

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: October 20, 1998

ANALYST: Pat Sheppard

I. COMMITTEE: Baesler for Senate Committee  
(C00328690)  
Michael Sullivan, Treasurer  
2365 Harrodsburg Rd Suite A-100  
Lexington, KY 40504

II. RELEVANT STATUTE: 2 U.S.C. §434(a)(6)  
11 CFR §104.5(f)

III. BACKGROUND:

Failure to File Forty-Eight Hour Notifications

The Baesler for Senate Committee ("the Committee") has failed to file a 48-Hour Notification ("48-Hour Notice") for a candidate loan in the amount of \$75,000, received prior to the 1998 Primary Election.

The candidate was involved in the 1998 Primary Election held on May 26, 1998. Prior Notice was sent to the Committee on April 20, 1998 (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 in-kind gifts or advances of goods or services; loans from the candidate or other non-bank sources; and guarantees or endorsements of bank loans to the candidate or committee) of \$1,000 or more, during the period of May 7 through May 23, 1998. 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 1998 July Quarterly Report indicate that the Committee failed to file a 48-Hour Notice for a candidate loan received during the aforementioned

BAESLER FOR SENATE COMMITTEE  
REPORTS ANALYSIS OGC REFERRAL  
PAGE 2

period (Attachment 3). The following is the candidate loan for which no 48-Hour Notice was filed:

<u>Contributor Name</u>	<u>Date</u>	<u>Amount</u>
Henry Scott Baesler	05/15/1998	\$75,000

On August 18, 1998, 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.

To date, the committee has failed to respond.

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/	PARTY	RECEIPTS		DISBURSEMENTS		COVERAGE DATES	# OF	IMAGE
			PRIMARY	GENERAL	PRIMARY	GENERAL		PAGES	LOCATION
							TYPE OF FILER		
<hr/>									
BAESLER, HENRY SCOTT	SENATE	DEMOCRATIC PARTY			KENTUCKY		1998 ELECTION	ID#	S8KY00142
1. STATEMENT OF CANDIDATE							21JUL97	2	97SEN/007/0215
1997 STATEMENT OF CANDIDATE									
2. PRINCIPAL CAMPAIGN COMMITTEE									
							ID #C00328690	SENATE	
BAESLER FOR SENATE COMMITTEE							21JUL97	2	97SEN/007/0217
1997 STATEMENT OF ORGANIZATION							21JUL97	2	97SEN/007/0217
MID-YEAR REPORT			259,097		26,937		1JAN97 -30JUN97	69	97SEN/008/3892
MID-YEAR REPORT - AMENDMENT			-		-		1JAN97 -30JUN97	2	98SEN/007/0871
MID-YEAR REPORT - AMENDMENT			-		-		1JAN97 -30JUN97	7	98SEN/007/0998
REQUEST FOR ADDITIONAL INFORMATION							1JAN97 -30JUN97	2	98FEC/286/3769
YEAR-END			407,715		222,436		1JUL97 -31DEC97	97	98SEN/005/2220
YEAR-END - AMENDMENT			-		-		1JUL97 -31DEC97	14	98SEN/007/0873
YEAR-END - AMENDMENT			-		-		1JUL97 -31DEC97	27	98SEN/011/0691
REQUEST FOR ADDITIONAL INFORMATION							1JUL97 -31DEC97	13	98FEC/286/3771
REQUEST FOR ADDITIONAL INFORMATION 2ND							1JUL97 -31DEC97	3	98FEC/305/4159
1998 48 HOUR CONTRIBUTION NOTICE							11MAY98	2	98SEN/011/1968
48 HOUR CONTRIBUTION NOTICE							11MAY98	2	98SEN/011/1971
48 HOUR CONTRIBUTION NOTICE							13MAY98	2	98SEN/011/2289
48 HOUR CONTRIBUTION NOTICE							15MAY98	1	98SEN/011/2647
48 HOUR CONTRIBUTION NOTICE							18MAY98	1	98SEN/011/2781
48 HOUR CONTRIBUTION NOTICE							21MAY98	2	98SEN/011/4206
48 HOUR CONTRIBUTION NOTICE							22MAY98	1	98SEN/012/0117
48 HOUR CONTRIBUTION NOTICE							26MAY98	1	98SEN/012/0154
STATEMENT OF ORGANIZATION - AMENDMENT							24JUN98	2	98SEN/012/3469
APRIL QUARTERLY			392,057		127,013		1JAN98 -31MAR98	88	98SEN/007/1617
APRIL QUARTERLY - AMENDMENT			-		-		1JAN98 -31MAR98	21	98SEN/012/2776
REQUEST FOR ADDITIONAL INFORMATION							1JAN98 -31MAR98	14	98FEC/311/2579
REQUEST FOR ADDITIONAL INFORMATION 2ND							1JAN98 -31MAR98	15	98FEC/316/4448
PRE-PRIMARY			82,969		586,413		1APR98 - 6MAY98	34	98SEN/011/2467
PRE-PRIMARY - AMENDMENT			82,969		586,413		1APR98 - 6MAY98	36	98SEN/012/3433
PRE-PRIMARY - AMENDMENT			-		-		1APR98 - 6MAY98	2	98SEN/013/4310
REQUEST FOR ADDITIONAL INFORMATION							1APR98 - 6MAY98	3	98FEC/317/2844
JULY QUARTERLY			726,292		565,227		7MAY98 -30JUN98	96	98SEN/013/2079
JULY QUARTERLY - AMENDMENT			726,292		565,227		7MAY98 -30JUN98	17	98SEN/019/3163
JULY QUARTERLY - AMENDMENT			726,292		565,227		7MAY98 -30JUN98	19	98SEN/019/3898
REQUEST FOR ADDITIONAL INFORMATION							7MAY98 -30JUN98	6	98FEC/345/3305
REQUEST FOR ADDITIONAL INFORMATION 2ND							7MAY98 -30JUN98	7	98FEC/352/5072
OCTOBER QUARTERLY				981,179		764,582	1JUL98 -30SEP98	228	98SEN/020/4132
TOTAL			1,868,130	981,179	1,528,026	764,582		836	TOTAL PAGES

All reports listed have been reviewed, with the exception of the Amended July Quarterly (filed September 15 and 18, 1998) and the original October Quarterly Reports.

Ending Cash on Hand as of 9/30/98: \$556,701

Debts and Obligations owed to the Committee: \$0.00

Debts and Obligations owed by the Committee: \$468,284

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

## 3. AUTHORIZED COMMITTEES

## 4. JOINT FUNDRAISING COMMITTEES AUTHORIZED BY THE CAMPAIGN

## KENTUCKY VICTORY FUND

1998 STATEMENT OF ORGANIZATION

JULY MONTHLY

NOTICE OF FAILURE TO FILE

SEPTEMBER MONTHLY

ID #C00338111 PARTY NON-QUALIFIED

26JUN98

2 98SEN/012/3728

1JUN98 -30JUN98

3 98SEN/018/1335

30JUN98

2 98FEC/344/1815

1AUG98 -31AUG98

15 98SEN/019/3543

22 TOTAL PAGES

## SENATE VICTORY '98

1998 STATEMENT OF ORGANIZATION

OCTOBER QUARTERLY

ID #C00338905 SENATE

24JUL98

3 98SEN/017/3036

20JUL98 -30SEP98

9 98SEN/020/2481

12 TOTAL PAGES

## 4B. TRANSFERS IN FROM JOINT FUNDRAISING COMMITTEES AUTHORIZED BY THE CAMPAIGN

## PRIMARY ELECTION

**REPORT NOTICE**

## FEDERAL ELECTION COMMISSION

**KENTUCKY**  
Congressional Committees

April 20, 1998

**FOR COMMITTEES INVOLVED IN THE PRIMARY (05/26/98)**

REPORT	REPORTING PERIOD*	REG./CERT.	FILING
		MAILING DATE**	DATE
Pre-Primary	04/01/98 - 05/06/98 -----48 Hour Notices-----	05/11/98	05/14/98
July Quarterly	05/07/98 - 06/30/98	07/15/98	07/15/98

**WHO MUST FILE**

Principal campaign committees of congressional candidates (including unopposed candidates) who seek nomination in the primary must file the above reports and notices. If the campaign has more than one authorized committee(s), in addition to the principal campaign committee, the principal campaign committee must also file a consolidated report on Form 3Z.

**48 HOUR NOTICES ON CONTRIBUTIONS**

Notices are required if the committee receives contributions (including in-kind gifts or advances of goods or services; loans from the candidate or other non-bank sources; and guarantees or endorsements of bank loans to the candidate or committee) of \$1,000 or more, during the period of May 7 through May 23, 1998.

The notices must reach the appropriate federal and state filing offices within 48 hours of the committee's receipt of the contribution(s). U.S. House candidates faxing 48-hour notices should transmit them to the FEC at 202/219-0174. Senate candidates should transmit them to the Secretary of the Senate at 202/224-1851. Note that 48-hour notices are the only FEC documents that may be faxed.

\*These dates indicate the beginning and the end of the reporting period. A reporting period always begins the day after the closing date of the last report filed. If the committee is new and has not previously filed a report, the first report must cover all activity that occurred before the committee registered

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

(over)

### **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 of political committees are responsible for filing all reports on time. Failure to do so is subject to enforcement action. Committees filing illegible reports or using non-FEC forms (except for FEC approved computer generated forms) will be required to refile.

### **ELECTRONIC FILING**

Political committees have the option of filing electronically. If you are interested in this option, review the enclosed handout entitled "Electronic Filing of Disclosure Reports," and call the Data Division at (800) 424-9530 or (202) 694-1250.

Use separate schedule(s)  
for each category of the  
Detailed Summary Page

PAGE 1 OF 1

FOR LINE NUMBER

13(a)

## SCHEDULE A

## ITEMIZED RECEIPTS

## LOANS FROM THE CANDIDATE (JULY QRTLY 5/7/98-6/30/98)

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.

## NAME OF COMMITTEE (in Full)

SCOTTY BAESLER FOR SENATE COMMITTEE

C00328690

## A. Full Name, Mailing Address and ZIP Code

Scotty Baesler, Candidate  
450 Canebrake Rd.  
Lexington, KY 40509

Receipt For: ☒ Primary ☐ General  
☐ Other (specify):

## Name of Employer

Loan from personal funds

## Occupation

Date (month,  
day, year)

5/15/98

Amount of Each  
Receipt this Period

75000.00

P85

Aggregate Year-to-Date &gt; \$

## B. Full Name, Mailing Address and ZIP Code

Scotty Baesler, Candidate  
450 Canebrake Rd.  
Lexington, KY 40509

Receipt For: ☒ Primary ☐ General  
☐ Other (specify):

## Name of Employer

Loan from personal funds

## Occupation

Date (month,  
day, year)

5/19/98

Amount of Each  
Receipt this Period

25000.00

Aggregate Year-to-Date &gt; \$

## C. Full Name, Mailing Address and ZIP Code

Receipt For: ☐ Primary ☐ General  
☐ Other (specify):

## Name of Employer

## Occupation

Date (month,  
day, year)

Aggregate Year-to-Date &gt; \$

Amount of Each  
Receipt this Period

## D. Full Name, Mailing Address and ZIP Code

Receipt For: ☐ Primary ☐ General  
☐ Other (specify):

## Name of Employer

## Occupation

Date (month,  
day, year)

Aggregate Year-to-Date &gt; \$

Amount of Each  
Receipt this Period

## E. Full Name, Mailing Address and ZIP Code

Receipt For: ☐ Primary ☐ General  
☐ Other (specify):

## Name of Employer

## Occupation

Date (month,  
day, year)

Aggregate Year-to-Date &gt; \$

Amount of Each  
Receipt this Period

## F. Full Name, Mailing Address and ZIP Code

Receipt For: ☐ Primary ☐ General  
☐ Other (specify):

## Name of Employer

## Occupation

Date (month,  
day, year)

Aggregate Year-to-Date &gt; \$

Amount of Each  
Receipt this Period

## G. Full Name, Mailing Address and ZIP Code

Receipt For: ☐ Primary ☐ General  
☐ Other (specify):

## Name of Employer

## Occupation

Date (month,  
day, year)

Aggregate Year-to-Date &gt; \$

Amount of Each  
Receipt this Period

SUBTOTAL of Receipts This Page (optional) .....

TOTAL This Period (last page this line number only) .....

100000.00

**SCHEDULE C**  
(Revised 3/80)

**LOANS**

Attachment  
Page 2 of 2

Page 2 of 3 for  
LINE NUMBER 13 (a)  
(Use separate schedules  
for each numbered line)

Name of Committee (in Full)

SCOTTY BAESLER FOR SENATE COMMITTEE

A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
Republic Bank & Trust Co. 2401 Harrodsburg Rd. Lexington, KY 40502	\$190,000	\$30,000	\$160,000
Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms: Date Incurred <u>5/8/98</u> Date Due <u>11/8/98</u> Interest Rate <u>9.5%</u> (apr) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code	Name of Employer		
Scotty Baesler	Candidate		
450 Canebrake Rd.	Occupation		
Lexington, KY 40509	Candidate		
	Amount Guaranteed Outstanding:		
	\$ 160,000		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding:		
	\$		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding:		
	\$		

B. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
Scotty Baesler, Candidate 450 Canebrake Rd. Lexington, KY 40509	\$75,000	-0-	\$75,000
Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms: Date Incurred <u>5/15/98</u> Date Due <u>5/15/99</u> Interest Rate <u>9.5%</u> (apr) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code	Name of Employer		
*** PERSONAL FUNDS ***	Occupation		
	Amount Guaranteed Outstanding:		
	\$		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding:		
	\$		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding:		
	\$		

SUBTOTALS This Period This Page (optional) .....

TOTALS This Period (last page in this line only) .....

Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.

98000132154





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Michael Sullivan, Treasurer  
Baesler for Senate Committee  
2365 Harrodsburg Road, Suite A-100  
Lexington, KY 40504

AUG 18 1998

Identification Number: C00328690

Reference: July Quarterly Report (5/7/98-6/30/98)

Dear Mr. Sullivan:

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:

-Column B, Line 7(a) of the Summary Page should equal Column B, Line 17 of the Detailed Summary Page.

-Line 10 of the Summary Page of your report discloses \$378,016.48 in outstanding loans/debts. The sum of Schedule C loans and Schedule D debts indicates \$513,016.48 in outstanding obligations. Please correct this discrepancy and file an amendment to your report. (11 CFR §104.3(d))

-Schedule A of your report discloses a contribution(s) which appears to exceed the limits set forth in the Act (copies attached). You should examine all of your contributions to check for additional excessives. The Committee's procedures for processing contributions should also be reviewed.

An individual or a political committee other than a qualified multicandidate committee may not make a contribution to a candidate for federal office in excess of \$1,000 per election. A qualified multicandidate committee and all affiliated committees may not make a contribution(s) to a candidate for federal office in excess of \$5,000 per election. The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or

BAESLER FOR SENATE COMMITTEE  
PAGE 2

anything of value made by any person for the purpose of influencing any election for federal office. (2 U.S.C. §441a(a) and (f); 11 CFR §110.1(b), (e) and (k))

If the contribution(s) in question was not completely or correctly reported, you should amend your original report using the new or corrected information. If the contribution(s) exceeds the limits, you should either refund to the donor the amount in excess of \$1,000 or request a written redesignation and/or reattribution of the contribution(s) from the donor. All refunds, redesignations, and reattributions must be made within sixty days of receipt of the contribution. Copies of refund checks and copies of letters reattributing or redesignating the contributions in question may be used to respond to this letter. Refunds are reported on Line 20 of the Detailed Summary Page and on a supporting Schedule B of the report covering the period in which they are made. Redesignations and reattributions are reported as memo entries on Schedule A of the report covering the period in which the authorization for the redesignation and/or reattribution is received. (11 CFR §104.8(d)(2), (3) and (4))

The acceptance of excessive contributions is a serious problem. Again, the committee's procedures for processing contributions should be examined and corrected in order to avoid this problem. Although the Commission may take further legal action, prompt action by you to refund or seek redesignation and/or reattribution of the excessive amount will be considered.

-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-Primary 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))

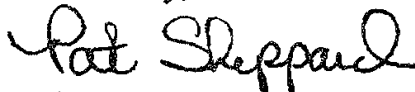
pg 5

BAESLER FOR SENATE COMMITTEE  
PAGE 3

Page 3 of 3

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Secretary of the Senate, 232 Hart Senate Office Building, Washington, DC 20510 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) 694-1130.

Sincerely,



Pat Sheppard  
Senior Reports Analyst  
Reports Analysis Division

404