an "office account," in violation of 2 U.S.C. §439a.

PRELIMINARY LEGAL ANALYSIS

11 C.F.R. §113.1(b) defines an office account as, "an account established for the purposes of supporting the activities of a Federal or State officeholder which contains excess campaign funds and funds donated." Under 11 C.F.R. §113.4, all Federal officeholders having such an account must report its receipts and disbursements.

During the audit of the Claude Pepper Campaign Committee, the audit staff found a \$500 contribution was received by the "Claude Pepper Club." This Club, according to the Committee's assistant treasurer, collected donations for the exclusive purpose of paying congressional office expenses. "Funds donated" to an account, i.e., gifts of money donated for the purpose of supporting the activities of a Federal officeholder, trigger the definition of "office account" under 11 C.F.R. §113.1 (a) and (b).

In January, 1976, the Club was dissolved and the "Claude Pepper Congressional Account" was established in its place.

(see next page)

This Account remained active through 1976 and 1977 and is the fund to which the aforementioned \$500 contribution was deposited. The Claude Pepper Congressional Account is comprised of donations and is established to support the activities of Claude Pepper in his capacity as a Federal officeholder.

Together, these facts make this Account subject to disclosure requirements and, in failing to file the October 15, 1977, report disclosing all receipts and expenditures of the Claude Pepper Congressional Account, Respondent has violated 2 U.S.C. §439a.

However, the Commission has not yet adopted a procedure regarding the failure to report office accounts, and, to our knowledge, no other cases of failure to report such accounts have been dealt with in the compliance mode.

#### RECOMMENDATION

No reason to believe that Respondent violated 2 U.S.C. §439a by failing to file October 15, 1977, report disclosing receipts and expenditures of the Claude Pepper Congressional Account.

Refer matter to Reports Analysis for treatment consistent with that used for obtaining disclosure information about other office accounts.

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FEDERAL ELECTION COMMISSION

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

February 7, 1978

MEMORANDUM TO: CHARLES STEELE  
FROM: MARJORIE W. EMMONS *mwe*  
SUBJECT: MUR 496 (77) - 7 Day Report

The above-mentioned document was circulated to the Commissioners on February 3, 1978 at 12:30.

Commissioner Aikens submitted an objection on February 6, 1978.

MUR 496 (77) has been placed on the Executive Session Agenda for February 15, 1978.



February 3, 1978

MEMORANDUM TO: Marge Emmons  
FROM: Elissa T. Garr  
SUBJECT: MUR 496

Please have the attached 7 Day Report on MUR 496 distributed to the Commission on a 24 hour no-objection basis.

Thank you.

78040012193



FEDERAL ELECTION COMMISSION

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

A-125  
MUR 496  
To Judy Browning  
1-16-78

January 12, 1978

MEMORANDUM

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER *OBP*  
STAFF DIRECTOR

FROM: *KMB* KARYL BILLUPS/ELMO ALLEN/*JEL* JOE STOLTZ/*DK* BOB COSTA

SUBJECT: DISCREPANCY NOTED PER AUDIT OF THE  
CLAUDE PEPPER CAMPAIGN COMMITTEE

During a recent audit of the Claude Pepper Campaign Committee, principal campaign committee of the Honorable Claude Pepper (14th FL), the staff noted the following item which is referred to your office for review and consideration of further action.

(A) Non-filing of an Office Account Report

While reviewing contributions from political committees, the Audit staff found that a contribution of \$500 on December 30, 1975 from the Southern Railway Tax Eligible Good Government Fund was received by an organization named the Claude Pepper Club. The assistant treasurer stated that contributors to this fund consisted of friends of Mr. Claude Pepper and did not operate as a political committee organized to influence a federal election. She further stated that the expenses paid from this account were exclusively congressional office expenses.

This "Club" was disbanded by request of the Candidate in late January of 1976 and a Claude Pepper Congressional Account was opened for the same purpose. This account remained active in 1976 and 1977 and is the account to which the contribution from the Southern Railway Tax Eligible Good Government Fund was deposited.





MEMORANDUM TO BILL OLDAKER

Page 2

After field work was completed, the Audit staff determined that an October 15, 1977 report disclosing all receipts and expenditures of this account was not filed with the Commission.

In our opinion, the Candidate has not complied with Section 439a of Title 2 of the United States Code and Section 113.1 of the Commission's Regulations.

If you have any additional questions concerning this matter, please contact Karyl Billups on Extension 3-4155.

cc: Lois Zella, Acting Director  
Reports Analysis Division

78040012195



# FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 441

