



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

## MEMORANDUM

September 30, 1999

TO: LAWRENCE M. NOBLE  
GENERAL COUNSEL

THROUGH: JAMES PEHRKON  
STAFF DIRECTOR

FROM: JOHN D. GIBSON  
ASSISTANT STAFF DIRECTOR  
REPORTS ANALYSIS DIVISION

SUBJECT: REFERRAL OF FERRARO FOR SENATE '98

OCT 1 10 36 AM '99

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

The Ferraro for Senate '98 committee ("the Committee") has accepted two prohibited contributions totaling \$350,000. These contributions were loans received from Smith Barney and were secured with stocks owned by the candidate. According to the 1997-1998 Reports Analysis Division ("RAD") Review and Referral Procedures for Authorized Committees an examination by your office is required.

The candidate lost the primary election held in New York on September 15, 1998, receiving twenty-five point nine percent (25.9%) of the vote.

If you have any questions regarding this matter, please contact Pat Sheppard at 694-1130.

Attachment

## REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: September 30, 1999

ANALYST: Pat Sheppard

- I. COMMITTEE: Ferraro for Senate '98  
(C00332601)  
Addie Gutttag, Treasurer  
218 Lafayette Street, 2<sup>nd</sup> Floor  
New York, NY 10012
- II. RELEVANT STATUTE: 2 U.S.C. 441b (a)
- III. BACKGROUND:

The Ferraro for Senate '98 committee ("the Committee") has accepted two prohibited contributions totaling \$350,000. These contributions were loans received from Smith Barney and were secured with stocks owned by the candidate.

Schedules' A and C of the Committee's 1998 12 Day Pre-Primary Report disclose the receipt of a \$300,000 loan on August 24, 1998 reported as from the candidate (Attachment 2). No source of funds is provided.

On October 20, 1998, a Request for Additional Information ("RFAI") was sent to the Committee (Attachment 3). The RFAI asked the Committee to clarify the source of the \$300,000 loan.

On November, 12, 1998, the Committee responded by letter (Attachment 4). The treasurer stated that the \$300,000 loan reported in the 12 Day Pre-Primary Report and a \$50,000 loan reported in the October Quarterly Report were from "funds borrowed by the candidate from Smith Barney at 8 ½% interest, using personally owned stocks which were managed by Smith Barney, as collateral."

Schedules' A and C of the Committee's 1998 October Quarterly Report<sup>1</sup> disclose the receipt of a \$50,000 loan on September 8, 1998 reported as from the candidate (Attachment 5). No source of funds is provided. However, the Amended 12 Day Pre-Primary Report (referenced above) discloses that the source of funds was Smith Barney.

On May 25, 1999, an RFAI was sent to the Committee (Attachment 6). The RFAI made the Committee aware that a loan from a brokerage firm was a prohibited contribution. The RFAI asked the Committee to provide additional information on the loans or refund the prohibited amounts.

On May 26, 1999, the candidate responded to an RFAI sent on May 18, 1999, referencing the 1998 Year End Report. The RFAI stated that the two loans were overdue as of November 15, 1998 and asked that the Committee clarify their current status (Attachment #7). In the response, the candidate stated that the loans had been repaid on May 20, 1999. She stated that she had sold 16,260 shares of stock to repay the loans (Attachment 8).

Further information received from the candidate on June 11, 1999 notes that the loans were secured by stock held by Smith Barney and that the candidate was "personally responsible to the brokerage house for the full amount of the loan plus interest." (Attachment 9)

The 1999 Mid-Year Report does not disclose the payments made by the candidate to repay the loans as either in-kind contributions or as new loans owed to the candidate. Schedule C of the Report still discloses the loans as they were initially reported on the 1998 12 Day Pre-Primary and October Quarterly Reports (Attachment 10).

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<sup>1</sup> The Committee's 1998 October Quarterly Report (7/1 - 9/30/98) includes all of the activity initially disclosed in the 1998 12 Day Pre-Primary Report (7/1 - 8/26/98).

FEDERAL ELECTION COMMISSION  
1997-1998  
CANDIDATE INDEX OF SUPPORTING DOCUMENTS - (E)

ATTACHMENT 1  
Page 1 of 3

DATE 9/30/1999

PAGE 1

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/	PARTY	RECEIPTS		DISBURSEMENTS		COVERAGE DATES	# OF PAGES	IMAGE LOCATION TYPE OF FILER
			PRIMARY	GENERAL	PRIMARY	GENERAL			
FERRARO, GERALDINE A	SENATE	DEMOCRATIC PARTY			NEW YORK		1998 ELECTION	ID# S2NY00119	
1. STATEMENT OF CANDIDATE									
1998 STATEMENT OF CANDIDATE							15JAN98	2	98SEN/001/0371
2. PRINCIPAL CAMPAIGN COMMITTEE									
FERRARO FOR SENATE '98									
1998 STATEMENT OF ORGANIZATION							15JAN98	2	98SEN/001/0373
STATEMENT OF ORGANIZATION - AMENDMENT							27APR98	2	98SEN/011/0167
48 HOUR CONTRIBUTION NOTICE							31AUG98	4	98SEN/019/0014
48 HOUR CONTRIBUTION NOTICE							2SEP98	2	98SEN/019/2058
48 HOUR CONTRIBUTION NOTICE							4SEP98	6	98SEN/019/2794
48 HOUR CONTRIBUTION NOTICE							8SEP98	2	98SEN/019/2770
48 HOUR CONTRIBUTION NOTICE							8SEP98	2	98SEN/019/2909
48 HOUR CONTRIBUTION NOTICE							10SEP98	2	98SEN/019/3031
48 HOUR CONTRIBUTION NOTICE							14SEP98	2	98SEN/019/3239
APRIL QUARTERLY			1,358,869		291,278		5JAN98 -31MAR98	239	98SEN/009/2952
APRIL QUARTERLY - AMENDMENT			-		-		5JAN98 -31MAR98	2	98SEN/016/3336
APRIL QUARTERLY - AMENDMENT			1,357,869		291,278		5JAN98 -31MAR98	54	98SEN/019/2675
1'ST LETTER INFORMATIONAL NOTICE							5JAN98 -31MAR98	4	98FEC/322/1361
JULY QUARTERLY			701,590		652,110		1APR98 -30JUN98	179	98SEN/015/2619
JULY QUARTERLY - AMENDMENT			701,590		652,110		1APR98 -30JUN98	3	98SEN/019/2729
JULY QUARTERLY - AMENDMENT			-		-		1APR98 -30JUN98	2	98SEN/025/4214
JULY QUARTERLY - AMENDMENT			697,206		652,183		1APR98 -30JUN98	6	98SEN/026/3011
JULY QUARTERLY - AMENDMENT			697,206		652,183		1APR98 -30JUN98	10	98SEN/026/3102
REQUEST FOR ADDITIONAL INFORMATION							1APR98 -30JUN98	6	98FEC/378/1731
PRE-PRIMARY			-		-		1JUL98 -26AUG98	126	98SEN/019/2061
PRE-PRIMARY - AMENDMENT			-		-		1JUL98 -26AUG98	3	98SEN/026/3017
PRE-PRIMARY - AMENDMENT			-		-		1JUL98 -26AUG98	15	98SEN/026/3112
PRE-PRIMARY - AMENDMENT			-		-		1JUL98 -26AUG98	1	99FEC/441/3949
PRE-PRIMARY - AMENDMENT			-		-		1JUL98 -26AUG98	2	98SEN/026/3748
REQUEST FOR ADDITIONAL INFORMATION							1JUL98 -26AUG98	11	98FEC/378/1737
OCTOBER QUARTERLY				897,141	1,988,435		1JUL98 -30SEP98	223	98SEN/022/1358
OCTOBER QUARTERLY - AMENDMENT				895,696	1,988,435		1JUL98 -30SEP98	3	98SEN/026/3020
OCTOBER QUARTERLY - AMENDMENT				-	-		1JUL98 -30SEP98	1	99FEC/441/3950
OCTOBER QUARTERLY - AMENDMENT				897,141	1,988,435		1JUL98 -30SEP98	38	99SEN/005/1788
REQUEST FOR ADDITIONAL INFORMATION							1JUL98 -30SEP98	7	99FEC/450/3645
YEAR-END			36,263		52,220		1OCT98 -31DEC98	41	99SEN/001/2305
YEAR-END - AMENDMENT			-		-		1OCT98 -31DEC98	3	99SEN/005/1405
REQUEST FOR ADDITIONAL INFORMATION							1OCT98 -31DEC98	2	99FEC/449/1023
TOTAL			2,091,338	897,141	995,681	1,988,435		1005	TOTAL PAGES

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

3. AUTHORIZED COMMITTEES

FERRARO FOR U S SENATE							ID #C00252080 SENATE		
1997 MID-YEAR REPORT			1,552		2,386		1JAN97 -30JUN97	11	97SEN/010/2941
YEAR-END			0		718		1JUL97 -31DEC97	11	98SEN/004/3164
YEAR-END - AMENDMENT			0		718		1JUL97 -31DEC97	10	98SEN/011/0728
REQUEST FOR ADDITIONAL INFORMATION							1JUL97 -31DEC97	2	98FEC/291/2858
REQUEST FOR ADDITIONAL INFORMATION 2ND							1JUL97 -31DEC97	3	98FEC/307/2829
1998 MID-YEAR REPORT			908		1,064		1JAN98 -30JUN98	11	98SEN/017/3850
YEAR-END			16,830		13,103		1JUL98 -31DEC98	13	99SEN/001/1549

61 TOTAL PAGES

61 AUTH TOT PAGES

4. JOINT FUNDRAISING COMMITTEES AUTHORIZED BY THE CAMPAIGN

POWER AND LEADERSHIP IN THE US SENATE (PLUS)							ID #C00338582 NON-PARTY NON-QUALIFIED		
1998 STATEMENT OF ORGANIZATION							16JUL98	3	98SEN/014/3579
OCTOBER QUARTERLY							16JUL98 -30SEP98	47	98FEC/363/4195
PRE-GENERAL							1OCT98 -14OCT98	29	98SEN/025/3246
POST-GENERAL							15OCT98 -23NOV98	18	98SEN/027/3538
YEAR-END							24NOV98 -31DEC98	7	99SEN/002/0453

104 TOTAL PAGES

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

1998 Principal Campaign Committee

All reports have been reviewed.

Ending cash-on-hand as of 12/31/98: \$2,917

Outstanding debts owed by the committee  
as of 12/31/98: \$530,499

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/	PARTY	RECEIPTS		DISBURSEMENTS		COVERAGE DATES	# OF PAGES	IMAGE LOCATION TYPE OF FILER
			PRIMARY	GENERAL	PRIMARY	GENERAL			
FERRARO, GERALDINE A	SENATE	DEMOCRATIC PARTY			NEW YORK		1998 ELECTION	ID# S2NY00119	
1. STATEMENT OF CANDIDATE									
2. PRINCIPAL CAMPAIGN COMMITTEE									
FERRARO FOR SENATE '98								ID #C00332601 SENATE	
1999 MID-YEAR REPORT			19,107		11,195		1JAN99 -30JUN99	32 99SEN/010/1257	
MID-YEAR REPORT - AMENDMENT			19,107		11,195		1JAN99 -30JUN99	35 99SEN/010/1376	
NOTICE OF FAILURE TO FILE							1JAN99 -30JUN99	2 99FEC/479/3752	
TOTAL			19,107	0	11,195	0		69 TOTAL PAGES	
3. AUTHORIZED COMMITTEES									
FERRARO FOR U S SENATE								ID #C00252080 SENATE	
1999 MID-YEAR REPORT			3,100		6,150		1JAN99 -30JUN99	10 99SEN/008/2355	
								10 TOTAL PAGES	
								10 AUTH TOT PAGES	
4. JOINT FUNDRAISING COMMITTEES AUTHORIZED BY THE CAMPAIGN									
POWER AND LEADERSHIP IN THE US SENATE (PLUS)								ID #C00338582 NON-PARTY NON-QUALIFIED	
1999 TERMINATION APPROVAL							6AUG99	2 99FEC/476/2688	
MID-YEAR REPORT - TERMINATED							1JAN99 -30JUN99	5 99FEC/459/3824	
TERMINATED								7 TOTAL PAGES	
4B. TRANSFERS IN FROM JOINT FUNDRAISING COMMITTEES AUTHORIZED BY THE CAMPAIGN									

### 1998 Principal Campaign Committee

Reports have not been reviewed.  
Ending cash-on-hand as of 6/30/99: \$10,829.  
Outstanding debts owed by the committee  
as of 6/30/99: \$531,964

Geraldine A. Ferraro

May 21, 1999

Secretary of the Senate  
232 Hart Senate Office Building  
Washington, DC 20519

Re: Ferraro for Senate '98  
Identification Number C00332601

Dear Sir:

This is in response to the letter of May 18<sup>th</sup> regarding the Year End Report, a copy of which is enclosed.

Please be advised that on May 20<sup>th</sup> I sold 16,260 shares of stock in order to repay Smith Barney for the money I borrowed and in turn loaned to the Ferraro for Senate '98 Committee. I paid interest at the rate of 8% per year for the duration of the loan. At no time during the course of the loan agreement was the loan ever overdue. The reason I chose to pay it off on May 20<sup>th</sup> is that a fundraiser I had planned for May 19<sup>th</sup> to deal with the campaign debt had to be canceled for lack of response. Since there is no way to raise the money due and the interest I was paying was more than my return on the stock, I considered it wise to cut my losses, sell the stock, pay off the loan and move on with my life.

Sincerely,



Geraldine A. Ferraro

cc: Pat Shapard  
Senior Reports Analyst  
Reports Analysis Division  
Federal Election Commission

Geraldine A. Ferraro

SECRETARY OF THE SENATE  
99 JUN 11 PM 1:57

H.D.

June 7, 1999

Secretary of the Senate  
232 Hart Senate Office Building  
Washington, DC 20510

Re: Identification Number COO332601  
October Quarterly Report (7/1/99-  
9/30/98)

Dear Sir/Madame,

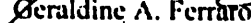
This is in response to a letter from Pat Sheppard, Senior Reports Analyst of the Reports Analysis Division of the Federal Election Commission, dated May 25 and addressed to the Ferraro for Senate Committee regarding the above-entitled matter.

1. Your letter indicates that there was a contribution to the campaign from a brokerage house. Actually, it was a loan from me to the campaign, using money I borrowed from the brokerage house secured by stock which the brokerage house held. Interest was paid at the rate of 8% per annum and I was personally responsible to the brokerage house for the full amount of the loan plus interest. When I realized that I would not be repaid the money by the Committee that I had borrowed to make the loan, I sold some stock to repay it. Please see the enclosed letter. I do not, however, consider the loan I made to the committee using those funds, repaid, and that loan will continue to be carried by the committee as such in subsequent reports until I am repaid (not likely) or the committee is closed. SW
2. If at any point the committee received monies that were in excess of the \$1,000 individual limit, \$5,000 PAC limit, the contributor was notified as soon as the excess was discovered and the check was either returned, refunded, or redesignated by the contributor as a contribution to the general election. On losing the primary, all monies that were contributed to the general election were refunded.
3. We have gone through Schedule B regarding disbursements and have tried to correct and clarify the descriptions so that they now meet the requirements of the regulations. The amended report is enclosed herewith.



- cc: Pat Sheppard**

Sincerely,

  
Geraldine A. Ferraro

## SCHEDULE C

## LOANS

NAME OF COMMITTEE (In Full) Ferraro for Senate '98			
A. Full Name, Mailing Address and ZIP Code of Loan Source Geraldine Ferraro 218 Lafayette  New York, NY 10012-4021		Original Amount of Loan  \$50000.00	Cumulative Payment To Date  \$0.00
Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Balance Outstanding at Close of This Period  \$50000.00	
Terms: Date Incurred 09/08/98 Date Due 11/15/98 Interest Rate \$0.00 % (apr) Secured NO			
List All Endorsers or Guarantors (if any) to Item A			
Full Name, Mailing Address and Zip Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding:		

[illegible]

<b>SUBTOTAL</b> This Period This Page (optional)	\$50000.00
<b>TOTAL</b> This Period (last page this line number only)	



**SCHEDULE A**

**ITEMIZED RECEIPTS**

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

PAGE 1 OF 1  
FOR LINE NUMBER  
13a

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)**

Ferraro for Senate '98

Full Name, Mailing Address and Zip Code Geraldine Ferraro 218 Lafayette New York, NY 10012-4021 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer Self Occupation Lawyer Aggregate Year-to-Date ->	Date (month, day, year) 08/24/98 \$350000.00	Amount of Each Receipt this Period \$300000.00
Full Name, Mailing Address and Zip Code  Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer Occupation Aggregate Year-to-Date ->	Date (month, day, year) / /	Amount of Each Receipt this Period
Full Name, Mailing Address and Zip Code  Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer Occupation Aggregate Year-to-Date ->	Date (month, day, year) / /	Amount of Each Receipt this Period
Full Name, Mailing Address and Zip Code  Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer Occupation Aggregate Year-to-Date ->	Date (month, day, year) / /	Amount of Each Receipt this Period
Full Name, Mailing Address and Zip Code  Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer Occupation Aggregate Year-to-Date ->	Date (month, day, year) / /	Amount of Each Receipt this Period
Full Name, Mailing Address and Zip Code  Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer Occupation Aggregate Year-to-Date ->	Date (month, day, year) / /	Amount of Each Receipt this Period
Full Name, Mailing Address and Zip Code  Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer Occupation Aggregate Year-to-Date ->	Date (month, day, year) / /	Amount of Each Receipt this Period

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

\$300000.00

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

\$300000.00

180201921403043

pgs

SCHEDULE C

LOANS

Page 2 of      for  
LINE NUMBER 10

NAME OF COMMITTEE (In Full) Ferraro for Senate '98			
A. Full Name, Mailing Address and ZIP Code of Loan Source Geraldine Ferraro 218 Lafayette New York, NY 10012-4021	Original Amount of Loan \$300000.00	Cumulative Payment To Date \$0.00	Balance Outstanding at Close of This Period \$300000.00
Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			
Terms: Date Incurred 08/24/98 Date Due 11/15/98 Interest Rate \$0.00 % (apr) Secured NO			
List All Endorsers or Guarantors (if any) to Item A			
Full Name, Mailing Address and Zip Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding:		

<b>SUBTOTAL</b> This Period This Page (optional)	\$300000.00
<b>TOTAL</b> This Period (last page this line number only)	\$350000.00



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Addie Guttag, Treasurer  
Ferraro for Senate '98  
373 Park Avenue South 9th Floor  
New York, NY 10016

OCT 20 1998

Identification Number: C00332601

Reference: 12 Day Pre-Primary Report (7/1/98-8/26/98)

Dear Mr. Guttag:

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:

-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 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 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))

The Commission notes your request for the redesignation and/or reattribution of some or all of these contributions. Please be reminded that all refunds, redesignations and reattributions must be made within sixty

21-04-403-0435

FERRARO FOR SENATE '98  
PAGE 2

days of receipt of the contribution. To date, one or more of the attached excessive contributions have not been refunded, redesignated, or reattributed. 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))

-Line 11(a)(i), Column A, of the Detailed Summary Page discloses \$239,312.45 in receipts. Schedule A supporting Line 11(a)(i) itemizes \$212,199.45 in receipts. It appears the following pages have been omitted from this report; Pages 13, 15, 15, 19, 31, 33, 59 and 60. Please provide the omitted pages. These figures should be the same. Please correct this discrepancy and file an amendment to your report. (11 CFR §104.3(a))

-Schedule B supporting Line 20(a) discloses a refund to K & M Manufacturing and Professional Business. However, it appears that the receipt of these contributions has not been reported by your committee. Please clarify this matter and amend your reports as necessary.

-A review of your itemized receipts indicates a discrepancy in your aggregate year-to-date totals. The reported aggregate totals on your report should include all contributions from an individual or committee given in the calendar year 1998. Please review your procedures for compliance with this requirement and amend your report(s) as necessary.

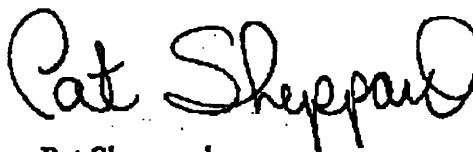
-When a committee reports receiving a loan from the candidate, it is necessary to clarify whether or not the candidate used personal funds or borrowed the money from a lending institution or some other source. If the candidate borrowed funds from a lending institution, or other source, please provide 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

FERRARO FOR SENATE '98  
PAGE 3

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))

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  
Reports Analyst  
Reports Analysis Division

404



Geraldine A. Ferraro

SECRETARY OF THE SENATE

98 NOV 12 PM 2:33

H.D.

RECEIVED  
FEDERAL ELECTION  
COMMISSION

NOV 12 11 04 AM '98

November 2, 1998

Ms. Pat Sheppard  
Senior Report Analyst  
Report Analysis Division  
Federal Election Commission  
Washington, DC 20463

Re: Ferraro For Senate '98;  
FEC Identification Number: C00332601

Dear Ms. Sheppard,

We have received your letters of October 20, 1998 prompted by the Commission's preliminary review of our July Quarterly Report and our 12 Day Pre-Primary Report.

With reference to the July Quarterly Report (4/1/98-6/30/98):

Para. 1: When the report was originally filed, page 121 of 11(a)(i) reflected total itemized contributions of \$370,907.76. When the computer was to transfer that amount to the designated line on the Detailed Summary Page, for some unexplained reason, it was printed as \$375,291.76. Though we filed an amended Summary Page in August with reference to Column B, we did not pick up the computer error with reference to line 11(a)(i) in Column A. The discrepancy has been corrected and the Summary Page and Detailed Summary Page have been amended.

Para 2: In reviewing the report, we see that all in-kind contributions were itemized in Schedule B except for one in the amount of \$73.44. Schedule B has been amended to reflect this in-kind contribution. The summary page has also been amended.

Para 3: We have noted your comment regarding providing the complete names of political action committees. The Laborers Political League is the PAC of L.I.U.N.A. (Laborers International Union of North America).

Para 4: The \$500 contribution received on June 30 was correctly reported on that date. A subsequent contribution received on July 9 should have been designated in part to the general election. Upon losing the primary election that money was returned to Mr. Williams on October 1. This will be reflected in the January 31<sup>st</sup> Year End report.

SECRETARY OF THE SENATE

38 NOV 12 PM 2:33

H.D.

Additional Amendment: \$500 was reported as having been contributed by John Corzine of 25 Lenox Road, Summit, New Jersey. Drawn on a joint account, that contribution should have been attributed in whole to his wife, Joanne Corzine. An amendment has been filed.

With reference to the 12 Day Pre-Primary Report (7/1/98-8-26-98):

Para 1: Kristen Allen - On September 2, \$1,000 was redesignated to the General election. On September 21 it was returned.

John Gutttag - The contribution reported for March 16 was mistakenly designated as a general election contribution on the April 15 Quarterly Report. The \$1,000 contribution made on August 16 to the general election was returned on September 20.

Jane Hartley - A request was made for redesignation as indicated on the report. None was received but \$1,000 was returned on September 20.

Abraham Hirschfeld - \$1,000 was returned on September 20. However, Mr. Hirschfeld inadvertently tore the check up. It was replaced on October 6.

Zipora Hirschfeld - \$1,000 was returned on September 20.

Christopher Williams - As more completely explained in paragraph 4 above, \$500 was returned on October 1.

Para 2: You indicate that pages 13, 15, 15, 19, 31, 33, 59 and 60 were omitted from your copy of this report. Since we were not clear on what pages were missing between 15 and 19, we are enclosing pages 15 through 19 as well as all of those you enumerated. You should now find that page 90 of 11(a)(i) reflects total itemized contributions of \$237,777.45. As in para 1 above, when the computer was to transfer that amount to the designated line on the Detailed Summary Page, for some unexplained reason, it was printed as \$239,312.45. Because we spotted a computer error in itemizing our refunds for line numbers 14 and 20(a) we elected to submit a handwritten Summary Sheet. Unfortunately, we did not catch the 11(a)(i) error. The discrepancy has been corrected and the Summary Page and Detailed Summary Page have been amended.

Para 3: You indicate that schedule B discloses a refund to K & M Manufacturing and Professional Business. I assume that you are referring to refunds made to two different entities, L & M Manufacturing and Professional Business Institute, each for \$250. The contributions were reported on pages 65 and 93 in the July 15 Quarterly Report. Those pages are enclosed.

Para 4: We have amended our Summary Page and Detailed Summary Page to accurately reflect our aggregate year to date totals.

Para 5: Three loans have been made to the campaign by the candidate. The fifty thousand dollar loan made to the campaign at the beginning of January and reported in the April 15<sup>th</sup> quarterly report was from the candidate's personal funds. Two subsequent loans were made, one for \$300,000 reported in both the 12 Day Pre-Primary Report and the October Quarterly Report, the other for \$50,000 reported in the October Quarterly Report. The source of the money for those loans was funds borrowed by the candidate from Smith Barney at 8 ½% interest, using personally owned stocks which are managed by Smith Barney, as collateral.

With reference to the October 15<sup>th</sup> Quarterly Report (7/1/98-9/30/98):

We are filing an amended report to reflect corrections based on some of the issues you raised regarding the previous two reports.

Sincerely yours,

*Addie Gutttag*

(Ms.) Addie Gutttag  
Treasurer  
Ferraro for Senate '98  
218 Lafayette Street  
2<sup>nd</sup> Floor  
New York, NY 10012

980202631044030440

**SCHEDULE A**

**ITEMIZED RECEIPTS**

Use separate subtotals for each category of the Detailed Summary Page	PAGE 1 OF 1
	FOR LINE NUMBER 13a

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)**  
Ferraro for Senate '98

<b>Full Name, Mailing Address and Zip Code</b> Geraldine Ferraro 218 Lafayette New York, NY 10012-4021 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Name of Employer</b> Self <b>Occupation</b> Lawyer <b>Aggregate Year-to-Date -&gt;</b> \$350000.00	<b>Date (month, day, year)</b> 08/24/98 <b>Amount of Each Receipt this Period</b> \$300000.00
<b>Full Name, Mailing Address and Zip Code</b> Geraldine Ferraro 218 Lafayette New York, NY 10012-4021 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Name of Employer</b> Self <b>Occupation</b> Lawyer <b>Aggregate Year-to-Date -&gt;</b> \$400000.00	<b>Date (month, day, year)</b> 09/08/98 <b>Amount of Each Receipt this Period</b> \$50000.00
<b>Full Name, Mailing Address and Zip Code</b>  Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Name of Employer</b>  <b>Occupation</b>  <b>Aggregate Year-to-Date -&gt;</b>	<b>Date (month, day, year)</b> / / <b>Amount of Each Receipt this Period</b>
<b>Full Name, Mailing Address and Zip Code</b>  Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Name of Employer</b>  <b>Occupation</b>  <b>Aggregate Year-to-Date -&gt;</b>	<b>Date (month, day, year)</b> / / <b>Amount of Each Receipt this Period</b>
<b>Full Name, Mailing Address and Zip Code</b>  Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Name of Employer</b>  <b>Occupation</b>  <b>Aggregate Year-to-Date -&gt;</b>	<b>Date (month, day, year)</b> / / <b>Amount of Each Receipt this Period</b>
<b>Full Name, Mailing Address and Zip Code</b>  Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Name of Employer</b>  <b>Occupation</b>  <b>Aggregate Year-to-Date -&gt;</b>	<b>Date (month, day, year)</b> / / <b>Amount of Each Receipt this Period</b>
<b>Full Name, Mailing Address and Zip Code</b>  Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Name of Employer</b>  <b>Occupation</b>  <b>Aggregate Year-to-Date -&gt;</b>	<b>Date (month, day, year)</b> / / <b>Amount of Each Receipt this Period</b>

<b>SUBTOTAL of Receipts This Page (optional)</b>	\$350000.00
<b>TOTAL This Period (last page this line number only)</b>	\$350000.00

21-04-402-0441  
70020221405

**SCHEDULE C**

**LOANS**

Page 1 of      for  
LINE NUMBER 10

**NAME OF CANDIDATE (In Full)**

**Ferraro for Senate '98**

**A. Full Name, Mailing Address and ZIP Code of Loan Recipient**

Geraldine Ferraro

218 Lafayette

New York, NY 10012-4021

Election: ☒ Primary ☐ General ☐ Other (specify)

**Original Amount  
of Loan**

**\$50000.00**

**Cumulative Payment  
To Date**

**\$0.00**

**Balance Outstanding  
at Close of This Period**

**\$50000.00**

Term: Date Entered 09/08/98 Date Due 11/15/98 Interest Rate \$0.00 (rate) Secured NO

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

**Full Name, Mailing Address and Zip Code**

**Name of Employer**

**Occupation**

**Amount Guaranteed Outstanding:**

**SUBTOTAL This Period This Page (optional)**

**\$50000.0**

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

21.04.403.13442

78020221505



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Annie Guttag, Treasurer  
Ferraro For Senate '98  
218 Lafayette Street  
New York, NY 10012

MAY 25 1999

Identification Number: C00332601

Reference: October Quarterly Report (7/1/98-9/30/98)

Dear Ms. Guttag:

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:

-Your report discloses a contribution from a brokerage house (pertinent portion attached). A contribution from a brokerage house is prohibited by the Act, unless the brokerage house is affiliated with an acceptable bank. (11 CFR (symbol) 100.7(b)(11), 100.8(b)(12) and 103.2)

If the contribution in question was not completely or correctly reported, you should amend your original report with the corrected information. If the contribution is from a brokerage house, you should refund the full amount to the donor and notify the Commission of such action. The refund must be made within thirty days of the treasurer becoming aware of the impermissibility of the contribution. Copies of refund checks for the contribution in question may be used to respond to this letter. The refund should be reported on a Schedule B supporting Line 20(a) of the report covering the period in which the refund is made. (11 CFR (symbol) 104.8(d)(4))

-Schedule A of your report discloses a contribution(s) which appears to exceed the limits set forth in the Act.

**FERRARO FOR SENATE '98**  
**PAGE 2**

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 contributions to a candidate for federal office in excess of \$5,000 per election. (2 U.S.C. §441a(a) and (f))

The Commission notes your refund of the excessive contribution(s). The acceptance of excessive contributions is a serious problem. 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, your action in refunding the excessive amount(s) will be considered.

-Commission Regulations define the term "purpose" to mean a brief statement or description of why a disbursement was made. Examples are "dinner expense", "media", "salary", "polling", "travel", "party fees", "phone banks", "travel expenses", "travel expense reimbursement" and "catering costs". Unacceptable descriptions include, but are not limited to "advance", "consulting", "contract labor", "election day expense", "expenses", "other expenses", "expense reimbursement", "miscellaneous", "outside services", "get-out-the-vote" and "voter registration". (11 CFR §104.3(b)(4)) Please amend Schedule B of your report to correct the descriptions which do not meet the requirements of the Regulations.

-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))

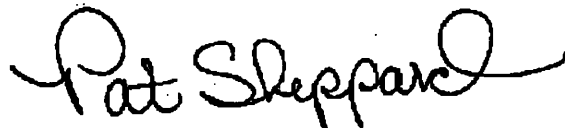
**FERRARO FOR SENATE '98**  
**PAGE 3**

-While it is permissible for a person to make a contribution for the general election prior to the primary election, the recipient committee must employ an acceptable accounting method to distinguish between primary and general election contributions. 11 CFR §102.9(e) This general election amount should be maintained in the committee's account.

If the candidate does not participate in the general election, any contribution received for the general election must be returned to the donors, redesignated or reattributed in accordance with 11 CFR §§110.1(b)(5), 110.2(b)(5) or 110.1(k)(3), as appropriate. The use of general election contributions to pay primary debts and obligations is prohibited under the Act as such use could result in individuals making contributions with respect to the primary election in excess of the \$1,000 per election limit. Any subsequent report(s) filed with the Commission should disclose the refund, redesignation or reattribution of any general election contribution. Refunds, redesignations, or reattributions must be done within sixty days after the September 15, 1998 Primary Election.

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





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Annie Guttag, Treasurer  
Ferraro For Senate '98  
218 Lafayette Street  
New York, NY 10012

Identification Number: C00332601

MAY 18 1999

Reference: Year End Report (10/1/98-12/31/98)

Dear Ms. Guttag:

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:

-Your report includes loans with due dates of 11/15/98. Please clarify the current status of these loans and disclose the current terms and conditions if the loans were renegotiated. Note that an overdue bank loan may be considered a prohibited contribution by the bank or lending institution. (11 CFR §100.7(b)(11))

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,

A handwritten signature in cursive script that reads "Pat Sheppard".

Pat Sheppard  
Senior Reports Analyst  
Reports Analysis Division