



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

December 22 1999

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

THROUGH: JAMES A. PEHRKON
STAFF DIRECTOR

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

SUBJECT: REFERRAL OF THE ILLINOIS SENATE VICTORY FUND

The Illinois Senate Victory Fund ("the Committee") failed to file a Schedule B to support transfers made to affiliated committees totaling \$84,674.04 on its 1998 October Quarterly and \$55,808.96 on its 1998 30 Day Post-General Reports. According to the 1997-1998 Reports Analysis Division Review and Referral Procedures for Unauthorized Committees (Standard 7), this matter requires examination by your office.

The Committee was referred on September 30, 1999 for a possible 2 U.S.C. 438(b) audit covering the 1997-1998 election cycle. The Commission voted on October 19, 1999 not to audit the Committee (see RAD Referral #A99-76).

If you have any questions, please contact Scott Francis at 694-1130.

Attachment

21 14 025 0539

REPORTS ANALYSIS REFERRAL
TO
OFFICE OF GENERAL COUNSEL

DATE: December 22 1999

ANALYST: Scott Francis

- I. COMMITTEE: Illinois Senate Victory Fund
(C00340380)
Billie Paige, Treasurer
(September 20, 1998 to present)
819 S. Wabash Avenue, Suite 600
Chicago, IL 60605
- II. RELEVANT STATUTE: 2 U.S.C. §434(b)(5)(C)
11 CFR §104.3(b)(3)(ii)
- III. BACKGROUND:

Failure to Provide Supporting Schedules

The Illinois Senate Victory Fund (the "Committee") failed to provide a supporting Schedule B for transfers made to affiliated committees on its 1998 October Quarterly Report covering the period from July 1, 1998 through September 30, 1998 totaling \$84,674.04 (Attachment 2).

The Committee failed to provide a supporting Schedule B for transfers made to affiliated committees on its 1998 30 Day Post-General Report covering the period from October 15, 1998 through November 23, 1998 totaling \$55,808.96 (Attachment 3).

On April 21, 1999, a Request for Additional Information ("RFAI") was sent to the Committee referencing the Committee's 1998 October Quarterly Report. The RFAI informed the Committee of its failure to provide a supporting Schedule B for the \$84,674.04 in transfers made to affiliated committees disclosed on its report (Attachment 4).

That same day, an RFAI was sent to the Committee referencing the Committee's 1998 30 Day Post-General Report. The RFAI informed the Committee of its failure to provide a supporting Schedule B for the \$55,808.96 in transfers made to affiliated committees disclosed on its report (Attachment 5).

On May 13, 1999, a Second Notice was sent to the Committee for failure to respond to the RFAs (Attachment 6).

On June 14, 1999, the Reports Analysis Division ("RAD") analyst left a message for Ms. Paige, the Treasurer, concerning a failure to respond to RFAs (Attachment 7).

The analyst called Ms. Paige again on September 21, 1999. Ms. Paige stated that she was no longer the Treasurer and that the records had been forwarded to the new Treasurer. She further stated that the address of the Committee had changed and that she had not received the RFAs sent to the Committee. She stated that she would respond to the RFAs (Attachment 8).

On November 3, 1999, the RAD analyst called Ms. Paige who stated that amended reports had been prepared and were being forwarded to the Commission (Attachment 9).

As of this date, a response to the RFAs has not been received.

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COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	COVERAGE DATES	# OF PAGES	IMAGE LOCATION
				TYPE OF FILER		
ILLINOIS SENATE VICTORY FUND				ID #C00340380	PARTY NON-QUALIFIED	
CONNECTED ORGANIZATION:				JOINT FUNDRAISING		
	1999 MID-YEAR REPORT	9,946	11,999	1JAN99 - 30JUN99	3	99FEC/492/0927
	MID-YEAR REPORT - AMENDMENT	0	0	1JAN99 - 30JUN99	3	99FEC/494/1287
	NOTICE OF FAILURE TO FILE			1JAN99 - 30JUN99	2	99FEC/479/3422
	TOTAL	0	0		8	TOTAL PAGES

2000-01-01 09:00:00

No reports have been reviewed.

Cash on hand as of 6/30/99: \$0.00

Debts owed to the committee: \$0.00

Debts owed by the committee: \$0.00

**DETAILED SUMMARY PAGE
OF RECEIPTS AND DISBURSEMENTS
PAGE 2, FEC FORM 3X**

revised 1/1/91

NAME OF COMMITTEE ILLINOIS SENATE VICTORY FUND (FEDERAL ACCT.)	REPORT COVERING PERIOD FROM 7/01/98 TO: 9/30/98		
	COLUMN A Total This Period	COLUMN B Calendar Year	
I Receipts			
11. Contributions (other than loans) From:			
a. Individual/Persons Other Than Political Committees			
i. Itemized (use Schedule A)	98,800.00	98,800.00	11(a)
ii. Unitemized	250.00	250.00	11(b)
iii. Total	99,050.00	99,050.00	11(c)
b. Political Party Committees			11(d)
c. Other Political Committees (such as PACs)	16,500.00	16,500.00	11(e)
d. Total Contributions	115,550.00	115,550.00	11(f)
12. Transfers From Affiliated/Other Party Committees			2
13. All Loans Received			3
14. Loan Repayments Received			4
15. Offsets To Operating Expenditures (Refunds, Rebates, etc.)			5
16. Refunds of Contributions Made to Federal Candidates and Other Political Committees			6
17. Other Federal Receipts (Dividends, Interest, etc.)			7
18. Transfers from Nonfederal Account for Joint Activity			8
19. Total Receipts	115,550.00	115,550.00	9
20. Total Federal Receipts	115,550.00	115,550.00	20
II Disbursements			
21. Operating Expenditures:			
a. Shared Federal/Non-Federal Activity (from Schedule H4)			
i. Federal Share	5,469.01	5,469.01	21(a)
ii. Non-Federal Share	21,649.47	21,649.47	21(b)
b. Other Federal Operating Expenditures			21(c)
c. Total Operating Expenditures	27,118.48	27,118.48	21(d)
22. Transfers to Affiliated/Other Party Committees	84,674.04	84,674.04	22
23. Contributions to Federal Candidates/Committees and Other Political Committees			23
24. Independent Expenditures (use Schedule E)			24
25. Coordinated Expenditures Made by Party Committees (2 U.S.C. 441a(d)) (use Schedule F) ..			25
26. Loan Repayments Made			26
27. Loans Made			27
28. Refunds of Contributions To:			
a. Individuals/Persons Other Than Political Committees			28(a)
b. Political Party Committees			28(b)
c. Other Political Committees (such as PACs)			28(c)
d. Total Contribution Refunds			28(d)
29. Other Disbursements			29
30. Total Disbursements	111,792.52	111,792.52	30
31. Total Federal Disbursements	90,143.05	90,143.05	31
III Net Contributions/Operating Expenditures			
32. Total Contributions (other than loans)(from line 11d)	115,550.00	115,550.00	32
33. Total Contribution Refunds (from line 28d)			33
34. Net Contributions (other than loans)(subtract line 33 from 32)	115,550.00	115,550.00	34
35. Total Federal Operating Expenditures	5,469.01	5,469.01	35
36. Offsets to Operating Expenditures (from line 15)			36
37. Net Operating Expenditures	5,469.01	5,469.01	37

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DETAILED SUMMARY PAGE

OF RECEIPTS AND DISBURSEMENTS

PAGE 2, FEC FORM 3X

(revised 1/1/91)

NAME OF COMMITTEE	REPORT COVERING PERIOD		
	FROM 10/14/98	TO: 11/23/98	
	COLUMN A Total This Period	COLUMN B Calendar Year	
I. Receipts			
11. Contributions (other than loans) From:			
a. Individual/Persons Other Than Political Committees			
i. Itemized (use Schedule A)	27,750.00	128,550.00	11(a)(7)
ii. Unitemized	335.00	585.00	11(a)(7)
iii. Total (add i and ii) >	28,085.00	129,135.00	11(a)(7)
b. Political Party Committees			11(b)
c. Other Political Committees (such as PACs)	10,000.00	26,500.00	11(c)
d. Total Contributions (add a ii, b and c) >	38,085.00	185,635.00	11(d)
12. Transfers From Affiliated/Other Party Committees			12
13. All Loans Received			13
14. Loan Repayments Received			14
15. Offsets To Operating Expenditures (Refunds, Rebates, etc.)			15
16. Refunds of Contributions Made to Federal Candidates and Other Political Committees			16
17. Other Federal Receipts (Dividends, Interest, etc.)			17
18. Transfers from Nonfederal Account for Joint Activity	17,596.02	17,596.02	18
19. Total Receipts (add 11d, 12, 13, 14, 15, 16, 17, and 18) >	55,681.02	173,231.02	19
20. Total Federal Receipts (subtract line 18 from line 19) >	38,085.00	155,635.00	20
II. Disbursements			
21. Operating Expenditures:			
a. Shared Federal/Non-Federal Activity (from Schedule H4)			
i. Federal Share	616.06	6,085.07	21(a)(7)
ii. Non-Federal Share	2,234.82	23,884.29	21(a)(7)
b. Other Federal Operating Expenditures			21(b)
c. Total Operating Expenditures (add a i, a ii, and b) >	2,850.88	29,969.36	21(c)
22. Transfers to Affiliated/Other Party Committees	55,808.96	140,483.00	22
23. Contributions to Federal Candidates/Committees and Other Political Committees			23
24. Independent Expenditures (use Schedule E)			24
25. Coordinated Expenditures Made by Party Committees (2 U.S.C. 441a(d)) (use Schedule F)			25
26. Loan Repayments Made			26
27. Loans Made			27
28. Refunds of Contributions To:			
a. Individuals/Persons Other Than Political Committees			28(a)
b. Political Party Committees			28(b)
c. Other Political Committees (such as PACs)			28(c)
d. Total Contribution Refunds (add a, b and c) >			28(d)
29. Other Disbursements	726.01	726.01	29
30. Total Disbursements (add 21c, 22, 23, 24, 25, 26, 27, 28d, and 29) >	59,385.85	171,178.37	30
31. Total Federal Disbursements (subtract line 21 a ii from line 30) >	57,151.03	147,294.08	31
III. Net Contributions/Operating Expenditures			
32. Total Contributions (other than loans)(from line 11d)	38,085.00	155,635.00	32
33. Total Contribution Refunds (from line 28d)			33
34. Net Contributions (other than loans)(subtract line 33 from 32)	38,085.00	155,635.00	34
35. Total Federal Operating Expenditures (add 21 a i and 21 b, >	616.06	6,085.07	35
36. Offsets to Operating Expenditures (from line 15)			36
37. Net Operating Expenditures (subtract line 36 from 35) >	616.06	6,085.07	37



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

RQ-2

Billie Paige, Treasurer
Illinois Senate Victory Fund
819 Wabash Avenue Suite 600
Chicago, IL 60605

APR 21 1999

Identification Number: C00340380

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

Dear Treasurer :

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

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

A committee may establish "best efforts" by providing the Commission with a description of its procedures for requesting the information. It is also in the best interests of the committee to provide a copy of its solicitation. In order to establish "best efforts", the committee must demonstrate that it makes at least one request for the information after the contribution is received. This one request must be made for any solicited or unsolicited contribution that, in the aggregate, exceeds the \$200 threshold and lacks the necessary information.

Each solicitation must include a clear and conspicuous request for the information. If a committee receives a contribution that, in the aggregate, exceeds the \$200 threshold but lacks contributor information, the committee must, within 30 days, make a written or oral request for the information. Please note that a written request may not include an additional solicitation or material on any other subject, other than thanking

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the contributor for the donation, and must include a pre-addressed return post card or envelope for the contributor's response. An oral request must be documented in writing. Committees must also disclose information that was not provided by the contributor, but is available in any of the committee's records for that current election cycle.

If a committee receives contributor information after the contributions have been reported, the committee shall either a) file with its next regularly scheduled report, an amended memo Schedule A listing all the contributions for which additional information was received; or b) file on or before its next regularly scheduled reporting date, amendments to the report(s) originally disclosing the contribution(s). (11 CFR §104.3(a)(4)(i) and 11 CFR § 104.7)

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(-Please provide a Schedule B to support the entry reported on Line 22 of the Detailed Summary Page. Each transfer-out to an affiliated committee must be itemized on Schedule B regardless of the amount transferred. 2 U.S.C. §434(b)(6)(B)(i)

-Your EVENT YEAR-TO-DATE calculations for Vice President Event are incorrect. EVENT YEAR-TO-DATE totals for administrative and voter drive costs are derived by aggregating all disbursements during the calendar year for the whole Administrative/Voter Drive category. EVENT YEAR-TO-DATE totals for fundraising, direct candidate support, and exempt activities are derived by aggregating all disbursements during the calendar year within a specific event. These should be calculated by adding the latest disbursement for a category or event to the previous EVENT YEAR-TO-DATE total for that category or event. This running EVENT YEAR-TO-DATE total should be disclosed after each disbursement is listed. Please amend your report by providing the correct EVENT YEAR-TO-DATE totals.

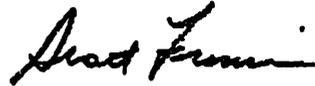
-All reports must bear an original signature of the treasurer or designated agent. Your report filed by fax machine does not fulfill this requirement. Please file a report bearing an appropriate original signature. 2 U.S.C. §434(a)(1) and 11 CFR §104.14

A written response or an amendment to your original report(s) correcting the above

ILLINOIS SENATE VICTORY FUND
PAGE 3

problem(s) should be filed with the Federal Election Commission 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,



Scott A. Francis
Reports Analyst
Reports Analysis Division

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Billie Paige, Treasurer
Illinois Senate Victory Fund
819 Wabash Avenue Suite 600
Chicago, IL 60605

APR 21 1999

Identification Number: C00340380

Reference: 30 Day Post-General Report (10/15/98-11/23/98)

Dear Treasurer :

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:

-Please provide a Schedule B to support the entry reported on Line 22 of the Detailed Summary Page. Each transfer-out to an affiliated committee must be itemized on Schedule B regardless of the amount transferred. 2 U.S.C. §434(b)(6)(B)(i)

-Schedule H4 discloses a disbursement(s) which is categorized as a fundraising expense(s); however, a Schedule H2 has not been filed to disclose the allocation ratio. All committees are required to allocate the direct costs of each fundraising event in which the committee collects both federal and non-federal funds. The costs are allocated according to the funds received ratio and reported on Schedule H2. 11 CFR §§106.5(f) and 106.6(d). Please file a Schedule H2 to disclose the ratio for the fundraising event(s).

-Your EVENT YEAR-TO-DATE calculations for Chicago Mayor's Event and Vice President Events are incorrect. EVENT YEAR-TO-DATE totals for administrative and voter drive costs are derived by aggregating all disbursements during the calendar year for the whole Administrative/Voter Drive category. EVENT YEAR-TO-DATE totals for fundraising, direct candidate support, and exempt activities are derived by aggregating all

disbursements during the calendar year within a specific event. These should be calculated by adding the latest disbursement for a category or event to the previous EVENT YEAR-TO-DATE total for that category or event. This running EVENT YEAR-TO-DATE total should be disclosed after each disbursement is listed. Please amend your report by providing the correct EVENT YEAR-TO-DATE totals.

-Schedule A of your report (pertinent portions attached) discloses an apparent contribution(s) from a corporation(s). 2 U.S.C. §441b(a) prohibits the receipt of contributions from corporations unless made from a separate segregated fund established by the corporation.

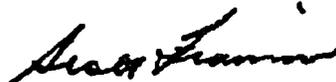
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If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. If you have received a corporate contribution(s), you must transfer-out the impermissible funds to an account not used to influence federal elections or refund the full amount to the donor(s) in accordance with 11 CFR §103.3(b). In the best interest of your committee, all transfers-out and refunds should be made within thirty days of the treasurer's receipt of the impermissible funds. In order to protect the donor's interests, the Commission recommends that you inform the contributor(s) in writing to provide the donor(s) with the option of receiving a refund or granting written authorization for a transfer to another account.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for the transfer-out or refund. In addition, any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report covering the period during which the transaction was made.

Although the Commission may take further legal action concerning the acceptance of a prohibited contribution, prompt action by your committee to transfer-out or refund the amount will be taken into consideration.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission 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,



Scott A. Francis
Reports Analyst
Reports Analysis Division



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

RQ-3

May 13, 1999

Billie Paige, Treasurer
Illinois Senate Victory Fund
819 S. Wabash Avenue, Suite 600
Chicago, IL 60605

Identification Number: C00340380

Reference: October Quarterly (7/1/98-9/30/98), 12 Day Pre-General (10/1/98-10/14/98), 30 Day Post-General (10/15/98-11/23/98) and Year End (11/24/98-12/31/98) Reports

Dear Ms. Paige:

This letter is to inform you that as of May 12, 1999, the Commission has not received your response to our requests for additional information dated April 21, 1999. These notices request information essential to full public disclosure of your federal election campaign finances. To ensure compliance with the provisions of the Federal Election Campaign-Act (the Act), please respond to these requests (copies enclosed).

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions regarding this matter, please contact Scott Francis on our toll-free number (800) 424-9530 or our local number (202) 694-1130.

Sincerely,

A handwritten signature in black ink that reads "John D. Gibson".

John D. Gibson
Assistant Staff Director
Reports Analysis Division

Enclosures

TELECON

Analyst: Scott Francis

Spoke to: Billie Paige

Date: November 3, 1999

Subject: No response to RFAIs

Notes: Treasurer stated that amended reports had been prepared and were being forwarded to the Commission.

21-19-1110-0000