



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4230

DATE FILMED 2-3-97 CAMERA NO. 4

CAMERAMAN JMD

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## REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: April 7, 1995

ANALYST: Todd Schumacher

## I. COMMITTEE:

Fontenot for Congress  
(C00284703)  
Reina Fontenot, Treasurer  
(December 15, 1994 to Present)  
Susan Walden, Treasurer  
(July 13, 1994 - December 14, 1994)  
Ninfa R. Laurenzo, Treasurer  
(October 11, 1993 - July 12, 1994)  
P.O. Box 7875  
Pasadena, TX 77508

## II. RELEVANT STATUTES:

2 U.S.C. §434(a)(6)  
11 CFR §104.5(f)

## III. BACKGROUND:

## Failure to file Forty-Eight Hour Notifications

Fontenot for Congress ("the Committee") has failed to file two (2) 48-Hour Notifications for candidate loans totalling \$266,775 prior to the 1994 General Election.

The candidate was involved in the 1994 General Election held on November 8, 1994. Prior Notice was sent to the Committee on October 3, 1994. (Attachment 2). The Notice includes a section titled "48 Hour Notices on Contributions". This section reads "Notices are required if the committee receives contributions (including contributions and loans from the candidate's personal funds; and endorsements or guarantees of bank loans) of \$1,000 or more, during the period of October 20 through November 5. The notices must reach the appropriate federal and state filing offices within 48 hours of the committee's receipt of the contribution(s)."

Schedules A and C of the 1994 30 Day Post-General Report indicate that the Committee failed to file two (2) 48-hour Notices for candidate loans received during the aforementioned period (Attachment 3). The following are the loans for which 48-Hour Notices were not filed:

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<u>Contributor Name</u>	<u>Date</u>	<u>Amount</u>
Dr. Eugene Fontenot	10/21/94	\$ 71,775
(personal funds)	10/28/94	\$195,000

On January 13, 1995, a Request for Additional Information ("RFAI") was sent to the Committee (Attachment 4). The RFAI notes on an informational basis that the Committee may have failed to file one or more of the required 48-Hour Notices for "last minute" contributions of \$1,000 or more. The notice requests the Committee to review their procedures for checking contributions received during the aforementioned time period. In addition, the notice states that although the Commission may take legal steps, any response would be taken into consideration.

On January 18, 1995, a Committee representative, Diane Sullivan, telephoned a Reports Analysis Division Analyst to say that she had received the Commission's RFAI (Attachment 5). She inquired as to which specific 48-Hour Notices the Commission had not received. The analyst informed her that the Commission did not receive notices for loans from the candidate in the amounts of \$71,775 and \$195,000 received on October 21 and October 28, respectively. Ms. Sullivan indicated that she was of the opinion that all 48-Hour Notices were filed and that she would send the Commission a response.

The Committee's January 30, 1995 response states that "All contributions of \$1,000 or more were noted and faxed to the Clerk of the House...within the 48 hours as required" and that "The amount of \$195,000 (10-28-94, loan) and \$71,775 (10-21-94, loan) were faxed timely" (Attachment 6).

On March 8, 1995, a Reports Analysis Division Analyst telephoned a representative at the Office of the Clerk of the House of Representatives to confirm that the 48-Hour Notifications on file in that office matched those on file with the Commission (Attachment 7). The Clerk's representative stated that the Clerk's Office was not in possession of any 48-Hour Notifications in addition to those received by the Commission.

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CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/	PARTY	RECEIPTS		DISBURSEMENTS		COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
			PRIMARY	GENERAL	PRIMARY	GENERAL			

FONTENOT, EUGENE JOSEPH	HOUSE 25 REPUBLICAN PARTY	TEXAS	1994 ELECTION	ID# H4TX25034					
1. STATEMENT OF CANDIDATE									
1993 STATEMENT OF CANDIDATE			16OCT93	1 93HSE/505/4038					
STATEMENT OF CANDIDATE			23OCT93	2 93HSE/506/0019					
2. PRINCIPAL CAMPAIGN COMMITTEE									
FONTENOT FOR CONGRESS			ID #C00284703	HOUSE					
1993 STATEMENT OF ORGANIZATION			16OCT93	1 93HSE/505/4036					
STATEMENT OF ORGANIZATION - AMENDMENT			28OCT93	1 93HSE/506/0018					
YEAR-END	251,685	109,295	1OCT93 -31DEC93	21 94HSE/512/1515					
YEAR-END - AMENDMENT	252,392	109,366	1OCT93 -31DEC93	5 94HSE/524/2410					
1ST LETTER INFORMATIONAL NOTICE			1OCT93 -31DEC93	2 94FEC/887/4158					
1994 48 HOUR CONTRIBUTION NOTICE			22FEB94	1 94HSE/514/1347					
STATEMENT OF ORGANIZATION - AMENDMENT			31MAY94	1 94HSE/523/5198					
STATEMENT OF ORGANIZATION - AMENDMENT			20JUL94	1 94HSE/532/4818					
48 HOUR CONTRIBUTION NOTICE			20OCT94	1 94HSE/549/2487					
48 HOUR CONTRIBUTION NOTICE			27OCT94	1 94HSE/552/4913					
48 HOUR CONTRIBUTION NOTICE			31OCT94	1 94HSE/555/0732					
48 HOUR CONTRIBUTION NOTICE			31OCT94	1 94HSE/555/0747					
48 HOUR CONTRIBUTION NOTICE			31OCT94	1 94HSE/555/2731					
48 HOUR CONTRIBUTION NOTICE			3NOV94	1 94HSE/556/1096					
48 HOUR CONTRIBUTION NOTICE			3NOV94	1 94HSE/556/1728					
48 HOUR CONTRIBUTION NOTICE			4NOV94	1 94HSE/556/2644					
STATEMENT OF ORGANIZATION - AMENDMENT			29DEC94	1 94HSE/565/0896					
PRE-PRIMARY	158,336	295,391	1JAN94 -16FEB94	25 94HSE/514/2851					
PRE-PRIMARY - AMENDMENT	158,336	295,391	1JAN94 -16FEB94	5 94HSE/523/3734					
PRE-PRIMARY - AMENDMENT	158,823	296,181	1JAN94 -16FEB94	14 94HSE/524/2438					
REQUEST FOR ADDITIONAL INFORMATION			1JAN94 -16FEB94	2 94FEC/897/0456					
REQUEST FOR ADDITIONAL INFORMATION 2ND			1JAN94 -16FEB94	3 94FEC/899/3317					
APRIL QUARTERLY	457,131	449,005	17FEB94 -31MAR94	22 94HSE/520/2363					
APRIL QUARTERLY - AMENDMENT	1,322,849	779,043	17FEB94 -31MAR94	23 94HSE/524/2415					
REQUEST FOR ADDITIONAL INFORMATION			17FEB94 -31MAR94	3 94FEC/900/2348					
JULY QUARTERLY	146,190	515,213	1APR94 -30JUN94	46 94HSE/533/3032					
OCTOBER QUARTERLY	547,571	709,619	1JUL94 -30SEP94	64 94HSE/542/0751					
OCTOBER QUARTERLY - AMENDMENT	547,659	709,707	1JUL94 -30SEP94	5 94HSE/555/0276					
OCTOBER QUARTERLY - AMENDMENT			1JUL94 -30SEP94	1 95HSE/568/4424					
REQUEST FOR ADDITIONAL INFORMATION			1JUL94 -30SEP94	2 95FEC/957/0290					
REQUEST FOR ADDITIONAL INFORMATION 2ND			1JUL94 -30SEP94	2 95FEC/963/3929					
PRI-GENERAL	268,072	251,647	1OCT94 -19OCT94	20 94HSE/551/0243					
PRI-GENERAL - AMENDMENT			1OCT94 -19OCT94	1 95HSE/568/4422					
REQUEST FOR ADDITIONAL INFORMATION			1OCT94 -19OCT94	1 95FEC/957/0289					
POST-GENERAL	445,506	478,172	20OCT94 -28NOV94	45 94HSE/558/2073					
POST-GENERAL - AMENDMENT			20OCT94 -28NOV94	19 95HSE/568/4522					
REQUEST FOR ADDITIONAL INFORMATION			20OCT94 -28NOV94	3 95FEC/957/0394					
REQUEST FOR ADDITIONAL INFORMATION 2ND			20OCT94 -28NOV94	3 95FEC/963/3956					
YEAR-END	1,517,975	1,519,256	29NOV94 -31DEC94	16 95HSE/567/2666					

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CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/	PARTY	RECEIPTS		DISBURSEMENTS		COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
			PRIMARY	GENERAL	PRIMARY	GENERAL			

TOTAL 1,734,064 2,925,402 1,184,590 3,473,995 358 TOTAL PAGES

3. AUTHORIZED COMMITTEES

4. JOINT FUNDRAISING COMMITTEES AUTHORIZED BY THE CAMPAIGN

All reports except the 1994 Year End have been reviewed.

Cash on Hand as of 12/31/94: \$ 881.36

Debts and obligations owed to the Committee: \$ 0

Debts and obligations owed by the Committee: \$ 2,163,651.72

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# GENERAL ELECTION REPORT NOTICE

Fontenot for Congress  
Attachment 2  
Page 1 of 1

## FEDERAL ELECTION COMMISSION

CONGRESSIONAL COMMITTEES

October 3, 1994

### 1994 GENERAL ELECTION CANDIDATE COMMITTEES

REPORT	REPORTING PERIOD*	REG./CERT. MAILING DATE**	FILING DATE
Pre-General	10/01/94 - 10/19/94	10/24/94	10/27/94
Post-General	10/20/94 - 11/28/94	12/08/94	12/08/94

#### WHO MUST FILE

All 1994 general election principal campaign committees of congressional candidates (including unopposed candidates) who seek election in the November 8, 1994, General Election must file the Pre- and Post-General Election Reports. If the campaign has an authorized committee(s), in addition to the principal campaign committee, the principal campaign committee must also file a consolidated report on Form 32 and attach the report(s) of the authorized committee(s).

#### 48 HOUR NOTICES ON CONTRIBUTIONS

Notices are required if the committee receives contributions (including contributions and loans from the candidate's personal funds; and endorsements or guarantees of bank loans) of \$1,000 or more, during the period of October 20 through November 5. The notices must reach the appropriate federal and state filing offices within 48 hours of the committee's receipt of the contribution(s).

#### LABEL

Committees should affix the peel-off label from the envelope to Line 1 of the report. Corrections should be made on the label.

#### COMPLIANCE

TREASURERS ARE RESPONSIBLE FOR FILING ALL REPORTS AND 48 HOUR NOTICES ON TIME. FAILURE TO DO SO IS SUBJECT TO ENFORCEMENT ACTION. COMMITTEES USING NON-FEC FORMS FOR REPORTS OR FILING ILLEGIBLE REPORTS OR NOTICES WILL BE REQUIRED TO REFILE.

\*The period begins with the close of the last report filed by the committee. If the committee has filed no previous reports, the period begins with the date of the committee's first activity.

\*\*Reports sent by registered or certified mail must be post-marked by the mailing date; otherwise, they must be received by the filing date.

FOR INFORMATION, Call: 800/424-9530 or 202/219-3420

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Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of contributions or for any other purpose, other than using the name and address of any political committee to contribute to such committee.

## NAME OF COMMITTEE

FONTENOT FOR CONGRESS COMMITTEE

A. Dr. Eugene Fontenot  
5025 Jason Street  
Houston, TX 77096

## EMPLOYER

DATE  
10/20/94AMOUNT  
30,000.00

## OCCUPATION

Receipt for: General

Aggregate YTD: \$ 667,575.00

B. Dr. Eugene Fontenot  
5025 Jason Street  
Houston, TX 77096

## EMPLOYER

DATE  
10/21/94AMOUNT  
71,775.00

## OCCUPATION

Receipt for: General

Aggregate YTD: \$ 667,575.00

C. Dr. Eugene Fontenot  
5025 Jason Street  
Houston, TX 77096

## EMPLOYER

DATE  
10/28/94AMOUNT  
195,000.00

## OCCUPATION

Receipt for: General

Aggregate YTD: \$ 667,575.00

D. Dr. Eugene Fontenot  
5025 Jason Street  
Houston, TX 77096

## EMPLOYER

DATE  
11/03/94AMOUNT  
30,000.00

## OCCUPATION

Receipt for: General

Aggregate YTD: \$ 667,575.00

E. Dr. Eugene Fontenot  
5025 Jason Street  
Houston, TX 77096

## EMPLOYER

DATE  
11/04/94AMOUNT  
70,000.00

## OCCUPATION

Receipt for: General

Aggregate YTD: \$ 667,575.00

F.

## EMPLOYER

DATE

AMOUNT

## OCCUPATION

Receipt for:

Aggregate YTD: \$

G.

## EMPLOYER

DATE

AMOUNT

## OCCUPATION

Receipt for:

Aggregate YTD: \$

SUBTOTAL of Receipts This Page (optional)

397,575.00

TOTAL This Period (last page this line number only)

397,575.00

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NAME OF CONSTITUENT  
 FONTENOT FOR CONGRESS COMMITTEE

Fontenot for Congress

Attachment 3

Page 2 of 2

A. Dr. Eugene Fontenot  
 5025 Jason Street  
 Houston, TX 77096

ORIG. AMOUNT  
 OF LOAN

CUM. PAYMENT  
 TO DATE

BALANCE  
 CLOSE OF

71,775.00

0.00

Election: General

Terms: Date Incurred: 10/21/94 Date Due: None Interest Rate: 9.25% Secured: No

List All Endorsers or Guarantors (if any) to Item A

1.

EMPLOYER

OCCUPATION

AMOUNT GUARANTEED OUTSTANDING:  
 \$

2.

EMPLOYER

OCCUPATION

AMOUNT GUARANTEED OUTSTANDING:  
 \$

3.

EMPLOYER

OCCUPATION

AMOUNT GUARANTEED OUTSTANDING:  
 \$

B. Dr. Eugene Fontenot  
 5025 Jason Street  
 Houston, TX 77096

ORIG. AMOUNT  
 OF LOAN

CUM. PAYMENT  
 TO DATE

BALANCE OUTSTANDING AT  
 CLOSE OF THIS PERIOD

195,000.00

0.00

195,000.00

Election: General

Terms: Date Incurred: 10/28/94 Date Due: None Interest Rate: 9.25% Secured: No

List All Endorsers or Guarantors (if any) to Item B

1.

EMPLOYER

OCCUPATION

AMOUNT GUARANTEED OUTSTANDING:  
 \$

2.

EMPLOYER

OCCUPATION

AMOUNT GUARANTEED OUTSTANDING:  
 \$

3.

EMPLOYER

OCCUPATION

AMOUNT GUARANTEED OUTSTANDING:  
 \$

SUBTOTALS This Period This Page (optional)

266,775.00

TOTALS This Period (last page in this line only)

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Fontenot for Congress  
Attachment 4  
RQ- Page 1 of 2

Reina Fontenot, Treasurer  
Fontenot for Congress  
P.O. Box 7875  
Pasadena, TX 77508

JAN 13 1995

Identification Number: C00284703

Reference: 30 Day Post-General Report (10/20/94-11/28/94)

Dear Ms. Fontenot:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-You must provide the occupation and name of employer for all individuals who contribute more than \$200 in a calendar year. Please amend your report to include the omitted information.

A committee may demonstrate "best efforts" to obtain the required information by providing the Commission with a description of its procedures for requesting the information, accompanied by copies of the solicitations: the committee must request the contributor information in initial solicitations; make follow-up requests (if necessary); report the information; and file amendments to disclose previously unreported information. Each solicitation must include a clear and conspicuous request for the information and must inform the contributor that the reporting of such information is required by federal law. If a committee receives a contribution that exceeds the \$200 threshold but lacks contributor information, the committee must, within 30 days, make an additional written or oral request for the information. Please note that a written request may not include an additional solicitation or material on any other subject, other than thanking the contributor for the donation and must include a pre-addressed return post card or envelope for the contributor's response. An oral request must be documented in writing. Committees must also disclose information that was not provided by the contributor, but is available in any of the committee's records for that current election cycle. Furthermore, if a committee receives contributor information after the contributions have been reported,

9 79 65 40 33 79 75 31 80 43 89 4

it must submit, with its next report, an amend Schedule A listing all the contributions to additional information was received or file before the next reporting date, amendments to the previous reports on which the contributions were originally disclosed. See 11 CFR §104.3(a)(4)(i) and 11 CFR §104.7.

-When a committee reports receiving a loan from the candidate, it is necessary to clarify whether or not the candidate used personal funds or borrowed the money from a lending institution or some other source. If the candidate borrowed funds from a lending institution, or other source, please provide the name of the lending institution and the complete terms of the loan. Additionally, for loans from a lending institution, you must file an FEC FORM C-1 (copy attached) and a copy of the loan agreement. If the loan(s) was from personal funds, please acknowledge that fact in an amendment to this report. It is important to note that "personal funds" is strictly defined by Commission Regulations. See 11 CFR §110.10. (11 CFR §§100.7(a)(1) and 104.3(d))

-Schedule A of your report indicates that your committee may have failed to file one or more of the required 48 hour notices regarding "last minute" contributions received by your committee after the close of books for the 12 Day Pre-General report. A principal campaign committee must notify the Commission, in writing, within 48 hours of any contribution of \$1,000 or more received between two and twenty days before an election. These contributions are then reported on the next report required to be filed by the committee. To ensure that the Commission is notified of last minute contributions of \$1,000 or more to your campaign, it is recommended that you review your procedures for checking contributions received during the aforementioned time period. Although the Commission may take legal action, any response you wish to provide concerning this matter will be considered. (11 CFR §104.5(f))

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 219-3580.

Sincerely,

*T-L*

Todd Schumacher  
Reports Analyst  
Reports Analysis Division

**TELECON**

January 18, 1995

Committee: Fontenot for Congress  
Subject: Receipt of RFAI / Failure to File 48-Hour Notices  
FEC REP: Todd Schumacher  
Committee REP: Diane Sullivan

Ms. Sullivan called to say that she had received the RFAI sent on the 30G and that she would send in a response. She wanted to know which specific 48-Hour Notices were missing. I told her that we had not received Notices for the loans of \$71,775 incurred on 10/21/94 and \$195,000 incurred on 10/28/94. Ms. Sullivan said that she was sure that they had filed all necessary Notices and that she would state as such for the public record in her response.

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95 JAN

OFFICE OF THE CLERK  
U.S. HOUSE OF REPRESENTATIVES

HAND DELIVERED

JANUARY 22, 1994

FONTENOT FOR CONGRESS COMMITTEE  
P.O. BOX 7875  
PASADENA, TX 77508

157440

MR. DONALD K. ANDERSON, CLERK  
U.S. HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C. 20515-6601

RE: FEC LD.# C00284703

30 DAY POST-GENERAL REPORT, OCTOBER QUARTERLY,  
12 DAY PRE-GENERAL REPORT 1994

Dear Mr. Anderson:

Enclosed please find amendments and responses to questions asked by our Report Analyst, Todd Schumacher, related to our above referenced reports covering July 1994 through Nov 1994. Copies of the letters from Todd Schumacher are attached for reference.

## A) Regarding 30 Day Post-General report 48 hour notice:

1. All contributions of \$1,000 or more were noted and fixed to the Clerk of House at 202-225-7781 within the 48 hours as required. The amount of \$195,000 (10-20-94, loan) and \$71,773 (10-21-94, loan) were fixed timely. All contributions requiring to be reported were usually fixed in less than 74 hours of receipt of money.

2. The in-kind contribution of \$1,000 was reported as of the date Oct. 31, 1994 which was the date noted on the letter written by Frank Rudykew. It was mailed to us after that date and received by us after the Nov. 8 election, so we reported it on the 30 day report.

## B) Regarding the loans on the October Quarterly, 12 Day Pre-General and 30 Day Post General report:

All loans made by Dr. Fontenot to the campaign during these time periods were made from his personal funds to the Campaign. No loans were made by him or guaranteed by him for these funds, therefore no C-1's were required.

C) Regarding contributors Occupation and Employer: ON 30 DAY Post General  
Find attached copies of Line 11a, pages 1-9 with additions noted.

If you should find further explanation is necessary, please contact us.

Yours truly,

Reina Fontenot ✓

Reina Fontenot  
Campaign Treasurer



**TELECON**

March 8, 1995

Committee: Fontenot for Congress

Subject: 48-Hour Notices for Fontenot for Congress

FEC REP: Todd Schumacher

Clerk's Office REP: Peter Johnson

I called Peter to make sure that the Clerk's Office did not have any 48-Hour Notices on file for Fontenot for Congress that were not listed on the Clerk's index because the Committee claims to have filed all of them. He checked his records and said that the Clerk's Office did not have any Notices on file that are not listed on the index.

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

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARY

JUN 13 11 50 AM '95

**FIRST GENERAL COUNSEL'S REPORT**

**SENSITIVE**

RAD Referral: 95L-04 and 95L-09  
Date Activated: May 31, 1995

Staff Member: Colleen Behan

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

RESPONDENTS: The Friends of Bernadette Castro Committee  
and E. Edgar Cosman, as treasurer (95L-04)

The Fontenot for Congress Committee and Reina  
Fontenot, as treasurer (95L-09)

RELEVANT STATUTES: 2 U.S.C. § 434(a)(6)(A)  
2 U.S.C. § 431(8)(A)

3

**I. GENERATION OF MATTER**

The Office of the General Counsel received referrals from the Reports Analysis Division ("RAD") pertaining to the Friends of Bernadette Castro Committee on February 23, 1995, and the Fontenot for Congress Committee on April 7, 1995. (See Attachments 1 and 2). The basis for these referrals is: the failure by the Friends of Bernadette Castro Committee and E. Edgar Cosman, as treasurer, to file one forty-eight hour notification ("48 Hour Notice") concerning a contribution in the form of a candidate loan; and the failure by the Fontenot for Congress Committee and Reina Fontenot, as treasurer, to file forty-eight hour notices for two candidate loans.

The candidate loan for the Friends of Bernadette Castro Committee was in the amount of \$352,810. The candidate, Bernadette Castro, lost the November 8, 1994 General Election

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for the United States Senate in the State of New York with forty-one and eight tenths of one percent (41.8%) of the vote.

The candidate loans for the Fontenot for Congress Committee totaled \$266,775. The candidate, Dr. Eugene Joseph Fontenot, Jr., lost the November 8, 1994 General Election in Texas's twenty-fifth (25th) congressional district with forty-five percent (45%) of the vote.

Each committee failed to report a campaign contribution of \$1,000 or more, received after the 20th day but more than 48 hours before an election, within 48 hours of receipt of the contribution, in violation of 2 U.S.C. § 434 (a)(6)(A).

## II. FACTUAL AND LEGAL ANALYSIS

Based on the attached Factual and Legal Analyses, (See Attachments 3 and 4), this Office recommends the Federal Election Commission find reason to believe that each Respondent violated 2 U.S.C. § 434(a)(6)(A).

## III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

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IV. RECOMMENDATIONS

1. Open a MUR for RAD Referral 95L-4.
2. Find reason to believe that the Friends of Bernadette Castro Committee and E. Edgar Cosman, as treasurer, violated 2 U.S.C. § 434(a)(6)(A), and enter into conciliation prior to a finding of probable cause to believe.
3. Open a MUR for RAD Referral 95L-9.

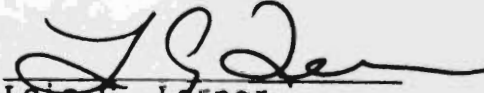


4. Find reason to believe that the Fontenot for Congress Committee and Reina Fontenot, as treasurer, violated 2 U.S.C. § 434(a)(6)(A), and enter into conciliation prior to a finding of probable cause to believe.
5. Approve the attached Factual and Legal Analyses, proposed conciliation agreements, and the appropriate letters.

Lawrence M. Noble  
General Counsel

6/16/95  
Date

BY:

  
Lois G. Lerner  
Associate General Counsel

Attachments

1. Referral Materials (95L-4)
2. Referral Materials (95L-9)
3. Factual and Legal Analysis (Castro Committee)
4. Factual and Legal Analysis (Fontenot Committee)
5. Conciliation Agreement (Castro Committee)
6. Conciliation Agreement (Fontenot Committee)

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**FEDERAL ELECTION COMMISSION**

WASHINGTON DC 20461

**MEMORANDUM**

**TO:** LAWRENCE M. NOBLE  
GENERAL COUNSEL

**FROM:** MARJORIE W. EMMONS/BONNIE J. ROSS   
COMMISSION SECRETARY

**DATE:** JUNE 22, 1995

**SUBJECT:** RAD REFERRALS 95L-4/95L-9 - FIRST GENERAL COUNSEL'S  
REPORT DATED JUNE 16,  
1995.

The above-captioned document was circulated to the  
Commission on Monday, June 19, 1995 at 4:00.

Objection(s) have been received from the  
Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	<u>XXX</u>
Commissioner Elliott	<u>          </u>
Commissioner McDonald	<u>XXX</u>
Commissioner McGarry	<u>          </u>
Commissioner Potter	<u>          </u>
Commissioner Thomas	<u>          </u>

This matter will be placed on the meeting agenda  
for Tuesday, June 27, 1995.

Please notify us who will represent your Division before  
the Commission on this matter.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
The Friends of Bernadette Castro )  
Committee and E. Edgar Cosman, )  
as treasurer (95L-04); )  
The Fontenot for Congress Committee )  
and Reina Fontenot, as treasurer )  
(95L-09) )

RAD Referral  
#95L-04

and  
RAD Referral  
#95L-09

MUR  
(4229)

MUR  
(4230)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on June 27, 1995, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions with respect to RAD Referral 95L-04 and RAD Referral 95L-09:

1. Open a MUR for RAD Referral 95L-4.
2. Find reason to believe that the Friends of Bernadette Castro Committee and E. Edgar Cosman, as treasurer, violated 2 U.S.C. § 434(a)(6)(A), and enter into conciliation prior to a finding of probable cause to believe.
3. Open a MUR for RAD Referral 95L-9.

(continued)

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Federal Election Commission  
Certification: RAD Referrals  
95L-4 and 95L-9  
June 27, 1995.

Page 2

4. Find reason to believe that the Fontenot for Congress Committee and Reina Fontenot, as treasurer, violated 2 U.S.C. § 434(a) (6)(A), and enter into conciliation prior to a finding of probable cause to believe.
5. Approve the Factual and Legal Analyses, proposed conciliation agreements, and the appropriate letters as recommended in the General Counsel's June 16, 1995 report.

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

Attest:

6-30-95  
Date

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

97043773859





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

July 12, 1995

The Fontenot for Congress  
Committee and Reina Fontenot, Treasurer  
P.O. Box 7875  
Pasadena, TX 77508

Re: MUR 4230  
The Fontenot for Congress  
Committee and Reina Fontenot,  
Treasurer

Dear Ms. Fontenot:

On June 27, 1995, the Federal Election Commission found that there is reason to believe that the Fontenot for Congress Committee and you, as treasurer, violated 2 U.S.C. §434(a)(6)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

In order to expedite the resolution of this matter, the Commission has also decided to offer to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Enclosed is a conciliation agreement that the Commission has approved.

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

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW  
DEDICATED TO KEEPING THE PUBLIC INFORMED

9704377386C

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In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

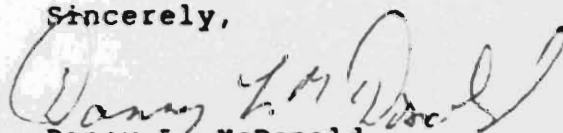
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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

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 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 Colleen Behan, the staff member assigned to this matter, at (202) 501-7133.

Sincerely,

  
Danny L. McDonald  
Chairman

Enclosures

Factual and Legal Analysis  
Procedures  
Designation of Counsel Form  
Conciliation Agreement

cc: Dr. Eugene Fontenot

**FEDERAL ELECTION COMMISSION  
FACTUAL & LEGAL ANALYSIS**

**RESPONDENTS:** The Fontenot for Congress Committee  
and Reina Fontenot, as treasurer

MUR: 4230

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

970437382  
The Federal Election Campaign Act of 1971, as amended ("the Act"), requires principal campaign committees of candidates for federal office to notify in writing either the Secretary of the Senate, the Clerk of the U.S. House of Representatives or the Commission, as appropriate, and the Secretary of State, of each contribution totaling \$1,000 or more, received by any authorized committee of the candidate after the 20th day but more than 48 hours before any election. 2 U.S.C. § 434(a)(6)(A). The Act further requires notification to be made within 48 hours after the receipt of the contribution and to include the name of the candidate and office sought, the date of receipt, the amount of the contribution, and the identification of the contributor. Id. The notification of these contributions shall be in addition to all other reporting requirements. 2 U.S.C. § 434(a)(6)(B).

According to 2 U.S.C. § 431(8)(A) and 11 C.F.R. § 100.7(a)(1)(B), a loan is a contribution at the time it is

made and is a contribution to the extent that it remains unpaid.

The General Election in the state of Texas was held on November 8, 1994. Pursuant to the Act, the Respondents were required to notify the Commission, in writing, of all contributions of \$1,000 or more received from October 20 to November 5, 1995, within 48 hours of their receipt. A review of the Committee's 1994 30 Day Post-General Report identified two contributions received on October 21 and October 28, 1994, in the amounts of \$71,775 and \$195,000 respectively. The contributions were reported on Schedules A and C as loans to the Committee from the personal funds of the candidate, Dr. Eugene Fontenot, Jr. The Commission and the Clerk's Office have no record of receiving the required 48-hour notices.

Accordingly, there is reason to believe that the Fontenot for Congress Committee and Reina Fontenot, as treasurer, violated 2 U.S.C. § 434(a)(6)(A) by failing to report two campaign contributions of \$1,000 or more, received after the 20th day, but more than 48 hours before the election, within 48 hours of receipt of the contributions.

97043773863



Post-It™ brand fax transmittal

To: Colleen Behan	From: Deanne Sullivan
Co: FEC	Co:
Phone: 202-214-3923	Phone: 713-998-7879
Fax: 202-214-3923	Fax: 713-998-2671

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

JUL 26 9 46 AM '95

**STATEMENT OF DESIGNATION OF COUNSEL**

NUR 4230

NAME OF COUNSEL:

Deanne Sullivan

ADDRESS:

4201 Fairmont PKWY #504  
PASADENA, TX 77504

TELEPHONE:

713-487-5892

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.

7-25-95  
Date

Bene Fontenot  
Signature

RESPONDENT'S NAME:

BENE FONTENOT

ADDRESS:

5807 Spring Stuebner Rd  
Spring, Texas 77389

HOME PHONE:

(713) 353-9810

BUSINESS PHONE:

\_\_\_\_\_

97043773864

Federal Election Commission  
Washington, D.C. 20463

Re: MUR 4230

The Fontenot for Congress  
Committee and Reina Fontenot,  
Treasurer

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF  
JONNELL  
JUN 28 12 44 PM '95

Dear Mr. McDonald:

In response to your letter to Ms. Fontenot regarding questions pertaining to 48 hour reporting before November 1994 election, please find attached:

1. Copy of Statement of Designation of Representative that was faxed to MS Colleen Behan on 7-26-95
2. Copy of Long Distance Charges from AT&T that show dates that our contributions over \$1,000 were faxed to Clerk of the House (202-225-7781). I have highlighted those calls from our FAX.
3. Copy of Instruction page for FEC form 6 that tells where we should fax our form. Note this page was part of our records to show what procedures were followed.
4. Copy of the Fax cover sheet used for all reporting of FEC form 6
5. Copies of FEC FORM 6 that were actually faxed. \*Note I penciled date at bottom of each sheet to show date I faxed for my future reference. There is a sheet for each phone call identified on AT&T bill.

If there is any other information needed to answer these concerns, please contact myself at the address on statement of designation of representative or Gene Fontenot, candidate.

Deanne Sullivan

9704377385

Post-It™ brand fax transmittal no. 7671 # of pages = 3	
To: Colleen Behan	Deanne Sullivan
Co: FEC	Co:
Dept: Off of Gen Counsel	Phone # 713-998-7879
Fax # 202-214-3923	Fax # 713-998-0671

representative

P. 01

**STATEMENT OF DESIGNATION OF COUNSEL**

MUR 4230

NAME OF COUNSEL:

Deanne Sullivan

ADDRESS:

4201 Fairmont Pkwy #504  
PASADENA, TX 77504

TELEPHONE:

713-487-5892

JUL 28 12 44 PM '95

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

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.

7-25-95  
Date

Bene Fontenot  
Signature

RESPONDENT'S NAME:

BENE FONTENOT

ADDRESS:

5807 Spring Stuebner Rd  
Spring, Texas 77384

HOME PHONE:

(713) 353-9210

BUSINESS PHONE:

\_\_\_\_\_

97043773866

Date	Date
11/06/9	12/06/94



GENE FONTENOT

of Long Distance Charges

to	Date	Time	Place	Area/Number	Mins	Call Type	Rate Period	Amount
SMALL BUSINESS <sup>SM</sup> ADVANTAGE INTERSTATE DIRECT DIALED CALLS CALLS BILLED TO 713 998-1470								
1	10/07	6:02P	TO WASHINGTON DC	202 863-7562	1	DDC	EVE	.182
2	10/07	6:03P	TO WASHINGTON DC	202 863-7502	2	DDC	EVE	.362
3	10/10	11:50A	TO STPETERSBG FL	813 521-4249	1	DDC	DAY	.27+
4	10/10	2:32P	TO FLS CHURCH VA	703 556-9765	2	DDC	DAY	.59+
5	10/14	3:40P	TO ORLEANS MA	508 255-2062	5	DDC	DAY	1.49+
6	10/19	4:40P	TO WASHINGTON DC	202 714-5867	1	DDC	DAY	.292
7	10/19	4:46P	TO WASHINGTON DC	202 714-5867	1	DDC	DAY	.292
8	10/19	4:47P	TO WASHINGTON DC	202 638-4581	1	DDC	DAY	.292
9	10/20	10:47A	TO WASHINGTON DC	202 225-7781	1	DDC	DAY	.292
10	10/21	9:15A	TO WASHINGTON DC	202 225-7781	1	DDC	DAY	.292
11	10/23	8:51P	TO STEVENSVL MD	410 643-1437	1	DDC	EVE	.18+
12	10/23	8:53P	TO STEVENSVL MD	410 643-1437	3	DDC	EVE	.55+
13	10/25	11:12A	TO WASHINGTON DC	202 638-4581	4	DDC	DAY	1.192
14	10/25	1:49P	TO WASHINGTON DC	202 638-4581	2	DDC	DAY	.592
15	10/25	11:46P	TO PHILA PA	215 627-6139	1	DDC	NT/WK	.18+
16	10/25	11:49P	TO PHILA PA	215 627-6139	1	DDC	NT/WK	.18+
17	10/25	11:55P	TO PHILA PA	215 627-6139	1	DDC	NT/WK	.18+
18	10/25	11:57P	TO PHILA PA	215 627-8629	1	DDC	NT/WK	.18+
19	10/25	11:58P	TO PHILA PA	215 627-8629	1	DDC	NT/WK	.18+
20	10/26	12:00A	TO PHILA PA	215 627-8629	1	DDC	NT/WK	.18+
21	10/26	12:01A	TO PHILA PA	215 627-8629	1	DDC	NT/WK	.18+
22	10/26	12:02A	TO PHILA PA	215 627-8629	1	DDC	NT/WK	.18+
23	10/26	12:03A	TO PHILA PA	215 627-8629	7	DDC	NT/WK	1.29+
24	10/26	1:20P	TO WASHINGTON DC	202 638-4581	3	DDC	DAY	.892
25	10/26	2:15P	TO PHILA PA	215 627-8629	3	DDC	DAY	.89+
26	10/27	12:06P	TO WASHINGTON DC	202 225-7781	1	DDC	DAY	.292
27	10/28	4:04P	TO ORLEANS MA	508 255-2062	2	DDC	DAY	.59+
28	10/28	7:28P	TO WASHINGTON DC	202 225-7781	1	DDC	EVE	.182
29	10/28	9:52P	TO WASHINGTON DC	202 225-7781	1	DDC	EVE	.182
30	10/31	3:29P	TO WASHINGTON DC	202 225-7781	2	DDC	DAY	.592
31	10/31	6:35P	TO VIRGINIBCH VA	804 424-3254	3	DDC	EVE	.55+
32	11/01	1:52P	TO WASHINGTON DC	202 833-0388	6	DDC	DAY	1.782
33	11/01	2:10P	TO WASHINGTON DC	202 833-0555	7	DDC	DAY	2.082
34	11/03	10:13A	TO WASHINGTON DC	202 225-7781	1	DDC	DAY	.292
35	11/03	2:08P	TO WASHINGTON DC	202 225-7781	1	DDC	DAY	.292
36	11/04	2:38P	TO WASHINGTON DC	202 225-7781	1	DDC	DAY	.292
SUBTOTAL								\$18.46

27443773867



Principal campaign committees must file 48-hour notices on contributions of \$1,000 or more received after the 20th day, but more than 48 hours, before 12:01 a.m. of the day of any election in which the candidate participates.

Committees may disclose these contributions on FEC Form 6 or in a letter containing the same information.

The 48-hour notice requirement applies to all types of elections—primary, convention, general, runoff, special—and even when a candidate is unopposed in an election.

This requirement applies to all contributions of \$1,000 or more, including:

- Monetary and in-kind contributions;
- Guarantees and endorsements of bank loans;
- Loans (other than bank loans);
- Advances;
- Contributions, personal loans, endorsements of bank loans and advances made by the candidate; and
- Candidate draws on personal credit cards.

The 48 Hour Notice requirement does not apply to contributions that have been previously disclosed on reports filed by the committee.

#### What to Report

Fill in the information requested in the spaces provided. Include the name and address of the committee, name of the candidate, the office sought by the candidate and your committee's FEC identification number. For each contribution of \$1,000 or more, provide the following information for each contributor:

- Full name (including first name, middle name or initial, if available, and last name);
- Mailing address;
- Occupation and name of employer;
- Date of receipt; and
- Amount of contribution.

In the case of contributions from any other person (including contributions from political committees), provide the contributor's full name and address, the date of receipt and the amount of the contribution.

The contributions and loans must be itemized a second time in the first report filed after the election.

#### Filing on Time

FEC Form 6 must be received by the federal and state filing office within 48 hours after a campaign's receipt of any contribution of \$1,000 or more received after the 20th day, but more than 48 hours before, the date of any election in which the candidate participates. A postmark date is not significant for purposes of filing on time.

#### Where to File

House and Senate candidate committees file with the Clerk of the House and the Secretary of the Senate, as appropriate.

Clerk of the House of Representatives  
Office of Records and Registration  
1036 Longworth House office Building  
Washington, DC 20515-6612

Fax number for Clerk of the House: (202) 225-7781

Secretary of the Senate  
Office of Public Records  
232 Hart Senate Office Building  
Washington, DC 20510-7116

Fax number for Secretary of the Senate:  
(202) 224-1851.

Committees must simultaneously file a copy of each FEC Form 6 with the Secretary of State (or appropriate state officer) in the state in which the candidate seeks election.

Presidential candidate committees file with the FEC.

Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

Fax number for FEC: (202) 219-3880

Presidential candidate committees must simultaneously file copies with the Secretary of State (or appropriate state officer) in each state in which the committee makes expenditures.

FAX 512-463-5777  
ATT. Disclosure Filings  
Texas Ethics Commission  
PO Box 12070

Austin, Tx 78711-2070

Phone No#

1-800-325-8506



# Facsimile Cover Sheet

To: Clerk of the House

Company:

Phone:

Fax: 202-225-7781

From: Fontenot for Congress

Company:

Phone: 713-998-3357

Fax: 713-998-1470

Date: 10/1/99

Pages including this  
cover page: 2

Comments:

97043773819

FAX 202-225-7781

# 48 HOUR NOTICE OF CONTRIBUTIONS/LOANS RECEIVED

(See Reverse Side for Instructions)

To be used to report all contributions (including loans) of \$1000 or more, received within 20 days of the election.

1 NAME OF COMMITTEE IN FULL <b>Fontenot for Congress Committee</b>	
ADDRESS (number and street) <b>P.O. Box 7875</b>	
CITY, STATE, and ZIP CODE <b>PASADENA, TX 77508</b>	
2 NAME OF CANDIDATE <b>EUGENE FONTENOT</b>	3 OFFICE SOUGHT <b>US House - 25<sup>th</sup> District - Texas</b>
4 FEC IDENTIFICATION NUMBER <b>C00284703</b>	

Any information copied from such Reports and Statements may 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.

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
<b>Friends of John Boehner</b> <b>7908 CINCINNATI Dayton Rd</b> <b>West Chester, Ohio 45069</b>	<b>Political Campaign</b>	<b>10-20-94</b>	<b>1,000.00</b>
	Occupation		
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
<b>Eugene Fontenot</b> <b>5025 JASON</b> <b>Houston, TX 77046</b>	<b>Candidate</b>	<b>10-20-94</b>	<b>30,000.00</b>
	Occupation <b>Self. (retired physician)</b>		
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
	Occupation		
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
	Occupation		
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
	Occupation		
SIGNATURE (optional)		DATE <b>10-20-94</b>	For further information contact: Federal Election Commission 999 E Street, NW, Washington, DC 20463 Toll Free 800-424-9530, Local 202-219-3420

FEC FORM 6

(11/93)

CLERK of the House

FAX 202-225-7781

# 48 HOUR NOTICE OF CONTRIBUTIONS/LOANS RECEIVED

(See Reverse Side for Instructions)

To be used to report all contributions (including loans) of \$1000 or more, received within 20 days of the election.

1 NAME OF COMMITTEE IN FULL <b>Fontenot for Congress Committee</b>	
ADDRESS (number and street) <b>P.O. Box 7875</b>	
CITY, STATE, and ZIP CODE <b>PASADENA, TX 77508</b>	
2 NAME OF CANDIDATE <b>EUGENE FONTENOT</b>	3 OFFICE SOUGHT <b>US House - 25th Dist TX</b>
4 FEC IDENTIFICATION NUMBER <b>000284703</b>	

Any information copied from such Reports and Statements may 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.

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
<b>EUGENE FONTENOT</b> <b>5025 JASON</b> <b>HOUSTON, TX 77096</b>	<b>Candidate Loan</b>	<b>10-21-94</b>	<b>71,775.00</b>
	Occupation <b>Self (retired physician)</b>		
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
	Occupation		
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
	Occupation		
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
	Occupation		
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
	Occupation		
SIGNATURE (optional)		DATE	For further information contact: Federal Election Commission 999 E Street, NW, Washington, DC 20463 Toll Free 800-424-9530, Local 202-219-3420

10-21-94

97043773871

# 48 HOUR NOTICE OF CONTRIBUTIONS/LOANS RECEIVED

(See Reverse Side for Instructions)

To be used to report all contributions (including loans) of \$1000 or more, received within 20 days of the election.

1. NAME OF COMMITTEE IN FULL <b>Fontenot for Congress Committee</b>	
ADDRESS (number and street) <b>P.O. Box 7875</b>	
CITY, STATE, and ZIP CODE <b>PASADENA, Tx 77508</b>	
2. NAME OF CANDIDATE <b>Eugene Fontenot</b>	3. OFFICE SOUGHT <b>US House- 25<sup>th</sup> Dist.</b>

Any information received from such Reports and Statements may 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.

4. FEC IDENTIFICATION NUMBER

**C00284703**

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
<b>EXPAC</b> <b>P.O. Box 2180</b> <b>Houston, Tx 77252-2180</b>	<b>PAC</b>	<b>10-26-94</b>	<b>1,500.00</b>
<b>B. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount</b>
<b>Friends of Newt Gingrich</b> <b>P.O. Box 1399</b> <b>Roswell, Georgia 30077</b>	<b>Campaign</b>	<b>10-27-94</b>	<b>1,000.00</b>
<b>C. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount</b>
	<b>Occupation</b>		
<b>D. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount</b>
	<b>Occupation</b>		
<b>E. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount</b>
	<b>Occupation</b>		
SIGNATURE (optional)		DATE	For further information contact: Federal Election Commission 999 E Street, NW, Washington, DC 20463 Toll Free 800-424-9530, Local 202-219-3420

97043773872

10-27



# 48 HOUR NOTICE OF CONTRIBUTIONS/LOANS RECEIVED

(See Reverse Side for Instructions)

To be used to report all contributions (including loans) of \$1000 or more, received within 20 days of the election.

1. NAME OF COMMITTEE IN FULL <b>Fontenot for Congress Committee</b>	
ADDRESS (number and street) <b>P.O. Box 7875</b>	
CITY, STATE, and ZIP CODE <b>PASADENA, TX 77508</b>	
2. NAME OF CANDIDATE <b>Eugene Fontenot</b>	3. OFFICE BOUGHT <b>US House 25<sup>th</sup> Dist-Tx</b>

Any information copied from such Reports and Statements may 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.

4. FEC IDENTIFICATION NUMBER

**C00284703**

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
<b>FRIENDS of Cliff STEARNS P.O. Box 308 Silver Springs, FL 34489</b>	<b>Campaign</b>	<b>10-28-94</b>	<b>1,000.00</b>
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
	Occupation		
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
	Occupation		
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
	Occupation		
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
	Occupation		

SIGNATURE (optional)

DATE

**10-28-94**

For further information contact:

Federal Election Commission  
999 E. Street, NW, Washington, DC 20463  
Toll Free 800-424-9530, Local 202-219-3420

**FEC FORM 6**

(11/93)

97043773873



FAX 202-225-781

# 48 HOUR NOTICE OF CONTRIBUTIONS/LOANS RECEIVED

(See Reverse Side for Instructions)

To be used to report all contributions (including loans) of \$1000 or more, received within 20 days of the election.

1. NAME OF COMMITTEE IN FULL <b>Fontenot for Congress Committee</b>	
ADDRESS (number and street) <b>P.O. Box 7825</b>	
CITY, STATE, and ZIP CODE <b>PASADENA TX 77508</b>	
2. NAME OF CANDIDATE <b>Eugene Fontenot</b>	3. OFFICE SOUGHT <b>US House - 25th Dist. Texas</b>
4. FEC IDENTIFICATION NUMBER <b>C00284703</b>	

Any information copied from such Reports and Statements may 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

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
<b>Eugene Fontenot</b> <b>5025 JASON</b> <b>Houston, TX 77096</b>	<b>Candidate Loan</b>	<b>10-28-94</b>	<b>195,000.00</b>
<b>James T. Fontenot</b> <b>17200 Red Oak Drive Ste 210</b> <b>Houston, TX 77090</b>	<b>Self-employed</b>	<b>10-28-94</b>	<b>1,000.00</b>
<b>C. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount</b>
	<b>Occupation</b>		
<b>D. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount</b>
	<b>Occupation</b>		
<b>E. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount</b>
	<b>Occupation</b>		
SIGNATURE (optional)		DATE	For further information contact: Federal Election Commission 999 E Street, NW, Washington, DC 20463 Toll Free 800-424-9530, Local 202-219-3420

FEC FORM 6  
(11/93)

10-28

97043773874

# 48 HOUR NOTICE OF CONTRIBUTIONS/LOANS RECEIVED

(See Reverse Side for Instructions)

To be used to report all contributions (including loans) of \$1000 or more, received within 20 days of the election.

1 NAME OF COMMITTEE IN FULL <b>Fontenot for Congress Committee</b>	
ADDRESS (number and street) <b>P.O. Box 7875</b>	
CITY, STATE, and ZIP CODE <b>PASADENA Tx 77508</b>	
2 NAME OF CANDIDATE <b>Eugene Fontenot</b>	3 OFFICE SOUGHT <b>US House - 25<sup>th</sup> Dist</b>
4 FEC IDENTIFICATION NUMBER <b>C00284703</b>	

Any information copied from such Reports and Statements may 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

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
W. D. Dowett 4403 Shaun Pasadena, Tx 77504	self  Occupation: <b>Businessman</b>	10-29-94	1,000.00
B. Full Name, Mailing Address and ZIP Code Fields for Congress P.O. Box 2406 Humble, Tx 77347	Name of Employer Campaign  Occupation: <b>Congressman</b>	10-29-94	1,000.00
C. Full Name, Mailing Address and ZIP Code Cecil Christensen 1200 Binz #1430 Houston, Tx 77004	Name of Employer Self  Occupation: <b>Physician</b>	10-31-94	1,000.00
D. Full Name, Mailing Address and ZIP Code Bill McCollum 1850 Lee Rd #236 Winter Park, Fl 32789	Name of Employer Campaign  Occupation: <b>Congressman</b>	10-31-94	1,000.00
E. Full Name, Mailing Address and ZIP Code	Name of Employer  Occupation	Date (month, day, year)	Amount

SIGNATURE (optional)	DATE <b>10-31-94</b>	For further information contact: Federal Election Commission 999 E Street, NW, Washington, DC 20463 Toll Free 800-424-9530, Local 202-219-3420
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97043173875

# 48 HOUR NOTICE OF CONTRIBUTIONS/LOANS RECEIVED

(See Reverse Side for Instructions)

To be used to report all contributions (including loans) of \$1000 or more, received within 20 days of the election.

1. NAME OF COMMITTEE IN FULL <b>Fontenot for Congress Committee</b>	
ADDRESS (number and street) <b>P.O. Box 7875</b>	
CITY, STATE, and ZIP CODE <b>PASADENA, TX 77508</b>	
2. NAME OF CANDIDATE <b>Eugene Fontenot</b>	3. OFFICE SOUGHT <b>US House - 25<sup>th</sup> Dist.</b>

Any information copied from such Reports and Statements may 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.

4. FEC IDENTIFICATION NUMBER

**C00284703**

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
<b>NRCC</b> <b>320 1<sup>st</sup> St. S.E.</b> <b>Washington, D.C.</b> <b>20003</b>	<b>National Republican Committee</b> Occupation	<b>11-2-94</b>	<b>4,912.47</b>
B. Full Name, Mailing Address and ZIP Code	Name of Employer  Occupation	Date (month, day, year)	Amount
C. Full Name, Mailing Address and ZIP Code	Name of Employer  Occupation	Date (month, day, year)	Amount
D. Full Name, Mailing Address and ZIP Code	Name of Employer  Occupation	Date (month, day, year)	Amount
E. Full Name, Mailing Address and ZIP Code	Name of Employer  Occupation	Date (month, day, year)	Amount

SIGNATURE (optional)

DATE

**11-3-94**

For further information contact:

Federal Election Commission  
999 E Street, NW, Washington, DC 20463  
Toll Free 800-424-9530, Local 202-219-3420

**FEC FORM 6**

(11/93)

97043773876

**(See Reverse Side for Instructions)**

1 NAME OF COMMITTEE IN FULL

**ADDRESS** (number and street)

CITY, STATE and ZIP CODE

2 NAME OF CANDIDATE

### 3 OFFICE SOUGHT

4 FEC IDENTIFICATION NUMBER

000284703

**SIGNATURE (optional)**

DATE \_\_\_\_\_

11-394

**For further information contact:**

Federal Election Commission

999 E Street, NW, Washington, DC 20463

Toll Free 800-424-9530. Local 202-219-3420



# 48 HOUR NOTICE OF CONTRIBUTIONS/LOANS RECEIVED

(See Reverse Side for Instructions)

To be used to report all contributions (including loans) of \$1000 or more, received within 20 days of the election.

1 NAME OF COMMITTEE IN FULL <b>Fontenot for Congress Committee</b>	
ADDRESS (number and street) <b>P.O. Box 7825</b>	
CITY, STATE and ZIP CODE <b>PASADENA Tx 77508</b>	
2 NAME OF CANDIDATE <b>Eugene Fontenot</b>	3 OFFICE SOUGHT <b>US House - 25<sup>th</sup> Dist</b>

Any information copied from such Reports and Statements may 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

4 FEC IDENTIFICATION NUMBER

**C00284703**

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
<b>Eugene Fontenot</b> <b>5025 JASON</b> <b>HOUSTON, TX 77096</b>	<b>Candidate</b> <b>Loan</b>	<b>11-4-94</b>	<b>70,000.00</b>
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
	Occupation		
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
	Occupation		
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
	Occupation		
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
	Occupation		
SIGNATURE (optional)		DATE	For further information contact: Federal Election Commission 999 E Street, NW, Washington, DC 20463 Toll Free 800-424-9530, Local 202-219-3420

**FEC FORM 6**

(11/93)

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

December 19, 1995

**FIRST CLASS MAIL  
RETURN RECEIPT REQUESTED**

Deanne Sullivan  
The Fontenot for Congress Committee  
4201 Fairmont Parkway #504  
Pasadena, Texas 77504

MUR 4230  
The Fontenot for Congress  
Committee and Reina Fontenot,  
as treasurer

Dear Ms. Sullivan;

This letter is to confirm our telephone conversation on December 13, 1995, wherein we discussed this Office's position in the above-referenced matter. You indicated that, in light of our position, you would need to contact the candidate to determine if the Committee is interested in pursuing pre-probable cause conciliation. You also indicated that you would be back in contact with me within a few days.

This Office is still interested in conciliating this matter at this stage of the enforcement process. Please contact me as soon as possible with the Committee's position or, if you have further questions. I can be reached at 800 424-9530 or 202 219-3690.

Sincerely,

A handwritten signature in cursive script, reading "Jeffrey D. Long".

Jeffrey D. Long

97043773879

PATTON BOGGS, L.L.P.  
2550 M STREET, N.W.  
WASHINGTON, D.C. 20037-1350  
(202) 457-6000

FACSIMILE: (202) 457-6315

WRITER'S DIRECT DIAL

(202) 457-6405

February 15, 1996

Lee Ann Elliott  
Chairwoman  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

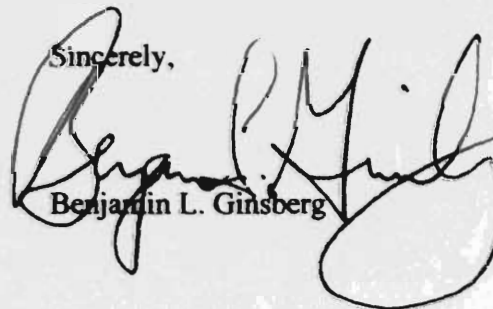
RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT  
FEB 21 9 27 AM '96

Re: MUR 4230 -- The Fontenot for Congress Committee and  
Reina Fontenot, as Treasurer

Dear Chairwoman Elliott:

Our initial response to MUR 4230 included a copy of an affidavit submitted by Mrs. Deanne Sullivan. Enclosed as a supplement to this initial filing is the original affidavit signed by Mrs. Sullivan.

Sincerely,

  
Benjamin L. Ginsberg

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
FEB 21 10 28 AM '96

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STATE OF TEXAS  
CITY OF LAPORTE

AFFIDAVIT OF DEANNE SULLIVAN

Deanne Sullivan, being duly sworn, deposes and states as follows:

1. I am Deanne Sullivan and I served as the accountant for the Fontenot for Congress Committee during the 1994 general election in which Dr. Eugene Fontenot was a candidate for the United States House of Representatives.

2. Given that Dr. Fontenot was very insistent that his campaign comply fully with the letter and spirit of all federal election laws, careful steps were taken to ensure that staff members of the Committee were briefed on the requirements of the Federal Election Campaign Act and strict procedures were established to accomplish this goal of complete compliance.

3. Pursuant to my position as campaign accountant, it was my responsibility to ensure that the appropriate 48-hour reports were promptly completed for all contributions over \$1,000 and then filed with the Federal Election Commission in a timely fashion.

4. The procedures regarding 48-hour reports were as follows. I was to be notified immediately upon the receipt of any contribution or candidate loan. For those contributions or loans of \$1,000 or more, I would then promptly fill out the appropriate FEC FORM 6 and immediately send it by fax to both the Clerk of the House of Representatives and the State of Texas Ethics Commission.

5. Top priority was placed on getting the appropriate 48-hour reports filed by fax as soon as possible after receipt of a contribution. We did not allow ourselves the allotted 48-hours or even 24-hours. Rather, we strove to file 48-hour reports by fax within hours of receipt of a contribution or loan. If the fax lines at the Clerk of the House were busy, a persistent effort was made to fax the report until it went through.

6. These procedures for the prompt filing of 48-hour reports were extremely effective. It is my belief that the appropriate 48-hour reports were filed with the Clerk of the House and the Texas Ethics Commission by fax for each of the fifteen contributions over \$1,000 that were received during the relevant reporting period. These were an October 20, 1994 report showing a \$1,000 contribution and a \$30,000 candidate loan; an October 21, 1994 report showing a candidate loan of \$71,773; an October 27, 1994 report showing a \$1,500 contribution and a \$1,000 contribution; an October 28, 1994 report showing a \$1,000 contribution; an October 28, 1994 report showing a \$195,000 candidate loan and a \$1,000 contribution; an October 31, 1994 report showing four \$1,000 contributions; a November 3, 1994 report showing a \$4,912.47

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contribution; a November 3, 1994 report showing a candidate loan of \$30,800; and a November 4, 1994 report showing a candidate loan of \$70,000.

7. All of these contributions disclosed on 48-hour reports were also fully disclosed on Schedules A and C of the Committee's 30 Day Post-Election Report.

8. I became aware of a potential problem regarding one of the 48-hour reports only after the Committee received a letter from the FEC dated July 12, 1995. This letter alleged that the Committee did not file a 48-hour report showing a candidate loan of \$195,000. The FEC based this allegation on the information that was voluntarily disclosed by the Committee on its post-election report.

9. I firmly believe to this day that the appropriate 48-hour report was filed for the \$195,000 loan received from Dr. Fontenot on October 28, 1994. This firm belief is based on my clear recollection that the relevant procedures were followed regarding the 48-hour report for this loan. I distinctly remember being informed of Dr. Fontenot's \$195,000 loan, filling out a 48-hour report disclosing this loan on the same day, and sending it to be faxed to the both the Clerk of the House and the State of Texas Ethics Commission immediately thereafter. The 48-hour report showing this loan was in fact the second 48-hour report that I had prepared on October 28, 1994. I had earlier completed a 48-hour report for a \$1,000 contribution and faxed it to the Clerk of the House.

10. My belief that two 48-hour notices were faxed to the Clerk of the House and the State of Texas Ethics Commission from our Committee on October 28, 1994 is confirmed by AT&T phone records. These records show that a first fax was received by the Clerk of the House at 8:28 p.m. Eastern time and the second fax was received at 10:52 p.m. Eastern time. These records also prove that the Committee sent two faxes to the State of Texas Ethics Commission on October 28, 1994. Indeed, Texas Ethics Commission records confirm that the 48-hour report showing the \$195,000 loan was in fact received and processed by their office within the relevant reporting period.

11. If, as the Commission alleges, the 48-hour report listing the \$195,000 candidate loan was not processed by the Clerk of the House, then I can only speculate that perhaps the Clerk misplaced the report or, in the alternative, an inadvertent error was made at our fax machine as we tried to file the report so that we accidentally filed the earlier 48-hour report twice. I can offer no other explanation as to why the Clerk of the House apparently did not receive this 48-hour report, yet the State of Texas Ethics Commission did.

12. Although I have no concrete answer as to how the Clerk could not have received the 48-hour report showing the \$195,000 loan, I can state unequivocally that I prepared a 48-hour report for this loan, sent it to the fax machine with the intention that it be sent, and believed in good-faith that it was actually faxed to both the Clerk of the House and the Texas Ethics Commission.

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13. As the accountant for the Fontenot for Congress Committee, I am extremely proud that our campaign satisfied Dr. Fontenot's goal of complete compliance with all federal and state election laws. Even if an inadvertent error was made in the fax transmission of a 48-hour report, there was never any intent by anyone in our Committee to deceive the FEC or the public, as is evidenced by the fact that the 48-hour report listing the loan was filed with the State of Texas Ethics Commission in a timely fashion.

14. I am very discouraged that instead of being praised by the FEC for our efforts and success in complying with all relevant requirements of the Federal Election Campaign Act, our Committee is now being harassed with the an unjust and excessively high fine.

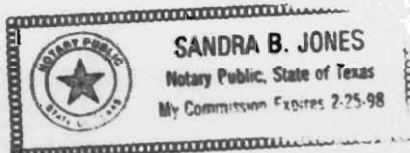
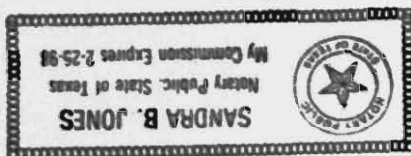
*Deanne Sullivan*  
Deanne Sullivan

Sworn to and subscribed before me  
on this 4TH day of February, 1996.

*Sandra B. Jones*  
Notary Public

My Commission Expires:

164779



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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

JUL 24 1 37 PM '96

July 24, 1996

Benjamin L. Ginsberg, Esquire  
Patton Boggs, L.L.P.  
2550 M Street, N.W.  
Washington, D.C. 20037-1350

**SENSITIVE**

RE: MUR 4230  
Fontenot for Congress and  
Reina Fontenot, as treasurer

Dear Mr. Ginsberg:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, on June 20, 1995, the Federal Election Commission found reason to believe that your clients, Fontenot for Congress and Reina Fontenot, as treasurer, violated 2 U.S.C. § 434(a)(6)(A), and instituted an investigation in this matter. After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days. A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

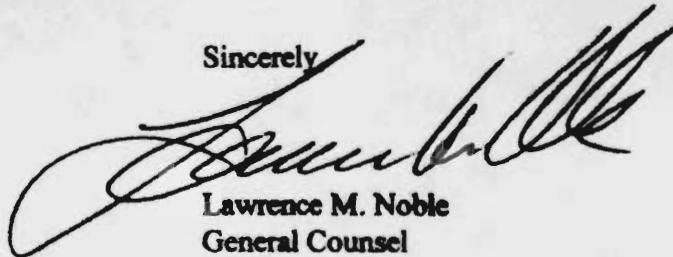
Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW  
DEDICATED TO KEEPING THE PUBLIC INFORMED

97043773834

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

Sincerely



Lawrence M. Noble  
General Counsel

Enclosure  
Brief

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**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of

Fontenot for Congress and  
Reina Fontenot, as treasurer

)  
) MUR 4230  
)  
)

**GENERAL COUNSEL'S BRIEF**

**I. STATEMENT OF THE CASE**

On June 20, 1995, the Commission found reason to believe that Fontenot for Congress and Reina Fontenot, as treasurer ("Respondents" or "the Committee"), violated 2 U.S.C. § 434(a)(6)(A). The facts in this internally generated matter concern whether two 48 Hour Contribution Notices were filed with the Clerk of the House as required by the Federal Election Campaign Act of 1971, as amended ("the Act"). The required reports were to disclose the Committee's receipt of two candidate loans in the amounts of \$71,775 and \$195,000, received on October 21 and October 28, 1994, respectively.

**II. ANALYSIS**

The Act requires principal campaign committees of candidates for federal office to notify in writing either the Secretary of the Senate, the Clerk of the U.S. House of Representatives or the Commission, as appropriate, and the Secretary of State, of each contribution totaling \$1,000 or more, received by any authorized committee of the candidate after the 20th day but more than 48 hours before any election. 2 U.S.C. § 434(a)(6)(A). The Act further requires notification to be made within 48 hours after the receipt of the contribution and to include the name of the candidate and office sought, the date of receipt, the amount of the contribution, and the identification of the contributor. *Id.* The notification of these contributions shall be in addition to all other reporting requirements. 2 U.S.C. § 434(a)(6)(B). According to 2 U.S.C. § 431(8)(A)

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and 11 C.F.R. § 100.7(a)(1)(B), a loan is a contribution at the time it is made and is a contribution to the extent that it remains unpaid.

The Committee has submitted documents which indicate that facsimile transmissions were made to the Clerk of House for each of the contributions it received during the period. The telephone records show nine facsimile transmissions to the Clerk of the House of Representatives for the period in question, including two transmissions on October 21 and October 28. Also made available are the Respondents' copies of nine FEC FORM 6 48 Hour Notices, which they claim correspond to the dates of the telephone bill and claim to have timely faxed to the Clerk of the House. An examination of the telephone records reveals that the Clerk of the House telephone number appears on the Respondents' telephone bill nine times and that the times of the calls seem to be consistent with the dates and times Respondents claim to have sent their 48 Hour Notices.<sup>1</sup>

The following chart illustrates the 48 Hour Notices reported by the Committee for the period.

	<b>Form 6's Respondents Claim to Have Faxed</b>	<b>Date Faxed</b>	<b>Date Received at Clerk's Office</b>	<b>Form 6's Received at Clerk's Office</b>
1.	\$1,000 contribution and \$30,000 candidate loan.	10/20/94	10/20/94	Same
2.	\$71,775 candidate loan.	10/21/94	not received	N/A
3.	\$1,500 contribution from a PAC and \$1,000 contribution from a PCC.	10/27/94	10/27/94	Same
4.	\$1,000 contribution from PCC (Friends of Cliff Stearns).	10/28/94	10/31/94	Same

<sup>1</sup> Both Notices were timely received by the Texas Ethics Commission.

5.	\$195,000 candidate loan and \$1,000 contribution.	10/28/94	10/31/94	Second Copy of \$1,000 contribution from PCC (Friends of Cliff Stearns).
6.	3 \$1,000 contributions from 3 individuals and 1 \$1,000 from a PCC.	10/31/94	10/31/94	Same
7.	\$4,912.47 from a party committee.	11/3/94	11/3/94	Same
8.	\$30,800 candidate loan.	11/3/94	11/3/94	Same
9.	\$70,000 candidate loan.	11/4/94	11/4/94	Same

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According to FEC records, the Clerk's Office only has documentation confirming receipt of eight facsimile transmissions from the Respondents during the pertinent period. The Clerk's records and the transmission times on the Committee's telephone bill match for eight of the nine Notices (or within the normal delays associated with transmissions sent after normal working hours.) The ninth Notice, for which the Clerk has no documentation of receipt, discloses the candidate loan totaling \$71,775 on October 21, one of the loans that is the subject of the Commission's investigation.

With regard to the Notice disclosing the \$195,000 candidate loan on October 28, it appears that the Respondents tried to timely send the appropriate Notice, but sent the duplicate of an earlier Notice by mistake. When attempting to match the remaining eight Notices that the Committee states that it faxed, with the copies of the eight Notices that were received by the Clerk, a further discrepancy was discovered. The Committee claims that on October 28 it faxed one Notice disclosing a \$1,000 contribution from Friends of Cliff Stearns at 7:28 p.m. and a second Notice disclosing a candidate loan for \$195,000 at 9:52 p.m. Clerk's Office records indicate that the Stearns contribution Notice was time stamped as received on October 31 at 8:07

-4-

a.m. (the delay apparently due to the Office being closed during the weekend). More importantly, the second fax, time stamped as received at the Clerk's Office a few minutes later at 8:12 a.m., discloses the same Stearns contribution and appears to be the same Notice. Thus, it appears that on Friday evening the Committee faxed the Notice which disclosed the contribution from Stearns and then, a little more than two hours later, perhaps intending to fax the Notice to disclose the \$195,000 candidate loan, mistakenly faxed the Stearns Notice a second time. Therefore, the Office of the General Counsel recommends that the Commission find probable cause to believe that Fontenot for Congress and Reina Fontenot, as treasurer, violated 2 U.S.C. § 434(a)(6)(A).

**III. GENERAL COUNSEL'S RECOMMENDATION**

Find probable cause to believe that Fontenot for Congress and Reina Fontenot, as treasurer, violated 2 U.S.C. § 434(a)(6)(A).

Date

7/24/96

  
Lawrence M. Noble  
General Counsel

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RECEIVED  
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COMMISSION  
OFFICE OF GENERAL  
COUNSEL

AUG 8 11 47 AM '96

PATTON BOGGS, L.L.P. RECEIVED  
2550 M STREET, N.W. FEDERAL ELECTION  
COMMISSION MAIL ROOM

WASHINGTON, D.C. 20037-1350

(202) 457-6000

FACSIMILE: (202) 457-6315

AUG 7 4 44 PM '96

WRITER'S DIRECT DIAL

(202) 457-6405

August 7, 1996

Lee Ann Elliott  
Chairwoman  
Federal Election Commission  
999 E. Street, N.W.  
Washington, DC 20463

Attn: Jeffrey Long

RE: MUR 4230  
The Fontenot for Congress Committee and  
Reina Fontenot, as Treasurer

Dear Chairwoman Elliott:

As this matter currently stands, the Federal Election Commission ("Commission") is severely punishing a congressional campaign because either: the campaign inadvertently sent a wrong fax or the House Clerk's office inadvertently copied the wrong fax. In either event, this case cannot, in any fair system of enforcement, merit the severe penalty now sought.

Accordingly, on behalf of the Respondents in the above-captioned matter, we respectfully urge the Commission to reject the General Counsel's recommendation that the Commission find probable cause to believe that Respondents violated the Federal Election Campaign Act ("Act"). A review of the undisputed facts demonstrates that the Commission should take no further action.

This matter is not about a campaign that failed to comply. Rather, as stated in Respondents' February 6th statement and specifically acknowledged in the General Counsel's Brief, the missing 48-hour notice for the \$195,000 candidate loan on October 28, 1994 was, at most, the result of an inadvertent technical error that occurred during the course of full compliance with the Act. Indeed, the only real question at issue in this case is who made the technical mistake with respect to the 48-hour notice -- the Clerk of the House by failing to correctly copy the notice or the Respondents by inadvertently sending the same fax twice in the

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COMMISSION  
SECRETARIAT

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PATTON BOGGS, L.L.P.

Lee Ann Elliott, Chairwoman

August 7, 1996

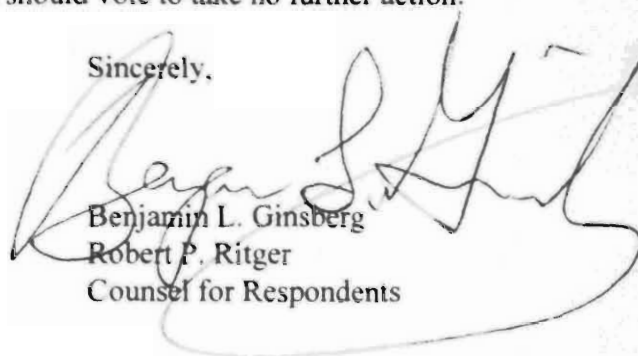
Page 2

process of complying with the 48-hour notification rule. It is difficult to answer this question with any certainty. But it is uncontested that the Respondents intended to file a 48 hour notice for the loan at issue and actively faxed a 48-hour notice to the Clerk of the House on October 28th that Respondents believed to be correct.

Even if the Respondents made a mistake and sent the same fax twice, the General Counsel's Brief recognizes that the 48-hour notice for the loan at issue was correctly filed with the Texas State Ethics Commission on October 28th and placed on the public record. This proves not only that Respondents attempted in good faith to comply with the statute by placing the loan on the public record, it also shows that neither the Commission nor the voters of the 25th District were ever denied any relevant information regarding Dr. Fontenot's personal spending on his campaign.

The bottom line is that if a technical error occurred in the filing of the 48-hour notice for the loan at issue, it hardly rises to the level of a violation that deserves further action by the Commission or the excessive penalty now being sought. This is especially so given that the correct notice was filed in a timely manner with the Texas State Ethics Commission. It is incomprehensible how, despite expressly recognizing that Respondents made at most a technical error in the process of complying with the Act, the General Counsel now advises the Commission to continue to pursue a harsh penalty in this matter. Such a penalty is not only inconsistent with the clear facts of this case, it violates the Commission's stated policy of exercising "prosecutorial discretion" to target campaigns that deliberately or repeatedly violate the Act. Simply put, the Commission should vote to take no further action.

Sincerely,



Benjamin L. Ginsberg  
Robert P. Ritger  
Counsel for Respondents

97043773891

BEFORE THE FEDERAL ELECTION COMMISSION

SEP 16 10 59 AM '96

In the Matter of:

)

)

MUR. 4230

)

Fontenot for Congress and  
Reina Fontenot, as treasurer

)

**SENSITIVE**

**GENERAL COUNSEL'S REPORT**

**I. BACKGROUND**

On June 20, 1995, the Commission found reason to believe that Fontenot for Congress and Reina Fontenot, as treasurer ("Respondents" or "the Committee"), violated 2 U.S.C. § 434(a)(6)(A). The facts in this internally generated matter concern whether two 48 Hour Contribution Notices were filed with the Clerk of the House as required by the Federal Election Campaign Act of 1971, as amended ("the Act"). The required reports were to disclose the Committee's receipt of two candidate loans in the amounts of \$71,775 and \$195,000, received on October 21 and October 28, 1994, respectively. The General Counsel's Brief was mailed on July 24, to which the Respondents replied on August 7, 1996. This report, together with the General Counsel's Brief, sets forth the bases for the General Counsel's recommendation to find probable cause to believe the Respondents violated the Act.

**II. ANALYSIS**

The Respondents' position remains that this matter is not about the Committee's failure to comply, but rather and at most, an inadvertent technical error. They suggest in their Brief that the only issue is who made the technical mistake -- "the Clerk of the House by failing to correctly copy the Notice or the Respondents by inadvertently sending the same fax twice in the process of complying with the 48 hour rule." They state that it is uncontested that the Committee intended to file a Notice for the loan and in fact did fax a Notice to the Clerk that the

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Respondents believed to the October 28th loan. Respondents conclude in their Brief that if such a technical error occurred, it warrants neither further action by the Commission nor the excessive penalty that is inconsistent with the facts of this case.

The Respondents have argued that the Commission can not prove that the faxed Notices were not received at the Clerk of the House. The burden to prove timely receipt is on the Respondents. Their response brief offers no new information to demonstrate timely receipt and the lack of a violation, but instead reviews the mitigating circumstances which the Commission has recognized throughout the course of this matter. Although mitigating circumstances exist, the central uncontested fact in this matter is that the Respondents did not timely file two 48 Hour Contribution Notices disclosing a total of \$266,775 in the last weeks before the 1994 General Election. Therefore, the Office of the General Counsel recommends that the Commission find probable cause to believe that Fontenot for Congress and Reina Fontenot, as treasurer, violated 2 U.S.C. § 434(a)(6)(A).

### **III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY**

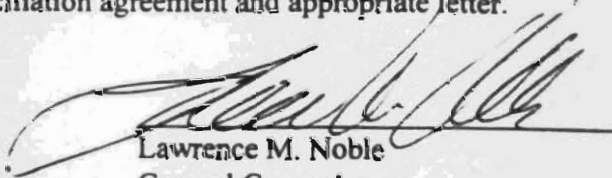
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**IV. RECOMMENDATIONS**

1. Find probable case to believe that Fontenot for Congress and Reina Fontenot, as treasurer, violated 2 U.S.C. § 434(a)(6)(A).
2. Approve the attached conciliation agreement and appropriate letter.

Date

9/13/96

  
Lawrence M. Noble  
General Counsel

Attachment:  
Conciliation Agreement

Staff assigned: Jeffrey Long

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Fontenot for Congress and  
Reina Fontenot, as treasurer.

)  
)  
)  
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MUR 4230

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on September 19, 1996, the Commission decided by a vote of 5-0 to take the following actions in MUR 4230:

1. Find probable cause to believe that Fontenot for Congress and Reina Fontenot, as treasurer violated 2 U.S.C. § 434(a)(6)(A).
2. Approve the conciliation agreement and appropriate letter, as recommended in the General Counsel's Report dated September 13, 1996.

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

Attest:

9-19-96

Date

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

Received in the Secretariat: Mon., Sept. 16, 1996 10:59 a.m.  
Circulated to the Commission: Mon., Sept. 16, 1996 4:00 p.m.  
Deadline for vote: Thurs., Sept. 19, 1996 4:00 p.m.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 26, 1996

Benjamin L. Ginsberg, Esquire  
Patton Boggs, L.L.P.  
2550 M Street, N.W.  
Washington, D.C. 20037-1350

RE: MUR 4230  
Fontenot for Congress and  
Reina Fontenot, as treasurer

Dear Mr. Ginsberg:

On September 19, 1996, the Federal Election Commission found that there is probable cause to believe your clients, Fontenot for Congress and Reina Fontenot, as treasurer, violated 2 U.S.C. § 434(a)(6)(A), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with that Committee's failure to file two 48 Hour Notice contribution reports.

The Commission has a duty to attempt to correct such violations for a period of 30 to 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement during that period, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission within ten days. I will then recommend that the Commission accept the agreement. Please make the check for the civil penalty payable to the Federal Election Commission.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Jeffrey Long, the staff member assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble  
General Counsel

Enclosure  
Conciliation Agreement

9704373806



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 6, 1996

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Benjamin L. Ginsberg, Esquire  
Patton Boggs, L.L.P.  
2550 M Street, N.W.  
Washington, D.C. 20037-1350

RE: MUR 4230  
Fontenot for Congress and  
Reina Fontenot, as treasurer

Dear Mr. Ginsberg:

On September 26, 1996, you were notified that the Federal Election Commission found probable cause to believe that your clients, Fontenot for Congress and Reina Fontenot, as treasurer, violated 2 U.S.C. § 434(a)(6)(A). On that same date, you were sent a conciliation agreement offered by the Commission in settlement of this matter.

Please note that pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), the conciliation period in this matter may not extend for more than 90 days, but may cease after 30 days. Insofar as more than 30 days have elapsed without a response from you, a recommendation concerning the filing of a civil suit will be made to the Commission by the Office of the General Counsel unless we receive a response from you within 10 days of your receipt of this letter.

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

Sincerely,

Jeffrey D. Long  
Paralegal Specialist

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PATTON BOGGS, L.L.P.  
2550 M STREET, N.W.  
WASHINGTON, D.C. 20037-1350  
(202) 457-6000

FACSIMILE: (202) 457-6316

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

FEB 6 4 14 PM '96

WRITER'S DIRECT DIAL  
(202) 457-6405

February 6, 1996

Lee Ann Elliott  
Chairwoman  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT  
FEB 6 3 39 PM '96

RE: MUR 4230 -- The Fontenot for Congress Committee and  
Reina Fontenot, as Treasurer

Dear Chairwoman Elliott:

In response to the Federal Election Commission's ("Commission") recent finding and proposed Conciliation Agreement, Respondents in the above-captioned matter submit the following statement

This is Respondents' first substantive response in this matter. They do not believe the Commission's proposed Agreement reflects the facts of this case or even the Commission's own precedents in similar enforcement matters. Accordingly, for the reasons set forth below, Respondents respectfully request that after reviewing these materials, the Commission reassess its position. Respondents believe the facts of this case warrant a vote of no further action.

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Lee Ann Elliott, Chairwoman

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**I. Introduction**

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This matter is not about failing to comply. As the attached documents and affidavit demonstrate, the Committee and its treasurer meticulously complied with all the requirements of the Act, including the 48-hour notification rule. At most, this case is about one missent (or miscopied) 48-hour report to the Clerk of the House. Telephone records and the attached affidavit show that the Committee faxed two 48-hour reports in a timely fashion on October 28, 1994, to both the Clerk of the House and the State of Texas Ethics Commission ("Texas Ethics Commission"). The records further show that both the Clerk of the House and Texas Ethics Commission received two faxed 48-hour reports from the Committee. The Clerk did not put the 48-hour reports on the public record until October 31, 1994. The Texas Ethics Commission put both reports on file. The only real question is whether the Committee inadvertently sent the

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Clerk the same fax twice or whether the two Fontenot 48-hour faxes that sat in the Clerk's office for approximately 60 hours were copied incorrectly.

The answer to this question may be impossible to ascertain. As the attached affidavit and documents demonstrate, the Committee believes it filed both reports correctly. Yet even if the Committee inadvertently filed one report twice with the Clerk of the House, the effect is negligible since neither the Commission nor the voters in the 25th District were ever denied any relevant information regarding Dr. Fontenot's personal spending on his campaign. Texas Ethics Commission records show that the 48-hour report for the \$195,000 candidate loan was in fact received in a timely manner on October 28, 1994 and placed on public record. Moreover, as the attached media reports and press releases from Dr. Fontenot's opponent show, Dr. Fontenot's personal spending was a key issue in the campaign and a matter of public record irrespective of this one 48-hour report.

Given these facts, Respondents request that the Commission reevaluate its position in light of its enforcement policy announced on December 13, 1993. In formulating this enforcement policy to encourage voluntary compliance, the Commission said it would exercise "prosecutorial discretion" to target campaigns that deliberately or repeatedly violate the Act. This questionable matter is the only action against the Committee throughout the entire campaign. Besides that, the relevant 48-hour report was properly filed with the Texas Ethics Commission by the Committee.

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Prosecutorial discretion would mandate taking no further action here. Furthermore, not distinguishing between deliberate non-compliers and a campaign which at worst made an isolated, inadvertent technical error, stands in opposition to the Commission's goal of encouraging voluntary compliance with the Act.

The following Factual Statement and Legal Analysis demonstrate in more detail why the Commission should reconsider its position.

II. Factual Statement

Eugene Fontenot, Jr. was the Republican candidate for the 1994 United States House of Representatives election in the 25th District of Texas. From the outset of this election, Respondents placed top priority on compliance with all relevant federal election laws. Affidavit of Deanne Sullivan ("Sullivan Aff.") at ¶ 2. Careful steps were taken to ensure that all staff members of the Committee were briefed on the requirements of the Act and strict procedures were established to ensure compliance. *Id.* This careful and good-faith dedication to compliance is especially evident in the context of the 48-hour reporting requirements codified at 2 U.S.C. § 434(a)(6)(A)-(B).

The person in charge of 48-hour reports for the Committee was campaign accountant Deanne Sullivan. Pursuant to detailed procedures implemented under her direction, *id.* at ¶¶ 2-5, all contributions subject to the 48-hour notice requirement were upon receipt brought to the

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attention of Mrs. Sullivan. *Id.* at ¶ 4. Ms. Sullivan would then fill out the appropriate 48-hour notice and immediately send it by facsimile to the Clerk of the House and the Texas Ethics Commission. *Id.* The campaign placed a high priority on filing 48-hour notices as soon as possible, most of the time within hours of receipt of the contribution. *See* Attachments 1 and 2. This prompt filing of 48-hour notices was interrupted only when the lines of the Clerk of the House's or Texas Ethics Commission were busy for an extended period. Under such circumstances, however, the campaign would persistently attempt to fax the notice until it went through. Sullivan Aff. at ¶ 5.

These procedures achieved a virtually flawless record of compliance with the 48-hour reporting rule for each of the 15 contributions over \$1,000 received during the 48-hour reporting period. This matter involves the only possible exception which, at worst, was an inadvertent technical error. The Commission must remember that even if the filing with the Clerk was in error (which Respondents dispute), the correct 48-hour report for the \$195,000 candidate loan at issue was filed as required with the Texas Ethics Commission.

On October 28, 1994, Respondents received a \$1,000 contribution shortly before receipt of the candidate loan. Pursuant to the Committee's established procedures, a 48-hour notice was immediately prepared for the \$1,000 contribution. A second 48-hour notice was prepared upon receipt of the candidate loan. Sullivan Aff. at ¶¶ 9, 12; Attachment 3. Once prepared, each notice was sent to be faxed to the Clerk of the House and the Texas Ethics Commission.



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Telephone records show that two separate faxes were sent to the Clerk of the House -- the first at 8:28 p.m. Eastern time and the second at 10:52 p.m. Eastern time. Attachment 1. Records at the House Clerk's office confirm the receipt of two separate faxes on Friday, October 28, 1994.

These records also show that these faxes sat in the Clerk's office for 60 hours over the weekend before being eventually placed on the public record on October 31, 1994. The Committee's faxes were placed on the public record Monday morning -- presumably in the crush of many others that arrived over the weekend. If there were duplicate faxes sent, it was never noted by the Clerk of the House. If the Clerk's employees copied one fax twice and missed the second fax, it was never known by the Committee until brought to its attention months later by the Commission.

While this question exists relating to the fax to the Clerk of the House, the correct 48-hour report for the candidate loan (which the Committee believes was also sent to the Clerk) was filed in a timely fashion with the Texas Ethics Commission. Attachment 4. In fact, telephone and Texas Ethics Commission records confirm that the 48-hour notice for the \$195,000 candidate loan was faxed and received on October 28, 1994. Attachments 2 and 4.

Respondents believe they complied with the Act and that both 48-hour notices were filed properly for the following reasons. Individual 48-hour notices were promptly prepared for both the contribution and the loan. These notices were taken to the fax machine with the intention that they be sent. Two separate faxes were actually sent to the Clerk of the House and the Texas Ethics Commission. The Texas Ethics Commission received both 48-hour reports. Sullivan Aff.

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at ¶¶ 9, 10, 12. Moreover, in the spirit of full compliance that characterized the Fontenot campaign, the \$195,000 candidate loan was accurately disclosed in Schedules A and C of the Committee's 30 Day Post Election Report. The Commission now bases its enforcement action on this voluntarily submitted information. In fact, it was not until receiving a letter from the Commission dated July 12, 1995 that Respondents became aware that there was even a problem with any 48-hour report. Sullivan Aff. at ¶ 8.

If this matter concerns a mistake over the fax transmission, it was merely an unintentional and technical error that occurred within the spirit of compliance. Indeed, the Committee properly filed the relevant 48-hour report with the Texas Ethics Commission. Moreover, the committee properly reported well over \$2 million in other candidate loans to the campaign, on both its pre- and post-election reports, and through other promptly filed 48-hour notices for four other candidate loans totaling \$202,575.

In addition, despite the Commission's insinuation, the campaign simply had nothing to gain by not filing the report. Not only was the 48-hour report for the candidate loan properly filed with the Texas Ethics Commission but, as the attached articles demonstrate, the voters in the 25th District of Texas were informed of Dr. Fontenot's personal spending on his campaign well before this loan at issue. Dr. Fontenot's spending on his campaign was thoroughly reported prior to the election by the Houston Chronicle and other widely disseminated local newspapers.

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For example, almost two weeks before the loan at issue, the October 16, 1994 Houston Chronicle reported: "Fontenot has injected more than \$2 million of his own money into his campaign, running numerous televisions commercials and making charitable contributions to community programs across the 30-mile wide district." Attachment 5. Moreover, the cover of the October 13-19, 1994 issue of the widely-circulated Houston Press featured a caricature of Dr. Fontenot next to the prominently displayed lead-in: "Eugene Fontenot, with big Bucks and blessings from on high, comes out from behind his wall to buy a seat in Congress." Attachment 6. The story inside detailed how Dr. Fontenot had bought "hundreds of thousands of dollars of television and radio ads . . . with the \$1.6 million (as of the last public counting) he's donated or lent to his campaign." *Id.* Similarly, popular local columnist Molly Irvins stated in the October 21, 1994, Houston Post that Dr. Fontenot has "already spent \$1.6 million of his own money on the race." Attachment 7. As a final example of how widespread the coverage of Dr. Fontenot's personal spending was in the 25th District, the Post reported only days before the election on October 29, 1994, that Dr. Fontenot was "spending millions of dollars on advertising aimed at deceiving the public." Attachment 8.

In addition to the numerous local press reports informing voters of Dr. Fontenot's personal expenditures, the issue was made a central theme of the campaign by his opponent. As the attached press releases dated October 11, 1994 and October 12, 1994 show, the magnitude of his personal spending was widely known and already a part of the public debate well before the

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date of the loan at issue here. His opponent constantly stressed to voters that Dr. Fontenot was spending millions of dollars in an attempt to "buy" the election. For example, a press release issued by the opposing campaign on October 11, 1994 stressed that "Fontenot has spent over \$2 million of his personal fortune on the election so far, more than any other candidate in the country." Attachment 9. Likewise, a press release dated October 12, 1994, accused Dr. Fontenot of "spending millions to create a 'new' image in his effort to buy a Congressional seat." Attachment 10. This same press release also reiterated that "Fontenot has spent over \$2 million of his personal fortune trying to buy this election, more than any other Congressional candidate in the country." *Id.*

The amount of the loan at issue (\$195,000) is not even 10 percent of the amount that Dr. Fontenot's opponent told the voters Dr. Fontenot had actually lent his campaign.

**III. Legal Analysis**

**A. The Proposed Penalty is Inappropriate Since Respondents Acted in Good-Faith At All Times and Achieved a Virtually Flawless Compliance Record.**

The facts of this case (presented for the first time in this submission) and the Commission's precedents both suggest that a reevaluation by the Commission is in order. In particular, there are nine facts that stand out. First, the Committee carefully put into place procedures for complying with the 48-hour notification requirements. Sullivan Aff. at ¶¶ 2-5.



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Second, the Committee followed these procedures, sending a timely fax to the Clerk of the House and the Texas Ethics Commission each time it should have. *Id.* at ¶ 6. Third, as Attachment 4 demonstrates, the 48-hour report for the candidate loan was sent to and received by the Texas Ethics Commission on October 28, 1994. Fourth, as Attachment 1 demonstrates, a fax was sent to the Clerk of the House for the loan at issue. Fifth, the Committee has produced the 48-hour report for the \$195,000 candidate loan it believed it sent to the Clerk (and did send to the Texas Ethics Commission) and, at the least, intended to send to the Clerk. Attachment 3. Sixth, the fax that the campaign did send sat in the Clerk's office from Friday night to Monday morning. Seventh, the wrong fax was put on the public record. If it was the Committee's fault, which Respondents do not believe but the Commission contends, at the worst this error defines the term "inadvertent". Eighth, even if this was an error by the Committee for inadvertently filing the wrong fax twice, the loan was put on the public record in its Texas filing. Furthermore, the Committee had no reason to hide the loan (as the Commission implies) since Dr. Fontenot's substantial loans to his campaign had already been widely reported and the loan at issue amounted to less than 10 percent of his total spending. Ninth, the proposed penalty is wildly inconsistent with both the Commission's stated enforcement policy and Commission precedents relating to violations of the 48-hour notice rule.

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Accordingly, if there was an error, it was not only unintentional but occurred while the campaign, which otherwise complied completely with the Act's reporting requirements, believed it was complying.

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IV. Conclusion

Despite the fact that Respondents: (1) acted in good faith at all times to comply with the Act; (2) believed they had complied fully with the Act by sending a notice within 48 hours each time it was required; (3) achieved an otherwise unquestioned record of compliance; (4) properly filed a 48-hour report for the \$195,000 candidate loan with the Texas Ethics Commission; (5) voluntarily and accurately disclosed the loan on the post-election report; and (6) did nothing to deprive the voters or the Commission of any relevant information regarding the campaign, the Commission is now proposing to aggressively punish Respondents as if they were willful or habitual non-compliers.

PATTON BOGGS, L.L.P.

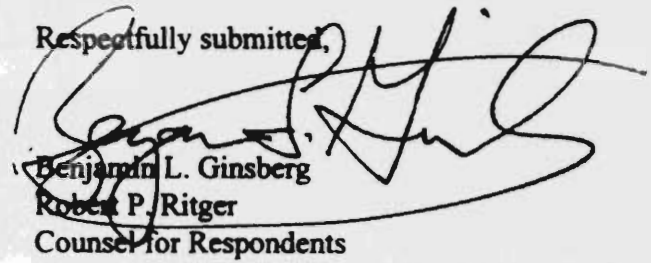
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The current posture of the matter is unreasonable and unjust. Respondents respectfully request that the Commission reconsider this matter in light of this submission and vote to take no further action

Respectfully submitted,



Benjamin L. Ginsberg

Robert P. Ritger

Counsel for Respondents

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STATE OF TEXAS  
CITY OF LAPORTE

AFFIDAVIT OF DEANNE SULLIVAN

Deanne Sullivan, being duly sworn, deposes and states as follows:

1. I am Deanne Sullivan and I served as the accountant for the Fontenot for Congress Committee during the 1994 general election in which Dr. Eugene Fontenot was a candidate for the United States House of Representatives.

2. Given that Dr. Fontenot was very insistent that his campaign comply fully with the letter and spirit of all federal election laws, careful steps were taken to ensure that staff members of the Committee were briefed on the requirements of the Federal Election Campaign Act and strict procedures were established to accomplish this goal of complete compliance.

3. Pursuant to my position as campaign accountant, it was my responsibility to ensure that the appropriate 48-hour reports were promptly completed for all contributions over \$1,000 and then filed with the Federal Election Commission in a timely fashion.

4. The procedures regarding 48-hour reports were as follows. I was to be notified immediately upon the receipt of any contribution or candidate loan. For those contributions or loans of \$1,000 or more, I would then promptly fill out the appropriate FEC FORM 6 and immediately send it by fax to both the Clerk of the House of Representatives and the State of Texas Ethics Commission.

5. Top priority was placed on getting the appropriate 48-hour reports filed by fax as soon as possible after receipt of a contribution. We did not allow ourselves the allotted 48-hours or even 24-hours. Rather, we strove to file 48-hour reports by fax within hours of receipt of a contribution or loan. If the fax lines at the Clerk of the House were busy, a persistent effort was made to fax the report until it went through.

6. These procedures for the prompt filing of 48-hour reports were extremely effective. It is my belief that the appropriate 48-hour reports were filed with the Clerk of the House and the Texas Ethics Commission by fax for each of the fifteen contributions over \$1,000 that were received during the relevant reporting period. These were an October 20, 1994 report showing a \$1,000 contribution and a \$30,000 candidate loan; an October 21, 1994 report showing a candidate loan of \$71,775; an October 27, 1994 report showing a \$1,500 contribution and a \$1,000 contribution; an October 28, 1994 report showing a \$1,000 contribution; an October 28, 1994 report showing a \$195,000 candidate loan and a \$1,000 contribution; an October 31, 1994 report showing four \$1,000 contributions; a November 3, 1994 report showing a \$4,912.47

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contribution; a November 3, 1994 report showing a candidate loan of \$30,800; and a November 4, 1994 report showing a candidate loan of \$70,000.

7. All of these contributions disclosed on 48-hour reports were also fully disclosed on Schedules A and C of the Committee's 30 Day Post-Election Report.

8. I became aware of a potential problem regarding one of the 48-hour reports only after the Committee received a letter from the FEC dated July 12, 1995. This letter alleged that the Committee did not file a 48-hour report showing a candidate loan of \$195,000. The FEC based this allegation on the information that was voluntarily disclosed by the Committee on its post-election report.

9. I firmly believe to this day that the appropriate 48-hour report was filed for the \$195,000 loan received from Dr. Fontenot on October 28, 1994. This firm belief is based on my clear recollection that the relevant procedures were followed regarding the 48-hour report for this loan. I distinctly remember being informed of Dr. Fontenot's \$195,000 loan, filling out a 48-hour report disclosing this loan on the same day, and sending it to be faxed to the both the Clerk of the House and the State of Texas Ethics Commission immediately thereafter. The 48-hour report showing this loan was in fact the second 48-hour report that I had prepared on October 28, 1994. I had earlier completed a 48-hour report for a \$1,000 contribution and faxed it to the Clerk of the House.

10. My belief that two 48-hour notices were faxed to the Clerk of the House and the State of Texas Ethics Commission from our Committee on October 28, 1994 is confirmed by AT&T phone records. These records show that a first fax was received by the Clerk of the House at 8:28 p.m. Eastern time and the second fax was received at 10:52 p.m. Eastern time. These records also prove that the Committee sent two faxes to the State of Texas Ethics Commission on October 28, 1994. Indeed, Texas Ethics Commission records confirm that the 48-hour report showing the \$195,000 loan was in fact received and processed by their office within the relevant reporting period.

11. If, as the Commission alleges, the 48-hour report listing the \$195,000 candidate loan was not processed by the Clerk of the House, then I can only speculate that perhaps the Clerk misplaced the report or, in the alternative, an inadvertent error was made at our fax machine as we tried to file the report so that we accidentally filed the earlier 48-hour report twice. I can offer no other explanation as to why the Clerk of the House apparently did not receive this 48-hour report, yet the State of Texas Ethics Commission did.

12. Although I have no concrete answer as to how the Clerk could not have received the 48-hour report showing the \$195,000 loan, I can state unequivocally that I prepared a 48-hour report for this loan, sent it to the fax machine with the intention that it be sent, and believed in good-faith that it was actually faxed to both the Clerk of the House and the Texas Ethics Commission.

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13. As the accountant for the Fontenot for Congress Committee, I am extremely proud that our campaign satisfied Dr. Fontenot's goal of complete compliance with all federal and state election laws. Even if an inadvertent error was made in the fax transmission of a 48-hour report, there was never any intent by anyone in our Committee to deceive the FEC or the public, as is evidenced by the fact that the 48-hour report listing the loan was filed with the State of Texas Ethics Commission in a timely fashion.

14. I am very discouraged that instead of being praised by the FEC for our efforts and success in complying with all relevant requirements of the Federal Election Campaign Act, our Committee is now being harassed with the an unjust and excessively high fine.

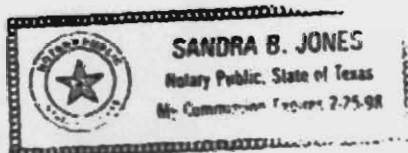
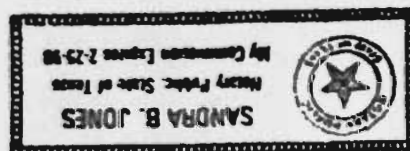
*Deanne Sullivan*  
Deanne Sullivan

Sworn to and subscribed before me  
on this 4th day of February, 1996.

*Sandra B. Jones*  
Notary Public

My Commission Expires:

164779



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Account Number	Bill Close Date	Payment Due Date
814 309 3778 001	11/06/94	12/06/94



GENE FONTENOT

## Detail of Long Distance Charges

Nn	Date	Time	Place	Area/Number	Min	Cell Type	Rate Period	Amount
<b>SHALL BUSINESS ADVANTAGE</b>								
<b>INTERSTATE DIRECT DIALED CALLS</b>								
<b>CALLS BILLED TO 713 998-1470</b>								
1	10/07	6:02P	TO WASHINGTON DC	202 863-7542	1	DDC	EVE	.180
2	10/07	6:03P	TO WASHINGTON DC	202 863-7502	2	DDC	EVE	.360
3	10/10	11:50A	TO STPETERSBO FL	813 521-4249	1	DDC	DAY	.27+
4	10/10	2:32P	TO FLS CHURCH VA	703 556-9765	2	DDC	DAY	.59+
5	10/14	3:40P	TO ORLEANS MA	508 255-2062	5	DDC	DAY	1.48+
6	10/19	4:40P	TO WASHINGTON DC	202 714-5067	1	DDC	DAY	.290
7	10/19	4:46P	TO WASHINGTON DC	202 714-5067	1	DDC	DAY	.290
8	10/19	4:47P	TO WASHINGTON DC	202 638-4501	1	DDC	DAY	.290
9	10/20	10:47A	TO WASHINGTON DC	202 225-7701	1	DDC	DAY	.290
10	10/21	9:15A	TO WASHINGTON DC	202 225-7701	1	DDC	DAY	.290
11	10/23	8:51P	TO STEVENSVL MD	410 643-1437	1	DDC	EVE	.18+
12	10/23	8:53P	TO STEVENSVL MD	410 643-1437	3	DDC	EVE	.55+
13	10/25	11:12A	TO WASHINGTON DC	202 638-4501	4	DDC	DAY	1.190
14	10/25	1:49P	TO WASHINGTON DC	202 638-4501	2	DDC	DAY	.590
15	10/25	11:46P	TO PHILA PA	215 627-6139	1	DDC	NT/WK	.18+
16	10/25	11:49P	TO PHILA PA	215 627-6139	1	DDC	NT/WK	.18+
17	10/25	11:55P	TO PHILA PA	215 627-6139	1	DDC	NT/WK	.18+
18	10/25	11:57P	TO PHILA PA	215 627-6629	1	DDC	NT/WK	.18+
19	10/25	11:58P	TO PHILA PA	215 627-6629	1	DDC	NT/WK	.18+
20	10/26	12:00A	TO PHILA PA	215 627-6629	1	DDC	NT/WK	.18+
21	10/26	12:01A	TO PHILA PA	215 627-6629	1	DDC	NT/WK	.18+
22	10/26	12:02A	TO PHILA PA	215 627-6629	1	DDC	NT/WK	.18+
23	10/26	12:03A	TO PHILA PA	215 627-6629	7	DDC	NT/WK	1.29+
24	10/26	1:20P	TO WASHINGTON DC	202 638-4501	3	DDC	DAY	.890
25	10/26	2:15P	TO PHILA PA	215 627-6629	3	DDC	DAY	.89+
26	10/27	12:06P	TO WASHINGTON DC	202 225-7701	1	DDC	DAY	.290
27	10/28	4:04P	TO ORLEANS MA	508 255-2062	2	DDC	DAY	.59+
28	10/28	7:28P	TO WASHINGTON DC	202 225-7701	1	DDC	EVE	.180
29	10/28	9:52P	TO WASHINGTON DC	202 225-7701	1	DDC	EVE	.180
30	10/31	3:29P	TO WASHINGTON DC	202 225-7701	2	DDC	DAY	.590
31	10/31	6:35P	TO VIRGINIBCH VA	804 424-3254	3	DDC	EVE	.55+
32	11/01	1:52P	TO WASHINGTON DC	202 833-0300	6	DDC	DAY	1.780
33	11/01	2:10P	TO WASHINGTON DC	202 833-0555	7	DDC	DAY	2.080
34	11/03	10:13A	TO WASHINGTON DC	202 225-7701	1	DDC	DAY	.290
35	11/03	2:08P	TO WASHINGTON DC	202 225-7701	1	DDC	DAY	.290
36	11/04	2:38P	TO WASHINGTON DC	202 225-7701	1	DDC	DAY	.290
<b>SUBTOTAL</b>								<b>\$18.46</b>
<b>CALLS BILLED TO 713 998-3357</b>								
37	10/07	1:13P	TO WASHINGTON DC	202 582-1234	2	DDC	DAY	.590
38	10/07	1:25P	TO WASHINGTON DC	202 582-1234	6	DDC	DAY	1.780
39	10/08	10:44A	TO PHILA PA	215 627-6629	1	DDC	NT/WK	.18+
40	10/10	6:12P	TO FLS CHURCH VA	703 556-0001	1	DDC	EVE	.18+
41	10/11	12:26P	TO WASHINGTON DC	202 544-0353	6	DDC	DAY	1.780
42	10/12	7:29A	TO STEVENSVL MD	410 643-4722	2	DDC	NT/WK	.36+
43	10/13	8:04A	TO PHILA PA	215 627-6139	1	DDC	DAY	.29+
44	10/13	1:44P	TO PHILA PA	215 627-6629	1	DDC	DAY	.29+
45	10/14	10:50A	TO ARLINGTON VA	703 684-0633	1	DDC	DAY	.29+
46	10/15	1:59P	TO FLS CHURCH VA	703 556-0001	1	DDC	NT/WK	.18+
47	10/18	4:17P	TO WASHINGTON DC	202 638-1507	6	DDC	DAY	1.780
48	10/19	12:05P	TO PARKVILLE MO	816 746-4116	1	DDC	DAY	.27+
49	10/19	12:07P	TO WASHINGTON DC	202 479-7000	1	DDC	DAY	.290
50	10/19	4:40P	TO WASHINGTON DC	202 638-1507	2	DDC	DAY	.590
51	10/21	12:03P	TO WASHINGTON DC	202 662-7449	1	DDC	DAY	.290
52	10/21	3:24P	TO WASHINGTON DC	202 452-8200	5	DDC	DAY	1.480
53	10/23	9:59A	TO STEVENSVL MD	410 643-4722	1	DDC	NT/WK	.18+
54	10/25	1:20P	TO PHILA PA	215 568-4134	4	DDC	DAY	1.19+
55	10/25	9:22P	TO WASHINGTON DC	202 638-1507	1	DDC	EVE	.180
56	10/26	4:10P	TO ARLINGTON VA	703 684-0633	5	DDC	DAY	1.48+
57	10/27	2:21P	TO WASHINGTON DC	202 404-2202	1	DDC	DAY	.290
58	10/27	4:17P	TO ARLINGTON VA	703 684-0633	2	DDC	DAY	.59+

Account Number	Close Date	Payment Due Date
014 309 3775 001	11/06/94	12/06/94



GENE FONTENOT

## Detail of Long Distance Charges

No	Date	Time	Place	Area/Number	Mir			
<b>SMALL BUSINESS<sup>SM</sup> ADVANTAGE</b>								
<b>INTERSTATE DIRECT DIALED CALLS</b>								
CALLS BILLED TO 713 998-3357								
1	10/28	11:24A	TO ORLEANS MA	508 255-7705	1	DDC	DAY	.29+
2	10/28	12:39P	TO WASHINGTON DC	202 714-6067	1	DDC	DAY	.290
3	10/28	1:00P	TO WASHINGTON DC	202 638-1507	1	DDC	DAY	.290
4	10/28	1:17P	TO ARLINGTON VA	703 684-0633	10	DDC	DAY	2.97+
5	10/29	4:15P	TO STEVENSVL MD	410 643-4722	1	DDC	NT/WK	.18+
6	11/01	2:49P	TO WASHINGTON DC	202 225-4649	1	DDC	DAY	.290
7	11/01	2:51P	TO WASHINGTON DC	202 225-2774	2	DDC	DAY-2	.590
8	11/03	2:48P	TO WASHINGTON DC	202 479-7097	1	DDC	DAY	.290
9	11/03	7:51P	TO PHILA PA	215 627-6139	1	DDC	EVE	.18+
10	11/03	7:52P	TO PHILA PA	215 627-8629	1	DDC	EVE	.18+
11	11/03	7:55P	TO PHILA PA	215 627-6139	1	DDC	EVE	.18+
SUBTOTAL								\$20.26
TOTAL								\$38.72
<b>INTRASTATE DIRECT DIALED CALLS</b>								
CALLS BILLED TO 713 998-1470								
12	10/20	10:52A	TO AUSTIN TX	512 463-5777	2	DDC	DAY	.57+
13	10/21	9:22A	TO AUSTIN TX	512 463-5777	2	DDC	DAY	.57+
14	10/27	12:08P	TO AUSTIN TX	512 463-5777	2	DDC	DAY	.57+
15	10/28	1:03P	TO AUSTIN TX	512 463-5777	2	DDC	DAY	.57+
16	10/28	1:35P	TO AUSTIN TX	512 463-5777	2	DDC	DAY	.57+
17	10/28	6:02P	TO AUSTIN TX	512 463-5777	2	DDC	EVE	.41+
18	10/31	3:19P	TO AUSTIN TX	512 463-5777	2	DDC	DAY	.57+
19	11/03	10:11A	TO AUSTIN TX	512 463-5777	2	DDC	DAY	.57+
20	11/03	2:06P	TO AUSTIN TX	512 463-5777	2	DDC	DAY	.57+
21	11/04	2:07P	TO AUSTIN TX	512 463-5777	2	DDC	DAY	.57+
22	11/04	2:58P	TO AUSTIN TX	512 463-5777	2	DDC	DAY	.57+
SUBTOTAL								\$6.11
CALLS BILLED TO 713 998-3357								
23	11/02	2:33P	TO DALLAS TX	214 922-3366	4	DDC	DAY	1.14+
24	11/05	1:07P	TO WACO TX	817 772-1247	7	DDC	NT/WK	1.25+
SUBTOTAL								\$2.39
TOTAL								\$8.50
<b>OPERATOR HANDLED CALLS</b>								
CALLS BILLED TO 713 998-3357								
25	11/03	3:00P	TO ELLINGTON TX	713 998-3357	1	OCS	DAY	1.21
			FR DAYTOWN TX	713 424-7413				
SUBTOTAL								\$1.21
TOTAL								\$1.21
<b>OPERATOR HANDLED CONFERENCE SERVICE CALLS</b>								
CALLS BILLED TO 713 998-3357								
26	10/10	3:14P	CONFERENCE CALL			OHS	DAY	83.84
27	10/10	3:14P	TO STPETERSBO FL	813 521-1793	32	OHS	DAY	
			FR ELLINGTON TX	713 998-3357				
28	10/10	3:14P	TO ARLINGTON VA	703 684-0633	32	OHS	DAY	
			FR ELLINGTON TX	713 998-3357				
29	10/10	3:14P	TO FLS CHURCH VA	703 556-0001	32	OHS	DAY	
			FR ELLINGTON TX	713 998-3357				
30	10/21	1:59P	CONFERENCE CALL			OHS	DAY	82.78
31	10/21	1:59P	TO PHILA PA	215 568-4134	15	OHS	DAY	
			FR ELLINGTON TX	713 998-3357				
32	10/21	1:55P	TO HOUSTON TX	713 968-6553	37	OHS	DAY	
			FR ELLINGTON TX	713 998-3357				
33	10/21	1:59P	TO FLS CHURCH VA	703 556-0001	37	OHS	DAY	
			FR ELLINGTON TX	713 998-3357				
34	10/24	3:54P	CONFERENCE CALL			OHS	DAY	46.98
35	10/24	3:52P	TO HOUSTON TX	713 968-6553	22	OHS	DAY	
			FR ELLINGTON TX	713 998-3357				
36	10/24	3:52P	TO PHILA PA	215 568-4134	22	OHS	DAY	
			FR ELLINGTON TX	713 998-3357				
37	10/27	10:41A	CONFERENCE CALL			OHS	DAY	64.76



FAX 202-225-7781

# 48 HOUR NOTICE OF CONTRIBUTIONS/LOANS RECEIVED

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To be used to report all contributions (including loans) of \$1000 or more, received within 20 days of the election.

1. NAME OF COMMITTEE IN FULL <b>Fontenot for Congress Committee</b>	
ADDRESS (number and street) <b>P.O. Box 7825</b>	
CITY, STATE, and ZIP CODE <b>PASADENA, TX 77508</b>	
2. NAME OF CANDIDATE <b>Eugene Fontenot</b>	3. OFFICE SOUGHT <b>US House - 25<sup>th</sup> Dist Texas</b>
4. FEC IDENTIFICATION NUMBER <b>C00284703</b>	

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A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
<b>Eugene Fontenot</b> <b>5025 JASON</b> <b>HOUSTON, TX 77096</b>	<b>Candidate Loan</b>	<b>10-28-94</b>	<b>195,000.00</b>
<b>James T. Fontenot</b> <b>17200 Red Oak Drive Ste 20</b> <b>HOUSTON, TX 77090</b>	<b>Self-employed</b>	<b>10-28-94</b>	<b>1,000.00</b>
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
	Occupation		
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
	Occupation		
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
	Occupation		
SIGNATURE (optional)		DATE	For further information, contact: Federal Election Commission 999 E Street, NW, Washington, DC 20463 Toll Free 1-800-424-9530, Local 202-219-3420



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ADDRESS (number and street) <b>P.O. Box 7875</b>	
CITY, STATE, and ZIP CODE <b>PASADENA TX 77508</b>	
2. NAME OF CANDIDATE <b>Eugene Fontenot</b>	3. OFFICE SOUGHT <b>US House - 25<sup>th</sup> Dist. TEXAS</b>
4. FEC IDENTIFICATION NUMBER <b>C00284703</b>	

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of obtaining contributions or for commercial purposes other than using the name and address of any political committee to solicit contributions from such committee.

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
<b>Eugene Fontenot</b> <b>5025 JASON</b> <b>HOUSTON, TX 77096</b>	<b>Candidate</b>	<b>10-28-94</b>	<b>195,000.00</b>
	Occupation		
<b>B. Full Name, Mailing Address and ZIP Code</b> <b>JAMES T. FONTENOT</b> <b>17200 Red Oak Drive Stead</b> <b>HOUSTON, TX 77090</b>	<b>Name of Employer</b> <b>Self-employed</b>	<b>Date (month, day, year)</b> <b>10-28-94</b>	<b>Amount</b> <b>1,000.00</b>
	Occupation <b>Physician</b>		
<b>C. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount</b>
	Occupation		
<b>D. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount</b>
	Occupation		
<b>E. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount</b>
	Occupation		
SIGNATURE (optional)		DATE	For further information contact: Federal Election Commission 900 E Street, NW, Washington, DC 20463 Toll Free 800-424-9532, Local 202-218-3420

FEC FORM 6

(11/93)

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1ST STORY of Level 1 printed in FULL format.

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The Houston Chronicle

October 16, 1994, Sunday, 2 STAR Edition

SECTION: A; Pg. 1

LENGTH: 1544 words

HEADLINE: 25th District leaders stand at right angles on issues

BYLINE: ALAN BERNSTEIN, Houston Chronicle Political Writer; Staff

BODY:

The 25th Congressional District, stretching in jagged lines from Missouri City to Baytown, looks like a tangled wreck.

But it was no accident. Democratic state lawmakers engineered the district to vote Democratic in congressional elections, on the strength of black voters in north Fort Bend County and union members in east Harris County.

Now their best laid plans are being tested by Republican candidate Gene Fontenot, a millionaire hospital owner who rented a house in the Meyerland part of the district last year and still owns a mansion three districts away in Spring.

Fontenot, 58, has roots in the religious right movement, wants to revive Ronald Reagan's "trickle down" economics and opposes abortion, even in cases of rape, incest and endangerment of the pregnant woman's life. So under normal circumstances, he might not be a natural fit for a district that gave its biggest chunk of votes to Bill Clinton in 1992.

But Fontenot, a Navy surgeon in the Vietnam War, is operating under special conditions.

Democratic U.S. Rep. Mike Andrews, who had a lock on the seat for 12 years, isn't on the ballot this Nov. 8. He sought his party's U.S. Senate nomination in the spring primary, but lost.

In a year of widespread disgust with Clinton and the Democratic-controlled Congress, the Democratic nominee nevertheless comes straight from the Democratic establishment. Investment banker Ken Bentsen Jr., 35, is a former congressional aide, former chairman of the Harris County Democratic Party and the nephew of Clinton's treasury secretary, former U.S. Sen. Lloyd Bentsen.

Fontenot has injected more than \$ 2 million of his own money into his campaign, running numerous television commercials and making charitable contributions to community programs across the 30-mile-wide district. Bentsen, through fund-raisers that star his

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uncle, has gathered at least \$ 650,000 in contributions.

Two other candidates, both 52, are on the ballot. They are independent Sarah Klein-Tower, a lawyer and former congressional aide who says her parental and business experience make her a good listener, and Libertarian Robert Lockhart, an accountant who calls for government deregulation of health care, prescription drugs and many other things.

Health care reform, which recently transfixed Congress, is a virtual nonissue in the race even though the district encompasses the Texas Medical Center and Fontenot amassed much of his wealth buying and selling hospitals.

Instead, Fontenot sings from the Reagan songbook. His commercials promote "lower taxes, safer streets, less government, welfare reform, term limits and the balanced budget amendment," and the candidate says lower taxes would allow people to invest in businesses that create jobs. Fontenot even sounds like Reagan as he tells voters in a breathy and amiable voice, "I'm the conservative in the race."

Bentsen calls Fontenot's platform a charade, saying the Republican would join GOP members of Congress in cutting Medicare, Social Security and other benefits while giving tax breaks to the wealthy.

Fontenot has avoided debates and most joint appearances with Bentsen, preferring to spend time going door-to-door in search of votes in blue-collar east Harris County. Fontenot's campaign is so carefully scripted that the written text of his speech announcing his candidacy included a reminder for him to look at his wife and children when talking about them.

Bentsen began his general election campaign touting his experience in government, politics and business. He has called for major changes in how Congress operates, for new government job training programs in the Houston area, and for tougher efforts against the flow of illegal drugs through the Port of Houston.

Like many Democratic congressional candidates across the nation, he has tried to put some distance between himself and the unpopular president.

"If the president's right, I'll say so. If he's wrong, I'll stand my ground and fight," Bentsen said a few weeks ago. On Saturday, however, Fontenot launched a TV commercial containing edited video of Bentsen saying, "I agree with the president on just about every issue." Fontenot said the video was recorded in April.

In the last few days, Bentsen has focused on Fontenot's unequivocal stance against abortion. Bentsen calls Fontenot a radical extremist out of touch with the district. Fontenot's spokesman responds that Bentsen is out of the mainstream for supporting federal funding of abortions for poor women and for

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opposing "'parental consent'" requirements for girls seeking abortions.

Much of Bentsen's campaign has been a series of volleys against Fontenot's background. For instance, Bentsen's combing of candidate disclosure forms showed that while Fontenot opposes gambling and abortion, he owned stock last year in a casino and a drug company that conducts research with cells derived from dead fetuses.

With 1992 independent presidential candidate Ross Perot urging voters to put more Republicans in Congress, and with polls showing the GOP gaining strength across the nation, Fontenot blithely responds to the attacks by saying that Bentsen should instead explain his opposition to a balanced budget amendment and other features of the national GOP agenda. (Bentsen favors legislation requiring the president to develop a balanced budget, but opposes a constitutional amendment).

The two other candidates are modestly plugging away with much less money. Klein-Tower was a Democratic congressional aide and Clinton campaign volunteer, but as an independent contender she offers "'a practical, nonpartisan approach. '"

Rather than takes sides on a laundry list of legislation, Klein-Tower says she would conduct "'interactive dialogue'" and then vote the consensus of the district.

"'Your agenda, not mine,'" is one of her campaign slogans, and she bemoans negative campaigning such as Bentsen's thrusts against Fontenot.

Lockhart says he would put his accounting skills to use in the downsizing of the federal government. "'The potential bankruptcy of the federal government is the most immediate problem to be addressed,'" he says.

In the meantime, the two major party candidates spar over specific policy questions through press releases and printed hand-outs.

Fontenot, who once commissioned a \$ 300,000 installation of marble tiles at his villa-style residence in Spring, calls for a flat income tax rate -- meaning the wealthy would pay the IRS at the same rate as everyone else. Bentsen, who reported a salary of about \$ 240,000 last year and worked for the now-defunct "'junk bond'" dealers Drexel Burnham Lambert, says the rich should have to continue paying taxes at a higher rate.

Fontenot wants to abolish the U.S. Department of Education, saying it would save the federal government \$ 30 billion a year.

Bentsen says the move would cut Head Start funds, college scholarships and other programs that benefit the district.

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Bentsen supported President Clinton's successful crime bill, citing its funding for more local police officers and for federal prison construction. Fontenot opposed the bill, saying it was burdened by too many social programs such as "midnight basketball" clinics for inner-city youth.

When Fontenot ran against businesswoman Dolly Madison McKenna in this year's Republican primary, he promoted the idea that members of the state parole board should be elected rather than appointed by the governor. Congress has no control over state parole boards, but Fontenot explained that he would use the job of U.S. representative to persuade state officials to toughen the criminal justice system.

Bentsen got his party's nomination in a run-off against former Houston Councilwoman Beverley Clark. Bentsen made abortion a key issue in that race, too, citing Clark's opposition to it.

While Fontenot, Klein-Tower and Lockhart oppose Clinton's proposal to require business to pay most of their employee's health insurance premiums, Bentsen -- in an approach typical of his stands on some other issues -- hedges his opinion. He says he would most likely favor legislation that doesn't initially enforce "employer mandates" but would install them if other health care reforms don't provide the "universal coverage" sought by Clinton.

Before running for Congress, Fontenot served on the advisory council of Citizens for American Restoration, a local group that wants to "restore America to its Christian heritage" and extend fundamentalist Christian teachings into civil government. The group is run by Christian conservative leader Dr. Steven Horze, who formed a corporation with Fontenot to oppose government-run health care.

Fontenot also held a fund-raiser for judicial candidate John Devine, whose campaign literature promoted "Christianity in America," and helped bankroll the unsuccessful campaign of a Klein school board candidate who advocated teaching religion in schools.

But other than using his kick-off speech to decry "the moral and cultural vacuum in this country," Fontenot has left religion out of his standard campaign spiel.

GRAPHIC: Mugs: 1. Ken Bentsen (color); 2. Gene Fontenot (color); 3. Sarah Klein-Tower (b/w, p. 18); 4. Robert Lockhart (b/w, p. 18); Map: Location of United States Congressional District 25 (b/w, p. 18); 5. Houston Chronicle

LANGUAGE: ENGLISH

LOAD-DATE: October 17, 1994

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# Houston Press

God's  
Own  
Candidate



Ernest Fontenot, with big  
bucks and blessings  
from on high, comes out  
from behind his wall  
to buy a seat in Congress

By Jim Simmon

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enablers who can stitch together a candidate almost from whole cloth.

His opponent, Democrat Ken Bentsen Jr., has tried to demonize Fontenot as a scary creature from the murky bogs of the religious right, a characterization to which Fontenot and his operatives strenuously object. Or, at least, Fontenot *appears* to object, although trying to engage him on the topic is to take a dispiriting journey through the thickets of his sometimes tangled syntax — and not to emerge into the light. But what little record of political involvement Fontenot established before he began running for Congress mostly stemmed from his financial support of candidates and organizations that believe government should operate according to their interpretation of the Bible, and who believe the hallowed constitutional wall between church and state shouldn't exist.

And what little he's told his new neighbors in the 25th Congressional District about himself has come almost exclusively in settings his campaign controls — primarily in the hundreds of thousands of dollars of television and radio ads bought with the \$1.6 million (as of the last public accounting) he's donated or lent to his campaign. As of this week, Fontenot had not engaged in a debate with Bentsen, and since he announced his candidacy late last year, he has conducted only one news conference. In the few appearances he's made with Bentsen before unaligned groups, Fontenot has read his positions from a prepared text and hasn't taken questions from his audiences.

Fontenot does spend a good deal of time "block walking" in the east Harris County portion of the district, but his encounters with would-be voters there are only slightly less spontaneous than his glossy TV commercials. When Fontenot and wife Reina go door-to-

ned financial and political and term limits

(he's for them).  
For voters who'd like to know more, Fontenot leaves them with this explanation as he hands them his door hanger: "What I stand for," he says, "is on the back."

**O**n the front of his door hanger is a picture of Fontenot, looking intent as he cradles a phone receiver, and a sparse thumbnail sketch of his life: "battlefield surgeon" (he pulled a year's duty as a Navy surgeon in Vietnam in 1967-68), "practicing physician" (a claim he acknowledges is a mistake, since it's been a decade since he practiced medicine), "successful businessman" and "family man."

Born in New Orleans and raised just southwest of the city in the rural backwater of LaFourche Parish, Fontenot says his father was a dairy farmer, and he grew up in a household where French and English were spoken. He attended Louisiana State University, where he obtained a degree in chemistry in 1958 and was president of the Delta Sigma Phi fraternity, and later enrolled in medical school at the University Autonoma of Guadalajara, Mexico, where he graduated in 1963. Part of his medical residency was completed at the old Memorial Baptist Hospital in downtown Houston, and, after fulfilling his military obligation, Fontenot returned to the city and set up a family practice.

Fontenot retains a trace of a Cajun accent, and occasionally in conversation his voice will take on an avuncular lilt, making him sound like a bayou country Ronald Reagan. Like Reagan, he says "gosh" when he wants to underscore his mock incredulity at some-

Continued on page 12

October 13 - 19, 1994





Molly Ivins

## The big story's right here now

**A**USTIN — While the national media are focused on the Texas governor's race, they're missing a better story in our congressional races. As many as six or seven Texas congressmen are endangered to some degree, which could lead to our first-ever Republican House delegation.

Perhaps the most interesting race in the bunch is for the open House seat in Houston vacated by Mike Andrews, where Ken Bentsen, a Bentsen Democrat both by blood and philosophy, faces a radical right-wing Christian, Gene Fontenot, who could very well win.

When I say "radical right-wing," that's just what I mean. This one not only opposes abortion in all circumstances and acts as the chief financial officer of an outfit called American Restoration, which wants to abolish the separation of church and state, but he also claims God as his interior decorator.

### Just \$935,000

Actually, it's Mrs. Fontenot who claims God as her decorator in a brochure, signed by both Fontenots, about their home. The residence in question is a \$935,000 mansion built on 48 acres in Spring, which happens not to be in the congressional district for which Fontenot is running, but whatever, it's a weird year. In the brochure, Mrs. Fontenot writes:

"I would like to share with you how this unique and magnificent house came about. It began one day when my husband said, 'You know, Reina, one day we are going to build a big, beautiful house.' To tell you the truth, I was quite satisfied with the one we owned, but as I prayed and began to accept my husband's dream, I found it very pleasing to me

# Listening to 2 gra

**C**ENTER — IT'S *Meet the Press* meets *Green Acres*. It's the cable TV absurdity of Wayne's World with a Hee-Haw accent. But best of all, Mattie's Party Line is real. And Mattie Dellinger, the hostess, is the real thing.

"When you get to be 83 like I am, you can express yourself," Mattie told a recent guest, Gov. Ann Richards, on her radio and cable TV microcosm of small-town Texas.

Thanks to Mattie's questions and improbable segues, we learned some things about Richards during the interview.

She's a bit uncomfortable when TV cameras record her getting in and out of cars because "your skirt rides up." She's "irritated" about the new songbooks at her church. Her mom returns birthday presents because "she loves having that credit."

These inside details — and more — surfaced during Richards' visit in the KDET studio with Mattie. The interview was broadcast on the radio station (Mattie's son is general manager) and aired on the local cable system. Nothing fancy here, just a couple of grandmas talking grandkids, beauty parlors and church. One happens to be governor. The other



an octogenarian m

You had to be glimpsed at the kind not traveling with I

The fun started Richards to introduce who followed her is

"Raise your hat Mattie told the visit They did.

Richards said she relaxed" when the That's when it had of semi-decent exp

"Does it bother I

"Sometimes I ards, in full Miami know when you g your skirt rides up: banging out for all they're taking you "That's the peal

## With a computer, emj may work more or pla

BY PAT O'DONNELL  
SPECIAL TO THE HOUSTON POST

Computers are the ubiquitous, silent servants of the modern office. I should know. I've done my best to boost them. I've spent five years "teaching" silicon chips to do routine work so that human brain cells can do creative work.

With people and computers working in tandem, the office is a more productive place. Right? Well, sometimes ... The world of computers has hosts of good fairies, but there be gremlins as well.

It's worthwhile to examine some of our preconceptions about computers so that we can keep them from taking a megabyte out of efficiency:

People can really focus on computer work. A better way of putting it is that people can really focus on computers, but not necessarily on computer work. A

computer memory store, the more distorting. A computer brain power. The I uses for remembering thinking (running y

There's only one out the attic from I by throwing obvious it. Or you can do I formation on disk

Computers make so. Computers are teach you creativity make it easier for alive ideas into res

But computers more fun than ever beyond the dream intellectual graffiti) — age files of many I

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AS WE LOOK SEVERAL pleasure trips around the world, the Lord God would put it into our hearts to buy certain pieces of furniture for our future house. Our favorite place was Italy, where we were overwhelmed by the beauty of the hand-crafted furniture and their architecture. In China, we acquired very good buys. My husband said, "OK, we are here in Hong Kong, so buy all the oriental rugs that you'll need for our dream house." I prayed to God for direction and bought the most beautiful floral rugs that I'd ever seen."

I have not a reason in the world to doubt Mrs. Fontenot, but I must say that of all the reasons I've ever heard given for shopping 'til you drop, this is the most original.

Fontenot is a millionaire private hospital investor who wants the federal government to pay private hospitals, like his, to provide health care instead of funding public hospitals, like Parkland Memorial in Dallas. He's already spent \$1.6 million of his own money on the race, and Ken Bentsen, a Houston businessman, is getting swamped by bucks. Fontenot also claims to be "a practicing physician and lawyer." He got his medical degree from the University of Guadalajara in 1963 and last practiced medicine in 1978; he has never practiced law.

### Really solemn

Fontenot wants to cut off all federal aid to education. This may sound wackola, but in The Solemn Covenant, the statement of purpose put out by Citizens for American Restoration, Point 4 reads: "Education is the primary responsibility of parents, and parents, not the State, are the stewards of their children. All attempts by the State to interfere with and control private, parochial and home education must be stopped."

Interesting document, the Solemn Covenant. Among its points: "The power to tax is derived from and limited by God's laws. Taxes upon inheritance and property are unbiblical forms of taxation which are detrimental to the existence and well-being of the family and thus the nation as a whole."

Point 8 informs us of "God's laws of economics" (God doesn't like inflation or immoral wealth redistribution), while Point 9 quite blithely supersedes the entire Constitution and limits government to "the proper biblical concerns."

This document, to which Eugene Fontenot has sworn allegiance, is unquestionably a plan to overthrow the Constitution of the United States. That someone committed to its principles is apparently about to be elected to Congress from Houston should, it seems to me, give us quite some pause.

Ofort Worth Star-Telegram

peak at the screen can be revealing. There's more than one way to do on a computer ... such as games.

The hands you see hammering the keyboard with abandon may not be malingering down a project, they may be frantically pounding out a code so that their spaceship can dodge asteroids.

The hand deftly guiding a mouse may not be working on a pie chart. Computer solitaire has resurrected a game that might otherwise have gone the way of the stick and hoop. Computer users have even come up with a euphemism for on-the-clock gaming: "mouse practice." For many computer game players, the Escape key means just that.

Electronic mail makes it easier for people in the office to stay in touch. Unfortunately, sometimes the people who get in touch are the ones from whom you don't want to hear.

Self-important memo writers or idle scribblers can clutter your E-mail with debris. Do you really want to read a report on the progress of a search for a new coffee vendor?

E-mail improves communication if the people who get it are the people who need to get it. Otherwise, E-mail fosters confusion by inviting all receivers to become a part of the issue being discussed.

Computers can store a ton of information. Yes, and your attic can store a ton of junk. How much do you want to "pile up" in your storage?

You can squirrel away item after item in your computer memory. The problem is will you ever be able to find it again? Try to find a old tennis racket among the boxes of miscellany in your house's attic.

Further, even the most capacious attic can be overloaded. It's the same with

the uninspired I good example I've read over the ability to suffer sea-sickness your E-mail.

A few parting

Make sure I have the software jobs, but beware have everything weren't hired to out of harm's way don't have an alarm.

Purge game no nice way of for work. Having arcade beckoning makes work seem less.

Teach your puters to do their porations company's clientele. their employees most successful wisest: They know make people man if the people are potent when Otherwise, the e tractions.

And how many find in the attic You'd need a corn

O'Donnell is pr Bridgeway Software designs software is number 17 in it

## Term limits would

TERM LIMITS IS the issue of the year. But we file a dissent. Term limits is one of the most misguided — and deeply cynical — ideas to surface in a long time, and would do little to solve the problems its sponsors say it would. In fact, term limits would make things worse.

We admit to a prejudice: In the past, members of our family have served in Congress far longer than any term-limit measure would have permitted. We also agree that many of the complaints driving the movement are legitimate. While maintaining a majority in the House for 40 straight years, Democrats have grown arrogant and ossified. Too often, they use their power to limit debate and block Republican amendments. Committee memberships and staff resources are tilted far too heavily to the majority side.

But arbitrary term limits is not the answer. For one thing we already have a good system. It's called elections. And, contrary to conventional wisdom, elections work. No matter what happens in next month's balloting, one result is mathematically certain — just about half the House will have been elected since 1990. If the throw-the-bums-out sentiment is as strong as it seems, it could be that the majority will have been there only since the 1992 election. In fact, the voters will have a chance to throw out all the members of the House. Or to keep them in office for as long as they do their job. Why shouldn't the people have that right? Imposing term limits is almost as undemocratic as eliminating elections. (Yes, we do limit presidents, and many gov-

term will the elec Cua Ti retin the um. neoy from sion the and shoe able Ti bent shou long and

A-22 / The Houston Post / Saturday, October 29, 1994

## CAMPAIGN '94

# Bentsen says Fontenot's TV ad an 'outrageous lie'

BY WILLIAM PACK  
POST POLITICAL REPORTER

A day after calling his Republican opponent a "coward," Democratic congressional candidate Ken Bentsen added liar to his description of Gene Fontenot, saying the Republican candidate is spending millions on advertising aimed at deceiving the public.

Bentsen's emotional accusations against Fontenot followed the broadcast of a Fontenot television ad calling Bentsen the "front man" for a "Wall Street junk-bond artist" that bilked the state out of \$36 million.

Bentsen called the ad an "outrageous lie" and said he had no role in the marketing of the bonds that were attacked in the ad. Bentsen later questioned Fontenot's business practices and nearly \$3 million in liens filed against corporations Fontenot helped manage.

Bentsen said the liens suggest Fontenot is incapable of managing funds well and cast doubts on his claims to be a successful businessman.

Bentsen, a former Harris County Democratic Party chairman who once worked for the defunct investment banking firm Drexel Burnham Lambert, was a defendant in a lawsuit filed two years ago over the sale of tax-free bonds used to build six controversial private prisons. The plaintiffs won an \$84 million judgment in the suit earlier this month.

Bentsen said he was dis-

charged from the suit "almost immediately" because he knew so little about the case and never was questioned by the plaintiffs.

But Jeff Yates, Fontenot's campaign manager, quoted a newspaper account indicating Bentsen had been dropped from the suit because he lacked enough assets to satisfy a judgment and because he agreed to provide the plaintiffs with information about the case.

Yates said the ad reflects sentiments expressed by the plaintiffs' attorney.

Bentsen said Fontenot's ad was part of a multimillion-dollar campaign designed to conceal details of Fontenot's past from the public. Included in that past is nearly \$3 million in liens filed against Houston Northwest Medical Center Inc. and other corporations Fontenot managed, Bentsen said.

Yates would not discuss circumstances surrounding the liens because the Bentsen campaign did not provide details of those liens.

Yates also denied Fontenot was trying to deceive the public through high-powered advertising. Yates said Fontenot had met with voters more than his opponent during the campaign and as a result had a better sense of the public's mood than Bentsen.

The two men, along with Libertarian Robert F. Lockhart and Independent Sarah Klein-Tower, are running for the 25th congressional district seat currently held by U.S. Rep. Mike Andrews.

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**P.**

~~DECLASSIFIED BY 6032 JAL/STW ON 08-11-2013~~

# Ken Bentsen

## A New Generation of Leadership

**NEWS MEDIA ADVISORY**

DATE: Tuesday, October 11, 1994  
CONTACT: Craig Varoga, Campaign Manager/713-665-1994

♦ ♦ ♦ NEWS CONFERENCE ♦ ♦ ♦

Congressional candidate Ken Benteen will hold a news conference today, at which he will be endorsed by numerous pro-choice leaders in Houston and Texas.

DATE: Tuesday, October 11, 1994

TIME: 2:00 p. m.

PLACE: 3601 Fannin

Bentsen will also discuss his new TV commercial, which discusses his opponent's extreme anti-choice position. Eugene Fontenot, the rightwing Republican nominee, is opposed to a woman's right to choose, even in cases of rape, incest and life of the mother. Fontenot's position may be the most radical in the country.

Bentsen, 35, has been endorsed by both the Houston Post and Houston Chronicle. According to the Post, "Bentsen has the potential to follow the same statesmanlike approach as his uncle, the former senior senator from Texas." The Chronicle wrote, "Ken Bentsen is best suited to carry on the effective, responsible, centrist representation that [Congressman Mike] Andrews was noted for and which best serves the needs of this extremely diverse district."

Eugene Fontenot, according to the Houston Post, is "a far-right conservative supported by special-interest groups associated with that wing of the Republican party." The Houston Chronicle concluded, "Fontenot's ultraconservative views place him on the extreme. There are overtones of the type of religious extremism which makes the average voter quite uneasy." Fontenot won the GOP primary in an upset against moderate Dolly Madison McKenna.

Fontenot has spent over \$2 million of his personal fortune on the election so far, more than any other candidate in the country. This is three times what Bentsen has spent.

The election, to be held on Tuesday, November 8, is currently considered a statistical dead heat, with both candidates' percentages tied in the mid-40s.

--end--

Alan Bernstein } Houston Chronicle 200-6806  
Kathy Benjamin }



# Ken Bentsen

*A New Generation of Leadership*

FOR IMMEDIATE RELEASE

CONTACT: Craig Varoga, 713-665-1994

DATE: Wednesday, October 12, 1994

## ANTI-CHOICE EXTREMIST PROFITS FROM FETAL TISSUE RESEARCH Fontenot's Stock Portfolio Continues to be Issue in Race.

HOUSTON--Eugene Fontenot, the Republican nominee for Congress in the 25th District, was today exposed as an investor in Lilly Eli Co., a company that conducts "biological research that involves the use of human tissue and cell lines, including those of fetal origin." (See attached)

This is the same Dr. Fontenot who again this month reaffirmed his radical, extremist anti-choice position that a woman and her family should not have the right to choose even in cases rape, incest, or when the mother's life is endangered by the pregnancy.

Fontenot is running on the 1994 GOP platform, drafted by his campaign manager Jeffrey Yates and other members of the 1994 State Republican Party Platform Committee, which supports:

"legislation prohibiting experimentation with human fetal tissue and prohibiting the use of human fetal tissue or organs for experimentation or commercial sale. Any product containing fetal tissue shall also be so labeled."

According to Fontenot's personal "Financial Disclosure Statement," filed with the Office of the Clerk, U.S. House of Representatives on November 13, 1993, Fontenot listed investments of as much as \$15,000 in Lilly Eli Co. during 1992 and 1993 alone.

According to Ken Bentsen, the Democratic nominee: "How in good conscience he can profit from investments in firms that do fetal tissue research at the same time he's telling woman and their families that they should not have the choice to terminate a pregnancy even when it's necessary to save the mother's life.

"Fontenot obviously thinks he can use his millions to get away with preaching one thing to women and their families and practicing another when it affects his bank account."

Fontenot has attempted to claim that a woman's right to choose is not an issue in this election, even though he has completed questionnaires saying he supports changes in the federal laws concerning choice, including overturning Roe v. Wade. There are numerous laws affecting a woman's right to choose, including the Hyde Amendment and clinic access laws.

97043773931  
FAX 220-6806

The controversy concerning Fontenot's stock portfolio and anti-choice extremism is just the most recent case of blatant hypocrisy exhibited by Fontenot. In July, it was reported that Fontenot invested up to \$50,000 in Circus Circus casinos, even though he claims to oppose "all forms of gambling, including casino, riverboat, slot machines...and government-sponsored gambling as a means financing state government." Fontenot has said he won't even shop at stores that sell lottery tickets.

Fontenot has also:

- \* Claimed to be a "practicing physician" in campaign literature although news reports and his official biography state he hasn't practiced medicine since 1984 (or 1978, depending on the source). In today's Houston Press, Fontenot claims it was a "mistake" to say he's a practicing physician.
- \* Until last month, Fontenot continued to claim a homestead exemption on his 935 acre estate in Spring, 25 miles outside the district, although he "moved" and registered to vote at a house he leased inside the district in October, 1993, just in time to announce his candidacy.
- \* Recently ducked out of several previously scheduled joint appearances with Ken Bentsen, preferring to avoid direct contact with the voters and a dialogue with Bentsen while spending millions to create a "new" image in his effort to buy a Congressional seat.

In addition, the hospital that Fontenot co-owned and operated has been cited by the Equal Employment Opportunity Commission (EEOC) for discriminatory hiring practices and his hospital operation has been sued many times for allegedly engaging in improper business practices.

Fontenot's far-right extremism also includes several other radical positions, including abolishing the entire federal education budget (including Head Start, college loans and grants, and all assistance to Texas school districts), eliminating the home mortgage interest deduction for homeowners, and granting huge income tax breaks to millionaires like himself.

So far, Fontenot has spent over \$2 million of his personal fortune trying to buy this election, more than any other Congressional candidate in the country.

"This election will not be bought by a radical millionaire, no matter how much Circus Circus or Lilly Eli money he spends attempting to hide his radical agenda and personal hypocrisy from the voters," Bentsen concluded.

--end--

ATTACHMENTS: Fontenot personal finance disclosure  
Fetal tissue policy statement on Lilly Eli



RECEIVED  
FEDERAL ELECTION  
COMMISSION

**BEFORE THE FEDERAL ELECTION COMMISSION**

JUN 9 10 25 AM '87

In the Matter of

)

MUR 4230

)

Fontenot for Congress and

)

Reina Fontenot, as treasurer

)

)

**EXHIBIT**

**GENERAL COUNSEL'S REPORT**

**I. BACKGROUND**

Attached is a conciliation agreement signed by the Respondents' counsel.

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**II. RECOMMENDATIONS**

1. **Accept the attached conciliation agreement with Fontenot for Congress and Reina Fontenot, as treasurer.**
2. **Close the file.**
3. **Approve the appropriate letter.**

Lawrence M. Noble  
General Counsel

Date

1/8/97

BY:



Lois G. Lerner  
Associate General Counsel

Attachment  
Conciliation Agreement

Staff Assigned: Jeffrey Long

97043773935

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Fontenot for Congress and  
Reina Fontenot, as treasurer.

)  
)  
) MUR 4230  
)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on January 14, 1997, the Commission decided by a vote of 5-0 to take the following actions in MUR 4230:

1. Accept the conciliation agreement with Fontenot for Congress and Reina Fontenot, as treasurer, as recommended in the General Counsel's Report dated January 8, 1997.
2. Close the file.
3. Approve the appropriate letter, as recommended in the General Counsel's Report dated January 8, 1997.

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

Attest:

1-15-97  
Date

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

Received in the Secretariat: Thurs., Jan. 09, 1997 10:25 p.m.  
Circulated to the Commission: Thurs., Jan. 09, 1997 4:00 p.m.  
Deadline for vote: Tues., Jan. 14, 1997 4:00 p.m.

bjr

97043773976



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 22, 1997

Benjamin L. Ginsberg, Esquire  
Patton Boggs, L.L.P.  
2550 M Street, N.W.  
Washington, D.C. 20037-1350

RE: MUR 4230  
Fontenot for Congress and  
Reina Fontenot, as treasurer

Dear Mr. Ginsberg:

On January 14, 1997, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of a violation of 2 U.S.C. § 434(a)(6)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter.

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

Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Jeffrey D. Long  
Paralegal

Enclosure  
Conciliation Agreement

Celebrating the Commission's 20th Anniversary  
YESTERDAY, TODAY AND TOMORROW  
DEDICATED TO KEEPING THE PUBLIC INFORMED

97043773937

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of:

Fontenot for Congress  
and Reina Fontenot, as treasurer

)  
) MUR 4230  
)  
)

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RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

**CONCILIATION AGREEMENT**

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

The Commission found probable cause to believe that Fontenot for Congress and Reina Fontenot, as treasurer ("Respondents"), violated 2 U.S.C. § 434(a)(6)(A).

NOW, THEREFORE, the Commission and the Respondents, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

- I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding.
- II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondents enter voluntarily into this agreement with the Commission.
- IV. The pertinent facts in this matter are as follows:
  1. Fontenot for Congress is a political committee within the meaning of 2 U.S.C. § 431(4), and is the authorized principal campaign committee for Eugene Fontenot, Jr.'s 1994 congressional campaign.

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2. Reina Fontenot is the treasurer of Fontenot for Congress. Susan Walden was the treasurer at the time the violations occurred.

3. The Federal Election Campaign Act of 1971, as amended ("the Act"), requires principal campaign committees of candidates for federal office to notify in writing either the Secretary of the Senate, the Clerk of the U.S. House of Representatives or the Commission, as appropriate, and the Secretary of State, of each contribution totaling \$1,000 or more, received by any authorized committee of the candidate after the 20th day but more than 48 hours before any election. 2 U.S.C. § 434(a)(6)(A). The Act further requires notification to be made within 48 hours after receipt of the contribution and to include the name of the candidate and office sought, the date of receipt, the amount of the contribution, and the identification of the contributor. Id. The notification of these contributions shall be in addition to all other reporting requirements. 2 U.S.C. § 434(a)(6)(B).

4. According to 2 U.S.C. § 431(8)(A) and 11 C.F.R. § 100.7(a)(1)(B), a loan is a contribution at the time it is made and is a contribution to the extent that it remains unpaid.

5. During the 1994 General Election, Respondents were required to report campaign contributions of \$1,000 or more received between October 20 and November 5, 1994, inclusive, within 48 hours of receipt of the contribution.

6. On October 21, 1994, the Respondents received a loan from the candidate totaling \$71,885. On October 28, 1994, the Respondents received a contribution of \$1,000 from an individual and a loan from the candidate totaling \$195,000.

7. Despite attempts by the Respondents, as reflected in telephone records and other documents received by the Clerk's office, neither the Commission nor the Clerk's Office has any

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record of having received the required 48 Hour Notices for those contributions. The Texas Ethics Commission did receive the required 48 Hour Notices for such contributions.

V. The Respondents failed to report campaign contributions of \$1,000 or more received after the 20th day, but more than 48 hours before the 1994 General Election, within 48 hours of receipt of the contributions, in violation of 2 U.S.C. § 434(a)(6)(A).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of six thousand dollars (\$ 6,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. 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 motion, 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.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

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X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble  
General Counsel

BY: 

Lois G. Lerner  
Associate General Counsel

Date

1/22/97

FOR THE RESPONDENTS:

  
(Name)

(Position) Counsel

Date

Dec. 9, 1996

#220138

97043773941



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4230

DATE FILMED 2-3-97 CAMERA NO. 4

CAMERAMAN JMB

97043773912





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Date: 2/28/97

☒ Microfilm

☐ Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED MUR 4230

9704377530

PATTON BOGGS, L.L.P.  
2550 M STREET, N.W.  
WASHINGTON, D.C. 20037-1350  
(202) 457-6000

FACSIMILE: (202) 457-6315

WRITER'S DIRECT DIAL

(202) 457-6405

February 21, 1997

FEB 24 10 32 AM '97

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Jeffrey Long  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

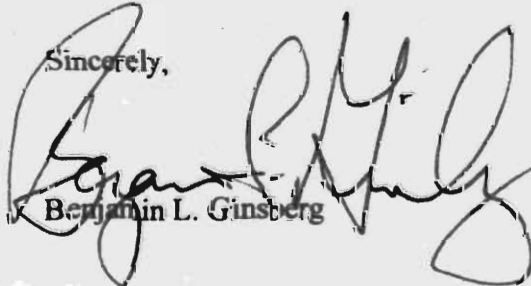
Re: MUR 4230 -- Fontenot for Congress and Reina Fontenot, as treasurer

Dear Mr. Long:

Enclosed please find a check representing the amount required by the Conciliation Agreement in the above-captioned matter.

Thank you for your attention.

Sincerely,

  
Benjamin L. Ginsberg

97043775351

97043775352

Fortenot for Congress  
26910 I45N  
Spring, TX 77386

CR#245

DATE February 2, 1997

PAY TO THE ORDER OF U. S. Treasury  
Six thousand

\$ 6000.00

DOLLARS



Woodcreek Bank  
2828 FM 1960 (713) 443-7600  
Houston, Texas 77073

FOR

*Diana* *Sparks*

⑆⑆⑆3008766⑆ ⑆040 1950⑆



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

FEB 24 10 32 AM '97

February 21, 1997

**CLOSED**

**TWO WAY MEMORANDUM**

TO: OGC Docket

FROM: Rosa E. Swinton                      Leslie D. Brown  
Accounting Technician                      Disbursing Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from **FONTENOT FOR CONGRESS**, check number **245**, dated **February 21, 1997**, for the amount of **\$6000.00**. A copy of the check and any correspondence is being forwarded. Please indicate below which account the funds should be deposited and give the MUR/Case number and name associated with the deposit.

=====

TO: Rosa E. Swinton                      Leslie D. Brown  
Accounting Technician                      Disbursing Technician

FROM: OGC Docket *Rd*

SUBJECT: Disposition of Funds Received

In reference to the above check in the amount of \$6,000.00, the MUR Case number is 4230 and in the name of Fontenot for Congress. Place this deposit in the account indicated below:

- ☐ Budget Clearing Account (OGC), 95F3875.16
- ☒ Civil Penalties Account, 95-1099.160
- ☐ Other: \_\_\_\_\_

*Retha L. Slifon*  
Signature

2/27/97  
Date

970437533