

AGENDA DOCUMENT NO. 02-43
APPROVED JUNE 19, 2002

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.

* * * * *

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

