

PAGE 013
FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

March 9, 1998

Mr. Lawrence M. Noble
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Mar 11 2 51 PM '98
AOR 1998-04
SUPPLEMENT

Dear Mr. Noble,

This is in response to your letter dated 2/27/98 requesting more information regarding White Oak Technologies, Inc.'s ("WOTI") Request for Advisory Opinion (AOR 1998-4). We appreciate the opportunity to clarify our plans concerning the possible use of FEC contributor records.

One area that requires particular clarification is the extent to which WOTI intends to make use of FEC data. WOTI is not proposing to sell or redistribute FEC data in any manner. Rather, WOTI simply wishes to display limited amounts of FEC data during client presentations and in its sales literature as part of a marketing campaign that illustrates WOTI's technological capabilities. This marketing campaign is targeted at private sector organizations with an interest in fraud control (such as financial and health-care institutions), as well as government organizations concerned with fraud control or law enforcement.

WOTI wishes to display FEC data in its technology marketing presentations for several reasons. First, and foremost, is the high interest level that will be generated by WOTI's application of innovative technology to the highly publicized topic of campaign finance improprieties. Second, FEC data provides an ideal illustration of the defects and deficiencies found in comparable transaction databases in the commercial world. Finally, viewers of our presentations are able to validate the findings that we present (and thus confirm the potential value of our technology if applied to *their* data) by independently examining the publicly available FEC data.

In the *Federal Election Commission v. Legi-Tech Inc.* decision, the court stated that

The state and the FEC's implementing regulation provide for the full disclosure of political contributions, and that regulation generally permits the use and publication of the information. The exception is where the principal purpose of the use of this information is the solicitation of contributions or the commercial sale of the information itself.

As stated above, WOTI's intention is neither to sell FEC data nor to use FEC data for the solicitation of contributions. Rather, WOTI hopes to increase the sale of its technological services by presenting to potential clients an interesting example of an innovative solution to a highly topical problem. This Request for Advisory Opinion is intended to obtain a confirmation from the FEC that WOTI's use of FEC data in such a marketing campaign would not constitute "unacceptable commercial use".



**White Oak
Technologies, Inc.**

10907 Wheeler Drive, Silver Spring, Maryland 20901 • (301)681-8920 • info@woti.com

Following are responses to your specific questions:

1. *Describe the type of clients to whom you would offer WOTI services. For example, state whether clients would consist of political action committees, political party committees, or Federal candidate campaign committees. Specific names of possible clients need not be given.*

Response: This marketing campaign is targeted at private sector organizations with an interest in fraud control (such as financial and health-care institutions), as well as government organizations concerned with fraud control or law enforcement.

2. *Provide copies of any promotional material which you would submit to clients described in your response to question one. Include any specialized material prepared for clients who may engage in any form of soliciting political contributions or other fundraising for any purpose.*

Response: Attached as Exhibit 1 is a copy of typical marketing materials that would be submitted to potential clients to promote these technological services. You will note that Pages 8, 11, and 12 display FEC data, with names and other identifying elements modified. The specific intent of this Request for Advisory Opinion is to determine whether marketing materials that include displays of such information as on Pages 8, 11, and 12 may be presented instead with the original unmodified names and other identifying information as contained in FEC data. WOTI does not intend to distribute or publish FEC data beyond such a limited use in its marketing materials. The principal purpose of this display is to demonstrate WOTI's technological approach to processing comparable databases.

3. *The exhibits included in your request include information from FEC reports which would identify the recipient campaign, the contributor's name, State, and occupation, and the data and amount of the contribution. State whether you would also display the address of the contributor.*

Response: WOTI will not display the address of the contributor in its marketing materials. However, note that on Page 8 of Exhibit 1, the City and ZIP code are displayed. This display is intended to illustrate the ability of WOTI's technology to aggregate comparable transaction information despite variations or errors in such data elements.

4. *Your request states that you will be using FECA information to demonstrate the research ability of your software system. State whether the final product given to your clients would also include information from FEC reports...*

Response: As stated above, the sole purpose for using FECA information is to demonstrate WOTI's technological capabilities. Products delivered to clients will not include information derived from FEC reports.

Please direct all correspondence regarding this Request for Advisory Opinion to the undersigned.

Sincerely,

A handwritten signature in cursive script that reads "Alan J. Broder". The signature is written in black ink and is positioned above the typed name and address.

Alan J. Broder, President
White Oak Technologies, Inc.
10907 Wheeler Drive
Silver Spring, MD 20901

Phone: (301)681-8920
Facsimile: (301)754-3856

Attachment: Exhibits 1

Strategic Business Intelligence From Your Data



White Oak
Technologies, Inc.

Alan Broder - (301)681-8920 - ajb@woti.com

Business Intelligence Challenges

- **Comprehensive knowledge of every current customer is crucial:**
 - ▶ **Family and business relationships**
 - ▶ **Demographics and psychographics**
 - ▶ **Behavioral patterns**



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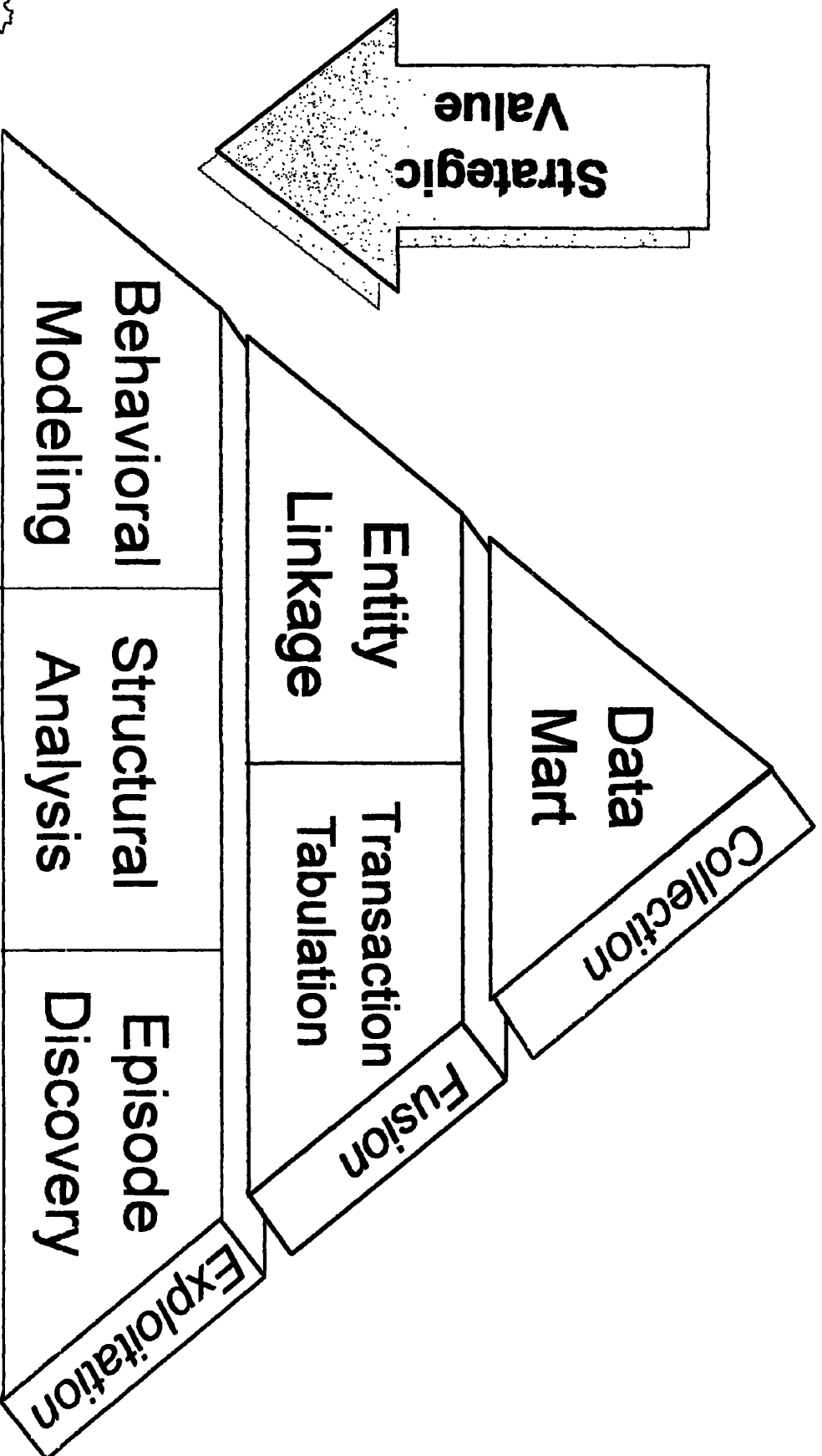
Too much data...

not enough information

- IT staff and facilities saturated by daily production requirements
- Legacy data sources
 - ▶ incompatible schema
 - ▶ improperly fielded elements
- Dirty data
- Massive data size ("Terror-bytes")



A business intelligence strategy



Entity Linkage Benefits

- *Know Every Customer*
 - ▶ A comprehensive, enterprise-wide view across all data sources
 - ▶ Customer/business relationships
 - individual, household, organizational
- *Discover Fraud*
 - ▶ multiple identities or businesses at common or inappropriate location
 - ▶ concurrent geographical impossibilities



Methodology Case Study: FEC Contribution Transactions

- 1,229,178 records detailing individuals' contributions of \$200 or more for '95 and '96 campaigns.
- Data fields contained in FEC records:
 - ▶ Donor Name, City, State, ZIP, Occupation
 - ▶ Recipient campaign
 - ▶ Date and amount of transaction
 - ▶ Addresses are *not* contained in FEC data



Entity Linkage &

Transaction Aggregation

- Link transactions displaying variations of name, city, occupation.
 - ▶ Produce a single account view of each entity.
- Perform "before and after" tabulation of account values.
- Demonstrate intelligence value of transaction fusion processes.



Entity Linkage Example

name and business variations, multiple cities

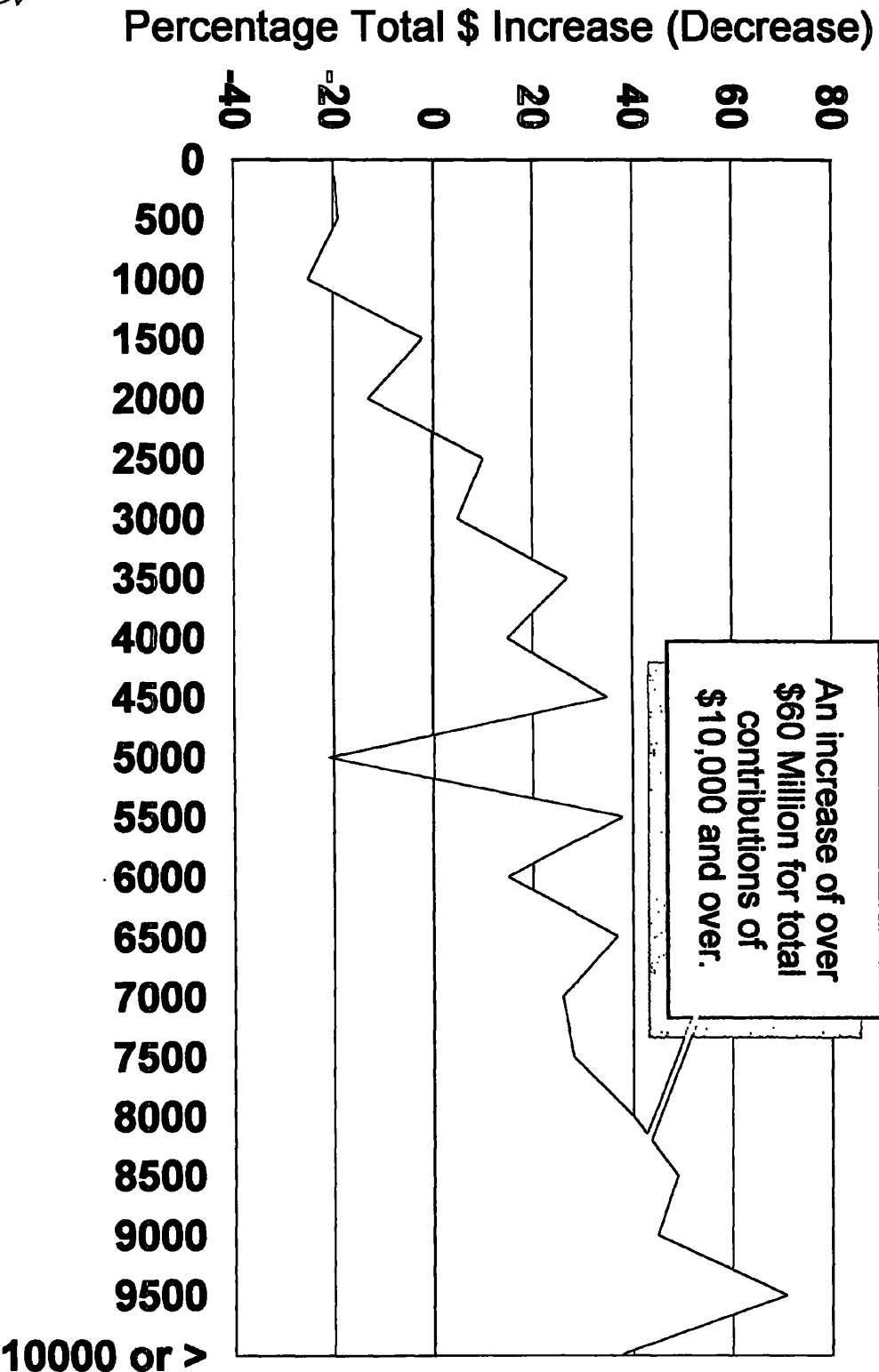
Last Name	First Name	City	State	ZIP	Business
DE SAINT LANDAU MOREY	YES MR	LOS ANGELES	CA	90049	
DE SAINT LANDAU-MOREY	YES	BEL AIR	CA	90041	JORDI
LANDAU-MOREY	Y DE SAINT	LOS ANGELES	CA	90049	
LANDAU-MOREY	YES DE SAINT	BEL AIR	CA	90041	JORDI
MOREY	Y D MR	LOS ANGELES	CA	90049	JORDI
MOREY	Y DE ST LANDAU MR	LOS ANGELES	CA	90049	JORDI
MOREY	YES DE ST LENDEU	LOS ANGELES	CA	90049	



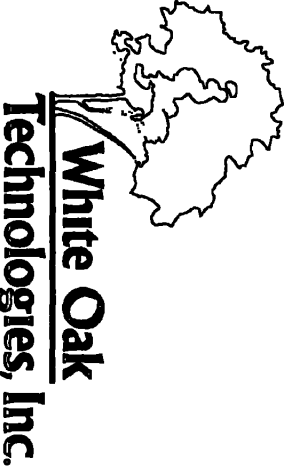
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Effect of Entity Linkage on Total Dollar Volume



Actual Contribution Totals Following Entity Linkage



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Automatic Detection of

Coordinated Transactions

- Examine transactions looking for evidence of coordinated behavior:
 - ▶ Search for clusters of contributors with similar temporal patterns
 - ▶ Employing very-high dimensional clustering techniques
- Disclaimer: Data presented in this demonstration should not be interpreted as a claim of detection of illegal activity.



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Detected Synchronized Contributions:

Parents & Possible Offspring

Recipient Campaign	Donor	State	Occupation	Date	Amount
CLINTON/GORE '96 PRIMARY COMMITTEE INC	SMITH, JOHN K	MA	PHYSICIAN	09-29-95	1000
CLINTON/GORE '96 PRIMARY COMMITTEE INC	SMITH, BETTY	MA	HOUSEWIFE	09-29-95	1000
CLINTON/GORE '96 PRIMARY COMMITTEE INC	SMITH, DAVID	CA	UCLA	09-29-95	1000
TOM BRUGGERE FOR US SENATE	SMITH, JOHN	MA	PHYSICIAN	10-02-96	1000
TOM BRUGGERE FOR US SENATE	SMITH, BETTY	MA	HOMEMAKER	10-02-96	1000
TOM BRUGGERE FOR US SENATE	SMITH, DAVID	CA	UCLA	10-03-96	1000
KERRY/MDP VICTORY FUND	SMITH, JOHN K	MA	RETIRED PHYSICIAN	10-22-96	1000
KERRY/MDP VICTORY FUND	SMITH, BETTY	MA		10-22-96	1000
KERRY/MDP VICTORY FUND	SMITH, DAVID	CA		10-22-96	1000
MASSACHUSETTS DEMOCRATIC PARTY	SMITH, JOHN K	MA	RETIRED PHYSICIAN	10-22-96	1000
MASSACHUSETTS DEMOCRATIC PARTY	SMITH, BETTY	MA		10-22-96	1000
MASSACHUSETTS DEMOCRATIC PARTY	SMITH, DAVID	CA		10-22-96	1000
CITIZENS FOR JOE KENNEDY 1988	SMITH, JOHN K MD	MA	PHYSICIAN	12-31-96	1000
CITIZENS FOR JOE KENNEDY 1988	SMITH, BETTY	MA	AT HOME	12-31-96	1000
CITIZENS FOR JOE KENNEDY 1988	SMITH, DAVID	CA	UCLA	12-31-96	1000

Note: This table represents actual contributions contained in FEC databases. Names and other identifying elements have been changed.



Detected Influential Contributor:

Contributions from "STEVEN JONES" are followed within 8 days by contributions from "FRED WILLIAMS"

Recipient Campaign	Donor	State	Occupation	Date	Amount
JOHN THUNE FOR CONGRESS COMMITTEE	JONES, STEVEN	MD	RETIRED	07-08-96	1000
JOHN THUNE FOR CONGRESS COMMITTEE	WILLIAMS, FRED B	TX	RETIRED	07-16-96	500
VOLUNTEERS FOR SHINKUS	JONES, STEVEN Q	MD	METROPOLITAN PAINTINGS	07-11-96	1000
VOLUNTEERS FOR SHINKUS	WILLIAMS, FRED B	TX	RETIRED	07-12-96	500
MIKE PAPPAS FOR CONGRESS	JONES, STEVEN Q	MD	METROPOLITAN PAINT	07-14-96	1000
MIKE PAPPAS FOR CONGRESS	WILLIAMS, FRED	TX	RETIRED	07-22-96	500
BOB NEY FOR CONGRESS	JONES, STEVEN Q	MD	METROPOLITAN PAINTINGS	07-18-96	1000
BOB NEY FOR CONGRESS	WILLIAMS, FRED B	TX	RETIRED	07-22-96	500
BILL WITT FOR CONGRESS COMMITTEE 1996	JONES, STEVEN Q	MD	METROPOLITAN PAINTINGS	07-29-96	1000
BILL WITT FOR CONGRESS COMMITTEE 1996	WILLIAMS, FRED	TX	RETIRED	07-30-96	500
HUTCHINSON FOR SENATE	JONES, STEVEN Q	MD	METROPOLITAN PAINTINGS	07-23-96	1000
HUTCHINSON FOR SENATE	WILLIAMS, FRED B	TX	RETIRED	07-25-96	1000
ROBERT ADERHOLT FOR CONGRESS	JONES, STEVEN Q	MD	METROPOLITAN PAINTINGS	07-30-96	1000
ROBERT ADERHOLT FOR CONGRESS	WILLIAMS, FRED B	TX	RETIRED	08-04-96	500
RICK HILL FOR CONGRESS COMMITTEE	JONES, STEVEN	MD	ATTORNEY	08-09-96	1000
RICK HILL FOR CONGRESS COMMITTEE	WILLIAMS, FRED	TX	RETIRED	08-16-96	500
PAUL R YOUNG (PCC)	JONES, STEVEN	MD	METROPOLITAN PAINTING	08-24-96	1000
PAUL R YOUNG (PCC)	WILLIAMS, FRED	TX	RETIRED	08-27-96	500
FRIENDS OF STEVE STOCKMAN	JONES, STEVEN	MD		11-20-96	1000
FRIENDS OF STEVE STOCKMAN	WILLIAMS, FRED	TX	RETIRED	11-25-96	1000

Note: This table represents actual contributions contained in FEC databases. Names and other identifying elements have been changed.



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Summary

- Non-conventional Data Mining yields novel, deep, strategically valuable insights
 - ▶ true business value of customers
 - ▶ organizational structure
 - ▶ patterns of regulatory violations
 - ▶ hidden associations and agendas revealed by coordinated behaviors
- We can obtain comparable results when applied to your business data.



Expertise & Services

- Strategic business intelligence
- Commercial data mining systems
- Massive scale data processing
- From the department to the entire enterprise:
 - ▶ desktop
 - ▶ network distributed
 - ▶ MPP, SMP

- Services -
 - ▶ Analysis
 - ▶ Software integration
 - ▶ Custom development
 - ▶ Out-sourced data processing
 - ▶ Validation



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