



FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 2226

Date Filmed 2/8/87 Camera No. --- 2

Cameraman AS

87040334604

FEDERAL ELECTION COMMISSION

Routing Slips and Cards

12-Day Report and Comments

Memoranda from Reports Analysis

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 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 Gene G. Wozniak  
 date 1/27/87

FEC 9-21-77

*Jan 1/29/87*

87040534605



**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

November 24, 1986

Charlotte Sifford, Treasurer  
Cryts for Congress Committee  
Route 2, Box 236  
Puxico, Missouri 63960

**MUR 2226**

Dear Ms. Sifford:

The Federal Election Commission notified you on August 29, 1986, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint and of information supplied by your Committee, the Commission on November 18, 1986, determined that there is reason to believe that the Cryts for Congress Committee and you, as treasurer, violated 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d) by failing initially to itemize debts owed Spitzmiller, Hobbs, Clay, Berry and Co. and the National Democratic Club, 2 U.S.C. §§ 434(b)(3) and 434(b)(5) by failing to itemize all contributions and expenditures of \$200 or more, and 2 U.S.C. § 434(b)(3)(A) by failing to report the receipt of an in-kind contribution from Cryts Farms in a timely manner and by failing to report the occupations of contributors. The Commission also found reason to believe that the Committee and you, as treasurer, violated 11 C.F.R. § 103.3 and 11 C.F.R. § 104.3(a)(3)(iv) by failing to deposit a check from DRIVE until fourteen days after its receipt and by failing to aggregate the year-to-date total of contributions received from the United Food and Commercial Workers International Union. Finally, the Commission found no reason to believe that the Committee and you, as treasurer, violated 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d) by failing to report a debt of \$944.08. After considering the circumstances of this matter, the Commission determined to take no further action as to the above violations.

87040534606



Charlotte Sifford  
page 2

The file in this matter will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

If you have any questions, please contact Anne A. Weissenborn, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

*Joan D. Aikens*  
Joan D. Aikens  
Chairman

Enclosure  
First General Counsel's Report  
Certification

87040334607





**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

November 24, 1986

Mr. Peter D. Kinder  
P.O. Box 910  
Cape Girardeau, Missouri 63701

Dear Mr. Kinder:

8 7 0 4 0 5 3 4 6 0 8

The Federal Election Commission has reviewed the allegations in your complaint of August 15, 1986, and has determined that on the basis of the information in your complaint and the information provided by the respondents, there is reason to believe that the Cryts for Congress Committee, and Charlotte Sifford, as treasurer, violated 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d) by failing initially to itemize debts owed Spitzmiller, Hobbs, Clay, Berry and Co. and the National Democratic Club, 2 U.S.C. §§ 434(b)(3) and 434(b)(5) by failing to itemize all contributions and expenditures of \$200 or more, and 2 U.S.C. § 434(b)(3)(A) by failing to report the receipt of an in-kind contribution from Cryts Farms in a timely manner and by failing to report the occupations of contributors. The Commission also found reason to believe that the Committee and Charlotte Sifford, as treasurer, violated 11 C.F.R. § 103.3 and 11 C.F.R. § 104.3(a)(3)(iv) by failing to deposit a check from DRIVE until fourteen days after its receipt and by failing to aggregate the year-to-date total of contributions received from the United Food and Commercial Workers International Union. Finally, the Commission found no reason to believe that the Committee and Charlotte Sifford, as treasurer, violated 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d) by failing to report a debt of \$944.08.

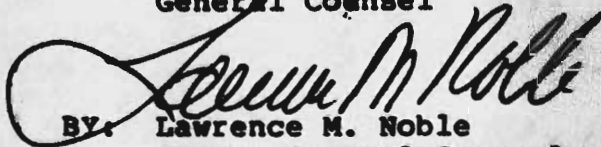
After considering the circumstances of this matter, the Commission determined to take no further action as to the above violations and to close the file. The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's action. See 2 U.S.C. § 437g(a)(8).

Peter D. Kinder  
page 2

Should additional information come to your attention which you believe establishes a violation of the Act, you may file a complaint pursuant to the requirements set forth in 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4.

Sincerely,

Charles N. Steele  
General Counsel

  
BY: Lawrence M. Noble  
Deputy General Counsel

Enclosure  
First General Counsel's Report  
Certification

87040634609



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Charlotte Sifford, Treasurer  
Cryts in Congress Committee  
Route 2, Box 236  
Puxico, Missouri 63960

MUR 2226

Dear Ms. Sifford:

The Federal Election Commission notified you on August 29, 1986, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint and of information supplied by your Committee, the Commission on November 18, 1986, determined that there is reason to believe that the Cryts in Congress Committee and you, as treasurer, violated 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d) by failing initially to itemize debts owed Spitzmiller, Hobbs, Clay, Berry and Co. and the National Democratic Club, 2 U.S.C. §§ 434(b)(3) and 434(b)(5) by failing to itemize all contributions and expenditures of \$200 or more, and 2 U.S.C. § 434(b)(3)(A) by failing to report the receipt of an in-kind contribution from Cryts Farms in a timely manner and by failing to report the occupations of contributors. The Commission also found reason to believe that the Committee and you, as treasurer, violated 11 C.F.R. § 103.3 and 11 C.F.R. § 104.3(a)(3)(iv) by failing to deposit a check from DRIVE until fourteen days after its receipt and by failing to aggregate the year-to-date total of contributions received from the United Food and Commercial Workers International Union. Finally, the Commission found no reason to believe that the Committee and you, as treasurer, violated 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d) by failing to report a debt of \$944.08. After considering the circumstances of this matter, the Commission determined to take no further action as to the above violations.

*TSW*  
11/20/86

AW  
11/20/86

8704034610



Charlotte Sifford  
page 2

The file in this matter will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

If you have any questions, please contact Anne A. Weissenborn, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Joan D. Aikens  
Chairman

Enclosure  
First General Counsel's Report  
Certification

87040634611



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Mr. Peter D. Kinder  
P.O. Box 910  
Cape Girardeau, Missouri 63701

Dear Mr. Kinder:

8 7 0 4 0 3 4 6 1 2

The Federal Election Commission has reviewed the allegations in your complaint of August 15, 1986, and has determined that on the basis of the information in your complaint and the information provided by the respondents, there is reason to believe that the Cryts in Congress Committee, and Charlotte Sifford, as treasurer, violated 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d) by failing initially to itemize debts owed Spitzmiller, Hobbs, Clay, Berry and Co. and the National Democratic Club, 2 U.S.C. §§ 434(b)(3) and 434(b)(5) by failing to itemize all contributions and expenditures of \$200 or more, and 2 U.S.C. § 434(b)(3)(A) by failing to report the receipt of an in-kind contribution from Cryts Farms in a timely manner and by failing to report the occupations of contributors. The Commission also found reason to believe that the Committee and Charlotte Sifford, as treasurer, violated 11 C.F.R. § 103.3 and 11 C.F.R. § 104.3(a)(3)(iv) by failing to deposit a check from DRIVE until fourteen days after its receipt and by failing to aggregate the year-to-date total of contributions received from the United Food and Commercial Workers International Union. Finally, the Commission found no reason to believe that the Committee and Charlotte Sifford, as treasurer, violated 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d) by failing to report a debt of \$944.08.

After considering the circumstances of this matter, the Commission determined to take no further action as to the above violations and to close the file. The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's action. See 2 U.S.C. § 437g(a)(8).

AW  
11/20/86

TOW  
11/20/86

Peter D. Kinder  
page 2

Should additional information come to your attention which you believe establishes a violation of the Act, you may file a complaint pursuant to the requirements set forth in 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4.

Sincerely,

Charles W. Steele  
General Counsel

BY: Lawrence M. Noble  
Deputy General Counsel

Enclosure  
First General Counsel's Report  
Certification

87040534613



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )

Cryts for Congress Committee )

Charlotte Sifford, as treasurer )

Wayne Cryts )

MUR 2226

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of November 18, 1986, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 2226:

1. Find no reason to believe that the Cryts for Congress Committee and Charlotte Sifford, as treasurer, violated 2 U.S.C. § 434(b) (8) and 11 C.F.R. § 104.3(d) by failing to report a debt owed of \$944.08.
2. Find reason to believe that the Cryts for Congress Committee and Charlotte Sifford, as treasurer, violated 2 U.S.C. § 434(b) (8) and 11 C.F.R. § 104.3(d) by failing to itemize debts owed its accounting firm and the National Democratic Club, and take no further action.
3. Find reason to believe that the Cryts for Congress Committee and Charlotte Sifford, as treasurer, violated 2 U.S.C. § 434(b)3 and § 434(b) (5) by failing to itemize all contributions and expenditures of \$200 or more, and take no further action.

(continued)

8704034614

4. Find reason to believe that the Cryts for Congress Committee and Charlotte Sifford, as treasurer, violated 2 U.S.C. § 434(b)(3) (A) for failing to report the receipt of an in-kind contribution in a timely manner and for failing to report the occupations of contributors, and take no further action.
5. Find reason to believe that the Cryts for Congress Committee and Charlotte Sifford, as treasurer, violated 11 C.F.R. §§ 103.3 and 104.3(a)(3)(iv), but take no further action.
6. Close the file in this matter.
7. Direct the Office of General Counsel to send appropriate letters pursuant to the above actions.

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

Attest:

11-19-86

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary of the Commission



87040634615



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary  
FROM: Office of General Counsel *RM*  
DATE: November 14, 1986  
SUBJECT: MUR 2226 - Memo. to the Commission - Errata

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

CIRCULATIONS

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

Other *xx*

SENSITIVE - CIRCULATE ON

BLUE PAPER.

DISTRIBUTION

|                                |           |
|--------------------------------|-----------|
| Compliance                     | <i>xx</i> |
| Audit Matters                  | [ ]       |
| Litigation                     | [ ]       |
| Closed MUR Letters             | [ ]       |
| Status Sheets                  | [ ]       |
| Advisory Opinions              | [ ]       |
| Other (see distribution below) | [ ]       |



SENSITIVE



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 14, 1986

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele  
General Counsel

BY: Lois Lerner *[Signature]*  
Associate General Counsel

SUBJECT: MUR 2226 - Errata

Attached is a revised letter to the respondent which should be substituted for the letter attached to the First General Counsel's Report in MUR 2226 circulated to the Commission on Monday, November 10, 1986.

RECEIVED  
OFFICE OF THE FEC  
COMMISSION SECRETARY  
06 NOV 14 11:30

87040634617



**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

**Charlotte Sifford, Treasurer  
Cryts in Congress Committee  
Route 2, Box 236  
Puxico, Missouri 63960**

**MUR 2226**

**Dear Ms. Sifford:**

**The Federal Election Commission notified you on August 29, 1986, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was forwarded to you at that time.**

**Upon further review of the allegations contained in the complaint and of information supplied by your Committee, the Commission, on November , 1986, determined that there is reason to believe that the Cryts in Congress Committee and you, as treasurer, have violated 2 U.S.C. § 434(b)(5) and 11 C.F.R. § 104.3(d) by failing initially to itemize debts owed Spitzmiller, Hobbs, Clay, Berry and Co. and the National Democratic Club, 2 U.S.C. § 434(b)(5) by failing to itemize all contributions and expenditures of \$200 or more, and 2 U.S.C. § 434(b)(3)(A) by failing to report the receipt of an in-kind contribution from Cryts Farms and by failing to report the occupations of all itemized contributors. The Commission also found reason to believe that the Committee and you, as treasurer, violated 11 C.F.R. § 103.3 and 11 C.F.R. § 104.3(a)(3)(iv) by failing to deposit a check from DRIVE until fourteen days after its receipt and by failing to aggregate the year-to-date total of contributions received from the United Food and Commercial Workers International Union; however, the Commission also determined to take no further action as to these latter violations. The Commission found no reason to believe that the Committee and you, as treasurer, have violated 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d) by failing to report a debt of \$944.08.**

**You may submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Please submit any such response to the Commission's determinations regarding violations of 2 U.S.C. § 434(b)(3)(A) within ten days of your receipt of this notification.**

8704034618



Charlotte Sifford  
page 2

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation will not be entertained after briefs on probable cause have been mailed to the respondent.

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

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you have any questions, please contact Anne A. Weissenborn, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Joan D. Aikens  
Chairman

Enclosure  
Procedures

87040534619





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE  
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS / CHERYL A. FLEMING *CAF*

DATE: NOVEMBER 13, 1986

SUBJECT: OBJECTION TO MUR 2226 - FIRST GENERAL COUNSEL'S  
SIGNED NOVEMBER 10, 1986

The above-captioned document was circulated to the  
Commission on Monday, November 10, 1986 at 4:00 P.M.

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

|                       |               |
|-----------------------|---------------|
| Commissioner Aikens   | _____         |
| Commissioner Elliott  | _____         |
| Commissioner Josefiak | _____ X _____ |
| Commissioner McDonald | _____         |
| Commissioner McGarry  | _____         |
| Commissioner Thomas   | _____ X _____ |

This matter will be placed on the Executive Session  
agenda for Tuesday, November 18, 1986.

8704034620



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE  
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/CHERYL A. FLEMING *CAF*

DATE: NOVEMBER 12, 1986

SUBJECT: OBJECTION TO MUR 2226 - FIRST GC'S REPORT  
SIGNED NOVEMBER 7, 1986

The above-captioned document was circulated to the  
Commission on Monday, November 10, 1986 at 4:00 P.M.

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

|                       |               |
|-----------------------|---------------|
| Commissioner Aikens   | _____         |
| Commissioner Elliott  | _____         |
| Commissioner Josefiak | _____ X _____ |
| Commissioner McDonald | _____         |
| Commissioner McGarry  | _____         |
| Commissioner Thomas   | _____         |

This matter will be placed on the Executive Session  
agenda for Tuesday, November 18, 1986.

87040334621



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary  
FROM: Office of General Counsel *Red*  
DATE: November 10, 1986  
SUBJECT: MUR 2226 - First General Counsel's Rpt.

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) [ ]

97040534622



**SENSITIVE**

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

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL  
BY OGC TO THE COMMISSION:

---

MUR #2226  
DATE COMPLAINT RECEIVED  
BY OGC: 8/21/86

DATE OF NOTIFICATION  
TO RESPONDENT:  
8/29/86

STAFF MEMBER:  
Anne Weissenborn

COMPLAINANT'S NAME: Peter D. Kinder

RESPONDENTS' NAMES: Wayne Cryts  
Cryts for Congress Committee  
Charlotte Sifford, as treasurer

RELEVANT STATUTES: 2 U.S.C. § 441b  
2 U.S.C. § 434(b)

INTERNAL REPORTS  
CHECKED: Cryts for Congress  
DRIVE - The Political  
Action Committee of the  
International Brotherhood  
of Teamsters

SUMMARY OF ALLEGATIONS

The complaint in this matter cites a number of errors, omissions and unclear items contained in the April 15 and July 15 Quarterly Reports for 1986 and also in the Pre-Primary Report for that year filed by the Cryts for Congress Committee ("the Committee"), plus an apparently excessive contribution reported as received from a political action committee. Specifically, the allegations involve (1) an alleged failure to report a loan, which appears, in fact to involve the misreporting of payments on a debt and of debts owed on a summary page; (2) underreporting of debts owed; (3) using \$250, not \$200 as the cut-off for

87040634623

itemization of receipts and expenditures; (4) failure to aggregate contributions from a PAC; (5) failure to report expenses related to an apparent fundraiser held in Washington, D.C.; (6) failure to report as an in-kind contribution the provision of a van by Cryts Farms, a partnership; (7) failure to report the occupation and employers of all itemized contributors, and (8) the reported receipt from DRIVE of a second \$5,000 contribution for the primary election which has not been reported by the latter committee.

Notice of the complaint was sent to the Committee on August 29, 1986, but assertedly not received until September 8. Although no formal, written response has been received, this Office has met with a representative of the Committee and has spoken by telephone with its accountant.

#### LEGAL AND FACTUAL ANALYSIS

##### Background

In response to a Request for Additional Information (RFAI) sent by the Reports Analysis Division on August 11, 1986, the Committee on August 26, 1986, sent to the Commission amended reports for the April 15 and July 15 quarterly reporting periods and for the 12-Day pre-primary period. Accompanying these amendments was a letter from Spitzmiller, Hobbs, Clay, Berry and Co., an accounting firm, addressing a number of issues raised in the RFAI, and others raised in the complaint. The accountants state that the overall problem of the Committee has been "determining the proper cutoff for receipts and disbursements. At one stage, the committee attempted to set-up an accrual

record-keeping system. By so doing, the committee had one report on a [sic] accrual system and two reports on a cash basis system."

### **Alleged Violations**

#### **1. Disclosure of Debt**

5  
2  
6  
4  
3  
5  
0  
4  
0  
6  
8  
The complaint alleges that a \$944.08 obligation reported by the Committee on line 10, column A of the summary page of its 12-Day Pre-Primary Report was not itemized on the accompanying Schedule C as a loan and not included in the year-to-date total for debts and obligations on line 10, Column B as required by 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d). It appears that the figure of \$944.08 in fact was the total of two expenditures reported as having been made to creditors during this period (\$850.00 and \$94.08) and thus should not have been included as debts incurred on the summary page. Nor was an itemization on Schedule C called for.

As noted above, on August 27, 1986, the Committee submitted an amended 12-Day Pre-Primary Report in which the amount of debts owed at Line 10 reads \$691.34, a figure which corresponds to a reported debt owed its accounting firm which is itemized on Schedule D as a debt. The \$944.08 figure has thus been dropped as debts owed.

In light of the Committee's amendment of its 12-Day Pre-Primary Report regarding debts owed and of the apparent non-existence of a \$944.08 debt, this Office recommends that the Commission find no reason to believe that violations of 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d) have occurred in this



regard. On the other hand, the Committee did initially fail to itemize the \$691.34 debt owed the accounting firm, although it included this debt in its amended report. In this latter regard, this Office recommends that the Commission find reason to believe that the Committee has violated 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d).

2. Underreporting of Debts Owed for Calendar Year-to-Date

The allegation in the complaint regarding the underreporting of debts owed for the calendar year-to-date on the 12-Day Pre-Primary Report involves the same \$944.08 mistake as that discussed above at #1. The \$944.08 figure was improper because it did not represent an actual debt owed. On the other hand, the Committee's amendment of its 12-Day Pre-Primary Report shows an additional debt of \$691.34 incurred during the period covered by the report; this is the figure which should have been reported on the summary page.

Neither the Act nor the regulations specifically require the reporting of total figures for debts owed on the report summary pages; the reporting required involves Schedules C and D. Thus, there appears to have been no violation as to the misreporting of debts owed on the summary page per se.

3. Reporting of Contributions and Expenditures

2 U.S.C. § 434(b)(3) and 2 U.S.C. § 434(b)(5) require the itemization on reports of all contributions from persons other than political committees in excess of \$200, and of all expenditures made in excess of \$200. The complaint alleges that the Committee has violated the reporting requirements for

9 7 0 4 0 6 3 4 6 2 7  
contributions and expenditures by not reporting those of less than \$250. Evidence of these violations is found in the Committee's reporting in its Second Quarter Report of \$18,534.46 in receipts from "Unitemized Persons - Less than \$250.00 each," in its 12-Day Pre-Primary Report of \$1,428.59 as "Miscellaneous Receipts less than \$250.00," in its Second Quarter Report of \$9,664.20 as "Candidate Travel Expense Vouchers and Unitemized Expenditures Less than \$250.00 to any individual or business," and on its 12-Day Pre-Primary Report of \$1,237.84 for "Disbursements for Operations less than \$250.00 requirement." In response to an RFAI, the Committee on August 27, 1986 submitted amendments to the three reports here at issue. The amendment of the First Quarterly Report added one itemized expenditure of \$100 (plus two of more than \$250 which should have been itemized even under the Committee's mistaken standard). The amendment of the Second Quarterly Report added one contribution of \$100 received from an individual, three contributions from candidate committees, and one expenditure of \$100. The amendment of the Pre-Primary Report added two \$200 contributions, a PAC contribution of \$1000, and three expenditures of \$200, \$157.68 and \$645.

In light of these amendments which indicate that the Committee's original reports had omitted certain itemizable contributions and expenditures, this Office recommends that the Commission find reason to believe that the Cryts for Congress Committee and Charlotte Sifford, as treasurer, have violated 2 U.S.C. § 434(b)(3) and 2 U.S.C. § 434(b)(5).

4. Failure to Aggregate Contributions

The complaint asserts that the Committee failed to aggregate in its Second Quarterly Report an earlier contribution of \$2,500 received from the United Food and Commercial Workers International Union on February 20, 1986, with the \$2,000 itemized in that report as received on April 9, 1986.

2 U.S.C. § 434(b)(3)(B) does not specifically require the year-to-date aggregation of contributions received from political committees; however, 11 C.F.R. § 104.3(a)(3)(iv) requires that authorized committees report the total amount received during the reporting period and during the calendar year from committees other than party committees. Therefore, it appears that the Committee violated 11 C.F.R. § 104.3(a)(3)(iv) by failing to report the aggregate total of the two contributions received from United Food and Commercial Workers International Union. This Office recommends that the Commission find reason to believe but take no further action as to this violation because only one itemization is involved.

5. Failure to Report Expenses Related to Fundraiser

The complaint alleges that the Committee has failed to report expenses related to a fundraiser which the complainant believes to have taken place in Washington, D.C. at some unspecified time. The complainant cites as evidence of such an event the Committee's expenditures of \$501.00 and \$475.00 for "Air to Washington, D.C. to a travel agency and to an airline on May 13, 1986, and May 15, 1986, plus the receipt of contributions



from political action committees headquartered in that city "in a 4-week period surrounding Cryts' appearance in the Capitol [sic]."

The contributions from political action committees based in Washington, D.C. reported in the Committee's Second Quarterly Report came from thirteen different committees and were spread over the period of April 2 to June 30, 1986.

The Committee included in its amendment to the July 15 Quarterly Report a debt of \$1,052.95 owed The National Democratic Club in Washington, D.C. No exact date is given in the report as to when that debt was incurred; however, a conversation with a representative of the Committee has revealed that the debt owed the National Democratic Club was for an event held in June, 1986, which was attended by the candidate and at least one person from the Committee. The airline tickets were purchased ahead of time.

2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d) require that the amount and nature of all debts owed by a political committee be reported. The Cryts Committee failed to report the debt owed the National Democratic Club in its original July 15 report, although it rectified this situation in an amended report filed at the end of August. This Office recommends that the Commission find reason to believe that the Committee violated 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d).

6. Failure to Report on In-Kind Contributions from Cryts Farms

The complaint alleges that "it is common knowledge" that the candidate, Wayne Cryts, has used for campaign purposes a van owed

9  
2  
6  
4  
3  
5  
0  
4  
7  
8

by Cryts Farms, a partnership, which must be reported as an in-kind contribution and an operating expense. The Committee's reports at the time of the complaint contained no such itemized in-kind contribution or expenditure.

In a letter dated August 26, 1986, the Committee's accountant, Edward Berry, discussed the issue of the Committee's use of the van. Mr. Berry stated that this van is a 1982 model titled to the Cryts Farm Partnership which has had in excess of 200,000 miles of use. Although this Office understood that an in-kind contribution would be reported on the Committee's Third Quarterly Report, this did not happen.

2 U.S.C. § 434(b)(3)(A) requires the itemization on reports of each person who makes a contribution in excess of \$200 within a calendar year. By making available a van for Committee use, the Cryts Farm partnership made a contribution in-kind in the amount of the value of the van.

This Office recommends that the Commission find reason to believe that the Committee violated 2 U.S.C. § 434(b)(3)(A) by failing to report an in-kind contribution from Cryts Farm.

**7. Failure to Report Contributors' Occupations and Employers**

The complaint alleges that the Committee failed to provide the occupations and employers of contributors on Schedule A of its July 15 Report, as required by the Act. The original report itemized 18 individual contributors but omitted the occupation

87040634630



and employer for six. This report was amended on August 26, 1986, to show 19 itemized individual contributors, with 7 lacking reported occupations or employers. No employers are listed for any of the contributors.

2 U.S.C. § 434(b)(3)(A) requires the identification of each person who contributes in excess of \$200. 2 U.S.C. § 431(13) defines "identification" of an individual to mean the name, mailing address and the occupation, "as well as the name of his or her employer." In the Committee's July 15 Report all of the persons whose occupations are reported appear to be self-employed as farmers, doctors, attorneys, so no employers would be reportable. The failure to report occupations for these seven contributors is, however, a violation. Therefore, this Office recommends that the Commission find reason to believe that the Committee has violated 2 U.S.C. § 434(b)(3)(A).

8. Apparent Excessive Contributions from DRIVE

The Committee originally reported the receipt of \$5,000 on March 19, 1986, and of \$5,000 on April 2, 1956, from DRIVE, the Political Action Committee of the International Brotherhood of Teamsters. As the complaint notes, both were reported as being for the primary period; however, as the complaint also notes, DRIVE did not report a second contribution to the Cryts Committee. The complainant alleges that because the Committee's reported cash-on-hand in its Pre-Primary Report was only \$1,260.53, the second \$5,000 was spent. The implication in the complaint is that that \$5,000 came from another, unreported source.

87040534631



8 7 0 4 0 3 4 6 3 2  
In the letter from the Committee's accounting firm, it is noted that "(a) political donation from the Teamster Political PAC Fund totalling \$5,000.00 was received in March, 1986; yet was deposited on April 2, 1986." This assertedly resulted in duplicate reporting of this particular contribution, once on the April 15 Quarterly Report and again on the July 15 Quarterly Report. The amendments filed by the Committee in late August contained corrections which show the \$5,000 as received on April 2. A review of the figures in all of the Committee's amended reports has not revealed support for the implied allegation that the Committee received a \$5,000 contribution from an unnamed source.

Although there is no longer evidence that excessive contributions were received by the Committee from DRIVE, the Committee apparently received the \$5,000 check from that PAC on or about March 19, 1986, and did not deposit it until April 2 or fourteen days later. Therefore, the Committee has apparently violated 11 C.F.R. § 103.3 by failing to deposit a contribution within ten days of its receipt. This Office recommends that the Commission find reason to believe that the Committee violated 11 C.F.R. § 103.3, but take no further action given the short period of time involved.

#### CONCLUSION

This matter is made up of violations which are small but numerous. Because of the multiplicity of the problems involved,

this Office recommends pursuing certain of the violations cited above. At best the Committee has shown a serious lack of attention to its reporting responsibilities.

**RECOMMENDATIONS**

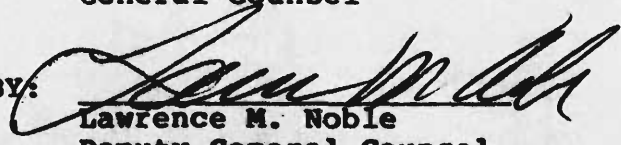
1. Find no reason to believe that the Cryts for Congress Committee and Charlotte Sifford, as treasurer, violated 2 U.S.C. § 434(b) (8) and 11 C.F.R. § 104.3(d) by failing to report a debt owed of \$944.08.
2. Find reason to believe that the Cryts for Congress Committee and Charlotte Sifford, as treasurer, violated 2 U.S.C. § 434(b) (8) and 11 C.F.R. § 104.3(d) by failing to itemize debts owed its accounting firm and the National Democratic Club.
3. Find reason to believe that the Cryts for Congress Committee and Charlotte Sifford, as treasurer, violated 2 U.S.C. § 434(b)3 and § 434(b) (5) by failing to itemize all contributions and expenditures of \$200 or more.
4. Find reason to believe that the Cryts for Congress Committee and Charlotte Sifford, as treasurer, violated 2 U.S.C. § 434(b) (3) (A) for failing to report the receipt of an in-kind contribution and for failing to report the occupations of contributors.
5. Find reason to believe that the Cryts for Congress Committee and Charlotte Sifford, as treasurer, violated 11 C.F.R. §§ 103.3 and 104.3(a) (3) (iv), but take no further action.
4. Approve and send the attached letter.

Charles N. Steele  
General Counsel

Date

11/7/86

BY:

  
Lawrence M. Noble  
Deputy General Counsel

Attachment

Letter to respondent

87040634633





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Charlotte Sifford, Treasurer  
Cryts in Congress Committee  
Route 2, Box 236  
Puxico, Missouri 63960

MUR 2226

Dear Ms. Sifford:

The Federal Election Commission notified you on August 29, 1986, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint and of information supplied by your Committee, the Commission, on November , 1986, determined that there is reason to believe that the Cryts in Congress Committee and you, as treasurer, have violated 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d) by failing initially to itemize debts owed Spitzmiller, Hobbs, Clay, Berry and Co. and the National Democratic Club, 2 U.S.C. § 434(b)(5) by failing to itemize all contributions and expenditures of \$200 or more, and 2 U.S.C. § 434(b)(3)(A) by failing to report the receipt of an in-kind contribution from Cryts Farms and by failing to report the occupations of all itemized contributors. The Commission also found reason to believe that the Committee and you, as treasurer, violated 11 C.F.R. § 103.3 and 11 C.F.R. § 104.3(a)(3)(iv) by failing to deposit a check from DRIVE until fourteen days after its receipt and by failing to aggregate the year-to-date total of contributions received from the United Food and Commercial Workers International Union; however, the Commission also determined to take no further action as to these latter violations. The Commission found no reason to believe that the Committee and you, as treasurer, have violated 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d) by failing to report a debt of \$944.08.

You may submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Please submit any such response to the Commission's determinations regarding violations of 2 U.S.C. § 434(b)(3)(A) within ten days of your receipt of this notification.

Attachment 1 *D*

87040534634



Charlotte Sifford  
page 2

The Office of General Counsel would like to settle this matter through conciliation prior to a finding of probable cause; however, in the absence of any information which demonstrates that no further action should be taken against the Committee and you, as treasurer, the Office of General Counsel must proceed to the next compliance stage as noted on page 2, paragraph 2, of the enclosed procedures.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you have any questions, please contact Anne A. Weissenborn, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Enclosure  
Procedures

87040634635

(2)

RECEIVED AT THE FEC  
OCC#1292  
86 AUG 21 AIO: 15

August 15, 1986

Charles N. Steele, Esquire  
General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20004

Dear Mr. Steele:

This Complaint against Wayne Cryts ("Cryts") and the Cryts in Congress Committee, Route 2, Box 236, Puxico, Missouri 63960 is filed with the Federal Election Commission ("FEC") pursuant to 2 U.S.C. 432(c), 2 U.S.C. 434 (a) (7), 2 U.S.C. 434(b)(2), 2 U.S.C. 434(b) (3) (A), 2 U.S.C. 434(b) (8), 2 U.S.C. 441a(a) (2) (A), 11 C. F. R. 104.3(d), 11 C.F.R. 114.2(c), and 11 C.F.R. 104.13(a) (1) and (2).

### I. INTRODUCTION

Wayne Cryts is a candidate for the U.S. House of Representatives from Missouri's Eighth Congressional District. Reports on file with the FEC show that Cryts: 1) engaged in a pattern of deception to disguise his campaign's true receipts and expenditures; 2) accepted illegal contributions to his campaign; and 3) obscured the facts surrounding a \$944.08 loan to his committee.

Cryts' reporting practices conceal from public scrutiny a true picture of his financial practices throughout his campaign. The FEC must investigate this flagrant violation of this tenet of federal election law.

RECEIVED  
OFFICE OF THE  
GENERAL COUNSEL

86 AUG 21 12 25 PM '86

87040534636

## II. VIOLATIONS OF LAW

A. Contributions from Political Committees -- Federal law specifically limits the amount of contributions made by a multicandidate political committee:

No multicandidate political committee shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$5,000.

2 U.S.C. 441a(a) (2) (A). Yet Cryts' FEC reports raise questions concerning \$10,000 he reported receiving from D.R.I.V.E. PAC. These contributions suggest several violations.

According to Cryts' FEC Report, his committee received \$5,000 on March 19, 1986 and \$5,000 on April 2, 1986. Both are denominated "primary" contributions, a clear cut violation. To heighten the mystery \$10,000 is included on his Detailed Summary pages. However, D.R.I.V.E. Pac's FEC Report shows it has given only one \$5,000 contribution to Cryts. Truly confounding is that Cryts' cash on hand for the close of the Pre-Primary report period is listed as \$1,260.53 -- meaning he spent the second \$5,000 contribution that, in fact, he never received. The FEC must investigate the source of the money Cryts is actually spending. 1/

1/ In addition, the April 2, 1986 contribution should have been reported on Line 11c; the Cryts Campaign reported on Line 11a.

87040634637



B. Debts And Obligations -- Federal election law includes precise rules governing campaign committee debts and obligations:

Each report under this section shall disclose the amount and nature of outstanding debts and obligations owed by or to such political committee.

2 U.S.C. (434) (b) (8). The regulations also hold 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." 11 C.F.R. 104.3(d). The instructions for completion of these reports further require a committee to list all "debts and obligations owed by the committee, itemizing all on Schedule C or Schedule D," and report the aggregate total on Line 10 of the Summary.

Thus, if a candidate or campaign committee secures a loan, the nature and details of the loan must be reported on Schedule C or D, and the loan must be included in the total reported on Line 10 of the Summary.

The Cryts Committee reported a debt of \$944.08 on Line 10, Column A, of the Summary page of its 12-Day Pre-Primary Report. The report does not, however, identify the nature and details of the loan, report the loans on Schedule C, nor is the loan included in Column B totals.

8704034638

Debts and Obligations owed by the Committee should have properly been reported as \$4,355.74; Cryts reports nearly \$1,000 less, thus falsely conveying an impression of greater financial strength for his campaign.

C. Contributions And Expenditures -- Federal law includes precise rules governing the contributions reports of campaign committees:

Each report shall disclose, for the reporting period and calendar year, the total amount of all receipts, and the total amount of all contributions from persons other than political committees, from the candidate, from political party committees (and) from other political committees.

2 U.S.C. 434(b) (2). Federal laws stipulate that the identity of each person who makes a contribution(s) have an aggregate amount of value in excess of "\$200" within the calendar year to which they relate. 2 U.S.C. 434(a) (7).

Similar to contribution reporting requirements, a candidate is also required to disclose "the name and address of each person to whom an expenditure in an aggregate amount or value in excess of \$200 within the calendar year is made by the reporting committee to meet a candidate or committee operating expense, together with the date, amount and purpose of such operating expenditure." 2 U.S.C. 434(b) (5) (A).

8 7 0 4 0 5 3 4 6 3 9

In its Second Quarter Report, the Committee reported \$18,534.46 in unitemized contributions of "less than \$250." The Pre-Primary filing reported an additional \$1,428.59 "miscellaneous receipts less than \$250." This is a direct violation of the \$200 contribution reporting threshold. In addition, the Committee fails to provide contributors' occupations and employers on Schedule A of its report, as is required by 2 U.S.C. 432(c).

Cryt's FEC report also failed to aggregate totals for 1986 contributions and expenditures as is required by 2 U.S.C. 434(b) (2) and (b) (5) (a). The Cryts Campaign reported a \$2,500 contribution from the United Food and Commercial Workers Union on 2/20/86 in its First Quarter Report. Cryts' Second Quarter Report identified an additional \$2,000 Union Contribution on 4/9/86. Aggregate year-to-date totals for the United Food and Commercial Workers Union should be \$4,500; Cryts reported \$2,000.

Problems were also encountered with expenditures. Cryts, during the Second Quarter, reported \$9,664.20 in unitemized expenditures. In his Pre-Primary Report, Cryts reported \$1,237.84 in disbursements for "operations less than \$250.00 requirement." Salary and expense reimbursements are also combined.

87040534640



Expenditures associated with out-of-state fundraising are also mysteriously absent from Cryts' FEC Reports. In his Second Quarter Report, Cryts reported disbursements for "Air to Washington, D.C." on May 13 and May 15. It is interesting to note that in a 14-week period surrounding Cryts' appearance in the Capitol, \$35,580 was added to his campaign coffers 91% of which was from PACs headquartered in the District of Columbia. Cryts' appearance in Washington, smack in the middle of an influx of PAC contributions to his campaign, implies that a fundraiser was held. But no expenses (neither in-kind donations nor direct, out-of-pocket expenses) were reported by the Cryts campaign. This prevents the public from knowing who is supporting Wayne Cryts.

One supporter, however, has been identified, through no help of Cryts' FEC reports. While it is common knowledge that Cryts uses a van on the campaign trail, it has not, until recently, been known that this vehicle is owned by Cryts Farms, a partnership.

Under the Act, partnerships may contribute directly to the Cryts campaign. 11 C.F.R. 100.7(a). If, however, the partnership provides "goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services," the contribution is in-kind.

11 C.F.R. 100.7(a) (iii) (A).

87040634641

"Contributions in kind are treated as any other contribution and must be reported and itemized on Schedule A, Contributions from Individuals/Persons Other Than Political Committees. The item must be labeled "contributions in kind" and include the nature of the contribution. Each contribution must also be reported in the same manner as an operating expense on Schedule B and included in the total for "Operating Expenditures." Federal Election Campaign Guide, p.28. Such is the case of the van.

### III. Conclusion

The undersigned hereby requests that the FEC investigate these potential violations and enforce, as necessary, the FECA and the FEC's regulations protecting the proper use of campaign funds and proper reporting procedures by candidate for the U.S. House of Representatives.

### IV. VERIFICATION

The undersigned swears that the allegations and facts set forth in this Complaint are true to the best of his knowledge, information and belief.

Peter Kinder  
Peter Kinder

Subscribed and sworn to before me this 15th day of August, 1986.

MARGARET HIRSCHFELD  
NOTARY PUBLIC STATE OF MISSOURI  
CAPE GIRARDEAU COUNTY  
MY COMMISSION EXP. MAY 20, 1990

Margaret Hirschfeld

My Commission Expires: \_\_\_\_\_

8704034642

87040534643



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2286

Date Filmed 2/2/87 Camera No. --- 2

Cameraman AS