

MINUTES OF AN OPEN MEETING  
OF THE  
FEDERAL ELECTION COMMISSION

THURSDAY, MAY 23, 2002

PRESENT: David M. Mason, Chairman, Presiding  
Karl J. Sandstrom, Vice Chairman  
Danny L. McDonald, Commissioner  
Bradley A. Smith, Commissioner  
Scott E. Thomas, Commissioner  
Michael E. Toner, Commissioner  
Robert J. Costa, Deputy Staff Director  
for Audit and Review, representing  
James A. Pehrkon, Staff Director  
Lawrence H. Norton, General Counsel  
Mary W. Dove, Secretary

Chairman David M. Mason called the Federal Election Commission to order in an open meeting at 10:05 A.M. on Thursday, May 23, 2002, with a quorum present.

I. CORRECTION AND APPROVAL OF MINUTES

Minutes for May 16, 2002

Agenda Document No. 02-41

Chairman Mason recognized Vice Chairman Sandstrom, who

MOVED to approve the Minutes for the open meeting of Thursday, May 16, 2002, as submitted in Agenda Document No. 02-41.

The motion carried on the vote of 6-0 with Commissioners Mason, McDonald, Sandstrom, Smith, Thomas, and Toner voting affirmatively.

II. FINAL AUDIT REPORT - BAUER FOR PRESIDENT  
2000, INC.

(Continued from the meeting of May 16,  
2002)

Agenda Documents No. 02-37  
and No. 02-37-A

Chairman Mason recognized Vice Chairman  
Sandstrom, who

MOVED to suspend the rules  
on the timely submission of  
agenda documents in order  
to consider Agenda Document  
No. 02-37-A.

The motion carried on the vote of 6-0.

Chairman Mason recognized Ms. Susan Kay of  
the General Counsel's Office who presented an overview  
of the memorandum to the Commission from the General  
Counsel, as set forth in Agenda Document No. 02-37-A.

A discussion followed.

II. FINAL AUDIT REPORT - BAUER FOR PRESIDENT  
2000, INC.

(continued)

The Chairman recognized Commissioner Thomas,  
who

MOVED to take the following actions  
in Agenda Document No. 02-37-A:

1. Not consider the Bauer for President,  
Inc., response submitted on May 22,  
2002; and
2. Approve the appropriate letter  
notifying the Committee.

The motion carried on the vote of 6-0.

There was a discussion of the subject final  
audit report and Deputy Staff Director Robert Costa  
responded to questions and comments.

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A recess was held at 11:15 A.M., and the  
meeting reconvened at 11:40 A.M. with a quorum present.

II. FINAL AUDIT REPORT - BAUER FOR PRESIDENT  
2000, INC.

(continued)

The Commission addressed the first audit finding which was the donor list.

The Chairman recognized Commissioner Thomas, who

MOVED to approve Section II.A.1, Donor List, of the Final Audit Report of Bauer for President 2000, Inc., as set forth in Agenda Document No. 02-37.

The motion carried on the vote of 6-0.

The second finding was considered, and the Chairman recognized Commissioner Thomas, who

MOVED to receive Section II.A.2., Rental of Donor List, of the Final Audit Report of Bauer for President 2000, Inc., as set forth in Agenda Document No. 02-37, without any determination by the Commission on the merits of the analysis of the facts or the interpretation of the law contained therein.

II. FINAL AUDIT REPORT - BAUER FOR PRESIDENT  
2000, INC.

(continued)

A discussion followed.

Chairman Mason recognized Commissioner  
Toner, who

MOVED IN A SUBSTITUTE MOTION  
to reject the conclusion in  
Section II.A.2., Rental of  
Donor List, of the Final Audit  
Report of Bauer for President  
2000, Inc., as set forth in  
Agenda Document No. 02-37.

The substitute motion failed by a vote  
of 3-3 with Commissioners Mason, Smith, and Toner  
voting affirmatively. Commissioners McDonald,  
Sandstrom, and Thomas dissented.

The original motion carried on the vote  
of 5-1 with Commissioners McDonald, Sandstrom, Smith,  
Thomas, and Toner voting affirmatively. Commissioner  
Mason dissented.

II. FINAL AUDIT REPORT - BAUER FOR PRESIDENT  
2000, INC.

(continued)

With respect to the third audit finding, the  
Chairman recognized Commissioner Toner, who

MOVED to receive Section II.A.3.,  
Purchase of Assets, of the Final  
Audit Report of Bauer for President  
2000, Inc., as set forth in Agenda  
Document No. 02-37, without any  
determination by the Commission on  
the merits of the analysis of the  
facts or the interpretation of the  
law contained therein.

The motion carried on the vote of 6-0.

Chairman Mason recognized Commissioner Smith,  
who

MOVED to reject the finding in Section  
II.A.4., Personal Loan, of the Final  
Audit Report of Bauer for President  
2000, Inc., as set forth in Agenda  
Document No. 02-37.

II. FINAL AUDIT REPORT - BAUER FOR PRESIDENT  
2000, INC.

(continued)

A discussion followed, and Mr. Thomas Nurthen of the Audit Division responded to questions and comments.

The motion failed by a vote of 3-3 with Commissioners Mason, Smith, and Toner voting affirmatively. Commissioners McDonald, Sandstrom, and Thomas dissented.

Chairman Mason recognized Commissioner Thomas, who

MOVED to receive Section II.A.4., Personal Loan, of the Final Audit Report of Bauer for President 2000, Inc., as set forth in Agenda Document No. 02-37, without any determination by the Commission on the merits of the analysis of the facts or the interpretation of the law contained therein.

There was further discussion.



II. FINAL AUDIT REPORT - BAUER FOR PRESIDENT  
2000, INC.

(continued)

The motion failed by a vote of 3-3 with Commissioners McDonald, Sandstrom, and Thomas voting affirmatively. Commissioners Mason, Smith, and Toner dissented.

The final section for consideration was Section II.E., and Chairman Mason recognized Commissioner Smith, who

MOVED to receive Section II.E., Apparent Prohibited Contributions Resulting from Extension of Credit by Commercial Vendors, of the Final Audit Report of Bauer for President 2000, Inc., as set forth in Agenda Document No. 02-37, without any determination by the Commission on the merits of the analysis of the facts or the interpretation of the law contained therein.

The motion carried on the vote of 6-0.

II. FINAL AUDIT REPORT - BAUER FOR PRESIDENT  
2000, INC.

(continued)

It was agreed without objection to return the subject report to the Audit Division for revisions pursuant to the actions taken by the Commission and recirculation for approval on a tally basis.

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The meeting recessed at 12:15 P.M. and reconvened at 3:30 P.M. with a quorum present.

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III. BROKERAGE LOANS AND LINES OF CREDIT FINAL  
RULES

Agenda Documents No. 02-40  
and No. 02-40-B

Chairman Mason recognized Vice Chairman Sandstrom, who

III. BROKERAGE LOANS AND LINES OF CREDIT FINAL  
RULES

(continued)

MOVED to suspend the rules  
on the timely submission of  
agenda documents in order  
to consider Agenda Documents  
No. 02-40 and No. 02-40-B.

The motion carried on the vote of 5-0 with  
Commissioners Mason, Sandstrom, Smith, Thomas, and  
Toner voting affirmatively.

Chairman Mason recognized Ms. Mai Dinh of  
the General Counsel's Office who presented an overview  
of the subject document.

It was agreed without objection to accept the  
following amendments to Agenda Document No. 02-40:

1. Page 14, Line 20: Replace the comma  
after the word "date" with a period  
and delete the remainder of the  
sentence which reads: "but not each  
subsequent draw once a line of credit  
has been established."
2. Page 33, Line 6: Insert the word  
"to" after the word "are."

III. BROKERAGE LOANS AND LINES OF CREDIT FINAL  
RULES

(continued)

3. Page 35, Lines 8 and 15: Delete the phrase "or line of credit."

Chairman Mason recognized Vice Chairman Sandstrom, who

MOVED to approve the final rules and Explanation and Justification on brokerage loans and lines of credit, as submitted in Agenda Document No. 02-40, as amended by Agenda Document No. 02-40-B, and further amended as noted above, for publication in the Federal Register and transmittal to Congress.

The motion carried on the vote of 5-0 with Commissioners Mason, Sandstrom, Smith, Thomas, and Toner voting affirmatively.

IV. ROUTINE ADMINISTRATIVE MATTERS

There were no routine administrative matters  
to come before the Commission.

The meeting adjourned at 4:00 P.M.

Signed:

David M. Mason  
Chairman of the Commission

Attest:

Mary W. Dove  
Secretary of the Commission

