



FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 1460

Date Filmed 2/10/84 Camera No. --- 4

Cameraman JRL

Nathan

FEDERAL ELECTION COMMISSION

Internal memoranda and routing slips;
conciliation correspondence and
memoranda; internal legal, ^{analysis} memoranda

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

- | | |
|--|---|
| <input type="checkbox"/> (1) Classified Information | <input type="checkbox"/> (6) Personal privacy |
| <input type="checkbox"/> (2) Internal rules and practices | <input type="checkbox"/> (7) Investigatory files |
| <input checked="" type="checkbox"/> (3) Exempted by other statute | <input type="checkbox"/> (8) Banking Information |
| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> (9) Well Information (geographic or geophysical) |
| <input checked="" type="checkbox"/> (5) Internal Documents | |

Signed

Nancy B. Nathan

date

2/7/84

ALICE CARNES
2023 PACIFIC AVENUE
SAN FRANCISCO, CALIFORNIA 94109

RECEIVED AT THE FEC
GCC #1586
84 FEB 6 AID: 13

Nathan
5

Federal Elections Commission
Office of General Counsel
Attention: Nancy B. Nathan

February 1, 1984

Re: MUR-1460

With respect to the above referenced matter I request that the following statement be entered in the public record.

In connection with the Federal candidates mailing fund expenditures made by the California Democratic party, the Lantos for Congress Committee (1980) was at all times in compliance with F.E.C. regulations.

Alice A. Carnes
Treasurer, Lantos for
Congress, 1980

Alice A. Carnes

84030442842

84030142184

2023 PACIFIC AVENUE
SAN FRANCISCO, CALIFORNIA 94109



Federal Elections Commission
Office of the General Counsel
1325 "K" Street, N.W.
Washington D.C.

20463



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 16, 1984

Timothy P. Furlong, Esq.
Manatt, Phelps, Rothenberg and Tunney
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

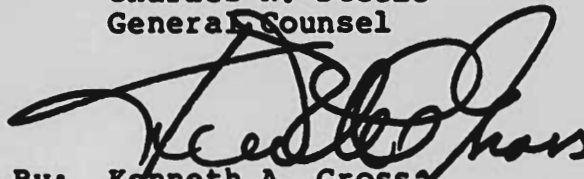
Re: MUR 1460
Corman for Congress Committee

Dear Mr. Furlong:

Enclosed you will find a copy of the second page of the conciliation agreement between your client and the Commission, which was approved by the Commission on January 10, 1984. Please substitute it for the second page of the agreement inadvertently mailed to you on January 11, 1984.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation agreement page

84030442844

IV. In the 1980 campaign, DSCC made coordinated expenditures on Respondent's behalf, between October 27 and November 24, 1980, that totalled \$36,211.

V. Section 441a(f) of Title 2, United States Code, prohibits the acceptance of contributions violative of 2 U.S.C. § 441a.

VI. Under 2 U.S.C. § 441a(a) (2) (A), a multicandidate political committee may not contribute more than \$5,000 to any candidate and his authorized political committee with respect to any election for Federal office.

VII. Under 2 U.S.C. § 441a(d) (3) (B), a subordinate committee of a state committee of a political party may not expend more than \$10,000 (adjusted to \$14,720 for the 1980 election) in connection with the general election campaign of a candidate for Federal office affiliated with such party.

VIII. Respondent violated 2 U.S.C. § 441a(f) by accepting a contribution in the form of coordinated expenditures by DSCC in the 1980 general election that exceeded the combined limit of \$19,720 available under 2 U.S.C. §§ 441a(a) (2) (A) and 441a(d) (3) (B) by \$16,491.

IX. Respondent agrees to pay a civil penalty in the amount of Seven Hundred Fifty Dollars (\$750) to the United States Treasury, pursuant to 2 U.S.C. § 437g(a) (5) (A).

84030442845

RECEIVED AT THE FEC

Ccd# 1462

84 JAN 28 09:25

LAW OFFICES
BARASH & HILL

ONE CENTURY PLAZA
2029 CENTURY PARK EAST, SUITE 2080
LOS ANGELES, CALIFORNIA 90067
(213) 552-1177

JERRY M. HILL
ANTHONY H. BARASH
PETER D. KELLY*
A. CATHERINE STEEL
HOWARD A. PARELSKIN
CHRISTINA L. MACHON
CHARLES LOCKO

*ALSO MEMBER DISTRICT OF COLUMBIA BAR

WILLIAM J. IMMERMANN
OF COUNSEL

TELECOPIER: (213) 552-4988

CABLE ADDRESS: BARHILL

January 16, 1984

OUR FILE NO. x1397

MUR 1460
Nathan

Nancy B. Nathan, Esq.
Federal Election Commission
1325 "K" Street
Washington, D.C. 20463

Re: MUR 1460

Dear Ms. Nathan:

We received this date the executed conciliation agreement in the captioned matter. We would like to take this opportunity to thank you for your courtesy and patience in working to resolve this matter.

Very truly yours,

Christina L. Machon
Christina L. Machon

CLM/gmc

84030442846

LAW OFFICES

BARASH & HILL

ONE CENTURY PLAZA

029 CENTURY PARK EAST, SUITE 2050
LOS ANGELES, CALIFORNIA 90067



Nancy B. Nathan, Esq.
Federal Election Commission
1325 "K" Street
Washington, D.C. 20463

840

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1460
Democratic State Central Committee)
Federal Candidates Fund)
Comman for Congress Committee)

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal
Election Commission Executive Session on January 10, 1984, do
hereby certify that the Commission decided by a vote of 6-0 to
take the following actions in the above-captioned matter:

1. Accept the conciliation agreements attached to the
General Counsel's December 13, 1983 report.
2. CLOSE THE FILE.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry,
and Reiche voted affirmatively for the decision.

Attest:

1/10/84

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

841030442318



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 11, 1984

Tom Lantos for Congress Committee
Y. Katrina Lantos, Treasurer
P.O. Box 611
Burlington, California 94010

Re: MUR 1460
Tom Lantos for Congress Committee

Dear Ms. Lantos:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days.

Should you have any questions, contact Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Charles N. Steele
General Counsel

A handwritten signature in dark ink, appearing to read "Kenneth A. Gross", is written over the typed name.

By: Kenneth A. Gross
Associate General Counsel

84030442349



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Tom Lantos for Congress Committee
Y. Katrina Lantos, Treasurer
P.O. Box 611
Burlington, California 94010

Re: MUR 1460
Tom Lantos for Congress Committee

Dear Ms. Lantos: .

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days.

Should you have any questions, contact Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

84030442330

NSH
1/11/84



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 11, 1984

Christina Machon, Esq.
Barash and Hill
One Century Plaza
2029 Century Park East, Suite 2050
Los Angeles, California 90067

Re: MUR 1460
Democratic State Central Committee

Dear Ms. Machon:

On January 10, 1984, the Commission accepted the conciliation agreement signed by Peter Kelly, General Counsel to the above-referenced respondent, and a civil penalty in settlement of violations of 2 U.S.C. §§ 441a(a)(2)(A) and 441a(d)(3)(B), provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it will become a part of the public record within 30 days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation agreement

34050442351



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Christina Machon, Esq.
Barash and Hill
One Century Plaza
2029 Century Park East, Suite 2050
Los Angeles, California 90067

Re: MUR 1460
Democratic State Central Committee

Dear Ms. Machon:

On , 198 , the Commission accepted the conciliation agreement signed by Peter Kelly, General Counsel to the above-referenced respondent, and a civil penalty in settlement of violations of 2 U.S.C. §§ 441a(a)(2)(A) and 441a(d)(3)(B), provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it will become a part of the public record within 30 days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation agreement

AFB
1/11/84

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of the)
Democratic State Central) MUR 1460
Committee Federal Candidates Fund)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission") pursuant to information ascertained in the normal course of its supervisory responsibilities.

Following submission of findings by the Commission's auditors concerning the Democratic State Central Committee Federal Candidates Fund ("Respondent") the Commission found reason to believe that Respondent made impermissible coordinated expenditures on behalf of the 1980 campaign committees of Representatives Tom Lantos and James Corman, thereby violating 2 U.S.C. §§ 441a(a)(2)(A) and 441a(d)(3)(B).

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, do hereby agree as follows:

I. The Commission has jurisdiction over Respondent and the subject matter of this proceeding, and this agreement has the effect of a conciliation agreement under 2 U.S.C. § 437g(a)(4)(A).

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

III. Respondent enters voluntarily into this agreement with the Commission.

84030442853

IV. The pertinent facts in this matter are:

1. Respondent registered with the Comptroller General of the United States on September 16, 1975.
2. Respondent is a subordinate committee of a state committee of a political party.
3. In 1980, Respondent made coordinated expenditures on behalf of the campaign committee of Rep. Tom Lantos (CA-11) that totalled \$29,242. The expenditures were made between April 29, 1980 and October 23, 1980.
4. In 1980, Respondent made coordinated expenditures on behalf of the campaign committee of Rep. James Corman (CA-21) that totalled \$36,211. The expenditures were made between October 27, 1980 and November 24, 1980.

V. Section 441a(a)(2)(A) of Title 2, United States Code, limits multicandidate political committee contributions to any candidate and his authorized political committee with respect to any election for Federal office to \$5,000.

VI. Section 441a(d)(3)(B) of Title 2, United States Code, limits expenditures by a subordinate committee of a state committee of a political party, in connection with the general election campaign of a candidate for Federal office affiliated with such party, to \$10,000, adjusted to \$14,720 for the 1980 election.

34030442334

VIII. Respondent violated 2 U.S.C. §§ 411a(a)(2)(A) and 441a(d)(3)(B) by making coordinated expenditures on behalf of the 1980 campaign committee of Representative James Corman that exceeded its combined limit under those statutory provisions, \$19,720, by \$16,491.

X. Respondent agrees that, in the future, it will comply with the requirements of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431 et seq.

XI. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein, or on its own initiative, may review compliance with this agreement. If the Commission believes that this agreement or


any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

XII. This agreement shall become effective as of the date both parties have executed it and the Commission has approved the entire agreement.

XIII. Respondent shall have no more than 60 days from the date this agreement becomes effective to comply with and implement its requirements and to so notify the Commission.

FOR THE COMMISSION:

Charles N. Steele
General Counsel

By 
Kenneth A. Gross
Associate General Counsel

Date January 11, 1984

FOR THE RESPONDENT:

DEMOCRATIC STATE CENTRAL COMMITTEE
FEDERAL CANDIDATES FUND

By 
Peter D. Kelly
Chairman, California
Democratic Party

November 2, 1983
Date

34030442836



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 11, 1984

Timothy P. Furlong, Esq.
Manatt, Phelps, Rothenberg and Tunney
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

Re: MUR 1460
Corman for Congress Committee


Dear Mr. Furlong:

On January 10, 1984, the Commission accepted the conciliation agreement signed by you and a civil penalty in settlement of a violation of 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it will become a part of the public record within 30 days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation agreement

84030442857



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Timothy P. Furlong, Esq.
Manatt, Phelps, Rothenberg and Tunney
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

Re: MUR 1460
Corman for Congress Committee

Dear Mr. Furlong:

On , 198 , the Commission accepted the conciliation agreement signed by you and a civil penalty in settlement of a violation of 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it will become a part of the public record within 30 days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation agreement

WBR
1/11/84

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of the)
Corman for Congress Committee) MUR 1460

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission") pursuant to information ascertained in the normal course of its supervisory responsibilities.

Following submission of findings by the Commission's auditors concerning the Democratic State Central Committee Federal Candidates Fund ("DSCC"), and the 1980 Corman for Congress Committee ("Respondent"), the Commission found reason to believe that Respondent violated 2 U.S.C. § 441a(f) by accepting an impermissible in-kind contribution from DSCC in the form of coordinated expenditures that exceeded DSCC's limits under 2 U.S.C. §§ 441a(a)(2)(A) and 441a(d)(3)(B).

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, do hereby agree as follows:

I. The Commission has jurisdiction over Respondent and the subject matter of this proceeding, and this agreement has the effect of a conciliation agreement under 2 U.S.C. § 437g(a)(4)(A).

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

III. Respondent enters voluntarily into this agreement with the Commission.

94030442859

IV. In the 1980 campaign, DSCC made coordinated expenditures on Respondent's behalf, between October 27 and November 24, 1980, that totalled \$36,211.

V. Section 441a(f) of Title 2, United States Code, prohibits the acceptance of contributions violative of 2 U.S.C. § 441a.

VI. Under 2 U.S.C. § 441a(a)(2)(A), a multicandidate political committee may not contribute more than \$5,000 to any candidate and his authorized political committee with respect to any election for Federal office.

VII. Under 2 U.S.C. § 441a(d)(3)(B), a subordinate committee of a state committee of a political party may not expend more than \$10,000 (adjusted to \$14,720 for the 1980 election) in connection with the general election campaign of a candidate for Federal office affiliated with such party.

VIII. Respondent violated 2 U.S.C. § 441a(f) by accepting a contribution in the form of coordinated expenditures by DSCC in the 1980 general election that exceeded the combined limit of \$19,720 available under 2 U.S.C. §§ 441a(a)(2)(A) and 441a(d)(3)(B) by \$16,491.

IX. Respondent agrees to pay a civil penalty in the amount of Seven Hundred Fifty Dollars (\$750) to the United States Treasury, pursuant to 2 U.S.C. § 437g(a)(5)(A).

84000442360

X. Respondent agrees that, in the future, it will comply with the requirements of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431 et seq.

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

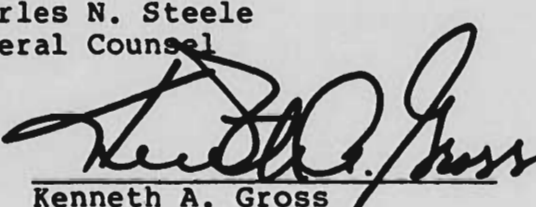
XII. This agreement shall become effective as of the date both parties have executed it and the Commission has approved the entire agreement.

XIII. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement its requirements and to so notify the Commission.

FOR THE COMMISSION:

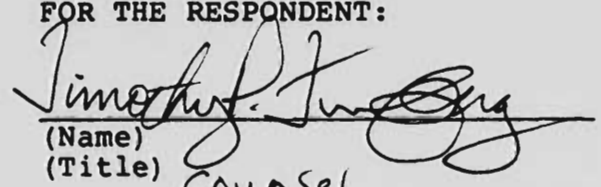
Charles N. Steele
General Counsel

By:


Kenneth A. Gross
Associate General Counsel


Date

FOR THE RESPONDENT:


(Name)
(Title)

Counsel

NOV. 23, 1983
Date

3 4 0 3 0 4 4 2 3 6 1



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL
FROM: MARJORIE W. EMMONS/JODY C. RANSOM *JCR*
DATE: DECEMBER 15, 1983
SUBJECT: OBJECTION - MUR 1460 Memorandum to the
Commission dated December 13, 1983

The above-named document was circulated to the
Commission on Tuesday, December 13, 1983 at 4:00.

Objections have been received from the Commissioners
as indicated by the name(s) checked:

Commissioner Aikens	<u> X </u>
Commissioner Elliott	<u> </u>
Commissioner Harris	<u> </u>
Commissioner McDonald	<u> </u>
Commissioner McGarry	<u> </u>
Commissioner Reiche	<u> </u>

This matter will be placed on the Executive Session
agenda for Wednesday, January 4, 1984.

34030442352



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *Cit*
DATE: December 13, 1983
SUBJECT: MUR 1460 - Memorandum to The Commission

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

CIRCULATIONS

48 Hour Tally Vote [X]
Sensitive [X]
Non-Sensitive []
24 Hour No Objection []
Sensitive []
Non-Sensitive []
Information []
Sensitive []
Non-Sensitive []

Other []

DISTRIBUTION

Compliance [x]
Audit Matters []
Litigation []
Closed MUR Letters []
Status Sheets []
Advisory Opinions []
Other (see distribution below) []

34050442363

CORMAN CAMPAIGN COMMITTEE
WILSHIRE BLVD. STE. 209 278-2800
BEVERLY HILLS, CALIF. 90212



BEVERLY HILLS OFFICE
First Los Angeles Bank
200 N. WILSHIRE BLVD.
BEVERLY HILLS, CALIF. 90212

6489

90-9536/1222

November 14 1983

REGISTERED 5000's 00cts

DOLLARS \$ 500.00

PAY

TO THE ORDER OF

Federal Election Commission
c/o Tim Furlong
1200 New Hampshire Ave.
Room 200
Washington, D.C. 20036

⑈006489⑈ ⑆122235384⑆ 672⑈02242⑈

DELUXE CHECK PRINTERS

34030442364

RECEIPT

FEDERAL ELECTION COMMISSION

1325 K Street, N.W.
Washington, D.C. 20463

29609

Mar 1460

29 Mar 1983
Date

The Federal Election Commission has received \$ 500.00 in cash/check for the purchase of copies of documents on file at the Federal Election Commission, or for other materials made available by the Commission.

Federal Election Commission

Purchaser understands any information copied from reports and statements shall not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee. 2 U.S.C. Section 438

8 4 0 3 0 4 4 2 8 6 5

95-35-0001

Pay to the order of any Federal Reserve Bank or Branch or General Depository for credit to the United States Treasury. This check is in payment of an obligation to the United States and must be paid at par. N.P. Do not wire non-payment.
Date of endorsement. 11-29-83

Larry D. McCoy, Dep. Asst. Staff Dir. for Admin.
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20469

Negotiation of this check does not constitute acceptance by the Federal Election Commission of the proposed penalty. The proceeds of this check have been placed in a suspense account pending Commission consideration of the penalty.

MEMORANDUM

FROM: JOAN HARRIS
TO: CHERYL THOMAS

FROM: CHERYL THOMAS
TO: JOAN HARRIS

CHECK NO. 6489 (a copy of which is attached)

RELATING TO MUR 1460 WAS RECEIVED ON 11-25-83.

PLEASE INDICATE THE ACCOUNT INTO WHICH IT SHOULD BE DEPOSITED:



BUDGET CLEARING ACCOUNT (#95F3875.16)



CIVIL PENALTIES ACCOUNT (#95-1099.160)



OTHER _____

84030442866

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Democratic State Central)
Committee Federal Candidates)
Fund)
Corman for Congress Committee)

MJR 1460

CERTIFICATION

I, Lena L. Stafford, Recording Secretary for the Federal Election Commission meeting on September 13, 1983, do hereby certify that the Commission decided in a vote of 6-0 to take the following actions with respect to the above-captioned matters:

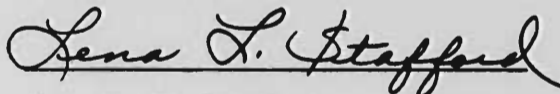
1. Approve the conciliation agreements and the letters attached to General Counsel's Memorandum to the Commission dated August 30, 1983.
2. Send the conciliation agreements and letters attached to the General Counsel's Memorandum to the Commission dated August 30, 1983, to respondents, Democratic State Central Committee Federal Candidates Fund and Corman for Congress Committee.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively in this decision.

Attest:

9-15-83

Date



Lena L. Stafford
Recording Secretary

84030442867



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 26, 1983

Timothy P. Furlong, Esq.
Manatt, Phelps, Rothenberg and Tunney
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

Re: MUR 1460
Corman for Congress Committee


Dear Mr. Furlong:

On October 5, 1982, the Commission found reason to believe that your client, Corman for Congress Committee, violated 2 U.S.C. § 441a(f). On September 13, 1983, the Commission determined to enter into negotiations, pursuant to your oral request that is to be confirmed in writing, directed toward reaching a conciliation agreement in settlement of this matter, prior to a probable cause finding. Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter prior to a finding of probable cause.

If your client agrees with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible. If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Nancy B. Nathan, the staff member assigned to this matter, at 202 523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: 
Kenneth A. Gross
Associate General Counsel

Enclosures

84030442368



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Timothy P. Furlong, Esq.
Manatt, Phelps, Rothenberg and Tunney
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

Re: MUR 1460
Corman for Congress Committee

Dear Mr. Furlong:

On October 5, 1982, the Commission found reason to believe that your client, Corman for Congress Committee, violated 2 U.S.C. § 441a(f). On , 1983, the Commission determined to enter into negotiations, pursuant to your oral request that is to be confirmed in writing, directed toward reaching a conciliation agreement in settlement of this matter, prior to a probable cause finding. Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter prior to a finding of probable cause.

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Sincerely,

Charles N. Steele
General Counsel

Handwritten signature/initials

By: Kenneth A. Gross
Associate General Counsel

Enclosures

94030442869



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL
FROM: MARJORIE W. EMMONS, JODY C. RANSOM *JCR*
DATE: SEPTEMBER 1, 1983
SUBJECT: OBJECTION - MUR 1460 Memorandum to the
Commission dated August 30, 1983

The above-named document was circulated to the
Commission on Tuesday, August 30, 1983 at 4:00.

Objections have been received from the Commissioners
as indicated by the name(s) checked:

Commissioner Aikens	_____
Commissioner Elliott	_____
Commissioner Harris	<u> X </u>
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Reiche	_____

This matter will be placed on the Executive Session
agenda for Tuesday, September 13, 1983.

84030442370



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 16, 1983

Christina Machon, Esq.
Barash and Hill
One Century Plaza
2029 Century Park East, Suite 2050
Los Angeles, California 90067

Re: MUR 1460
Democratic State Central
Committee Federal Candidates
Fund

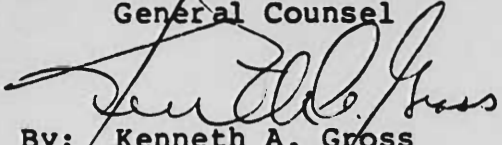
Dear Ms. Machon:

On October 5, 1982, the Commission found reason to believe that your client, Democratic State Central Committee Federal Candidates Fund, violated 2 U.S.C. § 441a(a)(2)(A) and § 441a(d)(3)(B). At your request, the Commission determined on 1983, to enter into negotiations directed towards reaching conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If your client agrees with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible. If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Nancy B. Nathan, the staff member assigned to this matter, at 202 523-4073.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosures

84030442871



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Christina Machon, Esq.
Barash and Hill
One Century Plaza
2029 Century Park East, Suite 2050
Los Angeles, California 90067

Re: MUR 1460
Democratic State Central
Committee Federal Candidates
Fund

Dear Ms. Machon:

On October 5, 1982, the Commission found reason to believe that your client, Democratic State Central Committee Federal Candidates Fund, violated 2 U.S.C. § 441a(a)(2)(A) and § 441a(d)(3)(B). At your request, the Commission determined on 1983, to enter into negotiations directed towards reaching conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If your client agrees with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible. If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Nancy B. Nathan, the staff member assigned to this matter, at 202 523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosures

WHR
9/15/83

84030442872

JERRY M. HILL
ANTHONY M. BARASH
PETER D. KELLY*
A. CATHERINE STEEL
HOWARD A. PARELSKIN
GARY L. BOSTWICK
BRIAN JAMES BIRD
CHRISTINA L. MACHON
BEATRICE H. NEMLAHA
CHARLES LOCKO

*ALSO MEMBER DISTRICT OF COLUMBIA BAR

LAW OFFICES
BARASH & HILL

ONE CENTURY PLAZA
2029 CENTURY PARK EAST, SUITE 2080
LOS ANGELES, CALIFORNIA 90067
(213) 553-1177

6047-731
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83 JUL 6 AM: 42

WILLIAM J. IMMERMAN
OF COUNSEL
TELECOPIER: (213) 553-4888
CABLE ADDRESS: BARHILL

July 1, 1983

OUR FILE NO. 1397

Ms. Nancy Nathan
Federal Elections Commission
1325 "K" Street
Washington, D.C. 20463

Re: MUR 1460

Dear Ms. Nathan:

The California Democratic State Central Committee (the "State Party") hereby notifies the Federal Elections Commission of its desire to enter into negotiations directed towards reaching a pre-probable cause conciliation agreement in accordance with 11 CFR 111.18(d) in connection with the captioned matter. Please advise this office of what is required of the State Party in this regard.

We are, of course, continuing to coordinate with Stuart Applebaum, Esq. the obtaining of additional information for your review in connection with the Corman campaign's grant of agency authority by the Democratic National Committee. You will be provided with such information at the earliest possible date.

Thank you.

Very truly yours,

Christina L. Machon

Christina L. Machon

CLM:bd

cc: Peter D. Kelly, Chair

Attachment 1 (1 page)

84030442373



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Christina Machon, Esq.
Barash and Hill
One Century Plaza
2029 Century Park East, Suite 2050
Los Angeles, California 90067

Re: MUR 1460
Democratic State Central
Committee Federal Candidates
Fund

Dear Ms. Machon:

On October 5, 1982, the Commission found reason to believe that your client, Democratic State Central Committee Federal Candidates Fund, violated 2 U.S.C. § 441a(a)(2)(A) and § 441a(d)(3)(B). At your request, the Commission determined on 1983, to enter into negotiations directed towards reaching conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If your client agrees with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible. If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Nancy B. Nathan, the staff member assigned to this matter, at 202 523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosures

Attachment 4
1062



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Timothy P. Furlong, Esq.
Manatt, Phelps, Rothenberg and Tunney
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

Re: MUR 1460
Corman for Congress Committee

Dear Mr. Furlong:

On October 5, 1982, the Commission found reason to believe that your client, Corman for Congress Committee, violated 2 U.S.C. § 441a(f). On , 1983, the Commission determined to enter into negotiations, pursuant to your oral request that is to be confirmed in writing, directed toward reaching a conciliation agreement in settlement of this matter, prior to a probable cause finding. Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter prior to a finding of probable cause.

If your client agrees with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible. If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Nancy B. Nathan, the staff member assigned to this matter, at 202 523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosures

Attachment 4-202

RECEIVED AT THE FEC
GC # 805

83 SEP 15 P 1: 00

MANATT, PHELPS, ROTHENBERG & TUNNEY

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

ATTORNEYS AT LAW

1200 NEW HAMPSHIRE AVENUE, N.W.

SUITE 200

WASHINGTON, D.C. 20036

TELEPHONE (202) 463-4300

CENTURY CITY OFFICE

1888 CENTURY PARK EAST
SUITE 2100

LOS ANGELES, CALIFORNIA 90067
TELEPHONE (213) 586-1800

SAN FRANCISCO OFFICE

100 BUSH STREET
SUITE 2314

SAN FRANCISCO, CA 94104
TELEPHONE (415) 981-7848

LOS ANGELES OFFICE

811 WEST SEVENTH STREET
TWELFTH FLOOR

LOS ANGELES, CALIFORNIA 90017
TELEPHONE (213) 878-4414

September 14, 1983

Ms. Nancy Nathan
Office of General Counsel
Federal Elections Commission
1325 K Street, N.W.
7th Floor
Washington, D.C. 20463

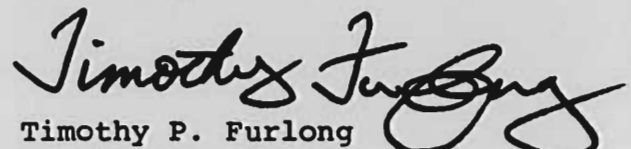
RE: MUR 1460

Dear Ms. Nathan:

As we discussed in our earlier conversation, I hereby request a Pre Probable Cause Conciliation in the above referenced matter in behalf of the Corman for Congress Committee.

Thank you for your cooperation in this matter.

Sincerely,



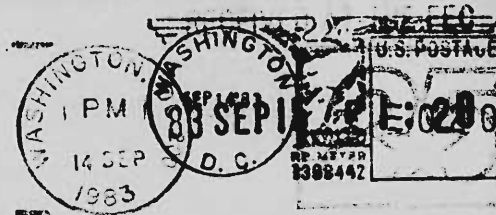
Timothy P. Furlong
of Manatt, Phelps,
Rothenberg & Tunney

TPF:nak

CC: James C. Corman

34030442876

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MANATT, PHELPS, ROTHENBERG & TUNNEY
ATTORNEYS AT LAW
1200 NEW HAMPSHIRE AVENUE, N.W.
SUITE 200
WASHINGTON, D.C. 20036



Ms. Nancy Nathan
Office of General Counsel
Federal Elections Commission
1325 K Street, N.W.
7th Floor
Washington, D.C.

20463

664# 431

83 JUL 6 A8:42

LAW OFFICES
BARASH & HILL

ONE CENTURY PLAZA
2029 CENTURY PARK EAST, SUITE 2050
LOS ANGELES, CALIFORNIA 90067
(213) 553-1177

JERRY M. HILL
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BEATRICE H. NEMLAHA
CHARLES LOCKO

WILLIAM J. IMMERMANN
OF COUNSEL

TELECOPIER: (213) 552-4986

CABLE ADDRESS: BARHILL

July 1, 1983

OUR FILE NO. 1397

*ALSO MEMBER DISTRICT OF COLUMBIA BAR

Ms. Nancy Nathan
Federal Elections Commission
1325 "K" Street
Washington, D.C. 20463

Re: MUR 1460

Dear Ms. Nathan:

The California Democratic State Central Committee (the "State Party") hereby notifies the Federal Elections Commission of its desire to enter into negotiations directed towards reaching a pre-probable cause conciliation agreement in accordance with 11 CFR 111.18(d) in connection with the captioned matter. Please advise this office of what is required of the State Party in this regard.

We are, of course, continuing to coordinate with Stuart Applebaum, Esq. the obtaining of additional information for your review in connection with the Corman campaign's grant of agency authority by the Democratic National Committee. You will be provided with such information at the earliest possible date.

Thank you.

Very truly yours,

Christina L. Machon

Christina L. Machon

CLM:bd

cc: Peter D. Kelly, Chair

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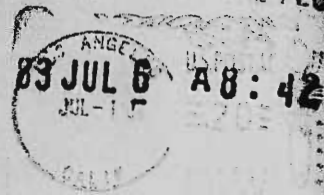
LAW OFFICES
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ONE CENTURY PLAZA

2029 CENTURY PARK EAST, SUITE 2050

LOS ANGELES, CALIFORNIA 90067

Ms. Nancy Nathan
Federal Elections Commission
1325 "K" Street
Washington, D.C. 20463



SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

83 JUN 24 A 9: 25

RECEIVED
OFFICE OF THE
COMMISSIONER OF THE
FEDERAL ELECTION COMMISSION

In the Matter of)
Democratic State) MUR 1460
(California) Central)
Committee Federal)
Candidates Fund;)
James Corman)

COMPREHENSIVE INVESTIGATIVE REPORT #2

On October 5, 1982, the Commission found reason to believe that the Democratic State (California) Central Committee Federal Candidates Fund ("DSCC") made excessive contributions to the 1980 campaign committees of Representatives James Corman and Tom Lantos in the form of expenditures made on behalf of those candidates that exceeded the limits available under 2 U.S.C. § 441a(d)(3)(B); that is, \$14,720 as to each candidate. In addition, the Commission found reason to believe that DSCC violated 2 U.S.C. § 441a(a)(2)(A), because the amounts expended also exceeded the direct contribution limits available under that section. The Commission also found reason to believe that the Tom Lantos for Congress and Corman Campaign committees violated 2 U.S.C. § 441a(f) in accepting the excessive contributions. The Commission voted to take no further action with respect to the Lantos committee.

Following the reason to believe finding, DSCC and the Corman committee were asked to submit any evidence that might demonstrate that the DSCC expenditures were made following a

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grant of authority to DSCC to expend the Democratic National Committee's ("DNC") limit under 2 U.S.C. § 441a(d)(3)(B). 1/ On February 15, 1983, DSCC submitted a response to substantiate an earlier assertion, made by letter dated January 18, 1983, that advance spending authority as to both the Corman and Lantos campaigns was granted by telephone by DNC counsel, Stewart Applebaum. That February 15 response included an affidavit by Dennis DeSnoo, the DSCC official that spoke with Mr. Applebaum, which avers that, in the first two weeks of October, 1980, Mr. Applebaum granted agency authority by telephone as to the Corman campaign, and that that conversation was confirmed by letter from DNC to DSCC. 2/ (See Attachment 1). The affidavit said that a copy of the letter could not then be located. On May 6, 1983, DSCC counsel forwarded an unsigned copy of that letter, located in DNC files. (See Attachment 2).

Since that date, Mr. Applebaum had been awaiting a scheduled trip to Connecticut to search his personal files for a signed copy of the letter and other notes that he wanted to consult before preparing an affidavit on the matter. On June 14, 1983, DSCC counsel was asked to advise Mr. Applebaum not to wait any longer,

1/ On March 9, 1983, the Corman committee informed the Office of General Counsel that the DSCC response is to serve also as its response in the matter.

2/ A similar letter from DNC to DSCC confirming a grant of agency authority as to the Lantos campaign was submitted previously.

but to submit an affidavit containing his recollection of the facts. Counsel indicated that such affidavit would aver that Mr. Applebaum had granted each request from DSCC for use of DNC's spending limits, and that, because Mr. DeSnoo has averred that such a request was made as to the Corman campaign, that Mr. Applebaum assumes it was granted.

As to the Corman campaign, expenditures by DSCC exceeded the amount of its combined limit with DNC under 2 U.S.C.

§ 441a(d)(3)(B), or \$29,440. Therefore, even if sufficient evidence is submitted to demonstrate that the DNC's limit should be applied, the violations of 2 U.S.C. § 441a by both DSCC and the Corman committee will need to be pursued. DSCC counsel is to submit

Mr. Applebaum's affidavit.

Charles N. Steele
General Counsel

June 23, 1983
Date

BY:

Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

Attachments

Affidavit of Dennis DeSnoo
Letter

84030442332

83 FEB 18 P 4: 04

AFFIDAVIT OF DENNIS DESNOO

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

DENNIS DESNOO, being duly sworn, deposes and says as follows:

My name is Dennis DeSnoo. In 1980, I was the Executive Director of the California Democratic Party (the "Party"). I have personal knowledge of the matters stated herein.

In the Fall of 1980, in connection with the general election campaigns of Jim Corman and Tom Lantos for the U.S. House of Representatives, the Party's elected officers indicated to me that the Party desired that sums be expended on behalf of the campaigns of Messrs. Lantos and Corman in excess of the Party's own expenditure limits as set forth in the Federal Election Campaign Act of 1971, as amended (the "Act"). It was my understanding that the Democratic National Committee (the "DNC") did not intend to reach its own expenditure limits under the Act on behalf of these campaigns, and I therefore sought to obtain the DNC's agency authority for the Party to expend sums on the DNC's behalf.

In September of 1980, I telephoned Stewart Applebaum, known to me as the DNC's staff counsel, with authority to enter into the arrangement the Party desired. In that conversation, Mr. Applebaum granted the Party the DNC's agency authority with respect to the Lantos campaign, and the DNC later confirmed that

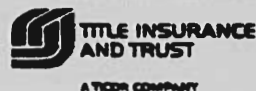
Attachment 1- 1 of 2

arrangement by letter dated October 20, 1980, a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference.

In a later conversation with Mr. Applebaum, within the first two weeks of October, 1980, I requested agency authority for the Party with respect to the Corman campaign. Mr. Applebaum granted such authority in the conversation. This authority was to be confirmed by letter to the Party, but after a search of the records I cannot find that documentation.


DENNIS DESNOO

CAT. NO. NN00627
1944 CA (7-82)



Individual)

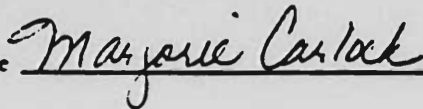
STATE OF CALIFORNIA
COUNTY OF Orange } SS.

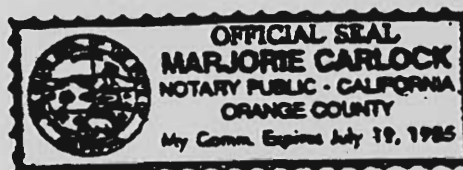
On February 11, 1983 before me, the undersigned, a Notary Public in and for said State, personally appeared DENNIS DeSNOO

_____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name _____ subscribed to the within instrument and acknowledged that _____ executed the same.

WITNESS my hand and official seal.

Signature





(This area for official notarial seal)

DEMOCRATIC
NATIONAL COMMITTEE

1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

3

October 31, 1980

Mr. Dennis DeSnoo
Executive Director
California Democratic Party
6022 Wilshire Boulevard
Suite 201
Los Angeles, California 90036

NOV 9 P2:24

Dear Dennis:

This letter sets forth in full the agreement between the Democratic National Committee ("DNC") and the California Democratic Party ("CDP"), by which the DNC would designate the CDP as its "agent" for the purpose of making expenditures pursuant to 2 USC 441a(d) on behalf of the Democratic candidate for the United States House of Representatives from the Twenty-first Congressional District of California in this year's general election. The legal authority for this agency agreement is contained in §110.7(a)(4) of the Federal Election Commission Regulations (11 CFR §110.7(a)(4)). The DNC and the CDP agree specifically as follows:

1. The DNC hereby designates the CDP as its "agent" in the Twenty-first Congressional District of California for the general election to be held this year for the United States House of Representatives, so that the CDP may make §441a(d) expenditures on behalf of the Democratic nominee.
2. The Executive Director of the CDP will apprise the Treasurer of the DNC of the cumulative amount expended by the CDP pursuant to this agreement, within 72 hours of any such expenditure.

Sincerely,

PETER G. KELLY
Treasurer
Democratic National Committee

Accepted & Agreed:

DENNIS DeSNOO
Executive Director
California Democratic Party

Attachment 2

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LAW OFFICES
BARASH & HILL

ONE CENTURY PLAZA
2029 CENTURY PARK EAST, SUITE 2050
LOS ANGELES, CALIFORNIA 90067
(213) 553-1177

WILLIAM J. IMMERMANN
OF COUNSEL

TELECOPIER: (213) 552-4988

CABLE ADDRESS: BARHILL

May 6, 1983

OUR FILE NO. 13972A

JERRY M. HILL
ANTHONY H. BARASH
PETER D. KELLY*
A. CATHERINE STEEL
HOWARD A. PARELSKIN
GARY L. BOSTWICK
BRIAN JAMES BIRD
CHRISTINA L. MACHON
BEATRICE H. NEMLAHA
CHARLES LOCKO

*ALSO MEMBER DISTRICT OF COLUMBIA BAR

Ms. Nancy Nathan
Federal Elections Commission
1325 "K" Street
Washington, D.C. 20463

Re: MUR 1460

Dear Ms. Nathan:

In accordance with our recent telephone conversation, I am enclosing herewith a copy of letter dated October 31, 1980, from Peter G. Kelly, Treasurer of the Democratic National Committee, to Dennis DeSnoo, Executive Director of the California Democratic Party. We obtained a copy of the letter from the files and records of the Democratic National Committee.

As I informed you during our conversation, we are still searching for additional records regarding this matter, and hope to have completed our search within the month. We will certainly apprise you of the status and appreciate your continuing patience as the matter progresses.

Please do not hesitate to contact us should you have any questions.

Very truly yours,

Christina L. Machon
Christina L. Machon

CLM/gmc
Enclosure
cc: Peter D. Kelly, State Chairman

34030442306

3 MAY 9 12:06

DEMOCRATIC
NATIONAL COMMITTEE

1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

October 31, 1980

Mr. Dennis DeSnoo
Executive Director
California Democratic Party
6022 Wilshire Boulevard
Suite 201
Los Angeles, California 90036

Dear Dennis:

This letter sets forth in full the agreement between the Democratic National Committee ("DNC") and the California Democratic Party ("CDP"), by which the DNC would designate the CDP as its "agent" for the purpose of making expenditures pursuant to 2 USC 441a(d) on behalf of the Democratic candidate for the United States House of Representatives from the Twenty-first Congressional District of California in this year's general election. The legal authority for this agency agreement is contained in §110.7(a)(4) of the Federal Election Commission Regulations (11 CFR §110.7(a)(4)). The DNC and the CDP agree specifically as follows:

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2. The Executive Director of the CDP will apprise the Treasurer of the DNC of the cumulative amount expended by the CDP pursuant to this agreement, within 72 hours of any such expenditure.

Sincerely,

PETER G. KELLY
Treasurer
Democratic National Committee

Accepted & Agreed:

DENNIS DeSNOO
Executive Director
California Democratic Party

3 MAY 9 P 2: 24

GENERAL INVESTIGATIVE DIVISION

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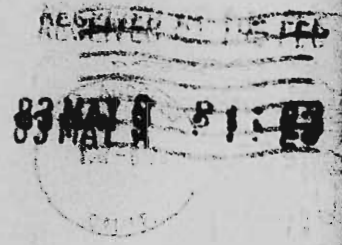
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LAW OFFICES

BARASH & HILL

ONE CENTURY PLAZA

2029 CENTURY PARK EAST, SUITE 2050
LOS ANGELES, CALIFORNIA 90067



Ms. Nancy Nathan
Federal Elections Committee
1325 "K" Street
Washington, D.C. 20463



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE *mwe*
FROM: MARJORIE W. EMMONS/JODY C. RANSOM *gcr*
DATE: MARCH 23, 1983
SUBJECT: MUR 1460 - Comprehensive Investigative
Report #1 signed March 21, 1983

The above-named document was circulated to the Commission on a 24 hour no-objection basis at 11:00, March 22, 1983.

There were no objections to the report at the time of the deadline.

840304412339

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

In the Matter of

Democratic State Central
Committee - Federal Candidates
Fund; 1980 Corman Campaign Committee

83 MAR 21 P 2: 40

MUR 1460

COMPREHENSIVE INVESTIGATIVE REPORT # 1

On October 5, 1982, the Commission found reason to believe that the Democratic State (California) Central Committee Federal Candidates Fund ("DSCC") made excessive contributions to the 1980 campaign committees of Representatives James Corman and Tom Lantos, in the form of expenditures made on behalf of those candidates that exceeded the limit available under 2 U.S.C. § 441a(d) (3) (B), or \$14,720. In addition, the Commission found reason to believe that DSCC violated 2 U.S.C. § 441a(a) (2) (A), because the amounts expended also exceeded the direct contribution limits available under that section. The Commission also found reason to believe that the Tom Lantos for Congress and Corman Campaign committees violated 2 U.S.C. § 441a(f) in accepting the excessive contributions. The Commission voted to take no further action with respect to the Lantos committee.

Since their notification of the reason to believe findings, the Corman committee and DSCC have requested and obtained extensions of time to permit DSCC officials to search their records for any evidence demonstrating that the expenditures may have been made following a grant of agency authority by the

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Democratic National Committee ("DNC") that would have allowed DSCC to expend the DNC's \$14,720 limit under 2 U.S.C.

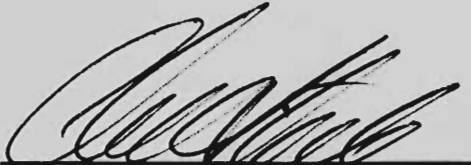
§ 441a(d)(3)(B). 1/ The Corman committee's response was to be framed following the DSCC's investigation of its records; on March 9, 1983, the Corman committee formally informed this Office by letter that the DSCC's response is to serve also as the Corman response.

On February 15, 1983, DSCC submitted a response to substantiate its earlier assertion, dated January 18, 1983, that advance spending authority as to both the Corman and Lantos campaigns was granted by telephone by DNC counsel. The DSCC's February 15, 1983, response includes the only documentation that it said it could obtain: the affidavit of Dennis DeSnoo, the DSCC official that spoke with the DNC counsel who, it is averred, authorized the DSCC's use of DNC's spending limits under 2 U.S.C. § 441a(d) as to both Corman and Lantos. In response to a March 9, 1983, request from this Office for additional documentation of the phone call during which DNC counsel is said to have authorized DSCC's use of its limits, DSCC now is attempting to locate the counsel (he no longer is with DNC)

1/ On February 17, 1982, the Commission decided that a national party committee's 2 U.S.C. § 441a(d)(3)(B) limits may be used by the state party committee, provided that an effective grant of authority is made before such expenditures are made. The Commission also decided on that date that a national party committee cannot at any time transfer use of its contribution limit under 2 U.S.C. § 441a(a)(2)(A).

to obtain an affidavit. Following DSCC's submission of that, or any other, additional documentation, this Office will make its recommendation to the Commission.

21 March 1983
Date


Charles N. Steele
General Counsel

84030442892

204341

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83 MAR 21 PM: 21

LAW OFFICES
BARASH & HILL

ONE CENTURY PLAZA
2029 CENTURY PARK EAST, SUITE 2050
LOS ANGELES, CALIFORNIA 90067
(213) 553-1177

TELECOPIER: (213) 552-4988

CABLE ADDRESS: BARHILL

JERRY M. HILL
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HOWARD A. PARELSKIN
GARY L. BOSTWICK
CYRUS J. GARDNER
BRIAN JAMES BIRD
CHRISTINA L. MACHON
CHARLES LOCKO

March 14, 1983

OUR FILE NO. 1397

13 MAR 21 PM: 51

Ms. Nancy Nathan
Federal Elections Commission
1325 "K" Street, N.W.
Washington, D.C. 20463

Re: MUR 1460

Dear Ms. Nathan:

As we discussed during our March 9, 1983, telephone conversation, this office will attempt to obtain additional documentation and testimony which would be of assistance to you in making your determination with respect to the Corman campaign, particularly. We are in the process of attempting to contact Stewart Applebaum, Esq. and hope to provide you with additional material in the near future.

Please do not hesitate to contact the undersigned should you have any further questions regarding this matter. We appreciate your courtesy.

Very truly yours,

Christina L. Machon
Christina L. Machon

CLM/gmc

8403044239

84030444294

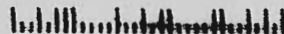
LAW OFFICES

BARASH & HILL

ONE CENTURY PLAZA

2029 CENTURY PARK EAST, SUITE 2050
LOS ANGELES, CALIFORNIA 90067

Ms. Nancy Nathan
Federal Elections Commission
1325 "K" Street, N.W.
Washington, D.C. 20463



MANATT, PHELPS, ROTHENBERG & TUNNEY

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

ATTORNEYS AT LAW

1200 NEW HAMPSHIRE AVENUE, N.W.

SUITE 200

WASHINGTON, D.C. 20036

TELEPHONE (202) 463-4300

CENTURY CITY OFFICE

1888 CENTURY PARK EAST

SUITE 2100

LOS ANGELES, CALIFORNIA 90067

TELEPHONE (213) 686-1500

SAN FRANCISCO OFFICE

100 BUSH STREET

SUITE 2314

SAN FRANCISCO, CA 94104

TELEPHONE (415) 981-7540

LOS ANGELES OFFICE

811 WEST SEVENTH STREET

TWELFTH FLOOR

LOS ANGELES, CALIFORNIA 90017

TELEPHONE (213) 879-4414

March 9, 1983

Ms. Nancy Nathan
Office of General Counsel
Federal Elections Commission
1325 K Street, N.W.
7th Floor
Washington, D.C. 20463

RE: MUR 1460

Dear Ms. Nathan:

In regard to our earlier conversations and correspondence regarding the above-referenced matter, we hereby ask that you consider the response of the California Democratic Party in a letter dated January 18, 1983, from Cyrus J. Gardner, General Counsel to the Party, as a response for the Corman Campaign Committee. As we have previously indicated, the Corman Campaign Committee has no independent knowledge of the contacts between the California Democratic Party and the Democratic National Committee regarding expenditures made in behalf of the Corman Campaign Committee pursuant to Section 441a(d)(3)(B) of the Federal Election Campaign Act.

It is our understanding from Mr. Gardner that the California Democratic Party has information regarding their authority to make such expenditures on behalf of the Democratic National Committee, and that they have offered to furnish such information to you.

We will be happy to cooperate with you in any manner you deem appropriate. Thank you for your consideration in this matter.

Very truly yours,

Timothy P. Furlong

Timothy P. Furlong

TPF:nak

84030412995

MAR 9 5:24

MANATT, PHELPS, ROTHENBERG & TUNNEY

ATTORNEYS AT LAW

1200 NEW HAMPSHIRE AVENUE, N.W.

SUITE 200

WASHINGTON, D.C. 20036

Ms. Nancy Nathan
Office of the General Counsel
Federal Elections Commission
1325 K Street, N.W.
7th Floor
Washington, D.C. 20463

84020442896

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LAW OFFICES
BARASH & HILL
ONE CENTURY PLAZA
2020 CENTURY PARK EAST, SUITE 2080
LOS ANGELES, CALIFORNIA 90067
(213) 553-1177

TELECOPIER: (213) 552-4986
CABLE ADDRESS: BARHILL

JERRY M. HILL
ANTHONY H. BARASH
JOEL L. FISHMAN
A. CATHERINE STEEL
HOWARD A. PARELSKIN
GARY L. BOSTWICK
CYRUS J. GARDNER
BRIAN JAMES BIRD
CHRISTINA L. MACHON
CHARLES LOCKO

February 15, 1983

OUR FILE NO. 1397

Ms. Nancy Nathan
Federal Elections Commission
1325 "K" Street, N.W.
Washington, D.C. 20463

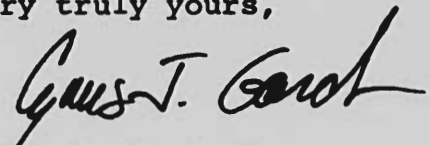
Re: MUR 1460

Dear Ms. Nathan:

Per our recent conversations, please find enclosed here-
with the original Affidavit of Dennis DeSnoo which sets forth
the facts concerning the California Democratic Party's agency
expenditures on behalf of the Democratic National Committee in
connection with the 1980 Lantos and Corman campaigns.

Please let us know if there is anything else which we
can provide. In that regard, please contact Christina Machon
of this office, who will be handling this matter in my absence.

Very truly yours,



Cyrus J. Gardner

CJGdb
enclosure

cc: Peter D. Kelly, Chair
Christina L. Machon

34030442897

01018
P 4: 04

83 FEB 18 P 4: 04

AFFIDAVIT OF DENNIS DESNOO

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

DENNIS DESNOO, being duly sworn, deposes and says as follows:

My name is Dennis DeSnoo. In 1980, I was the Executive Director of the California Democratic Party (the "Party"). I have personal knowledge of the matters stated herein.

In the Fall of 1980, in connection with the general election campaigns of Jim Corman and Tom Lantos for the U.S. House of Representatives, the Party's elected officers indicated to me that the Party desired that sums be expended on behalf of the campaigns of Messrs. Lantos and Corman in excess of the Party's own expenditure limits as set forth in the Federal Election Campaign Act of 1971, as amended (the "Act"). It was my understanding that the Democratic National Committee (the "DNC") did not intend to reach its own expenditure limits under the Act on behalf of these campaigns, and I therefore sought to obtain the DNC's agency authority for the Party to expend sums on the DNC's behalf.

In September of 1980, I telephoned Stewart Applebaum, known to me as the DNC's staff counsel, with authority to enter into the arrangement the Party desired. In that conversation, Mr. Applebaum granted the Party the DNC's agency authority with respect to the Lantos campaign, and the DNC later confirmed that

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arrangement by letter dated October 20, 1980, a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference.

In a later conversation with Mr. Applebaum, within the first two weeks of October, 1980, I requested agency authority for the Party with respect to the Corman campaign. Mr. Applebaum granted such authority in the conversation. This authority was to be confirmed by letter to the Party, but after a search of the records I cannot find that documentation.


DENNIS DESNOO

CAT. NO. NN88827
TO 1944 CA (7-82)

(Individual)

 **TITLE INSURANCE
AND TRUST**
A TIGER COMPANY

STATE OF CALIFORNIA
COUNTY OF Orange } ss.

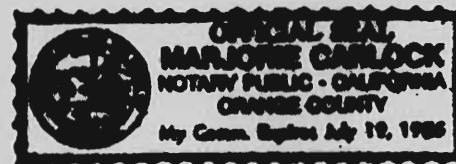
On February 11, 1983 before me, the undersigned, a Notary Public in and for said State, personally appeared DENNIS DeSNOO

_____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name _____ subscribed to the within instrument and acknowledged that _____ executed the same.

WITNESS my hand and official seal.

Signature

Marjorie Carlock



(This area for official notarial seal)

840304423

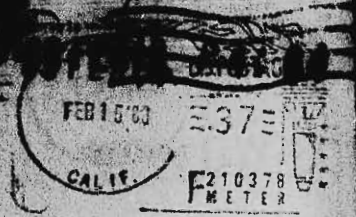
LAW OFFICES

BARASH & HILL

ONE CENTURY PLAZA

2029 CENTURY PARK EAST, SUITE 2050

LOS ANGELES, CALIFORNIA 90067



Ms. Nancy Nathan
Federal Elections Commission
1325 "K" Street, N.W.
Washington, D.C. 20463

DEMOCRATIC
NATIONAL COMMITTEE

1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

October 20, 1980

Mr. Dennis DeSnoo
Executive Director
California Democratic Party
6022 Wilshire Boulevard
Suite 201
Los Angeles, California 90036

Dear Dennis:

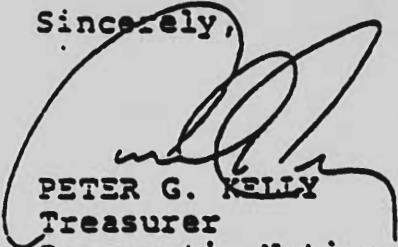
This letter sets forth in full the agreement between the Democratic National Committee ("DNC") and the California Democratic Party ("CDP"), by which the DNC would designate the CDP as its "agent" for the purpose of making expenditures pursuant to 2 USC 441a(d) on behalf of the Democratic candidate for the United States House of Representatives from the Eleventh Congressional District of California in this year's general election. The legal authority for this agency agreement is contained in §110.7(a)(4) of the Federal Election Commission Regulations (11 CFR §110.7(a)(4)). The DNC and the CDP agree specifically as follows:

1. The DNC hereby designate the CDP as its "agent" in the Eleventh Congressional District of California for the general election to be held this year for the United States House of Representatives, so that the CDP may make §441a(d) expenditures on behalf of the Democratic nominee.
2. The Executive Director of the CDP will apprise the Treasurer of the DNC of the cumulative amount

Attachment 2.

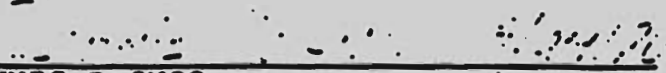
expended by the CDP pursuant to this agreement,
within 72 hours of any such expenditure.

Sincerely,



PETER G. KELLY
Treasurer
Democratic National Committee

Accepted & Agreed:



DENNIS DeSNOO
Executive Director
California Democratic Party

84030442902

JERRY M. HILL
ANTHONY H. BARASH
JOEL L. FISHMAN
A. CATHERINE STEEL
HOWARD A. PARELSKIN
GARY L. BOSTWICK
CYRUS J. GARDNER
BRIAN JAMES BIRD
CHRISTINA L. MACHON
CHARLES LOCKO

203856
LAW OFFICES
BARASH & HILL
ONE CENTURY PLAZA
2020 CENTURY PARK EAST, SUITE 2050
LOS ANGELES, CALIFORNIA 90067
(213) 553-1177

January 18, 1983

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Gcch 93.88
83 JAN 24 P 2: 28
TELECOPIER: (313) 552-4988
CABLE ADDRESS: BARHILL

OUR FILE NO. 1397

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Ms. Nancy Nathan
Office of the General Counsel
Federal Election Commission
Washington, D.C. 20463

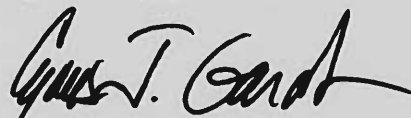
Re: MUR 1460

Dear Ms. Nathan:

34030442903
Per our earlier conversations and correspondence regarding the above-referenced MUR, we have undertaken a factual investigation to obtain the information necessary to respond to the questions raised in Chairman Reiche's letter of October 13, 1982, and enclosures thereto. That investigation has determined that, with respect to both the Lantos and Corman campaigns, the Respondent obtained advance spending authority by telephone from the Democratic National Committee before making any expenditures which could otherwise have been violative of Section 441a(d)(3)(B) of the Federal Election Campaign Act of 1971, as amended.

We would be pleased to obtain such documentation of the above representation as the Commission deems appropriate. Please contact the undersigned at your convenience in that regard.

Very truly yours,



Cyrus J. Gardner
General Counsel,
California Democratic Party

CJGdb

cc: Mr. Peter D. Kelly, State Chair
Ms. Nancy Pelosi, Immediate Past State Chair

840304 204

LAW OFFICES

BARASH & HILL

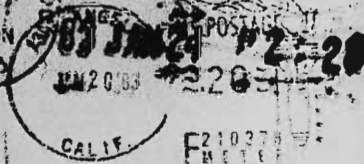
ONE CENTURY PLAZA

2029 CENTURY PARK EAST, SUITE 2050
LOS ANGELES, CALIFORNIA 90067

Ms. Nancy Nathan
Office of the General Counsel
Federal Election Commission
Washington, D.C. 20463



RECEIVED JAN 21 1983





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 29, 1982

Cyrus J. Gardner
Barash and Hill
One Century Plaza
2029 Century Park East
Suite 2050
Los Angeles, California 90067

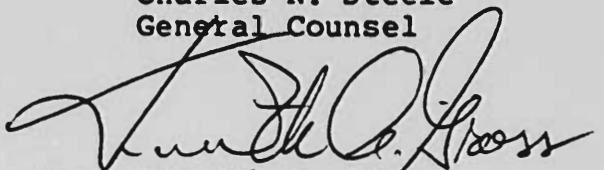
Re: MUR 1460
Democratic State Central Committee

Dear Mr. Gardner:

We have received your request for an extension of time in which to respond to the Commission's notice of its finding of reason to believe the Democratic State Central Committee violated the Federal Election Campaign Act of 1971, as amended. In view of your stated need to conduct an investigation and the delay in your receiving notice of the Commission's finding, your requested extension to January 15, 1983, is hereby granted.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

84030442905

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82 DEC 27 P 3: 30

TELECOPIER (213) 552-4988

CABLE ADDRESS: BARHILL

OUR FILE NO. 27 P 3: 42

LAW OFFICES
BARASH & HILL

ONE CENTURY PLAZA
2029 CENTURY PARK EAST, SUITE 2050
LOS ANGELES, CALIFORNIA 90067
(213) 553-1177

JERRY M. HILL
ANTHONY H. BARASH
JOEL L. FISHMAN
A. CATHERINE STEEL
HOWARD A. PARELSKIN
GARY L. BOSTWICK
CYRUS J. GARDNER
BRIAN JAMES BIRD
CHRISTINA L. MACHON
CHARLES LOCKO

December 22, 1982


Ms. Nancy Nathan
Office of the General Counsel
Federal Election Commission
Washington, D.C. 20463

Dear Ms. Nathan:

Enclosed please find a photocopy of a document designating Cyrus J. Gardner as counsel for the Democratic State Central Committee, thereby authorizing him to receive any communications and to act on the Committee's behalf.

If you have any questions, please do not hesitate to call.

Yours very truly,



Dione Benson
Legal Assistant
to Cyrus J. Gardner

DBd
enclosure

cc: Ms. Nancy Pelosi
Peter D. Kelly, Esq.

34030442906

STATEMENT OF DESIGNATION OF COUNSEL


NAME OF COUNSEL:

Cyrus Gardner
2029 Century Park East
Suite 2050
Los Angeles, CA 90067
(213) 553-1177

Re: MUR 1460

The above-named individual is hereby designated as counsel for the Democratic State Central Committee of California and is authorized to receive any notifications and other communications from the Commission and to act on the Committee's behalf before the Commission.

Dated: 12/21/82



PETER D. KELLY, Southern Chair
Democratic State Central Committee
of Los Angeles, California

Business Address:

1888 Century Park East
Suite 2100
Los Angeles, CA 90067
(213) 556-5531

34030442907

LAW OFFICES
BARASH & HILL

ONE CENTURY PLAZA
2029 CENTURY PARK EAST, SUITE 2050
LOS ANGELES, CALIFORNIA 90067

2



Ms. Nancy Nathan
Office of the General Counsel
Federal Election Commission
Washington, D.C. 20463

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LAW OFFICES
BARASH & HILL

ONE CENTURY PLAZA
2029 CENTURY PARK EAST, SUITE 2050
LOS ANGELES, CALIFORNIA 90067
(213) 553-1177

December 20, 1982

TELECOPIER: (213) 552-4958

CABLE ADDRESS: BARHILL

OUR FILE NO. 1397

JERRY M. HILL
ANTHONY H. BARASH
JOEL L. FISHMAN
A. CATHERINE STEEL
HOWARD A. PARELSKIN
GARY L. BOSTWICK
CYRUS J. GARDNER
BRIAN JAMES BIRD
CHRISTINA L. MACHON
CHARLES LOCKO

Ms. Nancy Nathan
Office of the General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1460

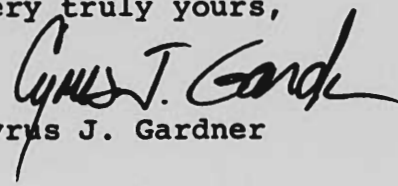
Dear Ms. Nathan:

Per our conversation this afternoon regarding the above-referenced MUR, the undersigned serves as General Counsel of the California Democratic Party and will be responsible for its response to Chairman Reiche's letter of October 13, 1982, and enclosures thereto. We will be forwarding under separate cover a Statement of Designation of Counsel to be executed on behalf of the Party by its Southern California Chair, Mr. Peter D. Kelly, as soon as Mr. Kelly returns to his office this week from business travel.

As we also discussed, we would very much appreciate an extension of time within which to respond to Chairman Reiche's correspondence to and including January 15, 1982, so that we may have an opportunity to conduct a factual investigation and to accomodate vacation schedules over the holidays.

In the meantime, if you have any questions, please do not hesitate to contact the undersigned.

Very truly yours,


Cyrus J. Gardner

CJGdb

cc: Ms. Nancy Pelosi, State Chair
Mr. Peter D. Kelly, Southern Chair

84030442909

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LAW OFFICES

BARASH & HILL

ONE CENTURY PLAZA

19 CENTURY PARK EAST, SUITE 2050

ANGELES, CALIFORNIA 90067

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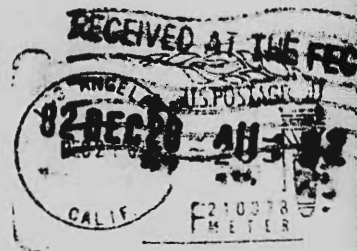
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Ms. Nancy Nathan
Office of the General Counsel
Federal Election Commission
Washington, D.C. 20463

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
1980 Corman for Congress
Committee

)
)
)
)

MUR 1460

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on December 17, 1982, the Commission approved by a vote of 6-0 the sending of the letter as attached to the General Counsel's December 15, 1982, Memorandum to the Commission in the above-captioned matter.

Commissioners Elliott, Harris, McDonald, McGarry, Aikens and Reiche voted affirmatively in this meeting.

Attest:

12/17/82

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary:
Circulated on 48 hour tally basis:

12-15-82, 11:20
12-15-82, 4:00

84030442911



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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OFFICE OF THE
COMMISSION SECRETARY

82 DEC 15 AM: 20

December 15, 1982

MEMORANDUM TO: The Commission

FROM: Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

RE: MUR 1460 - extension of time request

SENSITIVE

On December 7, 1982, the Commission approved a second request for an extension of time by the 1980 (Rep. James) Corman for Congress Committee in the above-referenced matter. That extension, to December 13, 1982, was requested and granted because counsel was in California investigating the matter, and needed additional time both there, and on his return to D.C., to compile a response. By letter dated December 10, 1982, counsel has requested a third extension of an additional five days (to December 18, 1982) in which to respond, in view of a search of records now being conducted by the California State Central Committee.

This Office recommends that the Commission grant the requested extension of time to December 18, 1982.

Recommendation
Send the attached letter.

Attachments
1. request for extension
2. proposed letter granting extension

84030442912

MANATT, PHELPS, ROTHENBERG & TUNNEY
A LIMITED LIABILITY PARTNERSHIP
ATTORNEYS AT LAW

200 NEW HAMPSHIRE AVENUE, N.W.
SUITE 200
WASHINGTON, D.C. 20036
TELEPHONE (202) 463-4300

December 10, 1982

CENTURY CITY OFFICE
1866 CENTURY PARK EAST
SUITE 2100
LOS ANGELES, CALIFORNIA 90067
TELEPHONE (213) 886-1300

SAN FRANCISCO OFFICE
100 BUSH STREET
SUITE 2314
SAN FRANCISCO, CA 94104
TELEPHONE (415) 398-1740

LOS ANGELES OFFICE
811 WEST SEVENTH STREET
TWELFTH FLOOR
LOS ANGELES, CALIFORNIA 90017
TELEPHONE (213) 676-4444

Mr. Kenneth A. Gross
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463

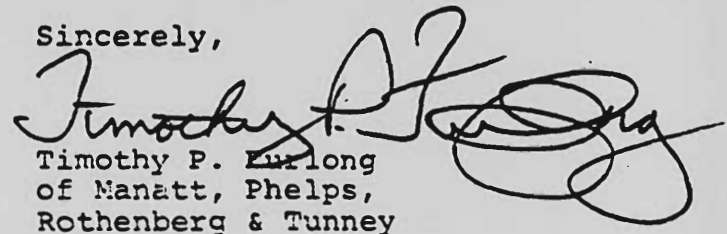
Dear Mr. Gross:

Re: MUR 1460

I have today received word from the California State Central Committee that they have not yet completed a search of their files in the above referenced matter. They inform me that an additional few days will be necessary to complete their work.

In view of the above, I would request a five day extension of our deadline to reply to the Commission's reason-to-believe finding in the above referenced matter.

Sincerely,


Timothy P. Furlong
of Manatt, Phelps,
Rothenberg & Tunney

TPF:bf

Attachment 1

84000442913



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Timothy P. Furlong, Esquire
Manatt, Phelps, Rothenberg and
Tunney
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

Re: MUR 1460

Dear Mr. Furlong:

In view of the search for records being conducted by the Democratic State Central Committee of California in the above-referenced matter, your request for an extension of time in which to file the response of the Corman for Congress Committee is granted. The response is due December 18, 1982.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

84030442914

Attachment 2

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Congressman James Corman)

MUR 1460

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on December 7, 1982, the Commission approved by a vote of 6-0 an extension of time for the Corman Campaign Committee to respond to the reason to believe finding in MUR 1460.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry and Reiche voted affirmatively in this matter.

Attest:

12-7-82

Date

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

Received in Office of Commission Secretary:
Circulated on 48 hour tally basis:

12-2-82, 2:43
12-3-82, 2:00

84030442915



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 17, 1982

Timothy P. Furlong, Esquire
Manatt, Phelps, Rothenberg and
Tunney
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

Re: MUR 1460

Dear Mr. Furlong:

In view of the search for records being conducted by the Democratic State Central Committee of California in the above-referenced matter, your request for an extension of time in which to file the response of the Corman for Congress Committee is granted. The response is due December 20, 1982.

Sincerely,

Charles N. Steele
General Counsel

Kenneth A. Gross - by AT

By: Kenneth A. Gross
Associate General Counsel

84030442916



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Timothy P. Furlong, Esquire
Manatt, Phelps, Rothenberg and
Tunney
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

Re: MUR 1460

Dear Mr. Furlong:

In view of the search for records being conducted by the Democratic State Central Committee of California in the above-referenced matter, your request for an extension of time in which to file the response of the Corman for Congress Committee is granted. The response is due December 20, 1982. *JS*

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

84030442917

132
12/17/82

SENSITIVE

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

82 DEC 2 P 2: 43

December 2, 1982

MEMORANDUM TO: The Commission

FROM: Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel *KAG*

RE: MUR 1460 - Extension of Time Request

On November 1, 1982, former Congressman James Corman, whose 1980 campaign committee is a respondent in MUR 1460, notified this Office that his 1980 campaign treasurer had just forwarded to him the Commission's October 13, 1982, notice of its reason to believe finding, and requested an extension of time to respond. (Attachment 1). On November 8, 1982, this Office granted an extension to November 30, 1982. (Attachment 2).

On November 29, 1982, counsel for Rep. Corman's committee telephoned from California, explaining that he was there to investigate the matter, but would not complete that for another week, and requested an extension for filing a response to December 13, 1982. A written request to that effect was hand-delivered by his Washington office. (Attachment 3)

The other respondent in MUR 1460 is the California Democratic State Central Committee Federal Candidates Fund. The reason-to-believe notification sent to the Committee's treasurer was returned to this Office as undeliverable, and was resent on November 30 to an address obtained by telephone from the current Committee offices. A response is due from the Committee by December 20, 1982.

The pending request from the Corman committee for an extension is the second such request. Pursuant to Commission Directive No. 42, we are submitting this matter to the Commission for its approval.

84030442918

Memo to Commission
Page 2

Recommendation:

Approve the attached letter granting Rep. James Corman an extension of time in which to respond to the reason-to-believe finding in MUR 1460.

Attachments

1. First request for extension of time
2. Letter granting extension to November 30, 1982
3. Second request for extension of time
4. Recommended letter granting extension to December 13, 1982

84030442919

JAMES C. CORMAN
1200 NEW HAMPSHIRE AVENUE, N.W.
SUITE 200
WASHINGTON, D.C. 20036

November 1, 1982

RECEIVED THE FED
6cc # 8835
02 NOV 2 A 0:28

12 NOV 2 P 4: 02

Ms. Nancy B. Nathan
Office of General Counsel
Federal Election Commission
1325 K Street, N.W., 7th Floor
Washington, D.C. 20463

Dear Ms. Nathan:

Pursuant to our telephone conversation, I wanted to let you know I received your correspondence of October 13th to Michael Narvid this morning.

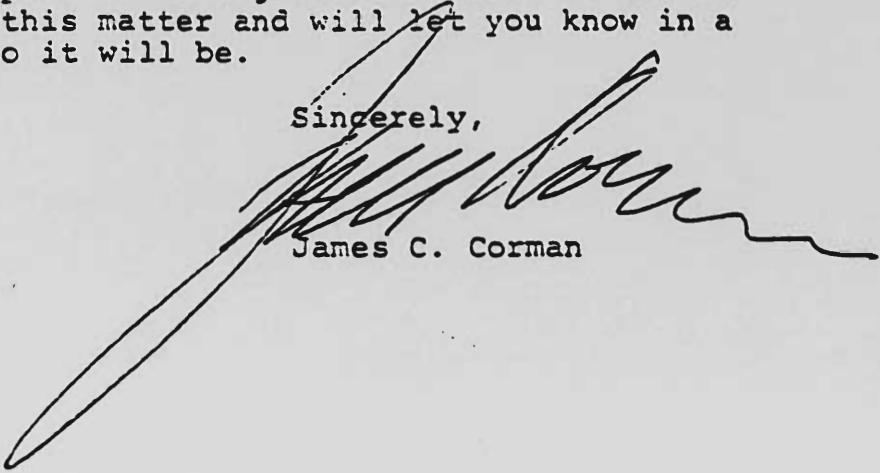
We will do our best to piece together as quickly as possible the circumstances concerning the contribution of the Democratic State Central Committee of California to the Corman Campaign Committee.

I have no present recollection of circumstances but I will today contact the campaign manager, the treasurer, and the chairman of the finance committee.

I would very much appreciate the Commission granting me some time in addition to the original 15 days to submit evidence.

I anticipate retaining local counsel to assist in resolving this matter and will let you know in a day or two who it will be.

Sincerely,


James C. Corman

JCC:bf

Attachment 1

84030442920



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1982

Honorable James C. Corman
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

Re: MUR 1460

Dear Mr. Corman:

We have received your letter of November 1, 1982, explaining that you had just received notice of the Commission's reason-to-believe finding in the above-referenced matter, and requesting an extension of time in which to respond.

In view of the delay in your receiving the notification, an extension of time to November 30, 1982, is granted.

Sincerely,

Charles N. Steele
General Counsel

A handwritten signature in dark ink, appearing to read "Kenneth A. Gross", is written over the typed name.

By: Kenneth A. Gross
Associate General Counsel

84030442921

Attachment 2

MANATT, PHELPS, ROTHENBERG & TUNNEY

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

ATTORNEYS AT LAW

1200 NEW HAMPSHIRE AVENUE, N.W.

SUITE 200

WASHINGTON, D.C. 20036

TELEPHONE (202) 463-4300

November 29, 1982

CENTURY CITY OFFICE

1888 CENTURY PARK EAST

SUITE 2100

LOS ANGELES, CALIFORNIA 90067

TELEPHONE (213) 558-1500

SAN FRANCISCO OFFICE

100 BUSH STREET

SUITE 2314

SAN FRANCISCO, CA 94104

TELEPHONE (415) 956-7840

LOS ANGELES OFFICE

811 WEST SEVENTH STREET

TWELFTH FLOOR

LOS ANGELES, CALIFORNIA 90017

TELEPHONE (213) 879-4414

BY MESSENGER

Ms. Nancy B. Nathan
Office of General Counsel
Federal Election Commission
1325 K Street, N.W., 7th Floor
Washington, D.C. 20463

Dear Ms. Nathan:

This is to confirm our conversation by phone today wherein I requested an extension until December 13, 1982 for our reply concerning the Commission's findings regarding the 1980 Corman for Congress Committee. We find it necessary to request this extension so that we may make contacts with representatives of the office of the California Democratic State Central Committee concerning this matter.

Thank you for your consideration.

Sincerely,

Timothy B. Furlong

Timothy B. Furlong
of Manatt, Phelps,
Rothenberg & Tunney

TPF:bf

Attachment 3

84030442922

2 NOV 29 3:48



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Timothy P. Furlong, Esq.
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

Re: MUR 1460

Dear Mr. Furlong:

We have received your letter dated November 29, 1982, requesting an extension to December 13, 1982, of the time in which to reply to the Commission's reason-to-believe finding in the above-referenced matter.

The requested extension is granted, in view of the stated need to investigate the matter with representatives of the Democratic State Central Committee.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Attachment 4

84030442923



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 8, 1982

Timothy P. Furlong, Esq.
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

Re: MUR 1460

Dear Mr. Furlong:

We have received your letter dated November 29, 1982, requesting an extension to December 13, 1982, of the time in which to reply to the Commission's reason-to-believe finding in the above-referenced matter.

The requested extension is granted, in view of the stated need to investigate the matter with representatives of the Democratic State Central Committee.

Sincerely,

Charles N. Steele
General Counsel

A handwritten signature in dark ink, appearing to read "Kenneth A. Gross", is written over the typed name.

By: Kenneth A. Gross
Associate General Counsel

84030442924



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Timothy P. Furlong, Esq.
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

Re: MUR 1460

Dear Mr. Furlong:

We have received your letter dated November 29, 1982, requesting an extension to December 13, 1982, of the time in which to reply to the Commission's reason-to-believe finding in the above-referenced matter.

The requested extension is granted, in view of the stated need to investigate the matter with representatives of the Democratic State Central Committee.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

WSS
12/7/82

34030442925

Gcc# 9085

MANATT, PHELPS, ROTHENBERG & TUNNEY

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

ATTORNEYS AT LAW

1200 NEW HAMPSHIRE AVENUE, N.W.

SUITE 200

WASHINGTON, D.C. 20036

TELEPHONE (202) 463-4300

CENTURY CITY OFFICE

1888 CENTURY PARK EAST

SUITE 2100

LOS ANGELES, CALIFORNIA 90067

TELEPHONE (213) 556-1600

SAN FRANCISCO OFFICE

100 BUSH STREET

SUITE 2314

SAN FRANCISCO, CA 94104

TELEPHONE (415) 961-7640

LOS ANGELES OFFICE

811 WEST SEVENTH STREET

TWELFTH FLOOR

LOS ANGELES, CALIFORNIA 90017

TELEPHONE (213) 879-4414

2 DEC 10 P4:54

December 10, 1982

Mr. Kenneth A. Gross
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463

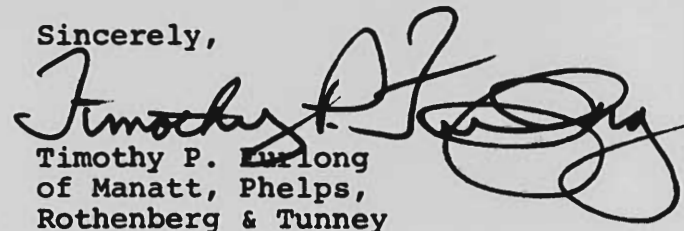
Re: MUR 1460

Dear Mr. Gross:

I have today received word from the California State Central Committee that they have not yet completed a search of their files in the above referenced matter. They inform me that an additional few days will be necessary to complete their work.

In view of the above, I would request a five day extension of our deadline to reply to the Commission's reason-to-believe finding in the above referenced matter.

Sincerely,


Timothy P. Furlong
of Manatt, Phelps,
Rothenberg & Tunney

TPF:bf

84030442926

MANATT, PHELPS, ROTHENBERG & TUNNEY

ATTORNEYS AT LAW

1200 NEW HAMPSHIRE AVENUE, N.W.

SUITE 200

WASHINGTON, D.C. 20036

Mr. Kenneth A. Gross
Associate General Counsel
Federal Election Commission
1325 K Street, N.W., 7th Floor
Washington, D.C. 20463

2 DEC 10 P 4: 54

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8cc#9016

MANATT, PHELPS, ROTHENBERG & TUNNEY

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

ATTORNEYS AT LAW

1200 NEW HAMPSHIRE AVENUE, N.W.

SUITE 200

WASHINGTON, D.C. 20036

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LOS ANGELES OFFICE

811 WEST SEVENTH STREET

TWELFTH FLOOR

LOS ANGELES, CALIFORNIA 90017

TELEPHONE (213) 679-4414

November 29, 1982

BY MESSENGER

Ms. Nancy B. Nathan
Office of General Counsel
Federal Election Commission
1325 K Street, N.W., 7th Floor
Washington, D.C. 20463

Dear Ms. Nathan:

This is to confirm our conversation by phone today wherein I requested an extension until December 13, 1982 for our reply concerning the Commission's findings regarding the 1980 Corman for Congress Committee. We find it necessary to request this extension so that we may make contacts with representatives of the office of the California Democratic State Central Committee concerning this matter.

Thank you for your consideration.

Sincerely,

Timothy B. Furlong

Timothy B. Furlong
of Manatt, Phelps,
Rothenberg & Tunney

TPF:bf

84030442928

2 NOV 29 P 3:48

84030442929

MANATT, PHELPS, ROTHENBERG & TUNNEY

ATTORNEYS AT LAW

1200 NEW HAMPSHIRE AVENUE, N.W.

SUITE 200

WASHINGTON, D.C. 20036

Ms. Nancy B. Nathan
Office of General Counsel
Federal Election Commission
1325 K Street, N.W., 7th Floor
Washington, D.C. 20463

BY MESSENGER



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1982

Honorable James C. Corman
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

Re: MUR 1460

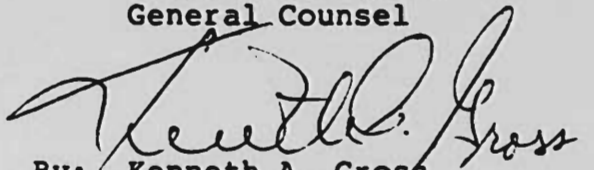
Dear Mr. Corman:

We have received your letter of November 1, 1982, explaining that you had just received notice of the Commission's reason-to-believe finding in the above-referenced matter, and requesting an extension of time in which to respond.

In view of the delay in your receiving the notification, an extension of time to November 30, 1982, is granted.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

84030442930

1460

2 NOV 5 13:22

Scott 88
74

JAMES C. CORMAN
1200 NEW HAMPSHIRE AVENUE, N.W.
SUITE 200
WASHINGTON, D.C. 20036

November 2, 1982

Ms. Nancy B. Nathan
Office of General Counsel
Federal Election Commission
1325 K Street, N.W., 7th Floor
Washington, D.C. 20463

Dear Ms. Nathan:

Enclosed is the statement of
designation of counsel which I mentioned
in my November 1st letter to you.

Sincerely,


James C. Corman

JCC:bf
Enclosure

84000442931

STATEMENT OF DESIGNATION OF COUNSEL

NAME OF COUNSEL: Timothy P. Furlong
ADDRESS: 1200 New Hampshire Ave., N.W., Suite 200
Washington, D.C. 20036
TELEPHONE: 463-4330

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.

2 Nov 1982
Date

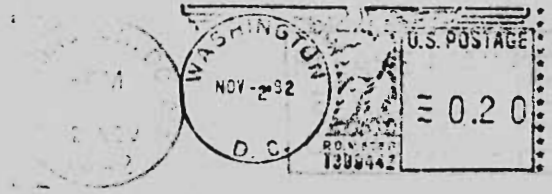
Signature

NAME: James C. Corman
ADDRESS: 1200 New Hampshire Ave., N.W., Suite 200

HOME PHONE: 703 556-9660
BUSINESS PHONE: 202 463-4320

8 4 0 0 0 4 2 2 3 3

Ms. Nancy B. Nathan
Office of General Counsel
Federal Election Commission
1325 K Street, N.W., 7th Floor
Washington, D.C. 20463



02 NOV 5 A10:45

REC'D
FEDERAL ELECTION COMMISSION

02 NOV 42 14:00

November 1, 1982

12 NOV 2 P4:02

Ms. Nancy B. Nathan
Office of General Counsel
Federal Election Commission
1325 K Street, N.W., 7th Floor
Washington, D.C. 20463

Dear Ms. Nathan:

Pursuant to our telephone conversation, I wanted to let you know I received your correspondence of October 13th to Michael Narvid this morning.

We will do our best to piece together as quickly as possible the circumstances concerning the contribution of the Democratic State Central Committee of California to the Corman Campaign Committee.

I have no present recollection of circumstances but I will today contact the campaign manager, the treasurer, and the chairman of the finance committee.

I would very much appreciate the Commission granting me some time in addition to the original 15 days to submit evidence.

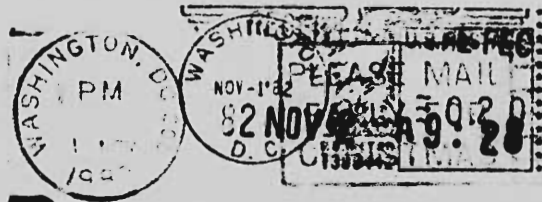
I anticipate retaining local counsel to assist in resolving this matter and will let you know in a day or two who it will be.

Sincerely,

James C. Corman

JCC:bf

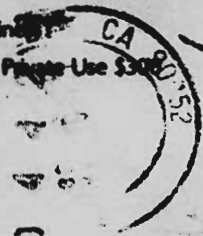
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Ms. Nancy B. Nathan
Office of General Counsel
Federal Election Commission
1325 K Street, N.W., 7th Floor
Washington, D.C. 20463

AL ELECTION COMMISSION
NGTON, D.C. 20463

Business
for Private Use \$300



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*resent
11/24/62*



☐ ATTEMPTED
NO KNOW
☐ NO SUCH NUMBER



DATE 11/24/62 RT

John Means, Treasurer
Democratic State Central Committee
Federal Candidates Fund
6022 Wilshire Boulevard
Suite 201
Los Angeles, California 90036



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
California Democratic State Central) MUR 1460
Committee Federal Candidates Fund)
Corman Campaign Committee)
Tom Lantos for Congress Committee)

CERTIFICATION

I, Lena L. Stafford, Recording Secretary for the Federal Election Commission meeting on October 5, 1982, do hereby certify that the Commission took the following actions with regard to the above-entitled matter:

1. Decided in a vote of 6-0 to find reason to believe that the California Democratic State Central Committee Federal Candidates Fund violated 2 U.S.C. § 441a(a) (2) (A) and (d) (3) (B).

Commissioners Aikens, Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively for the decision.

2. Decided in a vote of 4-2 to find reason to believe that the Corman Campaign Committee violated 2 U.S.C. § 441a(f) in accepting contributions from the California Democratic State Central Committee Federal Candidates Fund in the form of excessive expenditures.

Commissioners Aikens, Harris, McDonald, and Reiche voted affirmatively for the decision. Commissioners Elliott and McGarry dissented.

(continued)

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CERTIFICATION
OCTOBER 5, 1982 Meeting
MUR 1460

3. Decided in a vote of 5-1 to find reason to believe that the Tom Lantos for Congress Committee violated 2 U.S.C. § 441a(f) in accepting contributions from the California Democratic State Central Committee Federal Candidates Fund in the form of excessive expenditures and close the file.

Commissioners Aikens, Elliott, Harris, McGarry, and Reiche voted affirmatively for the decision. Commissioner McDonald dissented.

4. Decided in a vote of 6-0 to direct the staff to send the appropriate letters pursuant to the decisions made today in the meeting.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively for the decision.

Attest:

10-8-82
Date

Lena L. Stafford
Recording Secretary

84030442938



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/JODY C. RANSOM *geh*
OFFICE OF THE SECRETARY TO THE COMMISSION

DATE: OCTOBER 1, 1982

SUBJECT: ADDITIONAL OBJECTION - MUR 1460 First General
Counsel's Report dated September 28, 1982

You were notified previously of an objection by
Commissioner Elliott.

Commissioner McGarry submitted an additional objection
at 10:51, October 1, 1982.

This matter will be discussed in executive session
on Tuesday, October 5, 1982.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE, GENERAL COUNSEL
FROM: MARJORIE W. EMMONS/JODY RANSOM *JK*
DATE: SEPTEMBER 29, 1982
SUBJECT: OBJECTION - MUR 1460 First General Counsel's
Report dated September 28, 1982; Received
in OCS, 9-28-82, 3:19

The above-named document was circulated to the Commission on
September 29, 1982 at 11:00.

Commissioner Elliott submitted an objection to this matter
at 12:11, September 29, 1982.

This matter will be placed on the agenda for the Executive
Session of Tuesday, October 5, 1982.

84030442940

SENSITIVE

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

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

82 SEP 28 P 3: 19

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL MUR # 1460
BY OGC TO THE COMMISSION 9-28-82 STAFF MEMBER Nancy Nathan

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

RESPONDENT'S NAME: Democratic State (California) Central
Committee Federal Candidates Fund

RELEVANT STATUTE: 2 U.S.C. § 441a(a)(2)(A), (d)(3)(B), 441a(f).

INTERNAL REPORTS CHECKED: None

FEDERAL AGENCIES CHECKED: None

GENERATION OF MATTER

The final audit report of the Democratic State Central Committee of California ("the Committee"), Federal Candidates Fund, included referral of this matter to the Office of General Counsel. (Attachment 1)

SUMMARY OF ALLEGATIONS

The matter referred to the Office of General Counsel involves excessive expenditures made by the Committee on behalf of the 1980 campaigns of Representatives James Corman (Ca.-21) and Tom Lantos (Ca.-11), indicating apparent violations of 2 U.S.C. § 441a(a)(2)(A) and (d)(3)(B).

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FACTUAL AND LEGAL ANALYSIS

Section 441a(d)(3)(B) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), states in relevant part that a state committee of a political party may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a state who is affiliated with such party that exceeds, in the case of a candidate for election to the office of Representative, \$10,000 (adjusted to \$14,720 for the 1980 election).

The Commission's interim audit report of the Committee revealed that 1980 expenditures made by the Committee on behalf of Representatives Corman and Lantos exceeded the Committee's expenditure limits under 2 U.S.C. § 441a(d)(3)(B). 1/

The interim audit report noted that the Committee could avoid a statutory violation if it could use the Democratic National Committee's ("DNC") 2 U.S.C. § 441a(d)(3)(B) spending limits and, as to Representative Corman, the DNC's 2 U.S.C. § 441a(a) contribution limit. The Office of General Counsel

1/ Expenditures on behalf of Rep. Corman totaled \$36,211, including an obligation for \$2,085 which remains unpaid, and expenditures on behalf of Rep. Lantos totaled \$29,242, which includes an unsatisfied obligation for \$5,724. For 1980, the Committee's expenditure limit as to each Congressional candidate was \$14,720. The contribution limit of \$5,000 for each candidate also could be used to offset expenditures. Therefore, as to Corman, expenditures (and obligations) exceeded the Committee's combined 2 U.S.C. § 441a(d)(3) and 441a(a) limits by \$16,491, and as to Lantos, by \$9,522.

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recommended to the Commission that such transfers of expenditure and contribution authority be permitted.

On February 17, 1982, the Commission decided that a national party committee's 2 U.S.C. § 441a(a) contribution limit never may be assigned to a state party committee for its own use. On the same date, the Commission also determined that authority for a state party committee to use a national party committee's spending limits under 2 U.S.C. § 441a(d)(3)(B) must be granted before such limits are used by the state committee.

No documentation has been presented by the Committee to evidence any transfer of agency to the Committee by the DNC for the purpose of making the excessive expenditures made in 1980 on behalf of Reps. Corman and Lantos, although the interim audit report requested submission of such evidence. As to Corman, the Commission received a letter from the DNC, dated September 3, 1981, which asserted that the DNC had, in fact, transferred its 2 U.S.C. § 441a(d)(3) spending authority to the Committee for the purpose of making expenditures on Corman's behalf. That letter states that the DNC "simply transferred its 441a(d) authority" to the Committee, but does not refer to a date of such transfer and does not allege that such transfer was made before the expenditures. (Attachment 2)

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As to Rep. Lantos, the Committee presented, in its response to the interim audit report, a copy of a letter dated October 20, 1980, from the DNC treasurer to the Committee's executive director, purporting to designate the Committee the agent of DNC for the purpose of making expenditures on behalf of Lantos.

(Attachment 3) The expenditure made by the Committee on Lantos' behalf that caused the total expended to exceed the Committee's own limits under both 2 U.S.C. § 441a(d)(3)(B) and § 441a(a) was made on October 17, 1980, i.e., three days before the letter was written. 2/

Because no adequate documentation was provided to indicate that agency status was effectively conferred on the Committee by DNC as to the spending on behalf of Reps. Corman and Lantos, the Commission voted to refer the matter to the General Counsel because of the apparently excessive expenditures made by the Committee on behalf of both candidates.

As is noted supra, the interim audit report advised the Committee that it provide legal and factual materials in support of its authority to make expenditures on behalf of the DNC. While submission as to Rep. Lantos was made in response to that recommendation, it proved ineffective as evidence of a prior, valid transfer of agency authority. During the investigatory stage of this matter, the Committee may submit clarifying information to support the implication contained in the DNC's

2/ The services in question were performed on October 10, 1982, or eleven days before the date of the letter. Payment was made for the services October 17.

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September 3, 1981, letter to the Commission that an effective transfer of spending authority was made during the course of the 1980 Corman campaign. Further, evidence might be submitted to demonstrate that the letter from DNC to the Committee that was dated after the final expenditure had been made on behalf of Rep. Lantos was a memorialization of a timely grant of authority by telephone.

It is recommended that the Commission find reason to believe that the Democratic State (California) Central Committee Federal Candidates Fund made impermissible expenditures on behalf of the 1980 campaigns of Representatives James Corman and Tom Lantos.

Because of their acceptance of expenditures made on their behalf by the Committee it is recommended that the Commission find reason to believe that Representatives James Corman and Tom Lantos violated 2 U.S.C. § 441a(f) in knowingly accepting contributions violative of the Act.

RECOMMENDATIONS:

1. Find reason to believe that the California Democratic State Central Committee Federal Candidates Fund violated 2 U.S.C. § 441a(a)(2)(A) and (d)(3)(B).
2. Find reason to believe that the 1980 campaign committee of Representative James Corman violated 2 U.S.C. § 441a(f) in accepting contributions from the California Democratic State Central Committee Federal Candidates Fund in the form of excessive expenditures made on Rep. Corman's behalf.

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3. Find reason to believe that the 1980 campaign committee of Representative Tom Lantos violated 2 U.S.C. § 441a(f) in accepting contributions from the California Democratic State Central Committee Federal Candidates Fund in the form of excessive expenditures made on Rep. Lantos' behalf.
4. Approve and send the attached letters.

Charles N. Steele
General Counsel

Date

By:


Kenneth A. Gross
Associate General Counsel

Attachments:

1. Final audit report
2. September 3, 1981 letter from DNC to the Commission
3. October 20, 1980 letter from DNC to the Committee
- 4-6. Proposed letters and General Counsel's Factual and Legal Analyses

84030442946



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

A81-32

REPORT OF THE AUDIT DIVISION
ON THE
DEMOCRATIC STATE CENTRAL COMMITTEE
FEDERAL CANDIDATES FUND

I. Background

A. Overview

84030442947
This report is based upon an audit of the Democratic State Central Committee (of California) Federal Candidates Fund ("the Committee"), undertaken by the Audit Division of the Federal Election Commission in accordance with the Commission's audit policy to determine whether there has been compliance with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The audit was conducted pursuant to Section 438(b) of Title 2 of the United States Code which states, in part, that the Commission may conduct audits and field investigations of any political committee required to file a report under Section 434 of this title. Prior to conducting any audit under this section, the Commission shall perform an internal review of reports filed by selected committees to determine if the reports filed by a particular committee meet the threshold requirements for substantial compliance with the Act.

The Committee registered with the Comptroller General of the United States on September 16, 1975. The Committee maintains its headquarters in Los Angeles, California. The audit covered the period from January 1, 1980 through December 31, 1980. The Committee reported a beginning cash balance of \$1,980.00, total receipts of \$171,672.00, total expenditures of \$173,663.00, and an ending cash balance of \$(11.00).

This audit report is based on documents and workpapers which support each of its factual statements. They form part of the record upon which the Commission based its decisions on the matters in the report and were available to the Commissioners and appropriate staff for review.

Attachment 1 - 10/6

B. Key Personnel

The Treasurer of the Committee during the period of the audit was Madale Watson from January 1, 1980 to January 31, 1980 and Loretta Collier from February 1, 1980 to December 31, 1980.

C. Scope

The audit included such tests as verification of total reported receipts and expenditures and individual transactions; review of required supporting documentation and analysis of Committee debts and obligations; and such other audit procedures as deemed necessary under the circumstances.

II. Audit Findings and Recommendations

A. Continuous Disclosure of Debts and Obligations

Section 104.11(a) of Title 11, Code of Federal Regulations states in relevant part, that debts and obligations owed by or to a political committee which remain outstanding shall be continuously reported until extinguished. Also, Section 104.3(d) of Title 11, Code of Federal Regulations states in relevant part, that each report filed under 11 C.F.R. 104.1 shall, on Schedule C or D, as appropriate, disclose the amount and nature of outstanding debts and obligations owed by or to the reporting committee.

During the audit it was determined that the Committee disclosed four (4) debts and obligations totaling \$9,730.00 in the 1980 30 Day Post General Election Report, but did not disclose them in the 1980 Year End Report or thereafter. The debts remain outstanding through the close of the audit fieldwork (October 27, 1981).

On November 23, 1981, the Committee filed an amended 1980 Year End report and an amended 1981 Mid Year report. These reports disclosed \$11,942.00 ^{1/} in debts and obligations owed by the Committee on line 10 of FEC form 3X (Summary Page), but did not include the requisite supporting Schedules 'D' for itemization purposes.

^{1/} Due to overbilling errors by a vendor, the amount included on the amended reports (\$11,942.00) varies from the audit verified amount noted above (\$9,730.00). The difference of \$2,212.00 is not a legitimate debt owed by the Committee and should not be included on the recommended amended reports.

On April 12, 1982, the Committee submitted an amended 1980 Year End report and a comprehensive amendment for 1981 (including Schedules 'D') which properly disclose these debts and obligations.

Recommendation

The Audit staff recommends no further action on this matter.

B. Other Matter

A certain other matter noted during the audit was referred to the Commission's Office of General Counsel on August 3, 1982.

84030442949

Attachment 1- 3 of 6

A. Excessive Coordinated Expenditures

Section 441a(d) (3) (B) of Title 2, United States Code states in relevant part, that a State committee of a political party may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a State who is affiliated with such party which exceeds in the case of a candidate for election to the office of Representative, \$10,000 (as adjusted to \$14,720 for the 1980 elections).

During the audit it was determined that the Committee made expenditures on behalf of two (2) candidates for election to the office of Representative in excess of the limitation set forth in 2 U.S.C. 441a(d) (3) (B). In the case of one candidate (Corman CA-21), the Committee made expenditures of \$34,126 and incurred an obligation to make an expenditure on behalf of the candidate for \$2,085 for an overall total of \$36,211. In the case of the other candidate (Lantos CA-11), the expenditures total \$23,518 and the obligation on behalf of the candidate totals \$5,724, for an overall total of \$29,242.00. In both cases, the Committee's accountant 1/ stated that he was unaware of the limitations placed upon coordinated expenditures.

In an attempt to resolve this matter, the Committee has proposed a combined limitation with the Democratic National Committee ("DNC") for such coordinated expenditures and contributions to the two (2) candidates. Under that proposal, the overall limitation for coordinated expenditures and contributions by the Committee and the DNC combined would total \$39,440 (i.e., the \$14,720 limitation on coordinated expenditures as well as the \$5,000 contribution limitation for each committee).

In a letter dated September 3, 1981 from the DNC to the Commission, the DNC stated that it had transferred its authority to make coordinated expenditures on behalf of one of the aforementioned candidates (Corman) to the Committee. No mention was made of the other candidate (Lantos) in this letter. It should be noted that this letter was received nearly one (1) year after the coordinated expenditures were made by the Committee.

1/ The present Committee Treasurer designated the accountant and bookkeeper of the Committee to act on his behalf during the audit fieldwork.

On February 17, 1982, the Commission considered the question of "after the fact" assignment of 2 U.S.C. 441a(d) spending authority, as well as, the assignment of 2 U.S.C. 441a(a) contribution authority. The Commission took the position that (1) there can be no "after the fact" assignment of 2 U.S.C. 441a(d) spending authority and (2) there can be no assignment whatsoever of 2 U.S.C. 441a(a) contribution authority.

On June 3, 1982, the Committee submitted a response to the interim audit report in the form of a letter dated October 20, 1980 from the DNC Treasurer to the Executive Director of the Committee. This letter specifically designates the Committee as an agent of the DNC for the purposes of making coordinated expenditures on behalf of the Democratic nominee (Lantos) in the 11th Congressional District in California. It should be noted that all of the coordinated expenditures on behalf of Lantos were made from 4/29/80 to 10/17/80, prior to the date of the aforementioned letter. However, the coordinated expenditure which caused the Committee to exceed its limit on such expenditures was made on 10/17/80, only three days prior to the date of the letter which designated the Committee as an agent of the DNC. Due to the proximity of the above dates, it is the opinion of the Audit staff that the agency designation should be viewed as a valid transfer of authority to make coordinated expenditures on behalf of Lantos.

With respect to the expenditures on behalf of Corman, the Committee did not submit any additional documentation. It is the Audit staff's opinion that the Committee made excessive contributions totaling \$16,491.00 ^{2/} representing expenditures on behalf of Corman in excess of the 2 U.S.C. 441a(d)(3) limitation.

With respect to expenditures made on behalf of Lantos, it is the Audit staff's opinion, that no further action is necessary since the total value of the assignment of the DNC's 2 U.S.C. 441a(d)(3) spending authority (\$14,720) plus the Committee's own 2 U.S.C. 441a(d)(3) limit and 2 U.S.C. 441a(a) contribution limit results in the amount expended on behalf of Lantos to be within the applicable limitation(s).

<u>2/</u> Total Coordinated Expenditures and Obligations Incurred on behalf of Corman	\$36,211
Committee's 441a(d)(3)(B) limit	(14,720)
Committee's 441a(a) limit	(5,000)
Excessive Contribution	<u>\$16,491</u>

Recommendation

Due to the amount of the excessive contribution on behalf of Corman, it is recommended that this matter be referred to the Office of General Counsel.

84030442952

DEMOCRATIC
NATIONAL COMMITTEE

1625 Massachusetts Ave., N.W. Washington, D.C. 20004

September 3, 1981

Mr. Mike Thompson
Reports Analysis Division
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

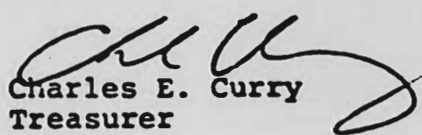
Dear Mr. Thompson:

The Democratic State Central Committee of California has advised the Democratic National Committee that their report will be amended to disclose that they made a contribution-in-kind to the Corman for Congress Committee in addition to making coordinated expenditure of \$29,440 on his behalf.

This \$29,440 represents the combined 441a(d)(3) limits of the Democratic State Central Committee of California and the DNC, whose limit was expended by its agent, the Democratic State Central Committee of California. It is the belief of the Democratic State Central Committee that this amended report will remove any question of exceeding permissible limits of coordinated expenditures. Since the Democratic National Committee simply transferred its 441(a)d authority to the Democratic State Central Committee and did not make any direct contribution or coordinated expenditure on behalf of either the DSCC or the Corman for Congress Committee, there is no reason to amend its reports.

If you have any questions, please contact us.

Sincerely,


Charles E. Curry
Treasurer

Attachment 2

DEMOCRATIC
NATIONAL COMMITTEE

1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

October 20, 1980

Mr. Dennis DeSnoo
Executive Director
California Democratic Party
6022 Wilshire Boulevard
Suite 201
Los Angeles, California 90036

Dear Dennis:

This letter sets forth in full the agreement between the Democratic National Committee ("DNC") and the California Democratic Party ("CDP"), by which the DNC would designate the CDP as its "agent" for the purpose of making expenditures pursuant to 2 USC 441a(d) on behalf of the Democratic candidate for the United States House of Representatives from the Eleventh Congressional District of California in this year's general election. The legal authority for this agency agreement is contained in §110.7(a)(4) of the Federal Election Commission Regulations (11 CFR §110.7(a)(4)). The DNC and the CDP agree specifically as follows:

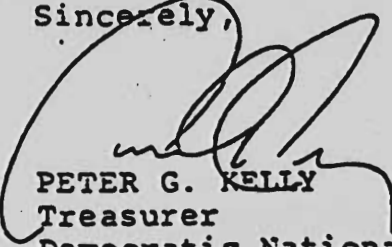
1. The DNC hereby designate the CDP as its "agent" in the Eleventh Congressional District of California for the general election to be held this year for the United States House of Representatives, so that the CDP may make §441a(d) expenditures on behalf of the Democratic nominee.
2. The Executive Director of the CDP will apprise the Treasurer of the DNC of the cumulative amount

Attachment 3-1 of 2

9

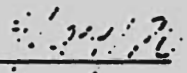
expended by the CDP pursuant to this agreement,
within 72 hours of any such expenditure.

Sincerely,



PETER G. KELLY
Treasurer
Democratic National Committee

Accepted & Agreed:


DENNIS DeSNOO
Executive Director
California Democratic Party

84030442955

Attachment 3-2 of 2



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

John Means, Treasurer
Democratic State Central Committee
Federal Candidates Fund
6022 Wilshire Boulevard
Suite 201
Los Angeles, California 90036

Dear Mr. Means:

On , 1982, the Federal Election Commission determined that there is reason to believe that the Democratic State Central Committee Federal Candidates Fund violated 2 U.S.C. § 441a(a)(2)(A) and (d)(3)(B), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, the Committee has an opportunity to demonstrate that no action should be taken against it. Please submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter.

In the absence of any additional information that demonstrates that no further action should be taken against the Committee, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of reason to believe. See 11 C.F.R. § 111.18(d).

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

Attachment 4 - 189

Letter to John Means
Page 2

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Nancy B. Nathan, at (202) 523-4073.

Sincerely,

Enclosures

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

84030442957

Attachment 4-2019

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1460
STAFF MEMBER(S) & TEL NO.
Nancy Nathan
(202) 523-4073

RESPONDENT Democratic State (California) Central Committee
Federal Candidates Fund

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The matter referred to the Office of General Counsel following the Commission's audit of the Democratic State (California) Central Committee Federal Candidates Fund ("the Committee") involves excessive expenditures made by the Committee on behalf of the 1980 campaigns of Representatives James Corman (Ca.-21) and Tom Lantos (Ca.-11), indicating apparent violations of 2 U.S.C. § 441a(a)(2)(A) and (d)(3)(B).

FACTUAL AND LEGAL ANALYSIS

Section 441a(d)(3)(B) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), states in relevant part that a state committee of a political party may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a state who is affiliated with such party that exceeds, in the case of a candidate for election to the office of Representative, \$10,000 (adjusted to \$14,720 for the 1980 election).

84030442938

The Commission's interim audit report of the Committee revealed that 1980 expenditures made by the Committee on behalf of Representatives Corman and Lantos exceeded the Committee's expenditure limits under 2 U.S.C. § 441a(d)(3)(B). 1/

On February 17, 1982, the Commission decided that a national party committee's 2 U.S.C. § 441a(a) contribution limit never may be assigned to a state party committee for its own use. On the same date, the Commission also determined that authority for a state party committee to use a national party committee's spending limits under 2 U.S.C. § 441a(d)(3)(B) must be granted before such limits are used by the state committee.

No documentation has been presented by the Committee to evidence any transfer of agency to the Committee by the DNC for the purpose of making the excessive expenditures made in 1980 on behalf of Reps. Corman and Lantos, although the interim audit report requested submission of such evidence. As to Corman, the Commission received a letter from the DNC, dated September 3, 1981, which asserted that the DNC had, in fact, transferred its

1/ Expenditures on behalf of Rep. Corman totaled \$36,211, including an obligation for \$2,085 which remains unpaid, and expenditures on behalf of Rep. Lantos totaled \$29,242, which includes an unsatisfied obligation for \$5,724. For 1980, the Committee's expenditure limit as to each Congressional candidate was \$14,720. The contribution limit of \$5,000 for each candidate also could be used to offset expenditures. Therefore, as to Corman, expenditures (and obligations) exceeded the Committee's combined 2 U.S.C. § 441a(d)(3) and 441a(a) limits by \$16,491, and as to Lantos, by \$9,522.

2 U.S.C. § 441a(d)(3) spending authority to the Committee for the purpose of making expenditures on Corman's behalf. That letter states that the DNC "simply transferred its 441a(d) authority" to the Committee, but does not refer to a date of such transfer and does not allege that such transfer was made before the expenditures. (Attachment 1)

As to Rep. Lantos, the Committee presented, in its response to the interim audit report, a copy of a letter dated October 20, 1980, from the DNC treasurer to the Committee's executive director, purporting to designate the Committee the agent of DNC for the purpose of making expenditures on behalf of Lantos.

(Attachment 2) The expenditure made by the Committee on Lantos' behalf that caused the total expended to exceed the Committee's own limits under both 2 U.S.C. § 441a(d)(3)(B) and § 441a(a) was made on October 17, 1980, i.e., three days before the letter was written. 2/

As is noted supra, the interim audit report advised the Committee that it provide legal and factual materials in support of its authority to make expenditures on behalf of the DNC. While submission as to Rep. Lantos was made in response to that recommendation, it proved ineffective as evidence of a prior,

2/ The services in question were performed on October 10, 1982, or eleven days before the date of the letter. Payment was made for the services October 17.

valid transfer of agency authority. During the investigatory stage of this matter, the Committee may submit clarifying information to support the implication contained in the DNC's September 3, 1981, letter to the Commission that an effective transfer of spending authority was made during the course of the 1980 Corman campaign. Further, evidence might be submitted to demonstrate that the letter from DNC to the Committee that was dated after the final expenditure had been made on behalf of Rep. Lantos was a memorialization of a timely grant of authority by telephone.

It is recommended that the Commission find reason to believe that the Democratic State (California) Central Committee Federal Candidates Fund made impermissible expenditures on behalf of the 1980 campaigns of Representatives James Corman and Tom Lantos, thereby violating 2 U.S.C. §§ 441a(a)(2)(A) and 441a(d)(3)(B).

84030442961

16

DEMOCRATIC

NATIONAL COMMITTEE 1625 Massachusetts Ave., N.W. Washington, D.C. 20004

September 3, 1981

Mr. Mike Thompson
Reports Analysis Division
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

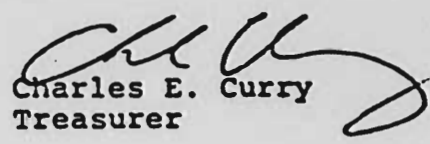
Dear Mr. Thompson:

The Democratic State Central Committee of California has advised the Democratic National Committee that their report will be amended to disclose that they made a contribution-in-kind to the Corman for Congress Committee in addition to making coordinated expenditure of \$29,440 on his behalf.

This \$29,440 represents the combined 441a(d) (3) limits of the Democratic State Central Committee of California and the DNC, whose limit was expended by its agent, the Democratic State Central Committee of California. It is the belief of the Democratic State Central Committee that this amended report will remove any question of exceeding permissible limits of coordinated expenditures. Since the Democratic National Committee simply transferred its 441(a)d authority to the Democratic State Central Committee and did not make any direct contribution or coordinated expenditure on behalf of either the DSCC or the Corman for Congress Committee, there is no reason to amend its reports.

If you have any questions, please contact us.

Sincerely,


Charles E. Curry
Treasurer

Attachment 4-7 of 9

DEMOCRATIC
NATIONAL COMMITTEE

1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

17

October 20, 1980

Mr. Dennis DeSnoo
Executive Director
California Democratic Party
6022 Wilshire Boulevard
Suite 201
Los Angeles, California 90036

Dear Dennis:

This letter sets forth in full the agreement between the Democratic National Committee ("DNC") and the California Democratic Party ("CDP"), by which the DNC would designate the CDP as its "agent" for the purpose of making expenditures pursuant to 2 USC 441a(d) on behalf of the Democratic candidate for the United States House of Representatives from the Eleventh Congressional District of California in this year's general election. The legal authority for this agency agreement is contained in §110.7(a)(4) of the Federal Election Commission Regulations (11 CFR §110.7(a)(4)). The DNC and the CDP agree specifically as follows:

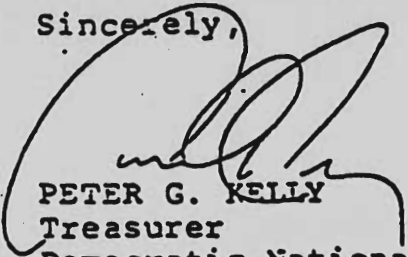
1. The DNC hereby designate the CDP as its "agent" in the Eleventh Congressional District of California for the general election to be held this year for the United States House of Representatives, so that the CDP may make §441a(d) expenditures on behalf of the Democratic nominee.
2. The Executive Director of the CDP will apprise the Treasurer of the DNC of the cumulative amount

Attachment 4-8 of 9

84030442963

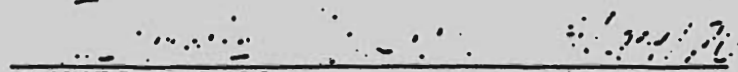
expended by the CDP pursuant to this agreement,
within 72 hours of any such expenditure.

Sincerely,



PETER G. KELLY
Treasurer
Democratic National Committee

Accepted & Agreed:


DENNIS DeSNOO
Executive Director
California Democratic Party

84030442964



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Corman Campaign Committee
Michael J. Narvid
3250 Wilshire Boulevard
Suite 1505
Los Angeles, California 90010

Dear Mr. Narvid:

On , 1982, the Federal Election Commission determined that there is reason to believe that the 1980 campaign committee of Representative James Corman violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), in accepting excessive contributions from the California Democratic State Central Committee Federal Candidates Fund. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, the Committee has an opportunity to demonstrate that no action should be taken against it. Please submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter.

In the absence of any additional information that demonstrates that no further action should be taken against the Committee, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of reason to believe. See 11 C.F.R. § 111.18(d).

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

Attachment 5 - 10/6

Letter to Michael J. Narvid
Page 2

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Nancy B. Nathan, at (202) 523-4073.

Sincerely,

Enclosures

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

84030442966

Attachment 5 - 2 of 6

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1460
STAFF MEMBER(S) & TEL NO.
Nancy Nathan
(202) 523-4073

RESPONDENT (James) Corman Campaign Committee

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The matter referred to the Office of General Counsel following the Commission's audit of the Democratic State (California) Central Committee Federal Candidates Fund ("the Committee") involves excessive expenditures made by the Committee on behalf of the 1980 campaign of Representative James Corman (Ca.-21), indicating an apparent violation of 2 U.S.C. § 441a(f) by Congressman Corman in the acceptance of an impermissible contribution in the form of such expenditures.

FACTUAL AND LEGAL ANALYSIS

Section 441a(d)(3)(B) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), states in relevant part that a state committee of a political party may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a state who is affiliated with such party that exceeds, in the case of a candidate for election to the office of Representative, \$10,000 (adjusted to \$14,720 for the 1980 election).

34030442967

The Commission's interim audit report of the Committee revealed that 1980 expenditures made by the Committee on behalf of Representative Corman exceeded the Committee's expenditure limits under 2 U.S.C. § 441a(d)(3)(B). */

On February 17, 1982, the Commission decided that a national party committee's 2 U.S.C. § 441a(a) contribution limit never may be assigned to a state party committee for its own use. On the same date, the Commission also determined that authority for a state party committee to use a national party committee's spending limits under 2 U.S.C. § 441a(d)(3)(B) must be granted before such limits are used by the state committee.

No documentation has been presented by the Committee to evidence any transfer of agency to the Committee by the DNC for the purpose of making the excessive expenditures made in 1980 on behalf of Rep. Corman, although the interim audit report requested submission of such evidence. The Commission received a letter from the DNC, dated September 3, 1981, which asserted that the DNC had, in fact, transferred its 2 U.S.C. § 441a(d)(3) spending authority to the Committee for the purpose of making expenditures on Corman's behalf. That letter states that the DNC

*/ Expenditures on behalf of Rep. Corman totaled \$36,211, including an obligation for \$2,085 which remains unpaid. For 1980, the Committee's expenditure limit as to each Congressional candidate was \$14,720. The contribution limit of \$5,000 for each candidate also could be used to offset expenditures. Therefore, as to Corman, expenditures (and obligations) exceeded the Committee's combined 2 U.S.C. § 441a(d)(3) and 441a(a) limits by \$16,491.

"simply transferred its 441a(d) authority" to the Committee, but does not refer to a date of such transfer and does not allege that such transfer was made before the expenditures.

(Attachment 1)

Because no adequate documentation was provided to indicate that agency status was effectively conferred on the Committee by DNC as to the spending on behalf of Rep. Corman, the Commission voted to refer the matter to the General Counsel because of the apparently excessive expenditures made by the Committee on his behalf.

As is noted supra, the interim audit report advised the Committee that it provide legal and factual materials in support of its authority to make expenditures on behalf of the DNC. During the investigatory stage of this matter, the Committee may submit clarifying information to support the implication contained in the DNC's September 3, 1981, letter to the Commission that an effective transfer of spending authority was made during the course of the 1980 Corman campaign.

It is recommended that the Commission find reason to believe that, because of its acceptance of expenditures made on its behalf by the Committee, the Corman Campaign Committee violated 2 U.S.C. § 441a(f) in knowingly accepting contributions violative of the Act.

24

DEMOCRATIC

NATIONAL COMMITTEE

1625 Massachusetts Ave., N.W. Washington, D.C. 20036

September 3, 1981

Mr. Mike Thompson
Reports Analysis Division
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

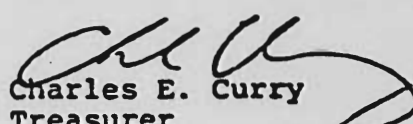
Dear Mr. Thompson:

The Democratic State Central Committee of California has advised the Democratic National Committee that their report will be amended to disclose that they made a contribution-in-kind to the Corman for Congress Committee in addition to making coordinated expenditure of \$29,440 on his behalf.

This \$29,440 represents the combined 441a(d)(3) limits of the Democratic State Central Committee of California and the DNC, whose limit was expended by its agent, the Democratic State Central Committee of California. It is the belief of the Democratic State Central Committee that this amended report will remove any question of exceeding permissible limits of coordinated expenditures. Since the Democratic National Committee simply transferred its 441(a)d authority to the Democratic State Central Committee and did not make any direct contribution or coordinated expenditure on behalf of either the DSCC or the Corman for Congress Committee, there is no reason to amend its reports.

If you have any questions, please contact us.

Sincerely,


Charles E. Curry
Treasurer

Attachment 5-6016

84030442970
81032052756



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Tom Lantos for Congress Committee
Y. Katrina Lantos, Treasurer
P.O. Box 611
Burlingame, California 94010

Dear Ms. Lantos:

On , 1982, the Federal Election Commission determined that there is reason to believe that the 1980 campaign committee of Representative Tom Lantos violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), in accepting excessive contributions from the California Democratic State Central Committee Federal Candidates Fund. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, the Committee has an opportunity to demonstrate that no action should be taken against it. Please submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter.

In the absence of any additional information that demonstrates that no further action should be taken against the Committee, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of reason to believe. See 11 C.F.R. § 111.18(d).

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

Attachment 6-1 of 8

84030442971

26

26
Letter to Y. Katrina Lantos
Page 2

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Nancy B. Nathan, at (202) 523-4073.

Sincerely,

64030442972
Enclosures

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

Attachment 6-2018

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1460
STAFF MEMBER(S) & TEL NO.
Nancy Nathan
(202) 523-4073

RESPONDENT Tom Lantos For Congress Committee

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The matter referred to the Office of General Counsel following the Commission's audit of the Democratic State (California) Central Committee Federal Candidates Fund ("the Committee") involves excessive expenditures made by the Committee on behalf of the 1980 campaign of Representative Tom Lantos (Ca.-11), indicating an apparent violation of 2 U.S.C. § 441a(f) by Congressman Lantos in the acceptance of an impermissible contribution in the form of such expenditures.

FACTUAL AND LEGAL ANALYSIS

Section 441a(d)(3)(B) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), states in relevant part that a state committee of a political party may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a state who is affiliated with such party that exceeds, in the case of a candidate for election to the office of Representative, \$10,000 (adjusted to \$14,720 for the 1980 election).

The Commission's interim audit report of the Committee revealed that 1980 expenditures made by the Committee on behalf of Representative Lantos exceeded the Committee's expenditure limits under 2 U.S.C. § 441a(d)(3)(B). 1/

On February 17, 1982, the Commission decided that a national party committee's 2 U.S.C. § 441a(a) contribution limit never may be assigned to a state party committee for its own use. On the same date, the Commission also determined that authority for a state party committee to use a national party committee's spending limits under 2 U.S.C. § 441a(d)(3)(B) must be granted before such limits are used by the state committee.

No documentation has been presented by the Committee to evidence any transfer of agency to the Committee by the DNC for the purpose of making the excessive expenditures made in 1980 on behalf of Rep. Lantos, although the interim audit report requested submission of such evidence.

The Committee presented, in its response to the interim audit report, a copy of a letter dated October 20, 1980, from the DNC treasurer to the Committee's executive director, purporting to designate the Committee the agent of DNC for the purpose of making expenditures on behalf of Representative Lantos.

(Attachment 1) The expenditure made by the Committee

1/ Expenditures on behalf of Rep. Lantos totaled \$29,242, which includes an unsatisfied obligation for \$5,724. For 1980, the Committee's expenditure limit as to each Congressional candidate was \$14,720. The contribution limit of \$5,000 for each candidate also could be used to offset expenditures. Therefore, as to Lantos, expenditures (and obligations) exceeded the Committee's combined 2 U.S.C. §§ 441a(d)(3) and 441a(a) limits by \$9,522.

84060442974

on Lantos' behalf that caused the total expended to exceed the Committee's own limits under both 2 U.S.C. § 441a(d)(3)(B) and § 441a(a) was made on October 17, 1980, i.e., three days before the letter was written. 2/

Because no adequate documentation was provided to indicate that agency status was effectively conferred on the Committee by DNC as to the spending on behalf of Rep. Lantos, the Commission voted to refer the matter to the General Counsel because of the apparently excessive expenditures made by the Committee on his behalf.

As is noted supra, the interim audit report advised the Committee that it provide legal and factual materials in support of its authority to make expenditures on behalf of the DNC. While submission was made in response to that recommendation, it proved ineffective as evidence of a prior, valid transfer of agency authority. Evidence might be submitted during the investigatory stage of this matter to demonstrate that the letter from DNC to the Committee that was dated after the final expenditure had been made on behalf of Rep. Lantos was a memorialization of a timely grant of authority by telephone.

2/ The services in question were performed on October 10, 1982, or eleven days before the date of the letter. Payment was made for the services October 17.

-4-

It is recommended that the Commission find reason to believe that, because of its acceptance of expenditures made on its behalf by the Committee, the Tom Lantos for Congress Committee violated 2 U.S.C. § 441a(f) in knowingly accepting contributions violative of the Act.

84030442976

DEMOCRATIC
NATIONAL COMMITTEE

1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

31

October 20, 1980

Mr. Dennis DeSnoo
Executive Director
California Democratic Party
6022 Wilshire Boulevard
Suite 201
Los Angeles, California 90036

Dear Dennis:

This letter sets forth in full the agreement between the Democratic National Committee ("DNC") and the California Democratic Party ("CDP"), by which the DNC would designate the CDP as its "agent" for the purpose of making expenditures pursuant to 2 USC 441a(d) on behalf of the Democratic candidate for the United States House of Representatives from the Eleventh Congressional District of California in this year's general election. The legal authority for this agency agreement is contained in §110.7(a)(4) of the Federal Election Commission Regulations (11 CFR §110.7(a)(4)). The DNC and the CDP agree specifically as follows:

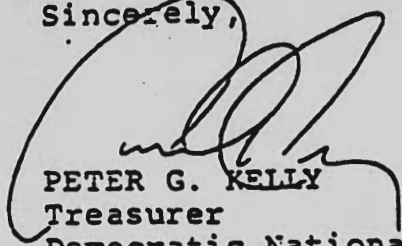
1. The DNC hereby designate the CDP as its "agent" in the Eleventh Congressional District of California for the general election to be held this year for the United States House of Representatives, so that the CDP may make §441a(d) expenditures on behalf of the Democratic nominee.
2. The Executive Director of the CDP will apprise the Treasurer of the DNC of the cumulative amount

Attachment 6-70/8

84030442977

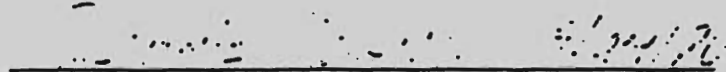
expended by the CDP pursuant to this agreement,
within 72 hours of any such expenditure.

Sincerely,



PETER G. KELLY
Treasurer
Democratic National Committee

Accepted & Agreed:


DENNIS DeSNOO
Executive Director
California Democratic Party

84030442978



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 13, 1982

Tom Lantos for Congress Committee
Y. Katrina Lantos, Treasurer
P.O. Box 611
Burlingame, California 94010

Re: MUR 1460

Dear Ms. Lantos:

On October 5, 1982, the Commission found reason to believe that your committee had violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above-referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file as it pertains to your committee. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that acceptance of in-kind contributions in the form of excessive expenditures by a party committee nevertheless is a violation of 2 U.S.C. § 441a(f) and you should take immediate steps to insure that this activity does not occur in the future.

The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

84030442979

Letter to Y. Katrina Lantos
Page 2

If you have any questions, please direct them to Nancy B.
Nathan at (202) 523-4073.

Sincerely,

Frank P. Reiche

Frank P. Reiche
Chairman for the
Federal Election Commission

Enclosure

General Counsel's Factual and Legal Analysis

84030442980

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1460
STAFF MEMBER(S) & TEL NO.
Nancy Nathan
(202) 523-4073

RESPONDENT Tom Lantos For Congress Committee

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The matter referred to the Office of General Counsel following the Commission's audit of the Democratic State (California) Central Committee Federal Candidates Fund ("the Committee") involves excessive expenditures made by the Committee on behalf of the 1980 campaign of Representative Tom Lantos (Ca.-11), indicating an apparent violation of 2 U.S.C. § 441a(f) by Congressman Lantos in the acceptance of an impermissible contribution in the form of such expenditures.

FACTUAL AND LEGAL ANALYSIS

Section 441a(d)(3)(B) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), states in relevant part that a state committee of a political party may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a state who is affiliated with such party that exceeds, in the case of a candidate for election to the office of Representative, \$10,000 (adjusted to \$14,720 for the 1980 election).

84030442931

The Commission's interim audit report of the Committee revealed that 1980 expenditures made by the Committee on behalf of Representative Lantos exceeded the Committee's expenditure limits under 2 U.S.C. § 441a(d)(3)(B). 1/

On February 17, 1982, the Commission decided that a national party committee's 2 U.S.C. § 441a(a) contribution limit never may be assigned to a state party committee for its own use. On the same date, the Commission also determined that authority for a state party committee to use a national party committee's spending limits under 2 U.S.C. § 441a(d)(3)(B) must be granted before such limits are used by the state committee.

No documentation has been presented by the Committee to evidence any transfer of agency to the Committee by the DNC for the purpose of making the excessive expenditures made in 1980 on behalf of Rep. Lantos, although the interim audit report requested submission of such evidence.

The Committee presented, in its response to the interim audit report, a copy of a letter dated October 20, 1980, from the DNC treasurer to the Committee's executive director, purporting to designate the Committee the agent of DNC for the purpose of making expenditures on behalf of Representative Lantos.

(Attachment 1) The expenditure made by the Committee

1/ Expenditures on behalf of Rep. Lantos totaled \$29,242, which includes an unsatisfied obligation for \$5,724. For 1980, the Committee's expenditure limit as to each Congressional candidate was \$14,720. The contribution limit of \$5,000 for each candidate also could be used to offset expenditures. Therefore, as to Lantos, expenditures (and obligations) exceeded the Committee's combined 2 U.S.C. §§ 441a(d)(3) and 441a(a) limits by \$9,522.

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84030442932

on Lantos' behalf that caused the total expended to exceed the Committee's own limits under both 2 U.S.C. § 441a(d)(3)(B) and § 441a(a) was made on October 17, 1980, i.e., three days before the letter was written. 2/

Because no adequate documentation was provided to indicate that agency status was effectively conferred on the Committee by DNC as to the spending on behalf of Rep. Lantos, the Commission voted to refer the matter to the General Counsel because of the apparently excessive expenditures made by the Committee on his behalf.

As is noted supra, the interim audit report advised the Committee that it provide legal and factual materials in support of its authority to make expenditures on behalf of the DNC. While submission was made in response to that recommendation, it proved ineffective as evidence of a prior, valid transfer of agency authority. Evidence might be submitted during the investigatory stage of this matter to demonstrate that the letter from DNC to the Committee that was dated after the final expenditure had been made on behalf of Rep. Lantos was a memorialization of a timely grant of authority by telephone.

2/ The services in question were performed on October 10, 1982, or eleven days before the date of the letter. Payment was made for the services October 17.

It is recommended that the Commission find reason to believe that, because of its acceptance of expenditures made on its behalf by the Committee, the Tom Lantos for Congress Committee violated 2 U.S.C. § 441a(f) in knowingly accepting contributions violative of the Act.

84030442934

DEMOCRATIC
NATIONAL COMMITTEE

1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797

October 20, 1980

Mr. Dennis DeSnoo
Executive Director
California Democratic Party
6022 Wilshire Boulevard
Suite 201
Los Angeles, California 90036

Dear Dennis:

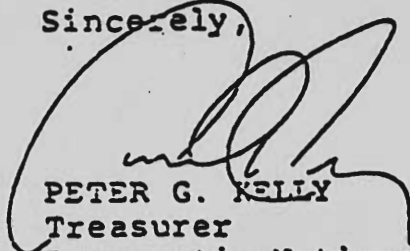
This letter sets forth in full the agreement between the Democratic National Committee ("DNC") and the California Democratic Party ("CDP"), by which the DNC would designate the CDP as "agent" for the purpose of making expenditures pursuant to 441a(d) on behalf of the Democratic candidate for the United States House of Representatives from the Eleventh Congressional District of California in this year's general election. The legal authority for this agency agreement is contained in §110.7(a)(4) of the Federal Election Commission Regulation (11 CFR §110.7(a)(4)). The DNC and the CDP agree specifically as follows:

1. The DNC hereby designate the CDP as its "agent" in the Eleventh Congressional District of California for the general election to be held this year for the United States House of Representatives, so that the CDP may make §441a(d) expenditures on behalf of the Democratic nominee.
2. The Executive Director of the CDP will apprise the Treasurer of the DNC of the cumulative amount

Attachment 1

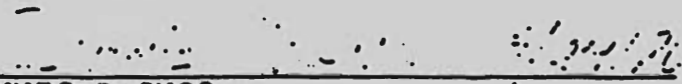
expended by the CDP pursuant to this agreement,
within 72 hours of any such expenditure.

Sincerely,



PETER G. KELLY
Treasurer
Democratic National Committee

Accepted & Agreed:


DENNIS DeSNOO
- Executive Director
California Democratic Party

84030442986



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 13, 1982

Corman Campaign Committee
Michael J. Narvid
3250 Wilshire Boulevard
Suite 1505
Los Angeles, California 90010

Re: MUR 1460

Dear Mr. Narvid:

On October 5, 1982, the Federal Election Commission determined that there is reason to believe that the 1980 campaign committee of Representative James Corman violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), in accepting excessive contributions from the California Democratic State Central Committee Federal Candidates Fund. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, the Committee has an opportunity to demonstrate that no action should be taken against it. Please submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter.

In the absence of any additional information that demonstrates that no further action should be taken against the Committee, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of reason to believe. See 11 C.F.R. § 111.18(d).

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

34030442937

Letter to Michael J. Narvid
Page 2

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Nancy B. Nathan, at (202) 523-4073.

Sincerely,

Frank P. Reiche

Frank P. Reiche
Chairman for the
Federal Election Commission

Enclosures

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

84030442938

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1460
STAFF MEMBER(S) & TEL NO.
Nancy Nathan
(202) 523-4073

RESPONDENT (James) Corman Campaign Committee

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The matter referred to the Office of General Counsel following the Commission's audit of the Democratic State (California) Central Committee Federal Candidates Fund ("the Committee") involves excessive expenditures made by the Committee on behalf of the 1980 campaign of Representative James Corman (Ca.-21), indicating an apparent violation of 2 U.S.C. § 441a(f) by Congressman Corman in the acceptance of an impermissible contribution in the form of such expenditures.

FACTUAL AND LEGAL ANALYSIS

Section 441a(d)(3)(B) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), states in relevant part that a state committee of a political party may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a state who is affiliated with such party that exceeds, in the case of a candidate for election to the office of Representative, \$10,000 (adjusted to \$14,720 for the 1980 election).

84030442939

The Commission's interim audit report of the Committee revealed that 1980 expenditures made by the Committee on behalf of Representative Corman exceeded the Committee's expenditure limits under 2 U.S.C. § 441a(d)(3)(B). */

On February 17, 1982, the Commission decided that a national party committee's 2 U.S.C. § 441a(a) contribution limit never may be assigned to a state party committee for its own use. On the same date, the Commission also determined that authority for a state party committee to use a national party committee's spending limits under 2 U.S.C. § 441a(d)(3)(B) must be granted before such limits are used by the state committee.

No documentation has been presented by the Committee to evidence any transfer of agency to the Committee by the DNC for the purpose of making the excessive expenditures made in 1980 on behalf of Rep. Corman, although the interim audit report requested submission of such evidence. The Commission received a letter from the DNC, dated September 3, 1981, which asserted that the DNC had, in fact, transferred its 2 U.S.C. § 441a(d)(3) spending authority to the Committee for the purpose of making expenditures on Corman's behalf. That letter states that the DNC

*/ Expenditures on behalf of Rep. Corman totaled \$36,211, including an obligation for \$2,085 which remains unpaid. For 1980, the Committee's expenditure limit as to each Congressional candidate was \$14,720. The contribution limit of \$5,000 for each candidate also could be used to offset expenditures. Therefore, as to Corman, expenditures (and obligations) exceeded the Committee's combined 2 U.S.C. § 441a(d)(3) and 441a(a) limits by \$16,491.

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"simply transferred its 441a(d) authority" to the Committee, but does not refer to a date of such transfer and does not allege that such transfer was made before the expenditures.

(Attachment 1)

Because no adequate documentation was provided to indicate that agency status was effectively conferred on the Committee by DNC as to the spending on behalf of Rep. Corman, the Commission voted to refer the matter to the General Counsel because of the apparently excessive expenditures made by the Committee on his behalf.

As is noted supra, the interim audit report advised the Committee that it provide legal and factual materials in support of its authority to make expenditures on behalf of the DNC. During the investigatory stage of this matter, the Committee may submit clarifying information to support the implication contained in the DNC's September 3, 1981, letter to the Commission that an effective transfer of spending authority was made during the course of the 1980 Corman campaign.

It is recommended that the Commission find reason to believe that, because of its acceptance of expenditures made on its behalf by the Committee, the Corman Campaign Committee violated 2 U.S.C. § 441a(f) in knowingly accepting contributions violative of the Act.

1692440008

DEMOCRATIC

NATIONAL COMMITTEE

1625 Massachusetts Ave., N.W. Washington, D.C. 20036

September 3, 1981

Mr. Mike Thompson
Reports Analysis Division
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

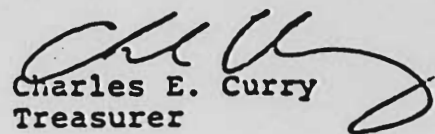
Dear Mr. Thompson:

The Democratic State Central Committee of California has advised the Democratic National Committee that their report will be amended to disclose that they made a contribution-in-kind to the Comm for Congress Committee in addition to making coordinated expenditure of \$29,440 on his behalf.

This \$29,440 represents the combined 441a(d) (3) limits of the Democratic State Central Committee of California and the DNC, whose limit was expended by its agent, the Democratic State Central Committee of California. It is the belief of the Democratic State Central Committee that this amended report will remove any question of exceeding permissible limits of coordinated expenditures. Since the Democratic National Committee simply transferred its 441(a)d authority to the Democratic State Central Committee and did not make any direct contribution or coordinated expenditure on behalf of either the DSCC or the Comm for Congress Committee, there is no reason to amend its reports.

If you have any questions, please contact us.

Sincerely,


Charles E. Curry
Treasurer

Attachment 1

84030442992
81032052756



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 13, 1982

John Means, Treasurer
Democratic State Central Committee
Federal Candidates Fund
6022 Wilshire Boulevard
Suite 201
Los Angeles, California 90036

Re: MUR 1460

Dear Mr. Means:

On October 5, 1982, the Federal Election Commission determined that there is reason to believe that the Democratic State Central Committee Federal Candidates Fund violated 2 U.S.C. § 441a(a)(2)(A) and (d)(3)(B), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, the Committee has an opportunity to demonstrate that no action should be taken against it. Please submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter.

In the absence of any additional information that demonstrates that no further action should be taken against the Committee, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of reason to believe. See 11 C.F.R. § 111.18(d).

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

34030442993

Letter to John Means
Page 2

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Nancy B. Nathan, at (202) 523-4073.

Sincerely,

Frank P. Reiche

Frank P. Reiche
Chairman for the
Federal Election Commission

Enclosures

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

84030442994

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1460
STAFF MEMBER(S) & TEL NO.
Nancy Nathan
(202) 523-4073

RESPONDENT Democratic State (California) Central Committee
Federal Candidates Fund

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The matter referred to the Office of General Counsel following the Commission's audit of the Democratic State (California) Central Committee Federal Candidates Fund ("the Committee") involves excessive expenditures made by the Committee on behalf of the 1980 campaigns of Representatives James Corman (Ca.-21) and Tom Lantos (Ca.-11), indicating apparent violations of 2 U.S.C. § 441a(a)(2)(A) and (d)(3)(B).

FACTUAL AND LEGAL ANALYSIS

Section 441a(d)(3)(B) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), states in relevant part that a state committee of a political party may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a state who is affiliated with such party that exceeds, in the case of a candidate for election to the office of Representative, \$10,000 (adjusted to \$14,720 for the 1980 election).

8403044295

The Commission's interim audit report of the Committee revealed that 1980 expenditures made by the Committee on behalf of Representatives Corman and Lantos exceeded the Committee's expenditure limits under 2 U.S.C. § 441a(d)(3)(B). 1/

On February 17, 1982, the Commission decided that a national party committee's 2 U.S.C. § 441a(a) contribution limit never may be assigned to a state party committee for its own use. On the same date, the Commission also determined that authority for a state party committee to use a national party committee's spending limits under 2 U.S.C. § 441a(d)(3)(B) must be granted before such limits are used by the state committee.

No documentation has been presented by the Committee to evidence any transfer of agency to the Committee by the DNC for the purpose of making the excessive expenditures made in 1980 on behalf of Reps. Corman and Lantos, although the interim audit report requested submission of such evidence. As to Corman, the Commission received a letter from the DNC, dated September 3, 1981, which asserted that the DNC had, in fact, transferred its

1/ Expenditures on behalf of Rep. Corman totaled \$36,211, including an obligation for \$2,085 which remains unpaid, and expenditures on behalf of Rep. Lantos totaled \$29,242, which includes an unsatisfied obligation for \$5,724. For 1980, the Committee's expenditure limit as to each Congressional candidate was \$14,720. The contribution limit of \$5,000 for each candidate also could be used to offset expenditures. Therefore, as to Corman, expenditures (and obligations) exceeded the Committee's combined 2 U.S.C. § 441a(d)(3) and 441a(a) limits by \$16,491, and as to Lantos, by \$9,522.

84030442996

2 U.S.C. § 441a(d)(3) spending authority to the Committee for the purpose of making expenditures on Corman's behalf. That letter states that the DNC "simply transferred its 441a(d) authority" to the Committee, but does not refer to a date of such transfer and does not allege that such transfer was made before the expenditures. (Attachment 1)

As to Rep. Lantos, the Committee presented, in its response to the interim audit report, a copy of a letter dated October 20, 1980, from the DNC treasurer to the Committee's executive director, purporting to designate the Committee the agent of DNC for the purpose of making expenditures on behalf of Lantos.

(Attachment 2) The expenditure made by the Committee on Lantos' behalf that caused the total expended to exceed the Committee's own limits under both 2 U.S.C. § 441a(d)(3)(B) and § 441a(a) was made on October 17, 1980, i.e., three days before the letter was written. 2/

As is noted supra, the interim audit report advised the Committee that it provide legal and factual materials in support of its authority to make expenditures on behalf of the DNC. While submission as to Rep. Lantos was made in response to that recommendation, it proved ineffective as evidence of a prior,

2/ The services in question were performed on October 10, 1982, or eleven days before the date of the letter. Payment was made for the services October 17.

84030442997

valid transfer of agency authority. During the investigatory stage of this matter, the Committee may submit clarifying information to support the implication contained in the DNC's September 3, 1981, letter to the Commission that an effective transfer of spending authority was made during the course of the 1980 Corman campaign. Further, evidence might be submitted to demonstrate that the letter from DNC to the Committee that was dated after the final expenditure had been made on behalf of Rep. Lantos was a memorialization of a timely grant of authority by telephone.

It is recommended that the Commission find reason to believe that the Democratic State (California) Central Committee Federal Candidates Fund made impermissible expenditures on behalf of the 1980 campaigns of Representatives James Corman and Tom Lantos, thereby violating 2 U.S.C. §§ 441a(a)(2)(A) and 441a(d)(3)(B).

84030442978

DEMOCRATIC

NATIONAL COMMITTEE

1625 Massachusetts Ave., N.W. Washington, D.C. 20001

September 3, 1981

Mr. Mike Thompson
Reports Analysis Division
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

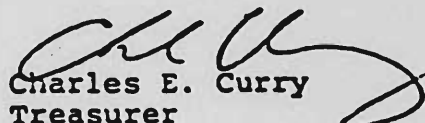
Dear Mr. Thompson:

The Democratic State Central Committee of California has advised the Democratic National Committee that their report will be amended to disclose that they made a contribution-in-kind to the Corman for Congress Committee in addition to making coordinated expenditure of \$29,440 on his behalf.

This \$29,440 represents the combined 441a(d) (3) limits of the Democratic State Central Committee of California and the DNC, whose limit was expended by its agent, the Democratic State Central Committee of California. It is the belief of the Democratic State Central Committee that this amended report will remove any question of exceeding permissible limits of coordinated expenditures. Since the Democratic National Committee simply transferred its 441(a)d authority to the Democratic State Central Committee and did not make any direct contribution or coordinated expenditure on behalf of either the DSCC or the Corman for Congress Committee, there is no reason to amend its reports.

If you have any questions, please contact us.

Sincerely,


Charles E. Curry
Treasurer

Attachment 1

84030442999
81032052756

DEMOCRATIC
NATIONAL COMMITTEE

1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

October 20, 1980

Mr. Dennis DeSnoo
Executive Director
California Democratic Party
6022 Wilshire Boulevard
Suite 201
Los Angeles, California 90036

Dear Dennis:

This letter sets forth in full the agreement between the Democratic National Committee ("DNC") and the California Democratic Party ("CDP"), by which the DNC would designate the CDP as its "agent" for the purpose of making expenditures pursuant to 2441a(d) on behalf of the Democratic candidate for the United States House of Representatives from the Eleventh Congressional District of California in this year's general election. The legal authority for this agency agreement is contained in §110.7(a)(4) of the Federal Election Commission Regulations (11 CFR §110.7(a)(4)). The DNC and the CDP agree specifically as follows:

1. The DNC hereby designate the CDP as its "agent" in the Eleventh Congressional District of California for the general election to be held this year for the United States House of Representatives, so that the CDP may make §441a(d) expenditures on behalf of the Democratic nominee.
2. The Executive Director of the CDP will apprise the Treasurer of the DNC of the cumulative amount

Attachment 2



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Tom Lantos for Congress Committee
Y. Katrina Lantos, Treasurer
P.O. Box 611
Burlingame, California 94010

Re: MUR 1460

Dear Ms. Lantos:

On October 5, 1982, the Commission found reason to believe that your committee had violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above-referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file as it pertains to your committee. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that acceptance of in-kind contributions in the form of excessive expenditures by a party committee nevertheless is a violation of 2 U.S.C. § 441a(f) and you should take immediate steps to insure that this activity does not occur in the future.

The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

34060443001

Letter to Y. Katrina Lantos
Page 2

If you have any questions, please direct them to Nancy B.
Nathan at (202) 523-4073.

Sincerely,

Enclosure
General Counsel's Factual and Legal Analysis

84030443002

W B
12/12/82



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Corman Campaign Committee
Michael J. Narvid
3250 Wilshire Boulevard
Suite 1505
Los Angeles, California 90010

Re: MUR 1460

Dear Mr. Narvid:

On , 1982, the Federal Election Commission determined that there is reason to believe that the 1980 campaign committee of Representative James Corman violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), in accepting excessive contributions from the California Democratic State Central Committee Federal Candidates Fund. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, the Committee has an opportunity to demonstrate that no action should be taken against it. Please submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter.

In the absence of any additional information that demonstrates that no further action should be taken against the Committee, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of reason to believe. See 11 C.F.R. § 111.18(d).

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

Letter to Michael J. Narvid
Page 2

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Nancy B. Nathan, at (202) 523-4073.

Sincerely,

Enclosures

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

84030443004

uBr
10/1/82



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

John Means, Treasurer
Democratic State Central Committee
Federal Candidates Fund
6022 Wilshire Boulevard
Suite 201
Los Angeles, California 90036

Re: MUR 1460

Dear Mr. Means:

On , 1982, the Federal Election Commission determined that there is reason to believe that the Democratic State Central Committee Federal Candidates Fund violated 2 U.S.C. § 441a(a)(2)(A) and (d)(3)(B), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, the Committee has an opportunity to demonstrate that no action should be taken against it. Please submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter.

In the absence of any additional information that demonstrates that no further action should be taken against the Committee, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of reason to believe. See 11 C.F.R. § 111.18(d).

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

34030443005

Letter to John Means
Page 2

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Nancy B. Nathan, at (202) 523-4073.

Sincerely,

Enclosures

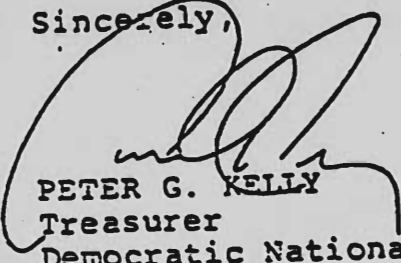
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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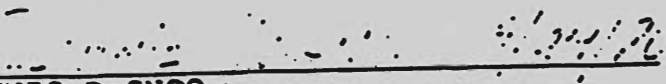
expended by the CDP pursuant to this agreement,
within 72 hours of any such expenditure.

Sincerely,



PETER G. KELLY
Treasurer
Democratic National Committee

Accepted & Agreed:


DENNIS DeSNOO
Executive Director
California Democratic Party

84030443007



FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 1460

Date Filmed 2/10/84 Camera No. --- 2

Cameraman JRL