



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

THIS IS THE BEGINNING OF MUR # 4536

DATE FILMED 12-24-97 CAMERA NO. 2

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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

**BEFORE THE FEDERAL ELECTION COMMISSION
OF THE UNITED STATES OF AMERICA**

In the Matter of:

Ellen Tauscher, candidate for Congress, Cal. 10

Ellen Tauscher for Congress

Signature Properties, Inc.

MUR # 4536

NOW COMES, the National Republican Congressional Committee by and through its Executive Director, Maria Cino, whose principal office is located at 320 First Street, S.E., Washington D.C. 20003 ("Complainant") to file this Complaint pursuant to 2 U.S.C. 437g(a)(1), relative to certain Federal Election Commission violations.

VIOLATION

1. Signature Properties, Inc. is a Corporation incorporated under the laws of California (see Exhibit "A"). Signature Properties, Inc. is making prohibited corporate in-kind contributions to the Tauscher campaign committee and the Tauscher campaign committee is accepting prohibited corporate contributions as a result of the communication attached (see "Exhibit B"). The communication was sent by James C. Ghielmetti, Chief Executive Officer of Signature Properties, Inc. There is a clear violation of 2 U.S.C. Sec. 441b(a) and 11 C.F.R. 114.2 (b). In the Matter of Prudential Securities, Inc., MUR 3540, a case in which a corporation carried out similar Federal candidate fundraising activities, the corporation paid a fine of \$550,000.00. The FEC incorporated the following findings into its conciliation agreement which explained the violations:

- * When a corporation collects contributions or otherwise facilitates the making of contributions to a candidate, the corporation has provided something of value to that candidate.
- * While a corporation may make partisan

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communications to its restricted class which support candidates and while a corporation may permit a candidate to address the restricted class, "it may not step beyond this line of communication to actually collecting contribution checks or otherwise facilitating the making of contributions to Federal candidates."

Like the Prudential violation the corporation and its chief executive officer are actually collecting contribution checks and facilitating the making of contributions to a Federal candidate through corporate activity. Corporate employees are used and corporate expenditures are made to enhance the political activity. Thus there is a prohibited corporate contribution.

2. The communication ("Exhibit A") expressly advocates the election of Ellen Tauscher, a clearly identified candidate, and solicits a contribution on her behalf. The communication contains no disclaimer and is thus in violation of 11 C.F.R. 110.11 (a).

FACTS

James C. Ghielmetti, Chief Executive Officer, of Signature Properties, Inc. sends out a fund raising letter which asks for a contribution to the Tauscher campaign which checks are to be mailed to the corporate offices or brought to the event. It is obvious the event has been coordinated with the candidate and the candidate committee. The candidate is to be at the fund-raiser on 10-22 at 6pm, the letter includes detail, such as "Ellen Tauscher for Congress," I.D. #951425. Then it asks the recipient to call Susan Brady at the corporate number and address. Ms. Brady upon information and belief is a corporate employee. Mr. Ghielmetti obviously is a corporate employee. He signs the letter as Chief Executive Officer, an obvious corporate title. The writer of the solicitation is aware enough of Federal campaign laws to know that corporate checks are not permitted. Interestingly, he may also be aware that corporate expenditures in fundraising are not permitted. Perhaps that is why the Inc. is missing from the corporate letterhead. An investigation may well determine if this is authentic letterhead or letterhead made up or altered for this specific event. The facts bear out the allegations contained in the violations noted above.

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Upon information and belief more than one hundred of these invitations (Exhibit "A") were sent out. An inspection of the document itself shows no disclaimer indicating who paid for and who authorized the communication.

CONCLUSION

In conclusion there have been clear violations of both the prohibited contribution and authorization notices sections of FEC law and regulations. The violations were committed by the named individual candidate, the campaign committee, and the corporation.

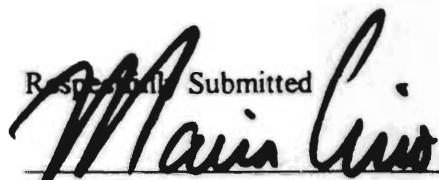
PRAYER FOR RELIEF

Therefore, the Complainant respectfully requests the Federal Election Commission fully investigate this violation and determine that there has been a violation of law as appropriate.

Accordingly, the Complainant further requests the Federal Election Commission assess all appropriate penalties against Ellen Tauscher, Ellen Tauscher for Congress campaign committee, and Signature Properties, Inc. for said willful and knowing violation of the aforementioned Code of Federal Regulation sections in accordance with 2 U.S.C. 437(a)(5)(B) and (C).

The above statements are true and correct to the best of my knowledge, information, and belief.

Respectfully Submitted



Maria Cino

Executive Director

National Republican Congressional

Committee

Subscribed and sworn before me, on this, the 23rd day of Oct, 1996.



M. D. Acton
Notary Public, District of Columbia
My Commission Expires July 14, 1999

Exhibit "A"

CA Corporation & Limited Partnership Records - By Corporation ID

Data From: 00/00/00 - 09/27/96

Date: 10/9/96

Time: 11:12 PM

Reference: meredith

Requestor: swm

Search Criteria: 01294312 DETAIL SIGNATURE PROPERTIES

This data is for informational purposes only. Certification can only be obtained through The Office of The California Secretary of State

Item Number: 1

Legal Corporate Name: SIGNATURE PROPERTIES, INC.

Mailing Address: 6612 OWENS DRIVE
PLEASANTON CA 94588

Corporate ID No: 01294312

27043851665

Incorporation Date: 12-20-1985
Corporation Status: ACTIVE
Corporation Type: ARTICLES OF INCORPORATION
Corporation Tax Base: STOCK
Corporation Classification: N/A
Limited Term Expiration Date: N/A
Franchise Tax Board Suspension Status: IN GOOD STANDING as of N/A
Statement of Officers File No: 0482881
Last Complete Statement File Date: 11-08-91

President's Name: JAMES C. GHIELMETTI
Address: 6612 OWENS DRIVE
PLEASANTON CA 94588

Registered Agent: JAMES W. MCKEEHAN
Address: 6612 OWENS DRIVE
PLEASANTON CA 94588

HISTORY TRANSACTIONS

DATE TRANSACTION INFORMATION

03-04-1987 SECRETARY OF STATE DELINQUENCY LETTER
Amendment Number: N/A Amendment Page Count: 00
Other Corporation Number: N/A
Comment: N/A
Other Name: N/A

08-13-1987 SECRETARY OF STATE CERTIFICATION
Amendment Number: N/A Amendment Page Count: 00
Other Corporation Number: N/A
Comment: N/A
Other Name: N/A

End of search

CA Corporation & Limited Partnership Records - By Corporation ID
Data From: 00/00/00 - 09/27/96

Date: 10/9/96 Time: 11:12 PM
Reference: mercedith Requestor: smm
Search Criteria: 01950428 DETAIL: SIGNATURE PROPERTIES

This data is for informational purposes only. Certification can only be
obtained through The Office of The California Secretary of State.

Item Number: 1
Legal Corporate Name: SIGNATURE PROPERTIES OF SACRAMENTO, INC.

Mailing Address: 6612 OWENS DRIVE
PLEASANTON CA 94588

Corporate ID No: 01950428

Incorporation Date: 10-13-1995
Corporation Status: ACTIVE
Corporation Type: ARTICLES OF INCORPORATION
Corporation Tax Base: STOCK
Corporation Classification: N/A
Limited Term Expiration Date: N/A

27043851666

Franchise Tax Board Suspension Status: IN GOOD STANDING as of N/A
Statement of Officers File No 0534887
Last Complete Statement File Date 12-14-95

President's Name: JAMES C GHIELMETTI
Address: 6612 OWENS DRIVE
PLEASANTON CA 94588

Registered Agent: JAMES W MCKEEHAN
Address: 6612 OWENS DRIVE
PLEASANTON CA 94588

CA Corporation & Ltd. Partnership Records - By Officer/Director Name
Data From: 00/00/00 - 09/27/96

Date: 10/9/96

Time: 11:30 PM

Reference: mcredith

Requestor: swim

Search Criteria: GHIELMETTI JAMES

This data is for informational purposes only. Certification can only be
obtained through The Office of The California Secretary of State.

NO	NAME	TYPE COMPANY NAME	STATUS
1	GHIELMETTI JAMES C	CORP DANVILLE MEADOWS III, INC.	SUSPENDED
2	GHIELMETTI JAMES C	CORP DANVILLE MEADOWS II, INC.	SUSPENDED
3	GHIELMETTI JAMES C	CORP DANVILLE MEADOWS I, INC.	SUSPENDED
4	GHIELMETTI JAMES C	CORP HAMPTON PLACE II, INC.	SUSPENDED
5	GHIELMETTI JAMES C	CORP HAMPTON PLACE I, INC.	SUSPENDED
6	GHIELMETTI JAMES C	CORP J. GHIEL I, INC.	DISSOLVED
7	GHIELMETTI JAMES C	CORP J. GHIEL II, INC.	DISSOLVED
8	GHIELMETTI JAMES C	CORP J. GHIEL III, INC.	DISSOLVED
9	GHIELMETTI JAMES C	CORP MISSION HILLS EAST, INC.	SUSPENDED
10	GHIELMETTI JAMES C	L/P MISSION HILLS RESIDENTIAL, A	ACTIVE
11	GHIELMETTI JAMES C	CORP OLYMPIA INVESTMENTS, INC.	ACTIVE
12	GHIELMETTI JAMES C	CORP OLYMPIA PROPERTIES, INC.	MERGED OUT
13	GHIELMETTI JAMES C	CORP RUBY HILL COUNTRY CLUB	DISSOLVED
14	GHIELMETTI JAMES C	CORP RUBY HILL REALTY CO.	ACTIVE
15	GHIELMETTI JAMES C	CORP RUBY HILL VINEYARD FARMING	ACTIVE
16	GHIELMETTI JAMES C	CORP SCOTT CREEK III, INC.	SUSPENDED
17	GHIELMETTI JAMES C	CORP SCOTT CREEK II, INC.	SUSPENDED
18	GHIELMETTI JAMES C	CORP SCOTT CREEK I, INC.	SUSPENDED
19	GHIELMETTI JAMES C	CORP SIGNATURE PROPERTIES, INC.	ACTIVE
20	GHIELMETTI JAMES C	CORP SIGNATURE HOMES, INC.	ACTIVE
21	GHIELMETTI JAMES C	CORP SIGNATURE PROPERTIES OF SAC	ACTIVE

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SIGNATURE

Exhibit "B"

October 1, 1996

[REDACTED]

Dear [REDACTED]

I am writing to invite you to meet a very unique person who happens to be running for the 10th Congressional District representing Contra Costa and Alameda counties -- Ellen Tauscher. Ellen is working hard to unseat the current ultra-conservative Republican congressman, Bill Baker.

I would like to invite you to join me and other moderate Democrats and Republicans at a reception at our Ruby Hill Golf Club Grille to meet Ellen Tauscher and hear her views on issues of interest to all of us.

Ellen was one of the first women to hold a seat on the New York Stock Exchange and spent 14 years on Wall Street -- 11 as an investment banker. More recently, she has devoted time to forming the ChildCare Registry, which provides pre-employment screening of childcare providers for parents. Ellen authored and published the ChildCare Sourcebook -- a New York Times bestseller. Her awareness of the need for fiscal responsibility, coupled with her interest in the welfare of those in need, make her uniquely qualified to represent us in Congress.

Please join me to hear more about this outstanding candidate on Tuesday, October 22 at 6 p.m. at the Ruby Hill Golf Club Grille. A map and directions to Ruby Hill are enclosed. A \$250 donation would be appreciated. Checks should be made payable to "Ellen Tauscher for Congress," I.D. #951245 and mailed to our office or you may bring them with you to the event. Federal law does not permit corporate checks.

Please call Susan Brady at (510) 463-1122 by October 10 regarding your attendance plans. I look forward to seeing you on October 22nd.

Sincerely,

James C. Ghielmetti
James C. Ghielmetti
Chief Executive Officer

6612 Owens Drive • Pleasanton, California 94588
(510) 463-1122 • FAX (510) 463-0832

27043851668



FEDERAL ELECTION COMMISSION
Washington, DC 20463

October 30, 1996

Maria Cino, Executive Director
National Republican Congressional Committee
320 First Street, SE
Washington, DC 20003

RE: MUR 4536

Dear Ms. Cino:

This letter acknowledges receipt on October 23, 1996, of the complaint you filed alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). The respondent(s) will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 4536. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

A handwritten signature in cursive script, appearing to read "Colleen T. Sealander".

Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosure
Procedures

27043851669



FEDERAL ELECTION COMMISSION
Washington, DC 20463

October 30, 1996

Shirley W. Nelson, Treasurer
Ellen Tauscher for Congress
555 Capitol Mall, Suite 1425
Sacramento, CA 95814

RE: MUR 4536

Dear Ms. Nelson:

The Federal Election Commission received a complaint which indicates that Ellen Tauscher for Congress ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4536. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

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If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

27043851671



FEDERAL ELECTION COMMISSION
Washington, DC 20463

October 30, 1996

Ellen O. Tauscher
5611 Highland Road
Pleasanton, CA 94588

RE: MUR 4536

Dear Ms. Tauscher:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4536. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

27043851672

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

27043851673



FEDERAL ELECTION COMMISSION
Washington, DC 20463

October 30, 1996

James W. McKeehan, Registered Agent
Signature Properties, Inc.
6612 Owens Drive
Pleasanton, CA 94588

RE: MUR 4536

Dear Mr. McKeehan:

The Federal Election Commission received a complaint which indicates that Signature Properties, Inc. may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4536. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against Signature Properties, Inc. in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

7043851674

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

27043851675



FEDERAL ELECTION COMMISSION
Washington, DC 20463

October 30, 1996

James C. Ghielmetti, Chief Executive Officer
Signature Properties, Inc.
6612 Owens Drive
Pleasanton, CA 94588

RE: MUR 4536

Dear Mr. Ghielmetti:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4536. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

27043851676

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

27043851677

SIGNATURE

PROPERTIES

November 11, 1996

Federal Election Commission
The Office of the General Counsel
Washington, DC 20463

NOV 12 10 12 AM '96

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Re: MUR 4536

To Whom It May Concern:

I am writing to respond to the October 30, 1996, notice received in conjunction with MUR 4536. The complaint contained therein has alleged that Signature Properties, Inc. has violated the Federal Election Campaign Act of 1971 ("the Act"). Though some of the actual allegations contained in the complaint are true, I am requesting that your Office take no further action on this matter for the reasons stated below. Also, I have included the Declarations of James C. Ghielmetti and Susan Brady in support of this request.

James Ghielmetti is a supporter of Ellen Tauscher and her campaign to be elected as the Representative for the 10th Congressional District of California. He wanted to hold an event for her where she would attend and meet people in the District and help her raise money for her campaign. In furtherance of this goal Mr. Ghielmetti contacted Ellen Tauscher's campaign committee and coordinated her appearance at the function. He asked Susan Brady, his administrative secretary, to coordinate the event. Mrs. Brady had invitations mailed to approximately 155 people and requested that they attend the fund raiser.

Though Mr. Ghielmetti was aware that Corporations could not make direct contributions to federal campaigns and stated as much in his letter, neither he nor Susan Brady was aware that by organizing the fund raiser using unreimbursed Signature Property, Inc. resources the Company could be violating the Act. Upon being contacted by the people at Ellen Tauscher's election committee who told them of the potential violation, Mr. Ghielmetti and Susan Brady returned the approximately ten (10) checks that had been received. They were also advised by the election committee that the election committee would reimburse the Company for any and all expenses associated with the fund raiser. The election committee requested that they be sent an itemized invoice for the expenses

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*Federal Election Commission
Office of the General Counsel
November 11, 1996
Page 2*


incurred with the understanding that the reimbursement would be made immediately upon receipt of the invoice. We are currently in the process of putting together the invoice and will submit it for payment as soon as we have identified and confirmed all of the expenses.

Further, there was no knowing attempt to circumvent the restrictions on fund raising set forth in the Act as was alleged in the Complaint. The Complainant suggests that Mr. Ghielmetti "altered" the corporate letterhead used for the invitations by not using the "Inc." designation on the letterhead. This simply is not true. Attached is a copy of our corporate letterhead which is identical to the one used on the invitations. The fact that Mr. Ghielmetti signed the letter as Chief Executive Officer clearly shows that he was not trying to be deceptive or secretive. The cost of the letterhead is an expense that has been earmarked for inclusion in the invoice to be submitted to the Tauscher campaign committee for reimbursement. This is not a matter of knowing deceit as has been alleged in the complaint but rather, at most, an honest mistake. Of particular note is the fact that Mr. Ghielmetti and Signature Properties, Inc. began to make every effort to address the issues by returning any checks received and asking for reimbursement as soon as they were made aware of the problem. These efforts began even before the receipt of the notice and Complaint.

To eliminate the potential for these types of issues to exist in the future, the Company has consulted with legal counsel in an effort to become fully cognizant of all the requirements and limitations set forth in all applicable jurisdictions. It is the Company's intent to avoid any further issues in this area of the law. Having taken these remedial and preventative measures, we request that you recognize that the fund raiser held for Ellen Tauscher was an isolated issue and treat it accordingly by taking no further action on this matter.

Thank you for your understanding in this matter. If you have any questions or should require any further information regarding MUR 4536, please do not hesitate to contact me.

Sincerely,



James W. McKeehan
Vice President and General Counsel

I, Susan Brady declare as follows:


1. I am the executive secretary to James C. Ghielmetti, the President and Chief Executive Officer of Signature Properties, Inc. Mr. Ghielmetti wanted to hold an event for Congressional candidate Ellen Tauscher for her to meet some of the people in her District and help raise some money for her campaign.

2. We prepared and delivered the letter attached to the Complaint to about 155 people. After the letter was sent we learned from the Tauscher campaign that a) we should not collect the checks and b) they would pay us for the cost of the event including any stationary that we used in inviting guests. In response to this information we did the following:

a. We returned the approximately ten (10) checks that we had received to the senders and advised them that we cannot accept checks on behalf of Tauscher's campaign. They were told that any contributions had to be made directly to the campaign. We do not know how many, if any, of those whose checks were returned made a direct contribution to the Tauscher campaign.

b. We prepared and are submitting to the Tauscher campaign a detailed list of the expenses associated with the event for the purposes of reimbursement. Included in that bill are the following items: Stationary, postage, fee for the mailing list, reimbursement for time/labor, food and beverage, room rental and music. We have been assured by the campaign that once the bill has been submitted we will be paid in the normal course of events.

I declare under the penalty of perjury that the above is true and correct.


SUSAN BRADY

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I, James C. Ghielmetti declare as follows:

1. I am the President and Chief Executive Officer of Signature Properties, Inc.
2. I have reviewed all the materials submitted in this response including the Declaration by Susan Brady and the letter by James McKeehan and all the facts and information contained therein are true to the best of my knowledge.

I declare under penalty of perjury that the above is true and correct.



JAMES C. GHIELMETTI

27043851681

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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)
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)

ENFORCEMENT PRIORITY

RECEIVED
MAY 10 10 01 AM '97
SENSITIVE

GENERAL COUNSEL'S REPORT

I. INTRODUCTION.

The cases listed below have been identified as either stale or of low priority based upon evaluation under the Enforcement Priority System (EPS). This report is submitted to recommend that the Commission no longer pursue these cases.

This is the first Enforcement Priority Report that reflects the impact of the 1996 election cycle cases on the Commission's enforcement workload. We have identified cases that are stale which are recommended for dismissal at this time. This is the highest number of cases identified as stale in a single report, and the highest number of stale cases recommended for closure at one time, since the inception of EPS in 1993.

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II. CASES RECOMMENDED FOR CLOSURE

A. Cases Not Warranting Further Action Relative to Other Cases Pending Before the Commission

EPS was created to identify pending cases which, due to the lower priority of the issues raised in the matters relative to others presently pending before the Commission, do not warrant further expenditure of resources. Central Enforcement Docket (CED) evaluates each incoming matter using Commission-approved criteria, resulting in a numerical rating for each case.

Closing such cases permits the Commission to focus its limited resources on more important cases presently pending before it. Based upon this review, we have identified cases that do not warrant further action relative to other pending matters.³ Attachment 1 to this report contains summaries of each case, the EPS rating, and the factors leading to assignment of a low priority and recommendation not to further pursue the matter.

B. Stale Cases

Effective enforcement relies upon the timely pursuit of complaints and referrals to ensure compliance with the law. Investigations concerning activity more remote in time usually require a greater commitment of resources, primarily due to the fact that the evidence of such activity becomes more difficult to develop as it ages. Focusing investigative efforts on more recent and more significant activity also has a more positive effect on the electoral process and the regulated community. In recognition of this fact, EPS provides us with the

³ These cases are:

RAD 97L-10 (*Citizens for Randy Borow*); RAD 97L-16 (*Republican State Central Committee of South Dakota*); Pre-MUR 347 (*Producers Lloyds Insurance Company*); Pre-MUR 348 (*Peoples National Bank of Commerce*); Pre-MUR 349 (*Trump Plaza*); Pre-MUR 350 (*Citibank, N.A.*); Pre-MUR 355 (*Feingold Senate Committee*); MUR 4494 (*Georgianna Lincoln*);

MUR 4586 (*Friends of Zach Wamp*); MUR 4590 (*Oklahoma Education Association*); MUR 4600 (*San Diego Police Officers Assoc.*); MUR 4612 (*Teresa Doggett for Congress*); MUR 4615 (*Catholic Democrats for Christian Values*); MUR 4616 (*American Legislative Exchange Council*); MUR 4620 (*Eastern Connecticut Chamber of Commerce*); MUR 4622 (*Telles for Mayor*); MUR 4628 (*Gutknecht for Congress*); MUR 4629 (*Janice Schakowsky*); MUR 4636 (*IBEW Local 505*); MUR 4637 (*Dettman for Congress*); MUR 4639 (*Larson for Congress*); MUR 4641 (*Becker for Congress*); MUR 4644 (*Detroit City Council*); MUR 4651 (*Mike Ryan*); MUR 4653 (*Pritzker for Congress*); MUR 4656 (*H. Carroll for Congress*); and MUR 4657 (*Buchanan for President*).

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means to identify those cases which, though earning a higher rating when received, remained unassigned for a significant period due to a lack of staff resources for effective investigation. The utility of commencing an investigation declines as these cases age, until they reach a point when activation of a case would not be an efficient use of the Commission's resources.

We have identified cases that have remained on the Central Enforcement Docket for a sufficient period of time to render them stale. We are recommending the closure of cases based on staleness.⁶

⁶ These cases are: MUR 4283 (*Chenoweth for Congress*); MUR 4341 (*Juan Soliz for Congress*); MUR 4402 (*U.S. Representative Helen Chenoweth*); MUR 4435 (*Lincoln for Congress*); MUR 4439 (*UAW*); MUR 4442 (*Lipinski for Congress*); MUR 4444 (*Roberts for Congress*); MUR 4445 (*Randy Tate for Congress*); MUR 4446 (*Clinton/Gore '96 Primary*); MUR 4447 (*Random House, Inc.*); MUR 4449 (*Clinton Administration*); MUR 4453 (*Mike Ward for Congress*); MUR 4454 (*Ralph Nader*); MUR 4459 (*Clinton/Gore '96*); MUR 4474 (*Salvi for Senate*); MUR 4477 (*BBDO-New York*); MUR 4481 (*Diamond Bar Caucus*); MUR 4485 (*Perot '92 Petition Committee*); MUR 4486 (*Bunda for Congress*); MUR 4495 (*Pennsylvania PACE for Federal Elections*); MUR 4496 (*Norwood for Congress*); MUR 4497 (*Pease for Congress*); MUR 4510 (*Stabenow for Congress*); MUR 4511 (*Bob Coffin for Congress*); MUR 4514 (*Friends for Franks*); MUR 4515 (*Clinton Investigative Commission*); MUR 4521 (*WMAL 630 AM*); MUR 4525 (*Senator Larry Pressler*); MUR 4527 (*Brennan for Senate*); MUR 4536 (*Signature Properties, Inc.*); MUR 4540 (*Tim Johnson for SD*); MUR 4542 (*Dan Frisa for Congress*); MUR 4552 (*Charles W. Norwood*); MUR 4554 (*John Byron for Congress*); MUR 4556 (*Jim Wiggins for Congress*); MUR 4551 (*Jay Hoffman for Congress*); MUR 4564 (*National Republican Congressional Committee*); MUR 4567 (*DNC Services Corp.*); MUR 4569 (*McGovern Committee*); RAD 96L-11 (*New York Republican County Committee*); Pre-MUR 343 (*NRSC*); and Pre-MUR 312 (*Joseph Demio*). The Demio case involves fundraising related to former Congresswoman Mary Rose Oskar's 1992 congressional campaign. It was held as a courtesy to the Department of Justice pending resolution of a parallel criminal matter in the District Court for the District of Columbia. Mr. Demio recently entered into a plea agreement with the Department of Justice (on which we were not consulted) in which he agreed, among other things, to waive the statute of limitations regarding civil violations of the FECA. Considering the age of the case and activity, the fact that DOJ has not formally referred this matter to us, and the Commission's continuing resource constraints, dismissal is the appropriate disposition of this matter.

We recommend that the Commission exercise its prosecutorial discretion and direct closure of the cases listed below, effective November 17, 1997. Closing these cases as of this date will permit CED and the Legal Review Team the necessary time to prepare closing letters and case files for the public record.

III. RECOMMENDATIONS.

A. Decline to open a MUR, close the file effective November 17, 1997, and approve the appropriate letters in the following matters:

RAD 96L-11

Pre-MUR 312

Pre-MUR 349

Pre-MUR 343

Pre-MUR 350

RAD 97L-10

Pre-MUR 347

Pre-MUR 355

RAD 97L-16

Pre-MUR 348

27043851685

B. Take no action, close the file effective November 17, 1997, and approve the appropriate letters in the following matters:

MUR 4283
MUR 4341
MUR 4402
MUR 4435
MUR 4439
MUR 4442
MUR 4444
MUR 4445
MUR 4446
MUR 4447
MUR 4449
MUR 4453
MUR 4454
MUR 4459
MUR 4474
MUR 4477
MUR 4481
MUR 4485
MUR 4486

MUR 4494

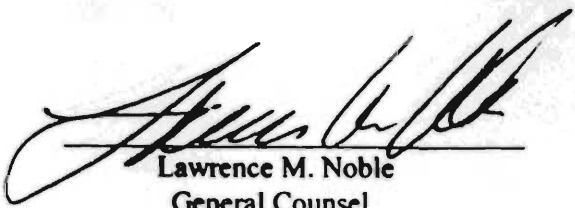
MUR 4495
MUR 4496
MUR 4497
MUR 4510
MUR 4511
MUR 4514
MUR 4515

MUR 4521
MUR 4525
MUR 4527
MUR 4536
MUR 4540
MUR 4542
MUR 4552
MUR 4554
MUR 4556
MUR 4561

MUR 4564
MUR 4567

MUR 4569
MUR 4586
MUR 4590
MUR 4600
MUR 4612
MUR 4615
MUR 4616
MUR 4620
MUR 4622
MUR 4628
MUR 4629
MUR 4636
MUR 4637
MUR 4639
MUR 4641
MUR 4644
MUR 4651
MUR 4653
MUR 4656
MUR 4657

11/7/97
Date


Lawrence M. Noble
General Counsel

Attachment
Tier 3 Case Summaries

27043851686

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) Agenda Document No. X97-77
Enforcement Priority)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on December 2, 1997, do hereby certify that the Commission took the following actions with respect to Agenda Document No. X97-77:

1. Decided by a vote of 5-0 to

A. Decline to open a MUR, close the file effective December 15, 1997, and approve the appropriate letters in the following matters:

- | | |
|----------------|-----------------|
| 1. RAD 96L-11 | 7. Pre-MUR 347 |
| | 8. Pre-MUR 348 |
| 3. RAD 97L-10 | 9. Pre-MUR 349 |
| 4. RAD 97L-16 | 10. Pre-MUR 350 |
| 5. Pre-MUR 312 | 11. Pre-MUR 355 |
| 6. Pre-MUR 343 | |

B. Take no action, close the file effective December 15, 1997, and approve the appropriate letters in the following matters:

- | | |
|-------------|--------------|
| 1. MUR 4283 | 6. MUR 4442 |
| 2. MUR 4341 | 7. MUR 4444 |
| 3. MUR 4402 | 8. MUR 4445 |
| 4. MUR 4435 | 9. MUR 4446 |
| 5. MUR 4439 | 10. MUR 4447 |

(continued)

27043851687

Federal Election Commission
Certification: Agenda Document
No. X97-77
December 2, 1997

Page 2

11.	MUR	4449	36.	MUR	4556
12.	MUR	4453	37.	MUR	4561
13.	MUR	4454	38.	MUR	4564
14.	MUR	4459	39.	MUR	4567
15.	MUR	4474	40.	MUR	4569
16.	MUR	4477	41.	MUR	4586
17.	MUR	4481	42.	MUR	4590
18.	MUR	4485	43.	MUR	4600
19.	MUR	4486	44.	MUR	4612
20.	MUR	4494	45.	MUR	4615
21.	MUR	4495	46.	MUR	4616
22.	MUR	4496	47.	MUR	4620
23.	MUR	4497	48.	MUR	4622
24.	MUR	4510	49.	MUR	4628
25.	MUR	4511	50.	MUR	4629
26.	MUR	4514	51.	MUR	4636
27.	MUR	4515	52.	MUR	4637
28.	MUR	4521	53.	MUR	4639
29.	MUR	4525	54.	MUR	4641
30.	MUR	4527	55.	MUR	4644
31.	MUR	4536	56.	MUR	4651
32.	MUR	4540	57.	MUR	4653
33.	MUR	4542	58.	MUR	4656
34.	MUR	4552	59.	MUR	4657
35.	MUR	4554			

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

Attest:

12-4-97
Date

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

27043851638



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 15, 1997

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ted Maness, Executive Director
National Republican Congressional Committee
320 First Street, S.E.
Washington, D.C. 20003

RE: MUR 4536


Dear Mr. Maness:

On October 23, 1996, the Federal Election Commission received the complaint filed by Maria Cino alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action in the matter. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on December 15, 1997. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437(g)(a)(8).

Sincerely,


F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

27043851639



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 15, 1997

Shirley W. Nelson, Treasurer
Ellen Tauscher for Congress
555 Capitol Mall, Suite 1425
Sacramento, CA 95814

RE: MUR 4536

Dear Ms. Nelson:

On October 30, 1996, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Ellen Tauscher for Congress and you, as treasurer. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in the matter on December 15, 1997.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,

A handwritten signature in dark ink, appearing to read "F. Andrew Turley".

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

27043851690



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 15, 1997

The Honorable Ellen O. Tauscher
5611 Highland Road
Pleasanton, CA 94588

RE: MUR 4536

Dear Ms. Tauscher:

On October 30, 1996, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against you. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in the matter on December 15, 1997.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,

A handwritten signature in dark ink, appearing to read "F. Andrew Turley".

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

27043851691



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 15, 1997

**The Honorable Ellen O. Tauscher
United States House of Representatives
1440 Longworth House Office Building
Washington, D.C. 20515-5914**

RE: MUR 4536

Dear Ms. Tauscher:

On October 30, 1996, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against you. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in the matter on December 15, 1997.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,

A handwritten signature in dark ink, appearing to read "F. Andrew Turley", is written over a horizontal line.

**F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket**

27043851692



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 15, 1997

James W. McKeehan
Vice President and General Counsel
Signature Properties, Inc.
6612 Owens Drive
Pleasanton, CA 94588

RE: MUR 4536

Dear Mr. McKeehan:

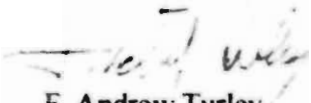
On October 30, 1996, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Signature Properties, Inc. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in the matter on December 15, 1997.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,


F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

27043851693



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 15, 1997

James C. Ghielmetti, Chief Executive Officer
Signature Properties, Inc.
6612 Owens Drive
Pleasanton, CA 94588

RE: MUR 4536

Dear Mr. Ghielmetti:

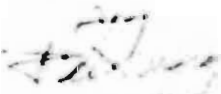
On October 30, 1996, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against you. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in the matter on December 15, 1997.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,


F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

27043851694



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4536

DATE FILMED 12-24-97 CAMERA NO. 2

CAMERAMAN JMU

27043851695