

Memorandum

To : File

Date : Sept. 8, 1977

77-286

From : FAIR POLITICAL PRACTICES COMMISSION
Mike Baker

Subject: Telephone conversation with Conrad Klein, August 11, 1977.

Conrad Klein, representing Western Harness Racing, called me on August 8, 1977, at the suggestion of Ken Goshorn. Western Harness Racing runs a racetrack which furnishes free season passes and parking passes to members of the Horseracing Board and certain members of the Board's staff. Under the Conflict of Interest Code approved by the Commission, the members of the Board do not have to disclose these passes as gifts because they use them in the course of their business responsibilities. The passes that are provided bear the notation either on them or in an accompanying letter that they are to be used for official purposes only. Mr. Klein said that about 90% of the tracks provide free passes. He said their central purpose is to permit members of the Board to observe track proceedings incognito.

Mr. Klein asked whether these payments had to be reported on the lobbyist employer Form 650. I responded that they did have to be reported as 82045(c) payments which directly or indirectly benefit an agency official. I indicated that if the Horseracing Board required issuance of these passes, our result might be different. But since they are provided voluntarily by the tracks we consider them to be payments to influence administrative action.

He asked me how to value the passes. He indicated that season passes are sold and that there is therefore a market value. I said that value ought to be disclosed, but that he could attach an explanation if he thought that value would be misleading.

MJB:plh