FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 1253

Date Filmed 12/20/82 Camera No. --- 2

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FEDERAL ELECTION COMMISSION

Matters relating to Conciliations

Material related to other MURs

Internal Memoranda

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

___	(1) Classified Information	___	(6) Personal privacy
✓	(2) Internal rules and practices	___	(7) Investigatory files
✓	(3) Exempted by other statute	___	(8) Banking Information
___	(4) Trade secrets and commercial or financial information	___	(9) Well Information (geographic or geophysical)
✓	(5) Internal Documents		

Signed Michael Dzmanly

date November 18, 1982

FEC 9-21-77

02040362003

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1982

Mayer Morganroth, Esq.
Heritage Plaza
Suite 335
24901 Northwestern Highway
Southfield, Michigan 48075

Re: MURs 1158, 1186, 1253, 1352

Dear Mr. Morganroth:

On November 5, 1982, the Commission accepted the conciliation agreement signed by you on behalf of Citizens for LaRouche in settlement of the above-referenced matters. Accordingly, the files have been closed in MURs 1158, 1186, 1253, 1352 and will become a part of the public record within thirty days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should Citizens for LaRouche wish any such information to become part of the public record, please advise us in writing.

Enclosed you will find a fully executed copy of the final conciliation agreement for your files. I also want to remind you that the first payment of $5,000 by Citizens for LaRouche for the civil penalty provided for in the agreement is due on December 1, 1982. The check should be made out to the U.S. Treasury.

Thank you.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation agreement

8204036204

RECEIVED AT THE FEC
82 OCT 27 P12:25
OCT 27 P1:58

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Citizens for LaRouche) MURs 1158, 1186, 1253 and 1352
)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "Commission") pursuant to information obtained in the normal course of carrying out the Commission's supervisory responsibilities under the Federal Election Campaign Act of 1971, as amended 2 U.S.C. § 431 et seq., and the Presidential Primary Matching Payment Account Act, 26 U.S.C. § 9031 et seq. Reason to believe has been found that the Respondent violated the following statutory and regulatory provisions:

2 U.S.C. § 441f;

11 C.F.R. § 110.4(c)(2);

2 U.S.C. § 441a(f) and;

26 U.S.C. § 9042(c)(1)(A).

NOW, THEREFORE, the Commission and Respondent, having entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i) do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.

II. The Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. The Respondent enters voluntarily into this agreement with the Commission.

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IV. The pertinent facts in this matter are as follows:

1. Respondent is the principal campaign committee authorized by Lyndon LaRouche to receive contributions and make expenditures in connection with Lyndon LaRouche's candidacy for the Democratic nomination for the office of President in 1980.

2. During that period, Respondent maintained offices throughout the country where volunteers, inter alia, solicited contributions and forwarded them to Respondent's New York headquarters.

3. These volunteers knew that Respondent would submit the collected contributions to the Commission in an effort to obtain presidential primary matching funds.

4. Respondent, through its volunteers, violated 2 U.S.C. § 441f by knowingly accepting the following contributions made by one person in the name of another:

(A) MUR 1158

(1) $250 cashier's check in the name of Harold Harrison dated 1/14/80.

(2) $150 money order in the name of Anne R. Taylor dated 11/20/79.

(3) $1,009.58 loan check from Household Finance submitted with signature document indicating that it had been contributed by David Sanders and Lenore Sanders, his spouse, dated 1/22/80.

(B) MUR 1352

(1) $250 money order signed "Robert Hart" and dated 12/10/79 (no accompanying signature document).

6204036206

(2) $125 money order signed "Janice Hart" and dated 12/7/79 (no accompanying signature document).

(3) $120 money order signed "Janice Hart" and dated 12/7/79 (no accompanying signature document).

(4) $100 money order signed "Paul Greenberg" and dated 12/10/79 (no accompanying signature document).

(5) $100 money order signed "Paul Greenberg" and dated 12/11/79 (no accompanying signature document).

(6) $135 money order signed "Sherri Waffle" and dated 12/7/79 (no accompanying signature document).

(7) $85 money order signed "Sherri Waffle" and dated 12/7/79 (no accompanying signature document).

(8) $80 money order signed "Sherri Waffle" and dated 12/7/79 (no accompanying signature document).

(9) $55 money order signed "William Lerch" and dated 12/7/79 (no accompanying signature document).

The Commission has not alleged that these were willful violations.

5. Respondent, through its volunteers, violated 11 C.F.R. § 110.4(c)(2) by accepting and retaining the following cash contributions, which when added to the contributors' previous contributions, exceeded, in the aggregate, $100 in cash for each of the respective contributors:

(A) <u>MUR 1158</u>

(1) $40 cash contribution made by Ernest Pulsifer.

(2) $150 cash contribution made by Ernest Pulsifer.

(3) $250 cash contribution made by Nancy Radcliffe.

(4) $400 cash contribution made by Belinda F. deGrazia.

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The Commission has not alleged that these were knowing and willful violations.

6. Respondent, through its volunteers, violated 2 U.S.C. § 441a(f) by knowingly accepting the following contributions which were in violation of contribution limitations set forth in 2 U.S.C. § 441a(a)(1)(A):

(A) MUR 1158

(1) $1,009.58 check from David Sanders.

(B) MUR 1253

(1) $2,713.53 in contributions from Rochelle Ascher;

(2) $1,742.15 in contributions from Karen Brubaker;

(3) $1,024.48 in contributions from John Covici;

(4) $1,279.55 in cntributions from Joseph D'Urso;

(5) $3,378.34 in contributions from Elliot Eisenberg;

(6) $2,067.32 in contributions from Jeffrey Forrest;

(7) $1,409.59 in contributions from Gregory Garnier;

(8) $5,120.32 in contributions from Laurence Gray;

(9) $3,681.32 in contributions from Marjorie Mazel Hecht;

(10) $1,285.87 in contributions from Marsha Kokinda;

(11) $1,738.68 in contributions from Melvin Johnson;

(12) $1,763.76 in contributions from Michael Smedberg;

(13) $1,005.44 in contributions from Martin Simon;

(14) $1,507.65 in contributions from David W. Thill;

(15) $2,403.90 in contributions from Andrew Wilson;

6 2 0 4 0 3 3 2 0 0 8

(16) $1,025 in contributions from August F. Arace;

(17) $1,043 in contributions from James M. Duree;

(18) $1,105 in contributions from Shirley Fingerman;

(19) $1,030 in contributions from John Holly;

(20) $1,044 in contributions from T. J. Hopkins;

(21) $1,150 in contributions from Sherri S. Lightner;

(22) $1,100 in contributions from John Pellicano;

(23) $1,100 in contributions from John Ryman;

(24) $1,120 in contributions from John J. Sakala;

(25) $1,125 in contributions from Walter J. Stevens;

(26) $1,010 in contributions from James Taylor;

(27) $1,030 in contributions from Verne Tomlins;

(28) $1,515 in contributions from Carleton Williams;

(29) $1,580 in contributions from Frederic L. Young;

(30) $2,375 in contributions from Donald J. Carr;

(31) $2,030 in contributions from Ellen G. Scott;

(32) $1,050 in contributions from Belinda F. deGrazia;

(33) $1,250 in contributions from Alexander Ward;

(34) $1,125 in contributions from Mary F. Cummings;

(35) $1,075 in contributions from James M. Everette;

(36) $1,250 in contributions from Michael Micale.

The Commisson has not alleged that these were willful violations.

7. Respondent, through its volunteers, violated 26 U.S.C. § 9042(c)(1)(A) by knowingly and willfully submitting

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false and/or misleading information to the Commission in an attempt to obtain matching funds with regard to the following contributions:

(A) MUR 1158

(1) $35 money order signed "William Hayden" and dated 1/8/80.

(2) $150 money order signed "Ernest Pulsifor" and dated 12/4/79.

(3) $250 money order signed "Nancy Radcliff" and dated 9/12/79.

(4) $250 money order signed "Robert A. Robinson" and dated 9/12/79.

(5) $140 money order signed "Kevin Salisbury" and dated 1/12/80.

(6) $450 money order signed "Kevin Salisbury" and dated 1/21/80.

(7) $70 money order signed "Charles Clark" and dated 11/13/79.

(8) $150 money order signed "Anne R. Taylor" and dated 11/20/79.

(9) $45 money order signed "David Sanders" and dated 11/25/79.

(10) $25 money order signed "David Sanders" and dated 1/3/79.

(11) $1,009.58 Household Finance Company loan check endorsed by David Sanders submitted along with a signature document signed by David Sanders and Lenore Sanders, as spouse.

(12) $400 money order signed "Belinda F. deGrazia" and dated 1/22/80.

(13) $250 cashier's check and signature document for Dr. Harold Harrison.

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(B) MUR 1186

(1) $40 money order signed "Harold Harper" and dated 7/17/79 accompanied by signature document dated 12/7/79.

(C) MUR 1352

(1) $200 money order signed "William Lerch" and dated 11/19/79.

(2) $55 money order signed "William Lerch" and dated 12/7/79.

(3) $135 money order signed "Sherri Waffle" and dated 12/7/79.

(4) $85 money order signed "Sherri Waffle" and dated 12/7/79.

(5) $80 money order signed "Sherri Waffle" and dated 12/7/79.

(6) $125 money order signed "Janice Hart" and dated 12/7/79.

(7) $120 money order signed "Janice Hart" and dated 12/7/79.

(8) $100 money order signed "Victoria Lacey" and dated 12/10/79.

(9) $50 money order signed "Victoria Lacey" and dated 12/10/79.

(10) $250 money order signed "Robert Hart" and dated 12/10/79.

(11) $100 money order signed "Paul Greenberg" and dated 12/10/79.

(12) $100 money order signed "Paul Greenberg" and dated 12/11/79.

V. The Commission has treated the matters described in this document as civil violations.

VI. Respondent will pay a civil penalty to the Treasurer of the United States in the amount of fifteen thousand dollars

8204036201 1

($15,000), pursuant to 2 U.S.C. § 437g(a)(5)(A), such penalty to be paid as follows:

1) One initial payment of $5,000, due on December 1, 1982;

2) Thereafter, beginning on January 1, 1983, ten consecutive monthly installment payments of $1,000 each;

3) Each such installment shall be paid on the first day of the month in which it becomes due;

4) In the event that any installment payment is not received by the Commission by the fifth day of the month in which it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to the respondent. Failure by the Commission to accelerate the payments with regard to any overdue installment shall not be construed as a waiver of its right to do so with regard to future overdue installments.

VII. Respondent agrees that it shall not undertake any activity which is in violation of either the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §§ 431 et seq. or the Presidential Primary Matching Payment Account Act, 26 U.S.C. § 9001 et seq.

VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with

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this agreement, If the Commission believes that this agreement or any requirement thereof has been violated it may institute a civil action for relief in the United States District Court for the District of Columbia.

IX. Except for the conditions specified in paragraph VIII above, this agreement constitutes a complete bar to any further action by the Commission with regard to the matters set forth in this agreement. It is the understanding of the Respondent and the Commission that the execution of this agreement will result in the termination of all pending Matters Under Review concerning the respondent as of the present date, and that this agreement constitutes complete satisfaction of all such pending Matters Under Review.

X. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

Charles N. Steele
General Counsel

Nov. 5, 1982
Date

By: Kenneth A. Gross
Associate General Counsel

Citizens for LaRouche

10-25-82
Date:

By: Mayer Morganroth
Counsel for Respondent

6204036013

November 2, 1982

MEMORANDUM TO: Marjorie W. Emmons

FROM: Phyllis A. Kayson

SUBJECT: Conciliation in MURs 1158, 1186, 1253 and 1352

Please have the attached Memo to the Commission distributed to the Commission on a 48 hour tally basis. Thank you.

Attachment

cc: Gentner (for Lerner)

6204036201 4

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MURs 1158, 1186, 1253 and 1352
Citizens for LaRouche	)	
Debra Freeman	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on November 5, 1982, the Commission decided by a vote of 6-0 to take the following actions in MURS 1158, 1186, 1253 and 1352:

1. Accept the signed conciliation agreements of Citizens for LaRouche as submitted with the November 2, 1982, Memorandum to the Commission.

2. Close the files in MURs 1158, 1186, 1253 and 1352.

3. Send the letter to respondents' counsel as attached to the Memorandum to the Commission dated November 2, 1982.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry and Reiche voted affirmatively in this matter.

Attest:

11-5-82
Date

Marjorie W Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary: 11-2-82, 4:31
Circulated on 48 hour tally basis: 11-3-82, 11:00

6204035201 5

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

82 NOV 2 P4:31

November 2, 1982

MEMORANDUM

TO: The Commission

SENSITIVE

FROM: Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

SUBJECT: Conciliation in MURs 1158, 1186, 1253, and 1352
Citizens for LaRouche

Attached are the conciliation agreements of respondents Citizens for LaRouche ("CFL") in the above-referenced matters, which have been signed by counsel for the respondents. In signing the agreements, no changes were made by respondents' counsel to the documents and thus the signed agreements are identical in their entirety to those approved by the Commission on October 13, 1982. Accordingly, the Office of General Counsel recommends that the Commission accept the attached conciliation agreements and close the file in MURs 1186, 1253, and 1352.

RECOMMENDATIONS

1. Accept the attached signed conciliation agreements of Citizens for LaRouche and Debra Freeman

2. Close the files in MURs 1158, 1186, 1253, and 1352

3. Send the attached letter to respondents' counsel.

Attachments

I. Signed Conciliation agreement of Citizens for LaRouche

III. Letter to Mayer Morganroth, respondents' counsel

6204036 2016

82 OCT 27 P12:25

BEFORE THE FEDERAL ELECTION COMMISSION

82 OCT 27 P1:58

In the Matter of)
Citizens for LaRouche) MURs 1158, 1186, 1253 and 1352
)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "Commission") pursuant to information obtained in the normal course of carrying out the Commission's supervisory responsibilities under the Federal Election Campaign Act of 1971, as amended 2 U.S.C. § 431 et seq., and the Presidential Primary Matching Payment Account Act, 26 U.S.C. § 9031 et seq. Reason to believe has been found that the Respondent violated the following statutory and regulatory provisions:

2 U.S.C. § 441f;

11 C.F.R. § 110.4(c)(2);

2 U.S.C. § 441a(f) and;

26 U.S.C. § 9042(c)(1)(A).

NOW, THEREFORE, the Commission and Respondent, having entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i) do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.

II. The Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. The Respondent enters voluntarily into this agreement with the Commission.

6204030017

Attachment I
(9 pages - 1 of 9)

IV. The pertinent facts in this matter are as follows:

1. Respondent is the principal campaign committee authorized by Lyndon LaRouche to receive contributions and make expenditures in connection with Lyndon LaRouche's candidacy for the Democratic nomination for the office of President in 1980.

2. During that period, Respondent maintained offices throughout the country where volunteers, inter alia, solicited contributions and forwarded them to Respondent's New York headquarters.

3. These volunteers knew that Respondent would submit the collected contributions to the Commission in an effort to obtain presidential primary matching funds.

4. Respondent, through its volunteers, violated 2 U.S.C. § 441f by knowingly accepting the following contributions made by one person in the name of another:

(A) MUR 1158

(1) $250 cashier's check in the name of Harold Harrison dated 1/14/80.

(2) $150 money order in the name of Anne R. Taylor dated 11/20/79.

(3) $1,009.58 loan check from Household Finance submitted with signature document indicating that it had been contributed by David Sanders and Lenore Sanders, his spouse, dated 1/22/80.

(B) MUR 1352

(1) $250 money order signed "Robert Hart" and dated 12/10/79 (no accompanying signature document).

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(2) $125 money order signed "Janice Hart" and dated 12/7/79 (no accompanying signature document).

(3) $120 money order signed "Janice Hart" and dated 12/7/79 (no accompanying signature document).

(4) $100 money order signed "Paul Greenberg" and dated 12/10/79 (no accompanying signature document).

(5) $100 money order signed "Paul Greenberg" and dated 12/11/79 (no accompanying signature document).

(6) $135 money order signed "Sherri Waffle" and dated 12/7/79 (no accompanying signature document).

(7) $85 money order signed "Sherri Waffle" and dated 12/7/79 (no accompanying signature document).

(8) $80 money order signed "Sherri Waffle" and dated 12/7/79 (no accompanying signature document).

(9) $55 money order signed "William Lerch" and dated 12/7/79 (no accompanying signature document).

The Commission has not alleged that these were willful violations.

5. Respondent, through its volunteers, violated 11 C.F.R. § 110.4(c)(2) by accepting and retaining the following cash contributions, which when added to the contributors' previous contributions, exceeded, in the aggregate, $100 in cash for each of the respective contributors:

(A) MUR 1158

(1) $40 cash contribution made by Ernest Pulsifer.

(2) $150 cash contribution made by Ernest Pulsifer.

(3) $250 cash contribution made by Nancy Radcliffe.

(4) $400 cash contribution made by Belinda F. deGrazia.

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The Commission has not alleged that these were knowing and willful violations.

6. Respondent, through its volunteers, violated 2 U.S.C. § 441a(f) by knowingly accepting the following contributions which were in violation of contribution limitations set forth in 2 U.S.C. § 441a(a)(1)(A):

(A) MUR 1158

(1) $1,009.58 check from David Sanders.

(B) MUR 1253

(1) $2,713.53 in contributions from Rochelle Ascher;

(2) $1,742.15 in contributions from Karen Brubaker;

(3) $1,024.48 in contributions from John Covici;

(4) $1,279.55 in cntributions from Joseph D'Urso;

(5) $3,378.34 in contributions from Elliot Eisenberg;

(6) $2,067.32 in contributions from Jeffrey Forrest;

(7) $1,409.59 in contributions from Gregory Garnier;

(8) $5,120.32 in contributions from Laurence Gray;

(9) $3,681.32 in contributions from Marjorie Mazel Hecht;

(10) $1,285.87 in contributions from Marsha Kokinda;

(11) $1,738.68 in contributions from Melvin Johnson;

(12) $1,763.76 in contributions from Michael Smedberg;

(13) $1,005.44 in contributions from Martin Simon;

(14) $1,507.65 in contributions from David W. Thill;

(15) $2,403.90 in contributions from Andrew Wilson;

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(16) $1,025 in contributions from August F. Arace;

(17) $1,043 in contributions from James M. Duree;

(18) $1,105 in contributions from Shirley Fingerman;

(19) $1,030 in contributions from John Holly;

(20) $1,044 in contributions from T. J. Hopkins;

(21) $1,150 in contributions from Sherri S. Lightner;

(22) $1,100 in contributions from John Pellicano;

(23) $1,100 in contributions from John Ryman;

(24) $1,120 in contributions from John J. Sakala;

(25) $1,125 in contributions from Walter J. Stevens;

(26) $1,010 in contributions from James Taylor;

(27) $1,030 in contributions from Verne Tomlins;

(28) $1,515 in contributions from Carleton Williams;

(29) $1,580 in contributions from Frederic L. Young;

(30) $2,375 in contributions from Donald J. Carr;

(31) $2,030 in contributions from Ellen G. Scott;

(32) $1,050 in contributions from Belinda F. deGrazia;

(33) $1,250 in contributions from Alexander Ward;

(34) $1,125 in contributions from Mary F. Cummings;

(35) $1,075 in contributions from James M. Everette;

(36) $1,250 in contributions from Michael Micale.

The Commisson has not alleged that these were willful violations.

7. Respondent, through its volunteers, violated 26 U.S.C. § 9042(c)(1)(A) by knowingly and willfully submitting

6204035202 1

false and/or misleading information to the Commission in an attempt to obtain matching funds with regard to the following contributions:

(A) MUR 1158

(1) $35 money order signed "William Hayden" and dated 1/8/80.

(2) $150 money order signed "Ernest Pulsifor" and dated 12/4/79.

(3) $250 money order signed "Nancy Radcliff" and dated 9/12/79.

(4) $250 money order signed "Robert A. Robinson" and dated 9/12/79.

(5) $140 money order signed "Kevin Salisbury" and dated 1/12/80.

(6) $450 money order signed "Kevin Salisbury" and dated 1/21/80.

(7) $70 money order signed "Charles Clark" and dated 11/13/79.

(8) $150 money order signed "Anne R. Taylor" and dated 11/20/79.

(9) $45 money order signed "David Sanders" and dated 11/25/79.

(10) $25 money order signed "David Sanders" and dated 1/3/79.

(11) $1,009.58 Household Finance Company loan check endorsed by David Sanders submitted along with a signature document signed by David Sanders and Lenore Sanders, as spouse.

(12) $400 money order signed "Belinda F. deGrazia" and dated 1/22/80.

(13) $250 cashier's check and signature document for Dr. Harold Harrison.

6204073022

(B) MUR 1186

(1) $40 money order signed "Harold Harper" and dated 7/17/79 accompanied by signature document dated 12/7/79.

(C) MUR 1352

(1) $200 money order signed "William Lerch" and dated 11/19/79.

(2) $55 money order signed "William Lerch" and dated 12/7/79.

(3) $135 money order signed "Sherri Waffle" and dated 12/7/79.

(4) $85 money order signed "Sherri Waffle" and dated 12/7/79.

(5) $80 money order signed "Sherri Waffle" and dated 12/7/79.

(6) $125 money order signed "Janice Hart" and dated 12/7/79.

(7) $120 money order signed "Janice Hart" and dated 12/7/79.

(8) $100 money order signed "Victoria Lacey" and dated 12/10/79.

(9) $50 money order signed "Victoria Lacey" and dated 12/10/79.

(10) $250 money order signed "Robert Hart" and dated 12/10/79.

(11) $100 money order signed "Paul Greenberg" and dated 12/10/79.

(12) $100 money order signed "Paul Greenberg" and dated 12/11/79.

V. The Commission has treated the matters described in this document as civil violations.

VI. Respondent will pay a civil penalty to the Treasurer of the United States in the amount of fifteen thousand dollars

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($15,000), pursuant to 2 U.S.C. § 437g(a)(5)(A), such penalty to be paid as follows:

1) One initial payment of $5,000, due on December 1, 1982;

2) Thereafter, beginning on January 1, 1983, ten consecutive monthly installment payments of $1,000 each;

3) Each such installment shall be paid on the first day of the month in which it becomes due;

4) In the event that any installment payment is not received by the Commission by the fifth day of the month in which it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to the respondent. Failure by the Commission to accelerate the payments with regard to any overdue installment shall not be construed as a waiver of its right to do so with regard to future overdue installments.

6204030024

VII. Respondent agrees that it shall not undertake any activity which is in violation of either the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §§ 431 et seq. or the Presidential Primary Matching Payment Account Act, 26 U.S.C. § 9001 et seq.

VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with

this agreement. If the Commission believes that this agreement or any requirement thereof has been violated it may institute a civil action for relief in the United States District Court for the District of Columbia.

IX. Except for the conditions specified in paragraph VIII above, this agreement constitutes a complete bar to any further action by the Commission with regard to the matters set forth in this agreement. It is the understanding of the Respondent and the Commission that the execution of this agreement will result in the termination of all pending Matters Under Review concerning the respondent as of the present date, and that this agreement constitutes complete satisfaction of all such pending Matters Under Review.

X. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

Charles N. Steele
General Counsel

Date

By: Kenneth A. Gross
Associate General Counsel

Citizens for LaRouche

10-25-82
Date:

By: Mayer Morganroth
Counsel for Respondent

6204030025

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Mayer Morganroth, Esq.
Heritage Plaza
Suite 335
24901 Northwestern Highway
Southfield, Michigan 48075

Re: MURs 1158, 1186, 1253, 1352

Dear Mr. Morganroth:

On November , 1982, the Commission accepted the conciliation agreement signed by you on behalf of Citizens for LaRouche in settlement of the above-referenced matters. Accordingly, the files have been closed in MURs 1158, 1186, 1253, 1352 and will become a part of the public record within thirty days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should Citizens for LaRouche wish any such information to become part of the public record, please advise us in writing.

Enclosed you will find a fully executed copy of the final conciliation agreement for your files. I also want to remind you that the first payment of $5,000 by Citizens for LaRouche for the civil penalty provided for in the agreement is due on December 1, 1982. The check should be made out to the U.S. Treasury.

Thank you.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation agreement

Attachment III
(2 pages 1 of 2)

6204030202 6

FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

MEMORANDUM TO: M. Dymersky

FROM: Steve Barndollar
Docket Clerk

SUBJECT: Returned Letters

DATE: 9/3/82

The following letter MUR 1253 was returned. Please write a memo to the file and advise on what to do. If you wish to resend the letter, please have the envelope(s) and green card(s) made.

Thanks

Steve -

We have no other address for Ms. Ascher. Therefore, merely file the original ltr & envelope.

Thanks.

Michael

82042020

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Official Business
Penalty for Private Use $300

POSTAGE AND FEES PAID

Ms. Rochelle Ascher
461 Westover Hills Blvd.
Richmond, Virginia 23225

RECEIVED AT THE FEC
82 SEP 3 A 8:58

87

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 26, 1982

Ms. Rochelle Ascher
461 Westover Hills Blvd.
Richmond, Virginia 23225

RE: MUR 1253
Rochelle Ascher

Dear Ms. Ascher:

After considering the circumstances of this matter, the Commission on August 24, 1982, decided to take no further action and close its file in this matter as it pertains to you. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that the making of excessive contributions by loans or otherwise nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A) and you should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Michael Dymersky at (202) 523-4039.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

6204036 20029

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 26, 1982

Elliot Eisenberg
5611 N. Glenwood
Chicago, Illinois 60660

RE: MUR 1253
Elliot Eisenberg

Dear Mr. Eisenberg:

After considering the circumstances of this matter, the Commission on August 24, 1982, decided to take no further action and close its file in this matter as it pertains to you. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

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If you have any questions, please direct them to Michael Dymersky at (202) 523-4039.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

82040320030

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 26, 1982

Lawrence Gray
200 East 27th Street
New York, N.Y. 10016

RE: MUR 1253
Lawrence Gray

Dear Mr. Gray:

After considering the circumstances of this matter, the Commission on August 24, 1982, decided to take no further action and close its file in this matter as it pertains to you. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

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Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 26, 1982

Donald J. Carr
6730 Alexander
Saint Louis, MO. 63116

RE: MUR 1253
Donald J. Carr

Dear Mr. Carr:

After considering the circumstances of this matter, the Commission on August 24, 1982, decided to take no further action and close its file in this matter as it pertains to you. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

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Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 26, 1982

Ms. Marjorie Mazel Hecht
251 West 87 Street
New York, N.Y. 10024

RE: MUR 1253
Marjorie Mazel Hecht

Dear Ms. Hecht:

After considering the circumstances of this matter, the Commission on August 24, 1982, decided to take no further action and close its file in this matter as it pertains to you. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

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Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 26, 1982

Andrew Wilson
145 Peachtree Park Drive
Atlanta, Georgia 30309

RE: MUR 1253
Andrew Wilson

Dear Mr. Wilson:

After considering the circumstances of this matter, the Commission on August 24, 1982, decided to take no further action and close its file in this matter as it pertains to you. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

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Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 26, 1982

Jeffrey Forrest
217 Haven Ave.
New York, N.Y. 10033

RE: MUR 1253
Jeffrey Forrest

Dear Mr. Forrest:

After considering the circumstances of this matter, the Commission on August 24, 1982, decided to take no further action and close its file in this matter as it pertains to you. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

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If you have any questions, please direct them to Michael Dymersky at (202) 523-4039.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 26, 1982

Mrs. Ellen G. Scott
P.O. Box 48
Fort Edward, N.Y. 12828

RE: MUR 1253
Ellen G. Scott

Dear Mrs. Scott:

After considering the circumstances of this matter, the Commission on August 24, 1982, decided to take no further action and close its file in this matter as it pertains to you. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

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If you have any questions, please direct them to Michael Dymersky at (202) 523-4039.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

02040302036

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MURs , , 1253, , and
Citizens for LaRouche, et al.	)	

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission Executive Session on August 24, 1982, do hereby certify the Commission took the following actions in the above-captioned matters:

6204035203 7

4. Decided by a vote of 6-0 to take no further action in MUR 1253 with respect to Rochelle Ascher; Elliott Eisenberg; Jeffrey Forrest; Lawrence Gray; Marjorie Mazel Hecht; Andrew Wilson; Donald J. Carr; and Ellen G. Scott, and close the file as it pertains to each.

   Commissioners Aikens, Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively for the decision.

6. Decided by a vote of 6-0 to approve the letters attached to the General Counsel's August 11, 1982 report.

   Commissioners Aikens, Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively.

Attest:

8-24-82
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE, GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JODY RANSOM

DATE: AUGUST 12, 1982

SUBJECT: OBJECTION - MURs , , 1253, , and
Proposed Pre-Probable Cause Conciliation with Citizens for LaRouche

The above-named document was circulated to the Commission on August 12, 1982 at 11:00AM.

Commissioner Harris submitted an objection to this matter on August 12, 1982 at 2:41 PM.

This matter will be placed on the agenda for the Executive Session of August 17, 1982.

6204036203 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS /JODY C. RANSOM jcr
OFFICE OF THE SECRETARY TO THE COMMISSION

DATE: AUGUST 16, 1982

SUBJECT: ADDITIONAL OBJECTIONS - PROPOSED PRE-PROBABLE CAUSE CONCILIATION WITH CITIZENS FOR LAROUCHE CONCERNING MURs , , 1253, and

You were notified previously of an objection by Commissioner Harris.

Commissioners Reiche and McDonald submitted additional objections to this matter.

This matter will be discussed in executive session on Tuesday, August 17, 1982.

02040362040

August 11, 1982

MEMORANDUM TO: Marjorie Emmons

FROM: Steven Barndollar

SUBJECT: MURs , ,1253, ,

Please have the attached Memo to the Commission distributed to the Commission on a 48 hour tally basis. Thank you.

Attachment

02040362041

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY
82 AUG 11 P5: 22

August 11, 1982

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

SUBJECT: Proposed Pre-Probable Cause Conciliation with Citizens for LaRouche Concerning MURs , , 1253, , and

Mayer Morganroth, attorney for Citizens for LaRouche (CFL), has requested probable cause conciliation with regard to all outstanding MURs involving CFL.

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I. BACKGROUND

On December 18, 1979, the Commission qualified Citizens for LaRouche (CFL) to receive matching funds for the 1980 presidential primary campaign. During audits conducted pursuant to that qualification, certain irregularities were noted in the documentation submitted by CFL. The Commission undertook investigations into those irregularities which are summarized as follows:

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C. MUR 1253

During their required field work conducted pursuant to 26 U.S.C. § 9038(a), the FEC auditors discovered that 15 individuals apparently incurred obligations on behalf of CFL in excess of $1,000, in violation of the contribution limitations of 2 U.S.C. §§ 441a(a) and 441a(f), and referred this matter (subsequently denoted MUR 1253) for possible compliance action. On January 22, 1981, the Commission found reason to believe CFL violated 2 U.S.C. § 441a(f) by accepting excessive contributions from the fifteen individuals, and notified CFL of that finding.

While MUR 1253 was pending before the Commission in the investigative stage, additional materials concerning other individuals who apparently made excessive contributions to CFL were obtained through the post-primary audit and report review processes. These matters which had been denominated MURs 1262 and 1344 were, by vote of the Commission, merged with MUR 1253 on June 16, 1981, as they involved a common nucleus of facts and the possible violation of the same statutory section. Also on that date, the Commission found reason to believe that eight individuals[9/] had violated 2 U.S.C. § 441a(a)(1)(A) by making contributions to CFL in excess of $1,000, and that CFL violated 2 U.S.C. § 441a(f) by accepting excessive contributions from 21 individuals.

9/ These individuals are Rochelle Ascher, Elliot Eisenberg, Jeffrey Forrest, Lawrence Gray, Marjorie Mazel Hecht, Andrew Wilson, Donald J. Carr and Ellen G. Scott.

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2) MUR 1253

(1) $2,713.53 in contributions from Rochelle Ascher;

(2) $1,742.15 in contributions from Karen Brubaker;

(3) $1,024.48 in contributions from John Covici;

(4) $1,279.55 in contributions from Joseph D'Urso;

(5) $3,378.34 in contributions from Elliot Eisenberg;

(6) $2,067.32 in contributions from Jeffrey Forrest;

(7) $1,409.59 in contributions from Gregory Garnier;

(8) $5,120.32 in contributions from Lawrence Gray;

(9) $3,681.32 in contributions from Marjorie Mazel Hecht;

(10) $1,285.87 in contributions from Marsha KoKinda;

(11) $1,738.68 in contributions from Melvin Johnson;

(12) $1,763.76 in contributions from Michael Smedberg;

(13) $1,005.44 in contributions from Martin Simon;

(14) $1,507.65 in contributions from David W. Thill;

(15) $2,403.90 in contributions from Andrew Wilson;

(16) $1,025 in contributions from August F. Aracé;

(17) $1,043 in contributions from James M. Duree;

(18) $1,105 in contributions from Shirley Fingerman;

(19) $1,030 in contributions from John Holly;

(20) $1,044 in contributions from T. J. Hopkins;

(21) $1,150 in contributions from Sherri S. Lightner;

(22) $1,100 in contributions from John Pellicano;

(23) $1,100 in contributions from John Ryman;

(24) $1,120 in contributions from John J. Sakala;

(25) $1,125 in contributions from Walter J. Stevens;

(26) $1,010 in contributions from James Taylor;

(27) $1,030 in contributions from Verne Tomlins;

(28) $1,515 in contributions from Carleton Williams;

(29) $1,580 in contributions from Frederic L. Young;

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(30) $2,375 in contributions from Donald J. Carr;

(31) $2,030 in contributions from Ellen G. Scott;

(32) $1,050 in contributions from Belinda F. deGrazia;

(33) $1,250 in contributions from Alexander Ward;

(34) $1,125 in contributions from Mary F. Cummings;

(35) $1,075 in contributions from James M. Everette;

(36) $1,250 in contributions from Michael Micale.

Contributions 1-15, listed above, were given in the form of advances made by individuals on behalf of CFL.18/ Although the individuals were reimbursed for the advances, CFL did not reimburse them within a reasonable time. Therefore, as the committee had the use of the money for extended periods, the advances should be counted against each individual's contribution limitation.19/ Contributions 16-36, listed above, consisted of outright gifts to CFL which, in the aggregate, exceeded each individual's contribution limitation. The attached conciliation agreement contains an admission as to each of the 37 above listed violations of 2 U.S.C. § 441a(f).

The Office of General Counsel recommends that the Commission seek a civil penalty in the amount of twelve thousand five hundred dollars ($12,500) from CFL. While the total dollar amount involved in the violations is not small, the amount involved in each violation is generally low. Additionally, many of the violations are based on the same sets of circumstances.

18/ The definition of "contribution" includes the term "advance". 2 U.S.C. § 431(8). The advances, for the most part, consisted of expenses of travel, lodging and subsistence made by individuals for the use of other CFL representatives and the candidate; consequently, the exclusion contained in former 2 U.S.C. § 431(e)(5)(D) does not apply. That section only exempted one's own expenses for travel. See 11 C.F.R. § 100.7(b)(8), former 11 C.F.R. § 100.4(b)(6).

19/ 11 C.F.R. § 100.7(a)(4) provides that the term "contribution" does not include the extension of credit by any person for a length of time within normal business or trade practice. However, this limited exemption is geared toward businesses and commercial vendors which have standardized billing cycles whereby goods or services are routinely provided first and paid for later. In the General Counsel's view, individuals carrying out volunteer political activities, rather than business or commercial activities, cannot claim the benefit of this specific exemption.

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In light of those factors, it is the feeling of the Office of General Counsel that a $12,500 penalty would illustrate the seriousness with which the Commission views the violations, while at the same time taking into consideration CFL's efforts and willingness to try and resolve this matter through the conciliation process.

IV. MISCELLANEOUS

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Recommendation

4) Take no further action in MUR 1253 with respect to: Rochelle Ascher; Elliott Eisenberg; Jeffrey Forrest; Lawrence Gray; Marjorie Mazel Hecht; Andrew Wilson; Donald J. Carr; and Ellen G. Scott, and close the file as it pertains to each.

IV-XII . Proposed Letters to Individual Respondents in MUR 1253.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Mrs. Ellen G. Scott
P.O. Box 48
Fort Edward, N.Y. 12828

RE: MUR 1253
Ellen G. Scott

Dear Mrs. Scott:

After considering the circumstances of this matter, the Commission on August , 1982, decided to take no further action and close its file in this matter as it pertains to you. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

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If you have any questions, please direct them to Michael Dymersky at (202) 523-4039.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

6204035205

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Jeffrey Forrest
217 Haven Ave.
New York, N.Y. 10033

RE: MUR 1253
Jeffrey Forrest

Dear Mr. Forrest:

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Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Andrew Wilson
145 Peachtree Park Drive
Atlanta, Georgia 30309

RE: MUR 1253
Andrew Wilson

Dear Mr. Wilson:

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Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Ms. Marjorie Mazel Hecht
251 West 87 Street
New York, N.Y. 10024

RE: MUR 1253
Marjorie Mazel Hecht

Dear Ms. Hecht:

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Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Donald J. Carr
6730 Alexander
Saint Louis, MO. 63116

RE: MUR 1253
Donald J. Carr

Dear Mr. Carr:

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Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Lawrence Gray
200 East 27th Street
New York, N.Y. 10016

RE: MUR 1253
Lawrence Gray

Dear Mr. Gray:

After considering the circumstances of this matter, the Commission on August , 1982, decided to take no further action and close its file in this matter as it pertains to you. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

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Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Elliot Eisenberg
5611 N. Glenwood
Chicago, Illinois 60660

RE: MUR 1253
Elliot Eisenberg

Dear Mr. Eisenberg:

After considering the circumstances of this matter, the Commission on August , 1982, decided to take no further action and close its file in this matter as it pertains to you. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

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Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

6204036207 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Ms. Rochelle Ascher
461 Westover Hills Blvd.
Richmond, Virginia 23225

RE: MUR 1253
Rochelle Ascher

Dear Ms. Ascher:

After considering the circumstances of this matter, the Commission on August , 1982, decided to take no further action and close its file in this matter as it pertains to you. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that the making of excessive contributions by loans or otherwise nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A) and you should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Michael Dymersky at (202) 523-4039.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

6 2 0 4 0 3 0 2 0 7 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/JODY CUSTER JC

DATE: SEPTEMBER 10, 1981

SUBJECT: MUR 1253 - Comprehensive Investigative Report #1; dated 9-2-81; Signed 9-7-81; Received in OCS 9-9-81, 10:39

The above-named document was circulated to the Commission on a 24 hour no-objection basis at 4:00, September 9, 1981.

There were no objections to the Comprehensive Investigative Report at the time of the deadline.

02040302073

SENSITIVE

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY
81 SEP 9 A10: 39

BEFORE THE FEDERAL ELECTION COMMISSION
September 2, 1981

In the Matter of	)	
	)	
Citizens for LaRouche	)	MUR 1253

COMPREHENSIVE INVESTIGATIVE REPORT #1

On June 16, 1981, the Commission determined that their is reason to believe that the Citizens for LaRouche ("CFL") violated 2 U.S.C. § 441a(f) by accepting contributions from 21 individuals in excess of the limitation of 2 U.S.C. § 441a(a)(1)(A). (On that date, MUR 1262 and MUR 1344 were merged into MUR 1253 as well.) The Commission also found reason to believe that eight individuals violated 2 U.S.C. § 441a(a)(1)(A) in excess of $1,000 each. Previously, on January 22, 1981, the Commission found reason to believe that CFL violated 2 U.S.C. § 441a(f) by knowingly accepting excessive contributions in the form of loans which totalled $17,121.90.

As of this report, the General Counsel has received no factual or legal materials in response to either finding from CFL. Most of the named individual respondents have responded. Of that number, one (Ellen G. Scott) has requested pre-probable cause conciliation. Two notification letters have been returned as "undeliverable;" staff members are trying to find current addresses for these two. One individual has yet to respond.

On July 17, 1981, Counsel for CFL filed a petition for injunctive relief (regarding MUR 1253 et al.) in the U.S. District Court for the Southern District of New York. Argument

6204036207 4

on CFL's motion for a preliminary injunction was heard on September 3, 1981. The court issued no ruling, but indicated that it would rule promptly on a motion to dismiss the case when filed by the Commission. The General Counsel does not contemplate initiating any discovery in this MUR until the court's ruling which is expected in early October.

Charles N. Steele
General Counsel

Sept. 7, 1981
Date

BY: Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

5204035207 5

101027

RECEIVED
GCC# 5022

81 JUL 7 P1:04

Jeff Forrest
217 Haven Avenue
New York, N.Y. 10033

July 1, 1981

CERTIFIED MAIL

Federal Election Commission
1325 K Street NW
Washington, D.C. 20463

Re: MUR 1253 (1262, 1344)

Dear Sirs:

Your letter of June 18th is factually inaccurate, legally obscure and, I think, pure harassment.

I was a volunteer for Lyndon H. LaRouche, Jr. during his presidential campaign. I allowed the campaign committee of Mr. LaRouche to use my credit card for travel arrangements and purchases. The committee, CFL, and I had an agreement whereby they would pay all of their expenses on the card. As I understand the law, they must pay them--If I pay their expenses then,and only then,will I have made contributions to the campaign over the limit. CFL did make regular payments on their expenses and my account of the charges shows that CFL only owes $422.90 as of this date. Your letter reflects the amount that was charged up to December of 1979 without reflecting payments which were reported in all of CFL's reports to you along with supporting documentation. The amount of time it took composing your murky legal analysis and the letter to me charging me with violations of the law, might better have been spent looking at the facts before you.

Since CFL has paid this amount--how can you say I exceeded the campaign limits? What is a reasonable time? I guess I could sue CFL for the $422.90 and that would satisfy your apparent desire to sow discord between a Committee with serious financial problems and persons who gave of their time and money to LaRouche. A suit, however, would cost more than $422.00. With CFL's past record of payment, I am content with reminding them of the obligation and their continued insistence that it is their obligation which they will pay. I trust that in view of the actual facts you will dismiss all charges against me. I am perfectly confident that there is nothing illegal here, no matter what your distortion of the law and facts.

I wonder however, about the effect of your letter on someone else who might receive it. I don't believe that someone with your budget and resources can innocently so distort facts. I think your actions are geared toward making people think twice about giving to any other campaign associated with Mr. LaRouche. Please notify me of the dismissal of these allegations.

Very truly yours,

Jeffrey Forrest

Jeffrey Forrest

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GENERAL COUNSEL

101028

RECEIVED

81 JUL 7 P1:04

CCC#5023

MUR 1253

251 West 87 Street
New York, N.Y. 10024
July 1, 1981

Federal Election Commission
1325 K Street NW
Washington, D.C. 20463
Attn: Mr. Michael Dymersky

Dear Sirs:

I received your letter dated June 18, 1981, and I really could not make much sense out of its legal analysis.

This letter is to correct the errors of fact in your letter and to assert that in no way can I be held legally responsible for a campaign violation on the basis of the actual situation.

I also want to comment that none of the persons I know who have lent their credit cards to other candidates for travel expenses have received such letters from the FEC. I cannot help but conclude that this is a special effort on your part just for persons who lent their credit cards to the LaRouche campaign.

My credit card was used by Citizens for LaRouche (CFL) to make purchases for their travel. The campaign assumed whatever part of the debt on the card belonged to them.

Citizens for LaRouche was reasonably good on making payments on its debt through September 1980. The figure stated in your letter as the amount outstanding does not seem to reflect these payments by CFL. Instead, it seems to be the debt as of December 1979. By my calculations, CFL still owes me $1,237.18 for the charges incurred during that period. I have repeatedly demanded payment of this amount by CFL. They do not deny that it is still their obligation, but they argue that they have not been able to fundraise enough contributions to pay this amount and that they are besieged by other campaign creditors as well. As a result, my personal credit standing has been severely damaged.

Now for the Catch 22 aspect: The credit card company has pursued collection and legal efforts against me. If I pay the outstanding CFL debt myself, this may stop the credit card company's efforts against me, but then I would be over the campaign contribution limit. Therefore, I really have no choice in this situation except to exert pressure on CFL to pay their debt as soon as possible. I assure you that I have done this regularly and vociferously.

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It seems to me that before you proceed with any complaint against me, you should first review CFL's election reports, which show the exact payments they made to me for the credit card charges incurred through September 1980. I would also hope that CFL's present financial situation, their record of payment, and my Catch 22 quandary would result in a dismissal of all charges against me and a finding that reasonable efforts are being made toward this extension of credit.

I hope to hear from you shortly.

Yours sincerely,

Marjorie Mazel Hecht

Marjorie Mazel Hecht

9 2 0 4 0 3 0 2 0 7 8

1010

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81 JUL 7 P1:06

Occ #
5025

P.O. Box 48
Fort Edward, N.Y. 12828

July 2, 1981

Michael Dymersky
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1253 (1262, 1344)

Dear Mr. Dymersky,

As noted in your letter of June 18, 1981, I initially contributed more than $1000. to the Citizens for LaRouche Campaign. When I discovered that the contribution limit regulation was "per campaign", not "per year", I expected the CFL Committee to return to me what was not rightfully theirs. After much prodding by me, they did return my money.

It was never my intention to either circumvent or disobey our laws. What more should I have done when I discovered the error?

I am agreeable to "enter into conciliation" process.

Very truly yours,

Ellen G. Scott

(Mrs.) Ellen G. Scott

02040362079

81 JUL 7 P2:24
GENERAL COUNSEL
RECEIVED

101014 FEC, Atta Gen'l 5002

M. Dymersky

MUR 1033

As you see by the enclosed photocopies, these documents, drafted for me by an attorney, were sent to me via Express Mail. The failure of the United States Post Office to complete delivery per their guarantee is the cause of the delay in the delivery of these documents to you.

Andrew Wilson

Atlanta

2nd July, 1981

82040320980

81 JUL 6 P2:38

GENERAL COUNSEL

Andrew Wilson
145 Peachtree Park Drive
Atlanta, Georgia 30309

CERTIFIED MAIL, R. R. R.

Federal Election Commission
Washington, D.C. 20463
Attention: Michael Dymersky

June 30, 1981

Dear Sirs:

I have received your letter of June 18, 1981. It seems to me that your complaint is properly against Citizens for LaRouche, if anyone. Here are the relevant facts.

I agreed to act as CFL's agent in advancing credit for campaign travel and other expenses through purchases on my credit card. I did this because I knew the campaign had no access to credit. I was told by CFL that this meant that they would foot the entire bill for these expenses and that if I paid the bill, I could be involved in making campaign contributions over the limit.

CFL did make regular payments on these expenses,according to them,on the account in question. The last payment was to me directly for the payment on the account in April of 1980. The payments were apparently made at a time when the Committee was in overall better financial and fundraising shape.

In terms of the amount outstanding, I have called CFL repeatedly in New York and demanded that they pay the bill as my credit standing is in trouble and I have been threatened with a lawsuit for non-payment. I have been told by the CFL that they still consider this their obligation but that they are unable right now to pay the amount off. Since I have not paid the amount in question, I don't see how I can be charged with violating the law. CFL continues to assure me that they will pay the amount in question but can only do so in amounts they can afford.

It seems to me that your action puts myself and CFL in a sort of Catch-22 position. If I pay the debt and restore my credit, then I will have violated the campaign laws. CFL made payments before but right now is in moribund financial shape from what I can see and even if I sued them I don't think the money would come out of them faster. Therefore, I don't know what you mean by reasonable time. CFL's finances and the law itself dictate that there is no other possible or practical course of action than the one I have adopted.

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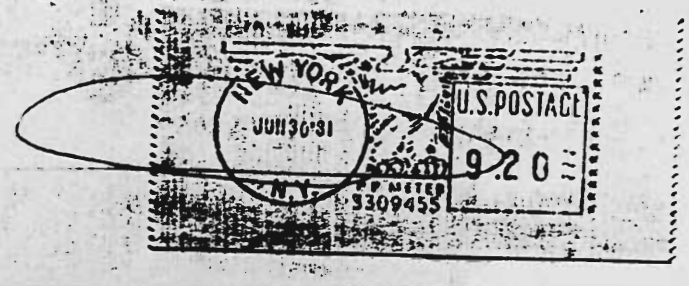
Since these are the simple facts, I trust that you will dismiss this matter as to me. If you do not, I guess I will be forced to get an attorney to defend myself against your actions which seems to me to be extravagant in terms of what is involved here. Please communicate with me by letter your prompt dismissal of the charges against me. I am sure CFL will contact you when this debt is paid off as I have told them of your action against me and they have stated their intention to keep you updated on this matter to me.

Very truly yours,

Andrew Wilson

8204036208 2



EXPRESS MAIL NEXT DAY SERVICE — POST OFFICE TO ADDRESSEE

B 24543806

FROM:
B. Byrd
304 W. 58th, 5th Floor
NY, NY 10019

Customer Number, if any:

TO: Andrew Wilson

ORIGIN:	
Initials of Receiving Clerk:	U
P.O. ZIP	10019
Date in:	6 30 81
Time in:	1630
Postage:	920

DESTINATION:	
Date of Delivery:	7-2-81
Time of Delivery:	12:30pm
Initials of Delivering Employee:	VAL
Signature of Addressee or Agent:	[signature]
DELIVERY WAS ATTEMPTED	
Date	Time:
Notice Left By:	

TO REMOVE PEEL BACK HERE

PRESS MAIL SERVICE
LABEL 11B JUNE 78

Item Delivered
Claim Check
Still
Attached

IMPORTANT: Please fill form to claim your mail. ID required. Signature may be required.

You may notify your carrier or Post Office for redelivery or call for your mail after ____ M. (Date) ____ PM. AT

☐ REGISTERED ☐ NUMBERED INSURED ☐ CUSTOM (Check Number) ☐ LETTER ☐ FLAT
☐ CERTIFIED ☐ COD ☐ EXPRESS MAIL ☐ POSTAGE DUE ☐ PARCEL ☐ HOLD
☐ International mail subject to foreign charges also (Date) _____
☐ SPECIAL DELIVERY For special deliveries: Article ☐ PLACED UNDER YOUR DOOR ☐ PLACED IN YOUR LETTER BOX ☐ RESTRICTED DELIVERY
If not called for at Post Office before carrier begins his next regular trip he will deliver it to you.
ZIP OF ORIGIN
CUSTOMER (Please describe any damage)
CLAIM CHECK No. → 054097
AMOUNT DUE
ADDRESSEE NAME (Print)
ADDRESS
DELIVERED BY AND DATE
RECEIVED BY
☐ LEFT WITH RESIDENTIAL UNIT MANAGER

After 4pm today claim at
Station C
08 Fourteenth Street NE
8:30am—5pm Mon—Fri

PS Form 3849-A May 1979 DELIVERY NOTICE OR RECEIPT

NEW YORK JUN 30 '81 N.Y. U.S. POSTAGE METER 3309455 9.20

EXPRESS MAIL NEXT DAY SERVICE

POST OFFICE TO ADDRESSEE

B 21543806

FROM:
B. Bard
304 W. 58th, 5th Floor
NY, NY 10019

Customer Number, if any:

TO:
Andrew Wilson
145 Peachtree Hill Drive
ATLANTA, GA. 30309

ORIGIN:
Initials of Receiving Clerk: U
P.O. ZIP 10019
Date in: 6 30 81
Time in: 1630
Weight: 1
Postage: 920

DESTINATION:
Date of Delivery: 7-2-81
Time of Delivery: 12:30 pm
Initials of Delivering Employee:
Signature of Addressee or Agent:
DELIVERY WAS ATTEMPTED
Date
Time:
Notice Left By:

TO REMOVE PEEL BACK HERE

EXPRESS MAIL SERVICE
LABEL 11B JUNE 78

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GCC# 5000

6730 Alexander
St. Louis, Mo. 63116
June 26, 1981

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

81 JUL 2 P2:30

John Warren McGarry
Federal Election Commission
Washington, D. C. 20463

Re: MUR NO. 1253 (1262, 1344)

Dear Mr. McGarry

Sorry if we did something wrong, it wasn't intentional. We thought we were in accordance with the law.

Two thousand dollars ($2,000.) of the $2,375. in question was a loan, not a contribution of which $650.00 has been repaid. Although the checks were signed by Don J. Carr, the loan and contributions were intended in behalf of Don J. Carr and his wife Lucille Carr. These transactions were written from a joint checking account.

Sorry again for any inconvience this may have caused you.

Sincerely,

Don J. Carr
Lucille Carr

Don J. Carr
Lucille Carr

STATE OF MISSOURI
SS.
CITY OF ST. LOUIS

Subscribed before me this 26th day of June, 1981

Pete Chmelek
Notary Public County of St. Louis, Mo.
My commission expires 4/22/83

RECEIVED
GENERAL COUNSEL
81 JUL 16 AM 9:33

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 18, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Ellen G. Scott
116 East St.
Box 48
Fort Edward, New York 12828

Re: MUR 1253 (1262, 1344)

Dear Ms. Scott:

On June 16, 1981, the Federal Election Commission determined that there is reason to believe that you violated Section 441a(a)(1)(A) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the Citizens for LaRouche Committee which, in the aggregate, exceed $1,000. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten (10) days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with informal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

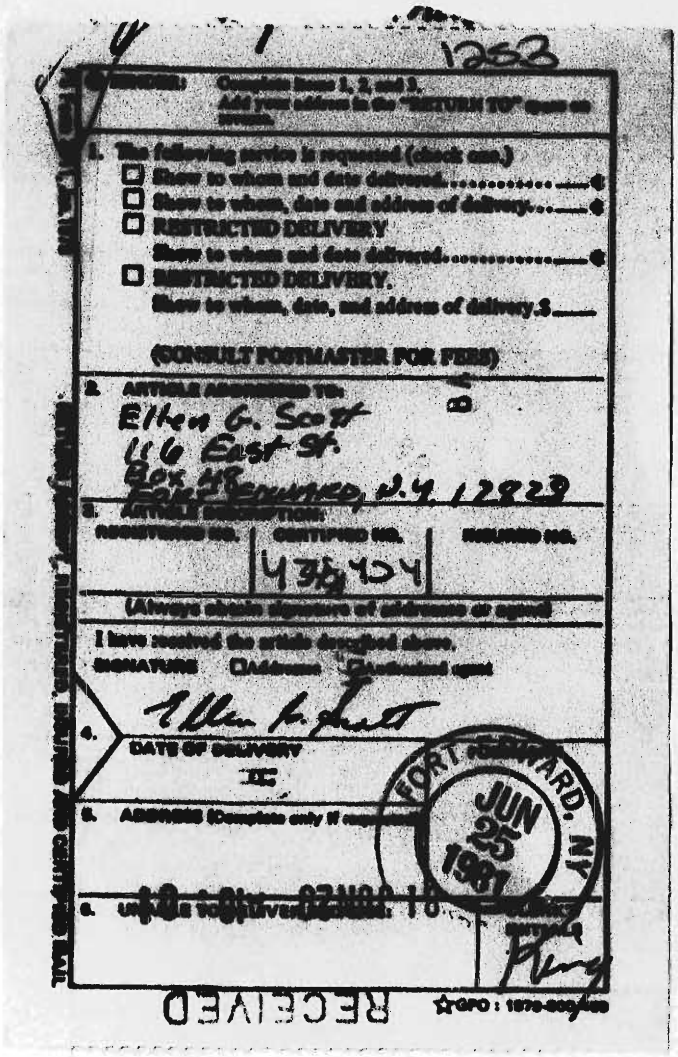
6204036208 6

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at (202) 523-4039.

Sincerely,

JOHN WARREN McGARRY
Chairman

Enclosures
General Counsel's Factual and Legal Analysis



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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE June 18, 1981

MUR NO. 1253 (1262, 1344)

RESPONDENT Ellen G. Scott

STAFF MEMBER(S) & TEL. NO.
Michael Dymarsky
(202) 523-4039

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

From evidence disclosed in an Audit Division Referral on September 5, 1980, it appears that respondent violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Citizens for LaRouche Committee ("the Committee" or "CFL").

FACTUAL AND LEGAL ANALYSIS

CFL reports indicate that respondent contributed $2,375 to the Committee. The excessive portion was reimbursed on June 15, 1980. Thus, the excessive portion remained unrefunded for approximately 152 days.

2 U.S.C. § 441a(a)(1)(A) places an aggregate ceiling of $1,000 on individual contributions "to any candidate and his authorized political committees with respect to any election for Federal office."

6204030208

It is recommended that the Commission view the respondent as having violated the contribution limitations set forth in the Act.

RECOMMENDATION:

1. Find reason to believe that Ellen G. Scott violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 18, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Donald J. Carr
6730 Alexander
Saint Louis Mo. 63116

Re: MUR 1253 (1262, 1344)

Dear Mr. Carr:

On June 16, 1981, the Federal Election Commission determined that there is reason to believe that you violated Section 441a(a)(1)(A) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the Citizens for LaRouche Committee which in the aggregate, exceed $1,000. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten (10) days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with informal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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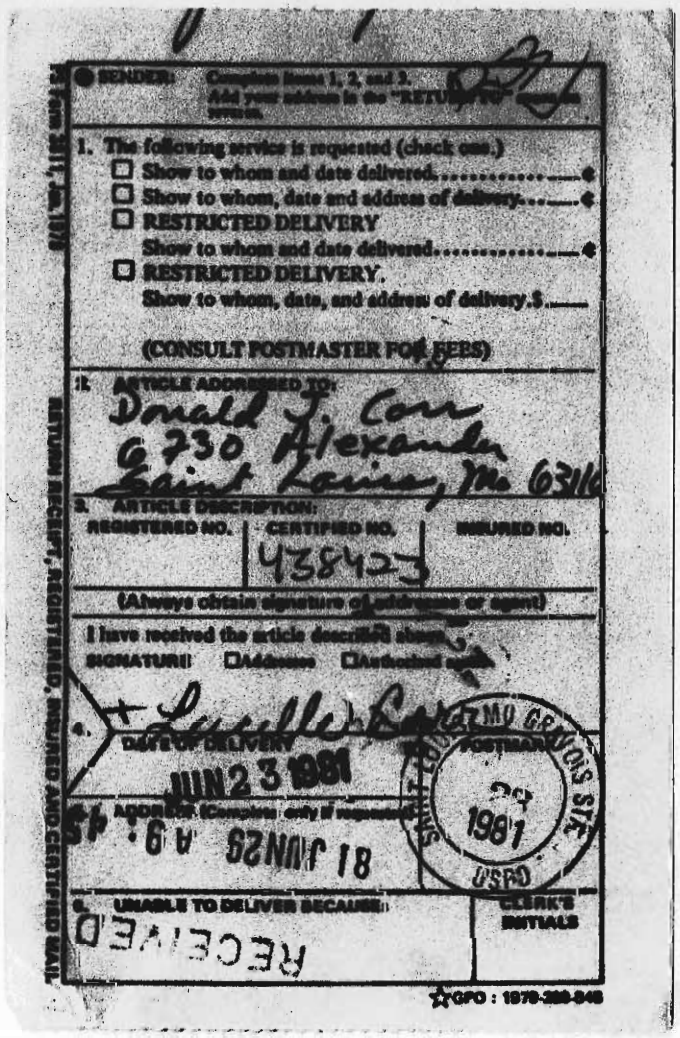
For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at (202) 523-4039.

Sincerely,

JOHN WARREN McGARRY
Chairman

Enclosures
General Counsel's Factual and Legal Analysis


SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space below.
1. The following service is requested (check one.)
Show to whom and date delivered
Show to whom, date and address of delivery
RESTRICTED DELIVERY
Show to whom and date delivered
RESTRICTED DELIVERY.
Show to whom, date, and address of delivery $
(CONSULT POSTMASTER FOR FEES)
2. ARTICLE ADDRESSED TO:
Donald J. Carr
6730 Alexander
Saint Louis, Mo 63116
3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
438423
(Always obtain signature of addressee or agent)
I have received the article described above.
SIGNATURE
4. DATE OF DELIVERY
JUN 23 1981
POSTMARK
ST LOUIS MO GENERAL MAIL FACILITY
23 1981
USPO
81 JUN29 A9:45
5. UNABLE TO DELIVER BECAUSE:
RECEIVED
CLERK'S INITIALS
RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL
GPO : 1979-289-848

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE June 18, 1981

RESPONDENT Donald J. Carr

MUR NO. 1253 (1262, 1344)
STAFF MEMBER(S) & TEL. NO.
Michael Dymarsky
(202) 523-4039

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

From evidence disclosed in an Audit Division Referral on September 5, 1980, it appears that respondent violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Citizens for LaRouche Committee ("the Committee" or "CFL").

FACTUAL AND LEGAL ANALYSIS

CFL reports indicate that respondent contributed $2,375 to the Committee. The excessive portion was reimbursed on June 15, 1980. Thus, the excessive portion remained unrefunded for approximately 120 days.

2 U.S.C. § 441a(a)(1)(A) places an aggregate ceiling of $1,000 on individual contributions "to any candidate and his authorized political committees with respect to any election for Federal office."

6204035209 2

It is recommended that the Commission view the respondent as having violated the contribution limitations set forth in the Act.

RECOMMENDATION:

1. Find reason to believe that Donald J. Carr violated 2 U.S.C. § 441a(a)(1)(A).

6204035209 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 18, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Andrew Wilson
145 Peachtree Park Drive
Atlanta, Georgia 30309

Re: MUR 1253 (1262, 1344)

Dear Mr. Wilson:

On June 16 , 1981, the Federal Election Commission determined that there is reason to believe that you violated Section 441a(a)(1)(A) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the Citizens for LaRouche Committee which in the aggregate, exceed $1,000. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten (10) days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

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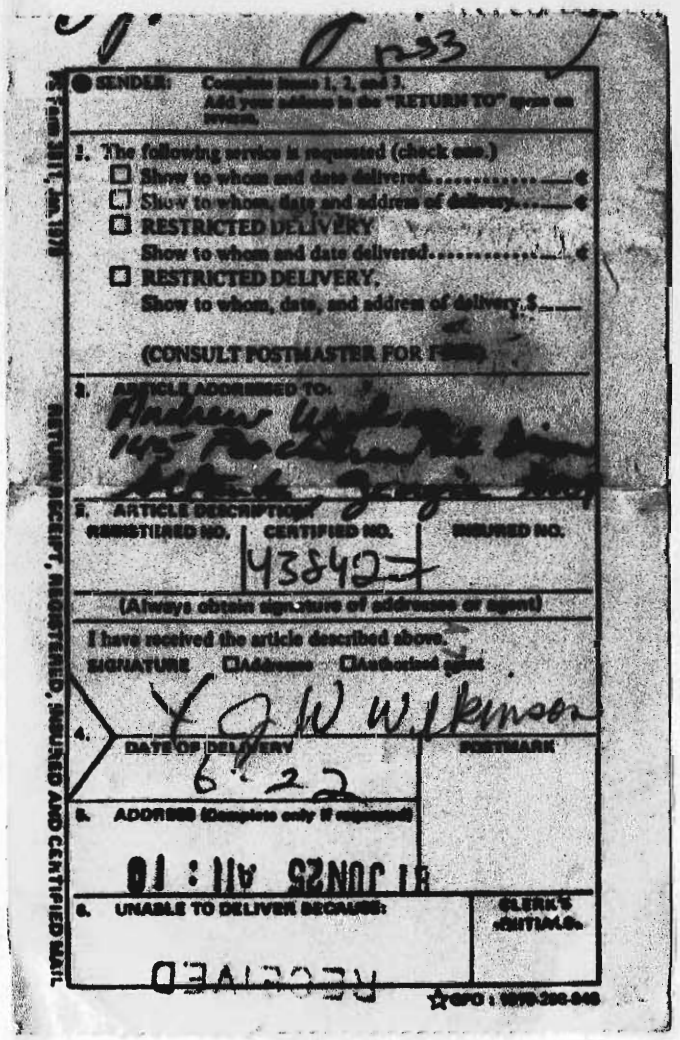
For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at (202) 523-4039.

Sincerely,

JOHN WARREN McGARRY
Chairman

Enclosures
General Counsel's Factual and Legal Analysis


SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.
1. The following service is requested (check one.)
Show to whom and date delivered ____ ¢
Show to whom, date and address of delivery ____ ¢
RESTRICTED DELIVERY
Show to whom and date delivered ____ ¢
RESTRICTED DELIVERY.
Show to whom, date, and address of delivery $____
(CONSULT POSTMASTER FOR FEES)
2. ARTICLE ADDRESSED TO:
3. ARTICLE DESCRIPTION
REGISTERED NO. | CERTIFIED NO. 438427 | INSURED NO.
(Always obtain signature of addressee or agent)
I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
4. DATE OF DELIVERY 6-22 | POSTMARK
5. ADDRESS (Complete only if requested)
6. UNABLE TO DELIVER BECAUSE: | CLERK'S INITIALS
RECEIVED
81 JUN25 AM:10
RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE June 18, 1981

MUR NO. 1253 (1262, 1344)

RESPONDENT Andrew Wilson

STAFF MEMBER(S) & TEL. NO.
Michael Dymersky
(202) 523-4039

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

From evidence disclosed in an Audit Division Referral on June 13, 1980, it appears that respondent violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Citizens For LaRouche Committee ("the Committee" or "CFL").

FACTUAL AND LEGAL ANALYSIS

CFL reports indicate that respondent advanced $2,403.90 to the Committee.

The Act plainly contemplates that an "advance . . . of money or anything of value" is a contribution. 2 U.S.C. § 431(8)(A)(i); former 2 U.S.C. § 431(e)(1).

While past Commission pronouncements have indicated that individuals may incur expenses on behalf of political committees and receive subsequent reimbursement, 1/ the Commission has never indicated that the advances made by such individuals are not

1/ In the Financial Control and Compliance Manual for Presidential Candidates Receiving Public Financing (Primary Election Financing), July 1979, at pp. 138-143, for example, it is stated that a political committee should report the overall reimbursement to an individual for expenditures on Schedule B, with memo entries detailing the ultimate recipients and particulars of each expenditure above $100. This implicitly approves of the concept of individuals advancing funds to a political committee and receiving reimbursement thereafter.

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subject to the Act's limitations when not reimbursed within a reasonable time. Indeed, it would undermine the purposes of the contribution limitations if an individual without restriction, could incur expenditures for a candidate or committee with his or her own funds without affecting his or her contribution limitations. This is not less so if the individual is expressly designated as an agent of the candidate or committee. The candidate or committee plainly enjoys the benefit of the goods or services from the moment they are purchased by the individual. The transaction certainly represents a contribution if the advance is not reimbursed within a reasonable time.

In the General Counsel's view, it could be argued that the contribution arises from the moment the individual makes a payment for the goods or services, i. e., at the time cash, a check, or a credit card is tendered. At that point the vendor receives either money, a negotiable instrument, or a firm contractual right to payment, and the candidate or committee receives goods or services through the efforts of the individual. At that point also, there should be a written receipt or other documentation available to evidence the date, amount, purpose, and payee of the transaction. See 2 U.S.C. § 432(c)(5).

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It is true that Commission regulations, at 11 C.F.R. § 100.7(a)(4), provide that the term "contribution" does not include the extension of credit by any person for a length of time within normal business or trade practice. However, it should be recognized that this limited exemption is geared toward businesses and commercial vendors which have standardized billing cycles whereby goods or services are routinely provided first and paid for later. Individuals carrying out volunteer political activities, rather than business or commercial activities, cannot claim the benefit of this specific exemption, in the General Counsel's view.

Nonetheless, it is not necessary to conclude that the advances involved in this matter were contributions from the moment the services were purchased. Clearly, the advances have been outstanding well beyond what could be considered a reasonable period of time. On that basis alone, the advances here involved can be viewed as contributions.

While, the obligations, for the most part, consisted of expenses for travel, lodging and subsistence for other Committee representatives and the candidate, the exclusion contained in fromer 2 U.S.C. § 431(e)(5)(D) applies solely to an individual's <u>own</u> expenses for travel. See 11 C.F.R. § 100.7(b)(8); former 11 C.F.R. § 100.4(b)(6). Thus, no argument can be sustained that a $1,000 exemption pertains to each individual's aggregate advances.

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Therefore, to the extent that such expenditures exceed the limits prescribed by the Act at 2 U.S.C. § 441a(a)(1)(A) and remain unreimbursed, such expenditures should be considered as excessive contributions.

RECOMMENDATION

1. Find reason to believe that Andrew Wilson violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 18, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Jeffrey Forest
217 Haven Ave.
New York, New York 10032

Re: MUR 1253 (1262, 1344)

Dear Mr. Forest:

On June 16, 1981, the Federal Election Commission determined that there is reason to believe that you violated Section 441a(a)(1)(A) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the Citizens for LaRouche Committee which, in the aggregate, exceed $1,000. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten (10) days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with informal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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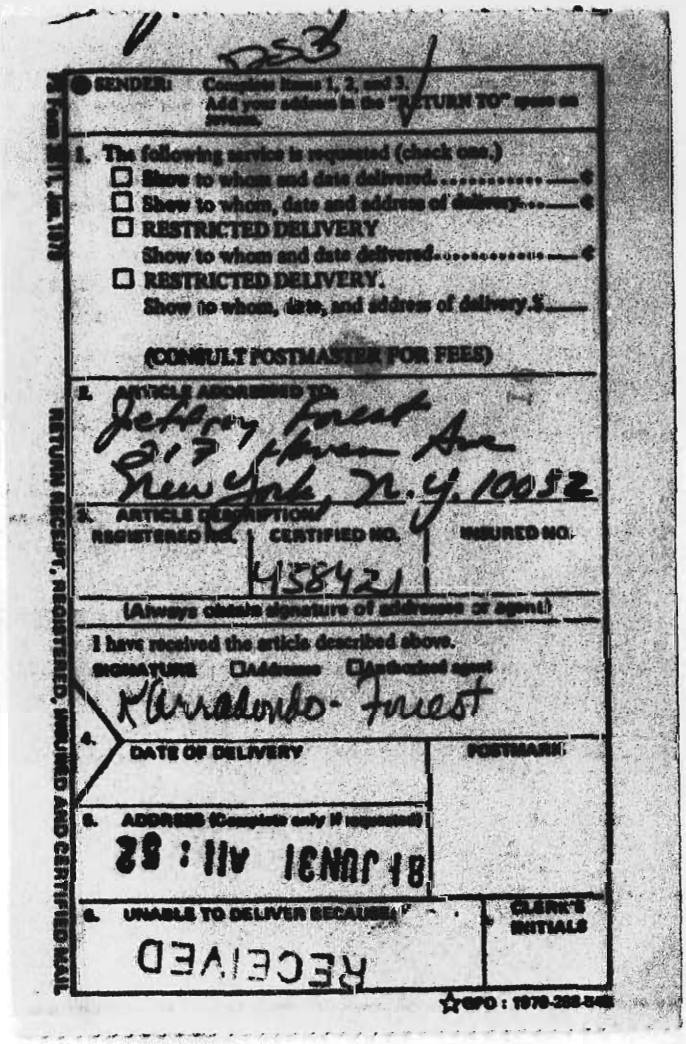
For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at (202) 523-4039.

Sincerely,

JOHN WARREN McGARRY
Chairman

Enclosures
General Counsel's Factual and Legal Analysis


SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- ☐ Show to whom and date delivered ..... ¢
- ☐ Show to whom, date and address of delivery ..... ¢
- ☐ RESTRICTED DELIVERY Show to whom and date delivered ..... ¢
- ☐ RESTRICTED DELIVERY. Show to whom, date, and address of delivery $ ____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO: Jeffrey Forest 217 Thurn Ave New York, N.Y. 10052

3. ARTICLE DESCRIPTION: REGISTERED NO. | CERTIFIED NO. 458421 | INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
K Gerrodondo-Forest

4. DATE OF DELIVERY | POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: | CLERK'S INITIALS

RECEIVED
81 JUN 31 AM 11:52

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

☆GPO : 1976-208-848

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE June 18, 1981

MUR NO. 1253 (1262, 1344)

RESPONDENT Jeffrey Forest

STAFF MEMBER(S) & TEL. NO.
Michael Dymersky
(202) 523-4039

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

From evidence disclosed in an Audit Division Referral on June 13, 1980, it appears that respondent violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Citizens For LaRouche Committee ("the Committee" or "CFL").

FACTUAL AND LEGAL ANALYSIS

CFL reports indicate that respondent advanced $2,067.3232 to the Committee.

The Act plainly contemplates that an "advance . . . of money or anything of value" is a contribution. 2 U.S.C. § 431(8)(A)(i); former 2 U.S.C. § 431(e)(1).

While past Commission pronouncements have indicated that individuals may incur expenses on behalf of political committees and receive subsequent reimbursement, 1/ the Commission has never indicated that the advances made by such individuals are not

1/ In the Financial Control and Compliance Manual for Presidential Candidates Receiving Public Financing (Primary Election Financing), July 1979, at pp. 138-143, for example, it is stated that a political committee should report the overall reimbursement to an individual for expenditures on Schedule B, with memo entries detailing the ultimate recipients and particulars of each expenditure above $100. This implicitly approves of the concept of individuals advancing funds to a political committee and receiving reimbursement thereafter.

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subject to the Act's limitations when not reimbursed within a reasonable time. Indeed, it would undermine the purposes of the contribution limitations if an individual without restriction, could incur expenditures for a candidate or committee with his or her own funds without affecting his or her contribution limitations. This is not less so if the individual is expressly designated as an agent of the candidate or committee. The candidate or committee plainly enjoys the benefit of the goods or services from the moment they are purchased by the individual. The transaction certainly represents a contribution if the advance is not reimbursed within a reasonable time.

In the General Counsel's view, it could be argued that the contribution arises from the moment the individual makes a payment for the goods or services, i. e., at the time cash, a check, or a credit card is tendered. At that point the vendor receives either money, a negotiable instrument, or a firm contractual right to payment, and the candidate or committee receives goods or services through the efforts of the individual. At that point also, there should be a written receipt or other documentation available to evidence the date, amount, purpose, and payee of the transaction. See 2 U.S.C. § 432(c)(5).

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It is true that Commission regulations, at 11 C.F.R. § 100.7(a)(4), provide that the term "contribution" does not include the extension of credit by any person for a length of time within normal business or trade practice. However, it should be recognized that this limited exemption is geared toward businesses and commercial vendors which have standardized billing cycles whereby goods or services are routinely provided first and paid for later. Individuals carrying out volunteer political activities, rather than business or commercial activities, cannot claim the benefit of this specific exemption, in the General Counsel's view.

Nonetheless, it is not necessary to conclude that the advances involved in this matter were contributions from the moment the services were purchased. Clearly, the advances have been outstanding well beyond what could be considered a reasonable period of time. On that basis alone, the advances here involved can be viewed as contributions.

While, the obligations, for the most part, consisted of expenses for travel, lodging and subsistence for other Committee representatives and the candidate, the exclusion contained in fromer 2 U.S.C. § 431(e)(5)(D) applies solely to an individual's <u>own</u> expenses for travel. See 11 C.F.R. § 100.7(b)(8); former 11 C.F.R. § 100.4(b)(6). Thus, no argument can be sustained that a $1,000 exemption pertains to each individual's aggregate advances.

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Therefore, to the extent that such expenditures exceed the limits prescribed by the Act at 2 U.S.C. § 441a(a)(1)(A) and remain unreimbursed, such expenditures should be considered as excessive contributions.

RECOMMENDATION

1. Find reason to believe that Jeffrey Forest violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 18, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Elliot Eisenberg
5611 N. Glenwood
Chicago, Illinois 60660

Re: MUR 1253 (1262, 1344)

Dear Mr. Eisenberg:

On June 16, 1981, the Federal Election Commission determined that there is reason to believe that you violated Section 441a(a)(1)(A) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the Citizens for LaRouche Committee which, in the aggregate, exceed $1,000. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten (10) days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with informal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at (202) 523-4039.

Sincerely,

JOHN WARREN McGARRY
Chairman

Enclosures
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE June 18, 1981

RESPONDENT Elliot Eisenberg

MUR NO. 1253 (1262, 1344)
STAFF MEMBER(S) & TEL. NO.
Michael Dymersky
(202) 523-4039

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

From evidence disclosed in an Audit Division Referral on June 13, 1980, it appears that respondent violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Citizens For LaRouche Committee ("the Committee" or "CFL").

FACTUAL AND LEGAL ANALYSIS

CFL reports indicate that respondent advanced $3,378.34 to the Committee.

The Act plainly contemplates that an "advance . . . of money or anything of value" is a contribution. 2 U.S.C. § 431(8)(A)(i); former 2 U.S.C. § 431(e)(1).

While past Commission pronouncements have indicated that individuals may incur expenses on behalf of political committees and receive subsequent reimbursement, 1/ the Commission has never indicated that the advances made by such individuals are not

1/ In the Financial Control and Compliance Manual for Presidential Candidates Receiving Public Financing (Primary Election Financing), July 1979, at pp. 138-143, for example, it is stated that a political committee should report the overall reimbursement to an individual for expenditures on Schedule B, with memo entries detailing the ultimate recipients and particulars of each expenditure above $100. This implicitly approves of the concept of individuals advancing funds to a political committee and receiving reimbursement thereafter.

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subject to the Act's limitations when not reimbursed within a reasonable time. Indeed, it would undermine the purposes of the contribution limitations if an individual without restriction, could incur expenditures for a candidate or committee with his or her own funds without affecting his or her contribution limitations. This is not less so if the individual is expressly designated as an agent of the candidate or committee. The candidate or committee plainly enjoys the benefit of the goods or services from the moment they are purchased by the individual. The transaction certainly represents a contribution if the advance is not reimbursed within a reasonable time.

In the General Counsel's view, it could be argued that the contribution arises from the moment the individual makes a payment for the goods or services, i. e., at the time cash, a check, or a credit card is tendered. At that point the vendor receives either money, a negotiable instrument, or a firm contractual right to payment, and the candidate or committee receives goods or services through the efforts of the individual. At that point also, there should be a written receipt or other documentation available to evidence the date, amount, purpose, and payee of the transaction. See 2 U.S.C. § 432(c)(5).

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It is true that Commission regulations, at 11 C.F.R. § 100.7(a)(4), provide that the term "contribution" does not include the extension of credit by any person for a length of time within normal business or trade practice. However, it should be recognized that this limited exemption is geared toward businesses and commercial vendors which have standardized billing cycles whereby goods or services are routinely provided first and paid for later. Individuals carrying out volunteer political activities, rather than business or commercial activities, cannot claim the benefit of this specific exemption, in the General Counsel's view.

Nonetheless, it is not necessary to conclude that the advances involved in this matter were contributions from the moment the services were purchased. Clearly, the advances have been outstanding well beyond what could be considered a reasonable period of time. On that basis alone, the advances here involved can be viewed as contributions.

While, the obligations, for the most part, consisted of expenses for travel, lodging and subsistence for other Committee representatives and the candidate, the exclusion contained in fromer 2 U.S.C. § 431(e)(5)(D) applies solely to an individual's <u>own</u> expenses for travel. See 11 C.F.R. § 100.7(b)(8); former 11 C.F.R. § 100.4(b)(6). Thus, no argument can be sustained that a $1,000 exemption pertains to each individual's aggregate advances.

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Therefore, to the extent that such expenditures exceed the limits prescribed by the Act at 2 U.S.C. § 441a(a)(1)(A) and remain unreimbursed, such expenditures should be considered as excessive contributions.

RECOMMENDATION

1. Find reason to believe that Elliot Eisenberg violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 18, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Marjorie Mazel Hecht
251 West 87th St.
New York, New York 10024

Re: MUR 1253 (1262, 1344)

Dear Ms. Hecht:

On June 16, 1981, the Federal Election Commission determined that there is reason to believe that you violated Section 441a(a)(1)(A) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the Citizens for LaRouche Committee which in the aggregate, exceed $1,000. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten (10) days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with informal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at (202) 523-4039.

Sincerely,

JOHN WARREN McGARRY
Chairman

Enclosures
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE June 18, 1981

MUR NO. 1253 (1262, 1344)

STAFF MEMBER(S) & TEL. NO. Michael Dymersky (202) 523-4039

RESPONDENT Marjorie Mazel Hecht

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

From evidence disclosed in an Audit Division Referral on June 13, 1980, it appears that respondent violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Citizens For LaRouche Committee ("the Committee" or "CFL").

FACTUAL AND LEGAL ANALYSIS

CFL reports indicate that respondent advanced $3,681.32 to the Committee.

The Act plainly contemplates that an "advance . . . of money or anything of value" is a contribution. 2 U.S.C. § 431(8)(A)(i); former 2 U.S.C. § 431(e)(1).

While past Commission pronouncements have indicated that individuals may incur expenses on behalf of political committees and receive subsequent reimbursement, 1/ the Commission has never indicated that the advances made by such individuals are not

1/ In the Financial Control and Compliance Manual for Presidential Candidates Receiving Public Financing (Primary Election Financing), July 1979, at pp. 138-143, for example, it is stated that a political committee should report the overall reimbursement to an individual for expenditures on Schedule B, with memo entries detailing the ultimate recipients and particulars of each expenditure above $100. This implicitly approves of the concept of individuals advancing funds to a political committee and receiving reimbursement thereafter.

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subject to the Act's limitations when not reimbursed within a reasonable time. Indeed, it would undermine the purposes of the contribution limitations if an individual without restriction, could incur expenditures for a candidate or committee with his or her own funds without affecting his or her contribution limitations. This is not less so if the individual is expressly designated as an agent of the candidate or committee. The candidate or committee plainly enjoys the benefit of the goods or services from the moment they are purchased by the individual. The transaction certainly represents a contribution if the advance is not reimbursed within a reasonable time.

In the General Counsel's view, it could be argued that the contribution arises from the moment the individual makes a payment for the goods or services, i. e., at the time cash, a check, or a credit card is tendered. At that point the vendor receives either money, a negotiable instrument, or a firm contractual right to payment, and the candidate or committee receives goods or services through the efforts of the individual. At that point also, there should be a written receipt or other documentation available to evidence the date, amount, purpose, and payee of the transaction. See 2 U.S.C. § 432(c)(5).

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It is true that Commission regulations, at 11 C.F.R. § 100.7(a)(4), provide that the term "contribution" does not include the extension of credit by any person for a length of time within normal business or trade practice. However, it should be recognized that this limited exemption is geared toward businesses and commercial vendors which have standardized billing cycles whereby goods or services are routinely provided first and paid for later. Individuals carrying out volunteer political activities, rather than business or commercial activities, cannot claim the benefit of this specific exemption, in the General Counsel's view.

Nonetheless, it is not necessary to conclude that the advances involved in this matter were contributions from the moment the services were purchased. Clearly, the advances have been outstanding well beyond what could be considered a reasonable period of time. On that basis alone, the advances here involved can be viewed as contributions.

While, the obligations, for the most part, consisted of expenses for travel, lodging and subsistence for other Committee representatives and the candidate, the exclusion contained in fromer 2 U.S.C. § 431(e)(5)(D) applies solely to an individual's <u>own</u> expenses for travel. See 11 C.F.R. § 100.7(b)(8); former 11 C.F.R. § 100.4(b)(6). Thus, no argument can be sustained that a $1,000 exemption pertains to each individual's aggregate advances.

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Therefore, to the extent that such expenditures exceed the limits prescribed by the Act at 2 U.S.C. § 441a(a)(1)(A) and remain unreimbursed, such expenditures should be considered as excessive contributions.

RECOMMENDATION

1. Find reason to believe that Marjorie Mazel Hecht violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 18, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Lawrence Gray
200 East 27th St.
New York, N.Y. 10016

Re: MUR 1253 (1262, 1344)

Dear Mr. Gray:

On June 16, 1981, the Federal Election Commission determined that there is reason to believe that you violated Section 441a(a)(1)(A) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the Citizens for LaRouche Committee which in the aggregate, exceed $1,000. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten (10) days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with informal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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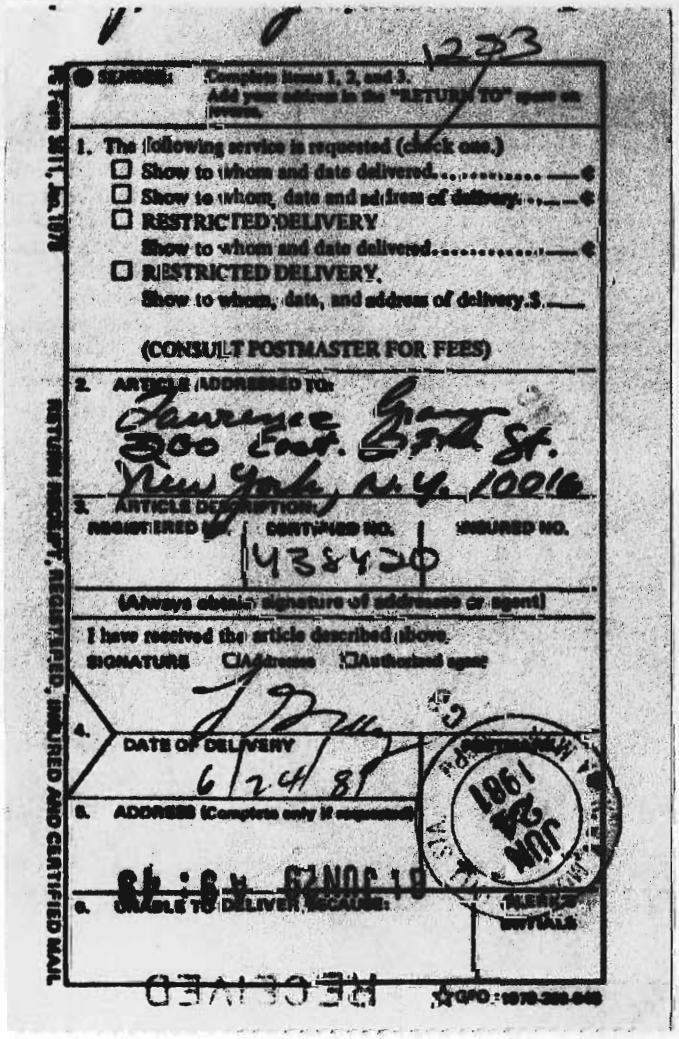
For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at (202) 523-4039.

Sincerely,

JOHN WARREN McGARRY
Chairman

Enclosures
General Counsel's Factual and Legal Analysis


SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
☐ Show to whom and date delivered
☐ Show to whom, date and address of delivery
☐ RESTRICTED DELIVERY
Show to whom and date delivered
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery $
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Lawrence Gray
300 East 34th St.
New York, N.Y. 10016

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
438420

(Always obtain signature of addressee or agent)
I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY
6/24/81

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

RECEIVED

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE June 18, 1981

MUR NO. 1253 (1262, 1344)
STAFF MEMBER(S) & TEL. NO.
Michael Dymersky
(202) 523-4039

RESPONDENT Lawrence Gray

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

From evidence disclosed in an Audit Division Referral on June 13, 1980, it appears that respondent violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Citizens For LaRouche Committee ("the Committee" or "CFL").

FACTUAL AND LEGAL ANALYSIS

CFL reports indicate that respondent advanced $5,120.32 to the Committee.

The Act plainly contemplates that an "advance . . . of money or anything of value" is a contribution. 2 U.S.C. § 431(8)(A)(i); former 2 U.S.C. § 431(e)(1).

While past Commission pronouncements have indicated that individuals may incur expenses on behalf of political committees and receive subsequent reimbursement, 1/ the Commission has never indicated that the advances made by such individuals are not

1/ In the Financial Control and Compliance Manual for Presidential Candidates Receiving Public Financing (Primary Election Financing), July 1979, at pp. 138-143, for example, it is stated that a political committee should report the overall reimbursement to an individual for expenditures on Schedule B, with memo entries detailing the ultimate recipients and particulars of each expenditure above $100. This implicitly approves of the concept of individuals advancing funds to a political committee and receiving reimbursement thereafter.

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subject to the Act's limitations when not reimbursed within a reasonable time. Indeed, it would undermine the purposes of the contribution limitations if an individual without restriction, could incur expenditures for a candidate or committee with his or her own funds without affecting his or her contribution limitations. This is not less so if the individual is expressly designated as an agent of the candidate or committee. The candidate or committee plainly enjoys the benefit of the goods or services from the moment they are purchased by the individual. The transaction certainly represents a contribution if the advance is not reimbursed within a reasonable time.

In the General Counsel's view, it could be argued that the contribution arises from the moment the individual makes a payment for the goods or services, i. e., at the time cash, a check, or a credit card is tendered. At that point the vendor receives either money, a negotiable instrument, or a firm contractual right to payment, and the candidate or committee receives goods or services through the efforts of the individual. At that point also, there should be a written receipt or other documentation available to evidence the date, amount, purpose, and payee of the transaction. See 2 U.S.C. § 432(c)(5).

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It is true that Commission regulations, at 11 C.F.R. § 100.7(a)(4), provide that the term "contribution" does not include the extension of credit by any person for a length of time within normal business or trade practice. However, it should be recognized that this limited exemption is geared toward businesses and commercial vendors which have standardized billing cycles whereby goods or services are routinely provided first and paid for later. Individuals carrying out volunteer political activities, rather than business or commercial activities, cannot claim the benefit of this specific exemption, in the General Counsel's view.

Nonetheless, it is not necessary to conclude that the advances involved in this matter were contributions from the moment the services were purchased. Clearly, the advances have been outstanding well beyond what could be considered a reasonable period of time. On that basis alone, the advances here involved can be viewed as contributions.

While, the obligations, for the most part, consisted of expenses for travel, lodging and subsistence for other Committee representatives and the candidate, the exclusion contained in fromer 2 U.S.C. § 431(e)(5)(D) applies solely to an individual's <u>own</u> expenses for travel. See 11 C.F.R. § 100.7(b)(8); former 11 C.F.R. § 100.4(b)(6). Thus, no argument can be sustained that a $1,000 exemption pertains to each individual's aggregate advances.

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Therefore, to the extent that such expenditures exceed the limits prescribed by the Act at 2 U.S.C. § 441a(a)(1)(A) and remain unreimbursed, such expenditures should be considered as excessive contributions.

RECOMMENDATION

1. Find reason to believe that Lawrence Gray violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Official Business
Penalty for Private Use $300

POSTAGE AND FEES PAID

ASC 61 032741N1 07/27/81

RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD

Moved Not Forwardable

Rochelle Ascher
461 Westover Hills Blvd.
Richmond, Virginia 23225

87

FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

TO: File

DATE: 8-3-81

FROM: Scott E. Thomas

- [ ] APPROVAL
- [x] AS REQUESTED
- [ ] CONCURRENCE
- [ ] CORRECTION
- [ ] FILING
- [ ] FULL REPORT
- [ ] HANDLE DIRECT
- [ ] ANSWER OR ACKNOWLEDGE ON OR BEFORE _____
- [ ] PREPARE REPLY FOR THE SIGNATURE OF _____
- [ ] IMMEDIATE ACTION
- [ ] INITIALS
- [ ] NECESSARY ACTION
- [ ] NOTE AND RETURN
- [ ] PER OUR CONVERSATION
- [ ] PER TELEPHONE CONVERSATION
- [ ] RECOMMENDATION
- [ ] SEE ME
- [ ] SIGNATURE
- [ ] YOUR COMMENT
- [ ] YOUR INFORMATION
- [ ]

REMARKS:

Please file this in MUR 1253 file.

Do Not Resend to Respondent.

Thanks,
Scott
f/Reba

9204035 2 8 8

FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

MEMORANDUM TO: Scott

FROM: Samanda Soares SS for GD
Docket Clerk

SUBJECT: Returned Letters

DATE: July 31, 1981

The following letter MUR 1253 was returned. Please write a memo to the file and advise on what to do. If you wish to resend the letter, please have envelope(s) and green card(s) made.

Thanks

82040362126

Dorothy Thomas

1253

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Official Business
Penalty for Private Use $300

POSTAGE AND FEES PAID

ASC 61 032741N1 07/27/81

RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD

Rochelle Ascher
461 Westover Hills Blvd.
Richmond, Virginia 23225

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Official Business
Penalty for Private Use $300

RETURN TO SENDER

UNCLAIMED

POSTAGE AND FEES PAID

Rochelle Ascher
461 Westover Hills, Blvd.
Richmond, Virginia 23225

Fwd!
960 E Fayette St
Baltimore Md.
21233

CERTIFIED

438419

CLAIM CHECK NO.

HOLD

DATE JUN 30 1981

1ST NOTICE

2ND NOTICE 7-5

RETURN 7-15

Deposited from PS Form 3849-A Feb. 1978

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2 0 4 0 2 0 2 1 2 9

Domesticy MCR 1253

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- ☐ Show to whom and date delivered.....¢
- ☐ Show to whom, date and address of delivery.....¢
- ☐ RESTRICTED DELIVERY
  Show to whom and date delivered.....¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery.$____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Rochelle Jackson
1601 Westbury Place, Apt
Richmond Virginia 23225

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	435419	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:
UNCLAIMED

POST OFFICE BALTIMORE MD JUL 16 1981

INITIALS

Form 3811, Jan. 1970 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

Returned 7-20-81

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 18, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Rochelle Ascher
461 Westover Hills, Blvd.
Richmond, Virginia 23225

Re: MUR 1253 (1262, 1344)

Dear Ms. Ascher:

On June 16, 1981, the Federal Election Commission determined that there is reason to believe that you violated Section 441a(a)(1)(A) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the Citizens for LaRouche Committee which in the aggregate, exceed $1,000. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten (10) days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with informal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at (202) 523-4039.

Sincerely,

JOHN WARREN McGARRY
Chairman

Enclosures
General Counsel's Factual and Legal Analysis

9204036213 1

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE June 18, 1981

MUR NO. 1253 (1262, 1344)

RESPONDENT Rochelle Ascher

STAFF MEMBER(S) & TEL. NO.
Michael Dymersky
(202) 523-4039

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D.

SUMMARY OF ALLEGATIONS

From evidence disclosed in an Audit Division Referral on June 13, 1980, it appears that respondent violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Citizens For LaRouche Committee ("the Committee" or "CFL").

FACTUAL AND LEGAL ANALYSIS

CFL reports indicate that respondent advanced $2,713.53 to the Committee.

The Act plainly contemplates that an "advance . . . of money or anything of value" is a contribution. 2 U.S.C. § 431(8)(A)(i); former 2 U.S.C. § 431(e)(1).

While past Commission pronouncements have indicated that individuals may incur expenses on behalf of political committees and receive subsequent reimbursement, 1/ the Commission has never indicated that the advances made by such individuals are not

1/ In the Financial Control and Compliance Manual for Presidential Candidates Receiving Public Financing (Primary Election Financing), July 1979, at pp. 138-143, for example, it is stated that a political committee should report the overall reimbursement to an individual for expenditures on Schedule B, with memo entries detailing the ultimate recipients and particulars of each expenditure above $100. This implicitly approves of the concept of individuals advancing funds to a political committee and receiving reimbursement thereafter.

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subject to the Act's limitations when not reimbursed within a reasonable time. Indeed, it would undermine the purposes of the contribution limitations if an individual without restriction, could incur expenditures for a candidate or committee with his or her own funds without affecting his or her contribution limitations. This is not less so if the individual is expressly designated as an agent of the candidate or committee. The candidate or committee plainly enjoys the benefit of the goods or services from the moment they are purchased by the individual. The transaction certainly represents a contribution if the advance is not reimbursed within a reasonable time.

In the General Counsel's view, it could be argued that the contribution arises from the moment the individual makes a payment for the goods or services, i. e., at the time cash, a check, or a credit card is tendered. At that point the vendor receives either money, a negotiable instrument, or a firm contractual right to payment, and the candidate or committee receives goods or services through the efforts of the individual. At that point also, there should be a written receipt or other documentation available to evidence the date, amount, purpose, and payee of the transaction. See 2 U.S.C. § 432(c)(5).

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It is true that Commission regulations, at 11 C.F.R. § 100.7(a)(4), provide that the term "contribution" does not include the extension of credit by any person for a length of time within normal business or trade practice. However, it should be recognized that this limited exemption is geared toward businesses and commercial vendors which have standardized billing cycles whereby goods or services are routinely provided first and paid for later. Individuals carrying out volunteer political activities, rather than business or commercial activities, cannot claim the benefit of this specific exemption, in the General Counsel's view.

Nonetheless, it is not necessary to conclude that the advances involved in this matter were contributions from the moment the services were purchased. Clearly, the advances have been outstanding well beyond what could be considered a reasonable period of time. On that basis alone, the advances here involved can be viewed as contributions.

While, the obligations, for the most part, consisted of expenses for travel, lodging and subsistence for other Committee representatives and the candidate, the exclusion contained in fromer 2 U.S.C. § 431(e)(5)(D) applies solely to an individual's <u>own</u> expenses for travel. See 11 C.F.R. § 100.7(b)(8); former 11 C.F.R. § 100.4(b)(6). Thus, no argument can be sustained that a $1,000 exemption pertains to each individual's aggregate advances.

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Therefore, to the extent that such expenditures exceed the limits prescribed by the Act at 2 U.S.C. § 441a(a)(1)(A) and remain unreimbursed, such expenditures should be considered as excessive contributions.

RECOMMENDATION

1. Find reason to believe that Rochelle Ascher violated 2 U.S.C. § 441a(a)(1)(A).

02040302135

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 18, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James F. Schoener, Esq.
Miller, Canfield, Paddock and Stone
1015 15th Street, N.W., Suite 1240
Washington, D.C. 20005

Re: MUR 1253 (1262, 1344)

Dear Mr. Schoener:

On June 16, 1981, the Federal Election Commission determined that there is reason to believe that your client, Citizens for LaRouche, violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by accepting contributions from 15 individuals in excess of the limitation found at 2 U.S.C. § 441a(a)(1)(A). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against your client. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten (10) days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your client, the Commission may find probable cause to believe that a violation has occurred and proceed with informal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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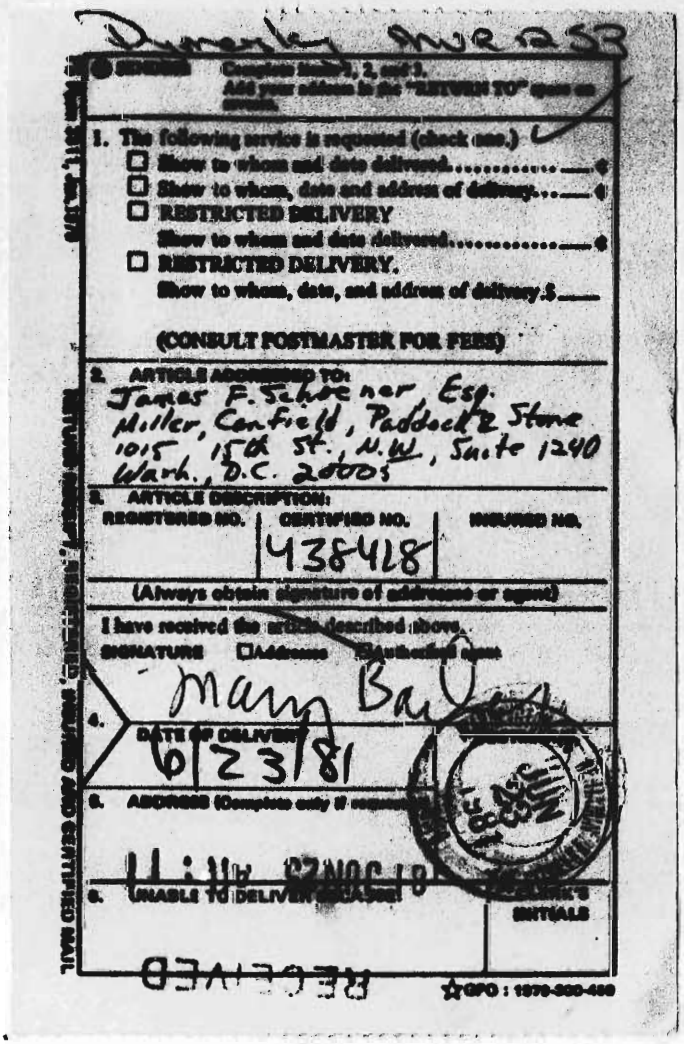
For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at (202) 523-4039.

Sincerely,

John Warren McGarry

JOHN WARREN McGARRY
Chairman

Enclosures
General Counsel's Factual and Legal Analysis


Dymersky ANSWER SR

1. The following service is requested (check one.)
☐ Show to whom and date delivered
☐ Show to whom, date and address of delivery
☐ RESTRICTED DELIVERY
Show to whom and date delivered
☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery.$
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
James F. Schoener, Esq.
Miller, Canfield, Paddock & Stone
1015 15th St. N.W., Suite 1240
Wash., D.C. 20005

3. ARTICLE DESCRIPTION:
REGISTERED NO. | CERTIFIED NO. 438428 | INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐Addressee ☐Authorized agent
Mary Bai

4. DATE OF DELIVERY
6/23/81

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:
INITIALS

RECEIVED

☆GPO : 1979-300-400

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE June 18, 1981

MUR NO. 1253 (1262, 1344)

RESPONDENT Citizens for La Rouche

STAFF MEMBER(S) & TEL. NO.
Michael Dymersky
(202) 523-4039

SOURCE OF MUR: INTERNALLY GENERATED

I. BACKGROUND/PREVIOUS COMMISSION ACTION:

On January 22, 1981, the Commission voted to find reason to believe that Citizens for LaRouche ("the Committee" or "CFL") violated 2 U.S.C. § 441a(f) by knowingly accepting excessive contributions in the form of loans which totaled $17,121.90. Thereafter, on January 23, 1981, this office sent the required notification letter to the Treasurer of the Committee. As of this writing, the General Counsel has received no factual or legal materials in response.

In a review by this office of existing Matters Under Review, it has been disclosed that two other internally generated matters involving the Committee appear to involve similarly excessive contributions. 1/ This report, therefore, addresses these two matters as well, and recommends hereafter that the three MURs be merged.

1/ These matters have been administratively numbered MUR 1262 and MUR 1344, respectively. First General Counsel Reports have not heretofore been submitted to the Commission regarding these MURs.

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II. LEGAL ANALYSIS.

MUR 1253 emanated from a referral by the Audit Division ("Audit") on June 13, 1980, wherein the Audit staff noted that fifteen (15) individuals incurred obligations on behalf of the Committee and appeared to have exceeded the limitations on contributions under 2 U.S.C. § 441a(a)(1)(A) by an aggregate amount of $17,121.90. The Committee reported debts and obligations owed to these individuals. 2/ The Commission found reason to believe only against the Committee.

MUR 1344 emanated from a referral by the Audit Division on September 5, 1980, wherein the Audit staff noted that 26 additional individuals had exceeded the $1,000 contribution limitation by an aggregate amount of $7,092. While twelve (12) of these individuals received refunds, apparently fourteen (14) individuals did not. 3/

2/ Rochelle Ascher, $2,713.53; Karen Brubaker, $1,742.15; John Covici, $1,024.48; Joseph D'Urso, $1,279.55, Elliot Eisenberg, $3,378.34; Jeffrey Forest, $2,067.32; Gregory Garnier, $1,409.59; Laurence Gray, $5,120.32; Marjorie Mazel Hecht, $3,681.32; Marsha Kokinda, $1,285.87; Melvin Johnson, $1,738.68; Michael Smedberg, $1,763.76; Martin Simon, $1,005.44, David W. Thill, $1,507.65; Andrew Wilson, $2,403.90.

3/ August F. Arace, $1,025; James M. Duree, $1,043; Shirley Fingerman, $1,105; John Holly, $1,030; T. J. Hopkins, $1,044; Sherri S. Lightner, $1,150; John Pellicano, $1,100; John Ryman, $1,100; John J. Sakala, $1,120; Walter J. Stevens, $1,125; James Taylor, $1,010; Verne Tomlins, $1,030; Carleton Williams, $1,515; Frederic L. Young, $1,580.

The Interim Audit Report also listed Don J. Carr as having made an unreimbursed contribution in the amount of $2,375. See Attachment 1, pp. 3, 18, 21. The Committee has orally confirmed that Mr. Carr received a refund of the excessive portion on June 15, 1980, about 120 days after the excessive contribution was made.

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MUR 1262 emanated from a referral by the Reports Analysis Division ("RAD") on July 18, 1980. RAD discovered sixteen (16) additional individuals who appeared from the Committee's reports to have exceeded the $1,000 limitation. While nine (9) of the individuals apparently received refunds, and eight (8) of the individuals (including two (2) of those receiving refunds) were incorrectly reported as making certain contributions, according to the Committee, apparently one (1) individual neither received a refund nor was incorrectly reported. 4/ This individual also appeared in the September 5, Audit referral as did one of the refunders.

The General Counsel notes that the Commission has found reason to believe that the Committee received $17,121.90 in excessive contributions (unreimbursed loans) in MUR 1253. With the inclusion of the excessive contributions set out in MUR 1344 and MUR 1262 the total of excessive contributions received by the Committee, including loans, (net of timely refunds and repayments), for the 36 individuals involved, appears to be $22,793.90. 5/

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4/ That individual is Frederic L. Young whose contribution total is $1,580. Mr. Young also appears in MUR 1344 (see footnote No. 3, supra). The individuals who purportedly received refunds include the following: Donald J. Carr, $2,375 (excess returned after about 120 days); Ellen G. Scott, $2,030 (excess returned after 152 days); Daniel B. Polin, $2,150 (excess returned after 10 days); Belinda F. GeGrazia, $1,050 (excess returned after 144 days); Alexandra Ward, $1,250 (excess returned after 138 days); Mary F. Cumming, $1,125 (excess returned after 77 days); James M. Everett, $1,075 (excess returned after 150 days); Michael Micale, $1,250 (excess returned after 202 days); Gary Merrit, $1,100 (excess apparently returned immediately).

5/ The amount of $22,793.90 is the sum of the excessive contributions which are the subject of the merged MURs, exclusive of timely refunds, timely repayments, and incorrectly reported sums. MUR 1253 contained a total of $17,121.90 in excess of the $1,000 contribution limitation; MUR 1344 contained a total of $1,977 in excess of the $1,000 contribution limitation, and MUR 1262 contained a total of $2,955 in excess of the $1,000 contribution limitation.

A. MUR 1253: Expenses Incurred by Individuals on Behalf of CFL.

The Act plainly contemplates that an "advance ... of money or anything of value" is a contribution. 2 U.S.C. § 431(8)(A)(i); former 2 U.S.C. § 431(e)(1).

While past Commission pronouncements have indicated that individuals may incur expenses on behalf of political committees and receive subsequent reimbursement, 6/ the Commission has never indicated that the advances made by such individuals are not subject to the Act's limitations when not reimbursed within a reasonable time. Indeed, it would undermine the purposes of the contribution limitations if an individual, without restriction, could incur expenditures for a candidate or committee with his or her own funds without affecting his or her contribution limitations. This is not less so if the individual is expressly designated as an agent of the candidate or committee. The candidate or committee plainly enjoys the benefit of the goods or services from the moment they are purchased by the individual. The transaction certainly represents a contribution if the advance is not reimbursed within a reasonable time.

6/ In the Financial Control and Compliance Manual for Presidential Candidates Receiving Public Financing (Primary Election Financing), July 1979, at pp. 138-143, for example, it is stated that a political committee should report the overall reimbursement to an individual for expenditures on Schedule B, with memo entries detailing the ultimate recipients and particulars of each expenditure above $100. This implicitly approves of the concept of individuals advancing funds to a political committee and receiving reimbursement thereafter.

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In the General Counsel's view it could be argued that the contribution arises from the moment the individual makes a payment for the goods or services, i. e., at the time cash, a check, or a credit card is tendered. At that point the vendor receives either money, a negotiable instrument, or a firm contractual right to payment, and the candidate or committee receives goods or services through the efforts of the individual. At that point also, there should be a written receipt or other documentation available to evidence the date, amount, purpose, and payee of the transaction. See 2 U.S.C. § 432(c)(5).

It is true that Commission regulations, at 11 C.F.R. § 100.7(a)(4), provide that the term "contribution" does not include the extension of credit by any person for a length of time within normal business or trade practice. However, it should be recognized that this limited exemption is geared toward businesses and commercial vendors which have standardized billing cycles whereby goods or services are routinely provided first and paid for later. Individuals carrying out volunteer political activities, rather than business or commercial activities, cannot claim the benefit of this specific exemption, in the General Counsel's view.

Nonetheless, it is not necessary to conclude that the advances involved in this matter (see footnote 2, supra) were contributions from the moment the services were purchased. Clearly, the advances have been outstanding well beyond what

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could be considered a reasonable period of time. On that basis alone, the advances here involved can be viewed as contributions.

While the obligations, for the most part, consisted of expenses for travel, lodging and subsistence for other Committee representatives and the candidate, the exclusion contained in former 2 U.S.C. § 431(e)(5)(D) applies solely to an individual's own expenses for travel. See 11 C.F.R. § 100.7(b)(8), former 11 C.F.R. § 100.4(b)(6). Thus, no argument can be sustained that a $1,000 exemption pertains to each individual's aggregate advances.

Therefore, to the extent that such expenditures by these named individuals exceed the limits prescribed by the Act at 2 U.S.C. § 441a(a)(1)(A), such expenditures should be considered as excessive contributions.

B. MUR 1344 and MUR 1262: Other Excessive Contributions by Individuals.

2 U.S.C. § 441a(a)(1)(A) places an aggregate ceiling of $1,000 on individual contributions "to any candidate and his authorized political committees with respect to any election for Federal office."

In the pertinent RAD and Audit reports, it is indicated that CFL records evidence unrefunded excessive contributions by certain individuals to the Committee. As to these unrefunded, excessive contributions, it is recommended that the Commission view these fourteen (14) named individuals as having violated the contribution

6204036214 3

limitations set forth in the Act. (See footnote 3, supra). Furthermore, these same reports indicate that other excessive contributions, even when refunded, have been outstanding well beyond what could be considered a reasonable period of time. As to these excessive contributions which, although refunded, have been outstanding for an unreasonable period of time, it is recommended that the Commission view these seven (7) named individuals, as having violated the contribution limitations set forth in the Act. (See footnote 4, supra).

C. Persons Against Whom the Commission Should Proceed.

The General Counsel recommends that the Commission deal only with those individuals who have made excessive contributions which have yet to be reimbursed by the Committee (see footnotes 2 and 3, supra), and those individuals who have made excessive contributions which, although refunded, have been outstanding for an unreasonable period of time (see footnote 4, supra). The Commission regulations at 11 C.F.R. § 103.3(b)(2) state that "refunds shall be made within a reasonable time, and the treasurer shall note the refund by amending the current report or noting the change on the Committee's next required report." Since CFL refunded the excessive portion of a number of the excessive contributions within a reasonable time, or otherwise corrected errors in its data base, only those excessive contributions which remain outstanding or have been reimbursed only after a reasonable period of time has lapsed should be considered for enforcement action.

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It is recommended that the Commission find reason to believe CFL violated 2 U.S.C. § 441a(f) with respect to the 21 individuals' excessive contributions, totalling $4,932. 7/

III. RECOMMENDATIONS

1. Merge MUR 1262 and MUR 1344 with MUR 1253.

2. Find reason to believe that Citizens for LaRouche violated 2 U.S.C. § 441a(f) by accepting contributions from 21 individuals in excess of the limitation of 2 U.S.C. § 441a(a)(1)(A).

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7/ The Commission has already found reason to believe that CFL violated 2 U.S.C. § 441a(f) by accepting excessive contributions in the form of advances from fifteen (15) individuals in MUR 1253. The instant 21 individuals emanate from MUR's 1262 and 1344.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MURs 1253 (1262, 1344)
Citizens for LaRouche, et al.	)	

CERTIFICATION

I, Lena L. Stafford, Recording Secretary for the Federal Election Commission meeting on June 16, 1981, do hereby certify that the Commission decided in a vote of 6-0 to take the following actions regarding MUR 1253:

1. Merge MUR 1262 and MUR 1344 with MUR 1253.

2. Find REASON TO BELIEVE that Rochelle Ascher, Elliot Eisenberg, Jeffrey Forest, Lawrence Gray, Marjorie Mazel Hecht, Andrew Wilson, Donald J. Carr and Ellen G. Scott each violated 2 U.S.C. §441a(a)(1)(A) by making contributions to the Committee which, in the individual aggregate, exceeded $1,000.

3. Find REASON TO BELIEVE that Citizens for LaRouche violated 2 U.S.C. §441a(f) by accepting contributions from 21 individuals in excess of the limitation of 2 U.S.C. §441a(a)(1)(A).

4. Send the letters attached to the General Counsel's June 10, 1981 Report.

Commissioners Aikens, Harris, McGarry, Reiche, Thomson, and Tiernan voted affirmatively in this matter.

Attest:

6-17-81
Date

Lena L. Stafford
Recording Secretary

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/JODY CUSTER

DATE: JUNE 12, 1981

SUBJECT: OBJECTION - MURs 1253, 1262, 1344 General Counsel's Report, dated 6-10-81; Received in OCS, 6-10-81, 10:09

The above-named document was circulated on a 48 hour vote basis at 4:00, June 10, 1981.

Commissioner Reiche submitted an objection at 1:54, June 12, 1981.

This matter will be placed on the Executive Session Agenda for Tuesday, June 16, 1981. A copy of Commissioner Reiche's vote sheet with comments is attached.

Attachment:
Vote sheet

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BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

SENSITIVE

June 10, 1981

81 JUN 10 A10: 09

In the Matter of	)	
	)	
Citizens for LaRouche, et al.	)	MURs 1253 (1262, 1344)

GENERAL COUNSEL'S REPORT

I. BACKGROUND/PREVIOUS COMMISSION ACTION:

On January 22, 1981, the Commission voted to find reason to believe that Citizens for LaRouche ("the Committee" or "CFL") violated 2 U.S.C. § 441a(f) by knowingly accepting excessive contributions in the form of loans which totaled $17,121.90. Thereafter, on January 23, 1981, this office sent the required notification letter to the Treasurer of the Committee. As of this writing, the General Counsel has received no factual or legal materials in response.

In a review by this office of existing Matters Under Review, it has been disclosed that two other internally generated matters involving the Committee appear to involve similarly excessive contributions. 1/ This report, therefore, addresses these two matters as well, and recommends hereafter that the three MURs be merged.

II. LEGAL ANALYSIS.

MUR 1253 emanated from a referral by the Audit Division ("Audit") on June 13, 1980, wherein the Audit staff noted that

1/ These matters have been administratively numbered MUR 1262 and MUR 1344, respectively. First General Counsel Reports have not heretofore been submitted to the Commission regarding these MURs.

8204036214 8

fifteen (15) individuals incurred obligations on behalf of the Committee and appeared to have exceeded the limitations on contributions under 2 U.S.C. § 441a(a)(1)(A) by an aggregate amount of $17,121.90. The Committee reported debts and obligations owed to these individuals. 2/ The Commission found reason to believe only against the Committee.

MUR 1344 emanated from a referral by the Audit Division on September 5, 1980, wherein the Audit staff noted that 26 additional individuals had exceeded the $1,000 contribution limitation by an aggregate amount of $7,092. While twelve (12) of these individuals received refunds, apparently fourteen (14) individuals did not. 3/

MUR 1262 emanated from a referral by the Reports Analysis Division ("RAD") on July 18, 1980. RAD discovered sixteen (16) additional individuals who appeared from the Committee's reports to have exceeded the $1,000 limitation. While nine (9) of the individuals apparently received refunds, and eight (8) of the individuals (including two (2) of those receiving refunds) were

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2/ Rochelle Ascher, $2,713.53; Karen Brubaker, $1,742.15; John Covici, $1,024.48; Joseph D'Urso, $1,279.55, Elliot Eisenberg, $3,378.34; Jeffrey Forest, $2,067.32; Gregory Garnier, $1,409.59; Laurence Gray, $5,120.32; Marjorie Mazel Hecht, $3,681.32; Marsha Kokinda, $1,285.87; Melvin Johnson, $1,738.68; Michael Smedberg, $1,763.76; Martin Simon, $1,005.44, David W. Thill, $1,507.65; Andrew Wilson, $2,403.90.

3/ August F. Arace, $1,025; James M. Duree, $1,043; Shirley Fingerman, $1,105; John Holly, $1,030; T. J. Hopkins, $1,044; Sherri S. Lightner, $1,150; John Pellicano, $1,100; John Ryman, $1,100; John J. Sakala, $1,120; Walter J. Stevens, $1,125; James Taylor, $1,010; Verne Tomlins, $1,030; Carleton Williams, $1,515; Frederic L. Young, $1,580.

The Interim Audit Report also listed Don J. Carr as having made an unreimbursed contribution in the amount of $2,375. See Attachment 1, pp. 3, 18, 21. The Committee has orally confirmed that Mr. Carr received a refund of the excessive portion on June 15, 1980, about 120 days after the excessive contribution was made.

incorrectly reported as making certain contributions, according to the Committee, apparently one (1) individual neither received a refund nor was incorrectly reported. 4/

The General Counsel notes that the Commission has found reason to believe that the Committee received $17,121.90 in excessive contributions (unreimbursed loans) in MUR 1253. With the inclusion of the excessive contributions set out in MUR 1344 and MUR 1262 the total of excessive contributions received by the Committee, including loans, (net of timely refunds and repayments), for the 36 individuals involved, appears to be $22,793.90. 5/

A. MUR 1253: Expenses Incurred by Individuals on Behalf of CFL.

The Act plainly contemplates that an "advance ... of money or anything of value" is a contribution. 2 U.S.C. § 431(8)(A)(i); former 2 U.S.C. § 431(e)(1).

4/ That individual is Frederic L. Young whose contribution total is $1,580. Mr. Young also appears in MUR 1344 (see footnote No. 3, supra). The individuals who purportedly received refunds include the following: Donald J. Carr, $2,375 (excess returned after about 120 days); Ellen G. Scott, $2,030 (excess returned after 152 days); Daniel B. Polin, $2,150 (excess returned after 10 days); Belinda F. GeGrazia, $1,050 (excess returned after 144 days); Alexandra Ward, $1,250 (excess returned after 138 days); Mary F. Cumming, $1,125 (excess returned after 77 days); James M. Everett, $1,075 (excess returned after 150 days); Michael Micale, $1,250 (excess returned after 202 days); Gary Merrit, $1,100 (excess apparently returned immediately).

5/ The amount of $22,793.90 is the sum of the excessive contributions which are the subject of the merged MURs, exclusive of timely refunds, timely repayments, and incorrectly reported sums. MUR 1253 contained a total of $17,121.90 in excess of the $1,000 contribution limitation; MUR 1344 contained a total of $1,977 in excess of the $1,000 contribution limitation, and MUR 1262 contained a total of $2,955 in excess of the $1,000 contribution limitation.

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While past Commission pronouncements have indicated that individuals may incur expenses on behalf of political committees and receive subsequent reimbursement, 6/ the Commission has never indicated that the advances made by such individuals are not subject to the Act's limitations when not reimbursed within a reasonable time. Indeed, it would undermine the purposes of the contribution limitations if an individual, without restriction, could incur expenditures for a candidate or committee with his or her own funds without affecting his or her contribution limitations. This is not less so if the individual is expressly designated as an agent of the candidate or committee. The candidate or committee plainly enjoys the benefit of the goods or services from the moment they are purchased by the individual. The transaction certainly represents a contribution if the advance is not reimbursed within a reasonable time.

In the General Counsel's view it could be argued that the contribution arises from the moment the individual makes a payment for the goods or services, i. e., at the time cash, a check, or a credit card is tendered. At that point the vendor receives either money, a negotiable instrument, or a firm contractual

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6/ In the Financial Control and Compliance Manual for Presidential Candidates Receiving Public Financing (Primary Election Financing), July 1979, at pp. 138-143, for example, it is stated that a political committee should report the overall reimbursement to an individual for expenditures on Schedule B, with memo entries detailing the ultimate recipients and particulars of each expenditure above $100. This implicitly approves of the concept of individuals advancing funds to a political committee and receiving reimbursement thereafter.

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right to payment, and the candidate or committee receives goods or services through the efforts of the individual. At that point also, there should be a written receipt or other documentation available to evidence the date, amount, purpose, and payee of the transaction. See 2 U.S.C. § 432(c)(5).

It is true that Commission regulations, at 11 C.F.R. § 100.7(a)(4), provide that the term "contribution" does not include the extension of credit by any person for a length of time within normal business or trade practice. However, it should be recognized that this limited exemption is geared toward businesses and commercial vendors which have standardized billing cycles whereby goods or services are routinely provided first and paid for later. Individuals carrying out volunteer political activities, rather than business or commercial activities, cannot claim the benefit of this specific exemption, in the General Counsel's view.

Nonetheless, it is not necessary to conclude that the advances involved in this matter (see footnote 2, supra) were contributions from the moment the services were purchased. Clearly, the advances have been outstanding well beyond what could be considered a reasonable period of time. On that basis alone, the advances here involved can be viewed as contributions.

While the obligations, for the most part, consisted of expenses for travel, lodging and subsistence for other Committee representatives and the candidate, the exclusion contained in former 2 U.S.C. § 431(e)(5)(D) applies solely to an individual's own expenses for travel. See 11 C.F.R. § 100.7(b)(8), former 11

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C.F.R. § 100.4(b)(6). Thus, no argument can be sustained that a $1,000 exemption pertains to each individual's aggregate advances.

Therefore, to the extent that such expenditures by these named individuals exceed the limits prescribed by the Act at 2 U.S.C. § 441a(a)(1)(A), such expenditures should be considered as excessive contributions.

B. MUR 1344 and MUR 1262: Other Excessive Contributions by Individuals.

2 U.S.C. § 441a(a)(1)(A) places an aggregate ceiling of $1,000 on individual contributions "to any candidate and his authorized political committees with respect to any election for Federal office."

In the pertinent RAD and Audit reports, it is indicated that CFL records evidence unrefunded excessive contributions by certain individuals to the Committee. As to these unrefunded, excessive contributions, it is recommended that the Commission view these fourteen (14) named individuals as having violated the contribution limitations set forth in the Act. (See footnote 3, supra). Furthermore, these same reports indicate that other excessive contributions, even when refunded, have been outstanding well beyond what could be considered a reasonable period of time. As to these excessive contributions which, although refunded, have been outstanding for an unreasonable period of time, it is recommended that the Commission view these seven (7) named individuals, as having violated the contribution limitations set forth in the Act. (See footnote 4, supra).

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C. Persons Against Whom the Commission Should Proceed.

The General Counsel recommends that the Commission deal only with those individuals who have made excessive contributions which have yet to be reimbursed by the Committee (see footnotes 2 and 3, supra), and those individuals who have made excessive contributions which, although refunded, have been outstanding for an unreasonable period of time (see footnote 4, supra). The Commission regulations at 11 C.F.R. § 103.3(b)(2) state that "refunds shall be made within a reasonable time, and the treasurer shall note the refund by amending the current report or noting the change on the Committee's next required report." Since CFL refunded the excessive portion of a number of the excessive contributions within a reasonable time, or otherwise corrected errors in its data base, only those excessive contributions which remain outstanding or have been reimbursed only after a reasonable period of time has lapsed should be considered for enforcement action.

Furthermore, an efficient utilization of Commission resources would be to pursue only those individuals who have contributed $1,000 or more in excess of the contribution limitation found at 2 U.S.C. § 441a(a)(1)(A), i. e., six (6) individuals whose names were derived from MUR 1253, and two (2) individuals whose names were derived from MUR 1262. These individuals' contributions represent the most egregious violations.

Therefore, the General Counsel recommends that the Commission found reason to believe that Rochelle Ascher, Elliot Eisenberg,

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Jeffrey Forest, Lawrence Gray, Marjorie Mazel Hecht, Andrew Wilson, Donald J. Carr and Ellen G. Scott each made excessive contributions to CFL. It is recommended that the Commission find reason to believe CFL violated 2 U.S.C. § 441f with respect to the 21 individuals' excessive contributions, totalling $4,932 however. 7/

III. RECOMMENDATIONS

1. Merge MUR 1262 and MUR 1344 with MUR 1253.

2. Find reason to believe that Rochelle Ascher, Elliot Eisenberg, Jeffrey Forest, Lawrence Gray, Marjorie Mazel Hecht, Andrew Wilson, Donald J. Carr and Ellen G. Scott each violated 2 U.S.C. § 441a(a)(1)(A) by making contributions to the Committee which, in the individual aggregate, exceeded $1,000.

3. Find reason to believe that Citizens for LaRouche violated 2 U.S.C. § 441a(f) by accepting contributions from 21 individuals in excess of the limitation of 2 U.S.C. § 441a(a)(1)(A).

4. Send the attached notification letters.

6/9/81
DATE

Charles N. Steele
General Counsel

Attachments:
1) Interim Post-Primary Audit Report, dated November 4, 1980. (36 pages)
2) Reports Analysis Referral Sheet, dated July 18, 1980. (3 pages)
3) Notification letters.

7/ The Commission has already found reason to believe that CFL violated 2 U.S.C. § 441a(f) by accepting excessive contributions in the form of advances from fifteen (15) individuals in MUR 1253. The instant 21 individuals emanate from MUR's 1262 and 1344.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

EXECUTIVE SESSION
NOV 13 1980

November 4, 1980

MEMORANDUM

TO: THE COMMISSIONERS

THROUGH: B. ALLEN CLUTTER, III
STAFF DIRECTOR

FROM: BOB COSTA

SUBJECT: INTERIM POST-PRIMARY AUDIT REPORT - CITIZENS FOR LAROUCHE

Attached is a copy of the subject report which contains certain revisions recommended by the Office of General Counsel. It should be noted that the Audit Division and the General Counsel's Office are in agreement with the contents of this report. In addition, the legal analysis performed by the Office of General Counsel is attached at Exhibit A. Attached at Exhibit B is the matter referred to the Office of General Counsel concerning possible disbursement irregularities. *

It is recommended that this matter be placed on the next Executive Session agenda for consideration.

Should you have any questions, please contact Tom Nurthen or Lorenzo David on extension 3-4155.

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* Photocopies of the instruments in question are not attached to reduce copying. Upon request, copies are available for inspection from the Audit Division.

Attachments as stated

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

INTERIM REPORT OF THE AUDIT DIVISION ON THE CITIZENS FOR LAROUCHE

I. Background

A. Overview

This interim report is based on an audit of the Citizens For LaRouche ("the Committee"), to determine whether there has been compliance with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The audit was conducted pursuant to Section 9038(a) of Title 26 of the United States Code which states that "after each matching payment period, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of every candidate and his authorized committees who received payments under Section 9037."

In addition, Section 9039(b) of Title 26 of the United States Code and Section 9038.1(b) of Title 11 of the Code of Federal Regulations state, in relevant part, that the Commission may conduct other examinations and audits from time to time as it deems necessary.

The Committee registered with the Federal Election Commission on January 29, 1979, as the principal campaign committee for Lyndon H. LaRouche, Jr., the U.S. Labor Party's candidate for the Office of President of the United States. On November 9, 1979, the Committee amended its Statement of Organization to disclose that the candidate was seeking the Democratic Party's nomination for President of the United States. The Committee maintains its headquarters in New York City.

The audit covered the period from January 29, 1979, the inception date of the Committee, through April 17, 1980, the date determined by the Commission to be the candidate's date of ineligibility for purposes of incurring qualified campaign expenses.

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During this period, the Committee reported an opening cash balance of $-0-, total receipts of $1,376,290.95, total expenditures of $1,372,129.80, and a closing cash balance of $4,026.15. 1/

At the time of the completion of the audit fieldwork, the Committee had reported financial activity through June 30, 1980. Furthermore, the Audit staff performed a cursory review of the Committee's financial activity from April 18, 1980, through June 30, 1980.

This report is based upon documents and working papers which support each of the factual statements. They form part of the record upon which the Commission based its decisions on the matters in the report and were available to Commissioners and appropriate staff for review.

B. Key Personnel

The principal officers of the Committee during the period audited were: Ms. Carol White, Chairman and Ms. Felice M. Gelman, Treasurer.

C. Scope

The audit included such tests as verification of total reported receipts, expenditures and individual transactions; review of required supporting documentation; analysis of debts and obligations; review of contribution and expenditure limitations; and such other audit procedures as deemed necessary under the circumstances.

II. Interim Audit Findings and Recommendations

A. Findings Relating to Title 2 of the United States Code

1. Limitations on Contributions

Section 441a(a)(1)(A) of Title 2 of the United States Code states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

1/ There is an apparent understatement of $135.00 in ending cash. This is due to arithmetical errors in receipts and expenditures.

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During the review of the Committee's contribution records, the Audit staff noted that 26 contributors exceeded the $1,000 contribution limitation by a total of $7,092.00 (excessive portion). The Committee has refunded the excessive portions (evidenced by negotiated refund checks) or made corrections to the contributor data base for 11 of the 26 excessive contributors (excessive portion $3,740). However, according to the Committee records the remaining excessive contributions received from the 15 contributors have not been resolved. (see Attachment A).

Recommendation

The Audit staff recommends that within 30 days of receipt of this report the Committee refund the $3,352 in contributions which are in excess of the limitation and provide evidence of such refunds (front and back of cancelled refund checks), or provide evidence clearly demonstrating that the contributions are, in fact, not excessive.

2. Disclosure of Contributor Information

Section 434(b)(3)(A) of Title 2 of the United States Code states that each report shall disclose the identification of each person (other than a political committee) who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of $200 within the calendar year, or in any lesser amount if the reporting committee should so elect, together with the date and amount of each contribution.

Section 104.17(a) of Title 11 of the Code of Federal Regulations states for all elections occurring prior to January 1, 1981, authorized committees of candidates for President and Vice President may comply with the requirements of 11 C.F.R. 104.17 in lieu of 11 C.F.R. 104.3(a).

Section 104.17(b)(2) of Title 11 of the Code of Federal Regulations states, in part, that each report shall disclose the identification, occupation, and principal place of business, if any, of each person who has made a contribution to or for the committee or candidate during the reporting period in an amount in excess of $100, or in an amount of less than $100 if the person's contributions within a calendar year total more than $100, together with the amount and date of such contributions.

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During the review of the Committee's contribution records and reports, the staff noted that the Committee had elected to itemize all contributions and disclose the identification of those contributors whose contributions aggregated in excess of $100.

A sample of contributions was randomly selected and tested for proper disclosure of contributor information (occupation/name of employer). The sample indicated that at a 90% confidence level between 18% and 45% of the contributions that aggregated in excess of $100 were disclosed without the contributor's occupation and/or name of employer. However, for the most part, this information is contained within the Committee's contributor files.

Committee officials stated that this information was not disclosed on its reports due to programming oversights.

Recommendation

The Audit staff recommends that within 30 days of receipt of this report the Committee file amended reports to disclose the required contributor information.

3. Allocation of Expenditures to State Limitations

Section 441a(b)(1)(A) and 441a(c) of Title 2 of the United States Code state, in part, that no candidate for the Office of President of the United States who is eligible under Section 9033 of Title 26 to receive payments from the Secretary of the Treasury may make expenditures in excess of $10,000,000 in the case of a campaign for nomination for election to such office, except the aggregate of expenditures under this subparagraph in any one state shall not exceed the greater of 16 cents multiplied by the voting age population of the State, or $200,000 adjusted by the change in the Consumer Price Index from the base period (1974).

Section 106.2(a) of Title 11 of the Code of Federal Regulations states, in part, that expenditures made by a Presidential candidate's authorized committee(s) which seek to influence the nomination of the candidate in a particular state shall be attributed to that state. This allocation of expenditures shall be reported on FEC form 3Pc.

Section 106.2(b) of Title 11 of the Code of Federal Regulations states, in part, that expenditures for staff, media, printing, and other goods and services used in a campaign in a specific state shall be attributed to that state.

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Our review of Committee expenditures for the audit period included testing to determine the Committee's compliance with the allocation of expenditures among states as required by the Act. Our review consisted of an examination of selected disbursements/payables on a 100% basis plus a sample drawn from a separate population. It should be noted that the Committee filed an amendment to its state allocation schedules, FEC form 3Pc, in June 1980, which substantially corrected the allocation discrepancies noted through calendar year 1979.

The state allocation findings which follow make reference to expenditures that have not been allocated, expenditures that have been improperly allocated and certain expenditures that require additional documentation in order to determine proper allocation. In addition, specific reference is also made to the allocation discrepancies that affect the New Hampshire state spending limitation, the only state spending limitation which appears to have been exceeded by the Committee.

a. Unallocated/Improperly Allocated Media Expenditures

i) Our review of Committee expenditures to a vendor supplying advertising services indicated that $35,359.85 (see Attachment B) of the $196,738.44 billed to the Committee during January and February 1980 were not allocated to states. Since the Committee was unable to provide adequate records regarding a detailed composition of each bill (bills were structured by category, i.e. television and radio costs, etc.) we could not identify specific states where voters might be reasonably influenced by the advertisements. However, a majority of these expenditures that were allocated during January and February involved a media campaign directed (allocated) to New Hampshire, Massachusetts, Connecticut, Maine and Vermont. It would appear that some portion of the $35,359.85 in unallocated expenditures may require allocation to states.

ii) Committee expenditures for political broadcasts on two (2) national network television stations in January 1980 were reviewed for proper allocation. It was determined that the Committee paid $163,231.02 in vendor placement costs (the charge for airing the broadcast with local stations) which were not allocated to any state(s). Further, production costs for these two (2) broadcasts could not be specifically identified to determine proper allocation. Committee officials acknowledged that the $163,231.02 in placement costs and an unknown dollar amount of production costs were not allocated.

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The staff advised the Committee that one (1) method of allocating these expenditures would be based on the voting age population of each state plus the District of Columbia. Based on this method, the Audit staff has determined that $492.71 should be allocated to New Hampshire.

iii) The Candidate was not on the Massachusetts primary ballot. The final ballot access date for the Massachusetts primary was January 4, 1980. However, the Committee placed television and radio spots as well as newspaper ads between January 9, 1980, and February 8, 1980, totaling $57,393.62, and allocated 86% of the cost or $49,358.53 to Massachusetts, 12% or $6,887.21 to New Hampshire and 1% or $573.94 to both Vermont and Connecticut (see Attachment C). The Committee utilized industry publications which provided the percentage of the population which may have viewed the advertisements, as its source for determining the above allocation.

The Committee was informed that the portion of the expenditures that was allocated to Massachusetts ($49,358.53) should have been allocated to New Hampshire, Vermont, or Connecticut, as applicable. Committee officials stated that, even though the candidate was not on the Massachusetts ballot, he was, in fact, campaigning for the uncommitted delegates from that state. However, since the Massachusetts Democratic Primary procedures do not provide for write in votes, the Committee apparently could not influence voters by virtue of their advertisement campaigns and subsequent cost allocations to the state of Massachusetts. Further, the Massachusetts Democratic Primary procedures also do not permit delegates in the county caucuses to be committed to a candidate.

It is the Audit staff's opinion that $42,305.20 of the $49,358.53 allocated to Massachusetts should be allocated to New Hampshire and the remaining $7,053.33 should be allocated equally between Connecticut and Vermont. This allocation was determined by applying the 86% (previously allocated to Massachusetts) to each of the three (3) states based on the Committee's proportional distribution of costs noted above (New Hampshire 12%, Connecticut 1%, and Vermont 1%). Accordingly, 85.71% (12/14) of the $49,358.53 should be allocated to New Hampshire and 14.29% (2/14) should be allocated equally between Connecticut and Vermont.

The Audit staff used the same industry publications in determining the required allocation for New Hampshire, Connecticut and Vermont.

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b. Literature

During the review of expenditure records it was noted that literature (leaflets, fliers, stickers, etc.) costs appeared to be improperly allocated. The Committee generally allocated a percentage of the total invoiced amount to each state that received literature. Typically, literature costs were spread on a 5% basis for 14 key states in which the Committee actively campaigned (70% of the total cost), 10% in a state which the Committee extensively campaigned and 20% to the National headquarters overhead.

A review of literature purchases from four (4) Committee vendors (248 invoices totaling $287,724.13) indicated that in 45 instances (PMR) literature (costing $44,167) clearly targeted at New Hampshire was being allocated on a 5% basis to New Hampshire. Subsequent amendments filed by the Committee increased the allocation basis for New Hampshire (up to 75% in some instances). A portion ($24,764.77) of the aforementioned 45 PMR literature invoices was not allocated to New Hampshire even though the literature was clearly targeted toward New Hampshire. However, sample copies of literature were not available for 160 invoices 2a/ totaling $193,199.13, and therefore could not be examined for proper allocation (see Attachment E Parts I & II).

c. Candidate Residence and Telephone

Also noted during our review of expenditure records were disbursements for a rented house in New Hampshire used by the candidate during the campaign. For the period October 1979 through February 1980 the Committee paid $10,094 in rent. The Committee has allocated 52% of the rental payments ($5,205.40) to New Hampshire and 48% to fundraising and national campaign headquarter's overhead. In support of the method used to allocate the rent expenses, Committee officials stated that when the candidate was not campaigning, he was "resting" which was considered headquarter's overhead and therefore not allocable. However, 11 C.F.R. 106.2(b) states, in part, that expenditures for administrative, staff, and overhead costs directly related to the National Campaign Headquarters shall be reported but need not be attributed to individual states. Expenditures for staff and other goods and services used in a campaign in a specific state shall be attributed to that state.

2a/ 14 of the 160 invoices, totaling $40,852, have not been allocated to states. (see Attachment E Part II)

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In addition, telephone expenses incurred through December, 1979, totaled $1,425.49. 2b/ The telephone expenses were allocated 50% ($712.74) to New Hampshire and 50% to headquarter's overhead. In addition, the Committee was assessed $2,481 for damages to the house. The assessment for damages has been acknowledged by the Committee but the amount has not been allocated to New Hampshire.

It should be noted that the Committee has subsequently amended its allocation schedule (FEC form 3Pc) and submitted computational schedules which support the $35,359.85 in media costs (3a(i)) not previously allocated. However, the Committee has not submitted (vendor) documentation necessary to determine proper allocation of the expenditures.

In addition, copies of literature samples have been submitted for a portion of those invoices (3b) which will be reviewed upon receipt of the remaining literature samples. Attachment E part I has been annotated to identify the copies of literature received.

Recommendation

The Audit staff recommends that within 30 days of receipt of this report the Committee obtain and submit the documentation necessary to determine proper allocation for the expenditures ($35,359.85) noted in finding 3a(i) and for the 160 vendor invoices (totaling $193,199.13) noted in finding 3b. The Committee should review this documentation and amend its state allocation schedules (FEC form 3Pc) where necessary. With respect to the telephone expenses for 1980 associated with the above mentioned rental property, it is recommended that the Committee obtain and submit the documentation necessary to determine the proper allocation for these expenses and amend its state allocation schedules accordingly. In addition, the Audit staff recommends that within 30 days of notification the Committee amend its state allocation schedules to properly allocate the following:

1. expenditures made in conjunction with the political broadcasts (New Hampshire $492.71 plus a representative portion of production costs (3a(ii)).

2. that portion of the media expenditure ($49,358.53) improperly allocated to Massachusetts after the ballot access date - (New Hampshire $42,305.20, Connecticut and Vermont $3,526.66 each (3a(iii)).

2b/ The Audit staff could not determine Committee telephone expenses associated with the candidate's residence for the year 1980.

2481 ~~[illegible]~~ damages to house

Page 9 of 36 Reclassified as an Unqualified Campaign Exp.

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3. that portion of the literature costs associated with the 45 invoices that were clearly targeted at New Hampshire but not entirely allocated to New Hampshire - $24,764.77 (3b).

4. that portion of the housing costs that was not allocated to New Hampshire - Rent $4,888.60, telephone $712.75, and damages $2,481.00 (3c).

Committee worksheets supporting these amendments should also be submitted to the Audit staff for review.

Furthermore, it is the opinion of the Audit staff that, absent a showing to the contrary the value of the expenditures made in excess of the New Hampshire state spending limit should be viewed as unqualified campaign expenses and repaid to the U.S. Treasury pursuant to 26 U.S.C. 9038(b)(2) and 11 C.F.R. 9034.4 (d). (See recap below). At present, the value in excess of the New Hampshire limit is $67,597.59. Adjustments to this figure will be made as a result of our review of the additional expenditure related documents mentioned above.

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Recap of Expenditures Affecting the New Hampshire State Spending Limitation

New Hampshire state spending limit		$294,400.00
Amount allocated to New Hampshire as of 4-30-80 3/	286,352.56	
Allocation required from Finding 3a(ii)	492.71	
Allocation required from Finding 3a(iii)	42,305.20	
Allocation required from Finding 3b	24,764.77	
Allocation required from Finding 3c	8,082.35	
Total recommended allocations to New Hampshire		361,997.59 4/
Total expenditures in excess of limitations resulting from recommended New Hampshire allocations.		$ 67,597.59

3/ The coverage date of the last state allocation schedule (FEC form 3Pc) filed by the Committee.

4/ This amount does not include the expenditures noted in Finding 3a(i) ($35,359.85) and 3b ($193,199.13) that may require allocation to New Hampshire based upon the documentation presented by the Committee (amount in question $228,558.98).

B. Findings Relating to Title 26 of the United States Code

1. Determination of Net Outstanding Campaign Obligations and Repayment to the U.S. Treasury

Section 9034.5(b) of Title 11, Code of Federal Regulations requires that the candidate submit a Statement of Net Outstanding Campaign Obligations which contains, among other items, the total of all outstanding obligations for qualified campaign expenses and an estimate of necessary winding down costs within 15 days of the candidate's date of ineligibility.

Section 9038(b)(1) of Title 26 of the United States Code states that if the Commission determines that any portion of the payments made to a candidate from the matching payment account was in excess of the aggregate amount of payments to which such candidate was entitled under Section 9034, it shall notify the candidate, and the candidate shall pay to the Secretary an amount equal to the amount of excess payments.

Further, Section 9038(b)(2)(A) of Title 26 of the United States Code states that if the Commission determines that any amount of any payment made to a candidate from the matching payment account was used for any purpose other than to defray the qualified campaign expenses with respect to which such payments was made, it shall notify such candidate of the amount so used, and the candidate shall pay to the Secretary an amount equal to such amount.

The Committee filed a Statement of Net Outstanding Campaign Obligations (NOCO) on April 22, 1980. 5/ This statement, as amended, and the results of our verification of the items contained thereon, appear below.

5/ The Committee amended its original NOCO on May 19, 1980, June 16, 1980, July 7, 1980, and July 28, 1980. In addition, on August 4, 1980, the Committee filed an "alternative" NOCO to the amended July 28, 1980 NOCO. Since the August 4 NOCO was submitted after the completion of the New York fieldwork, it has not been incorporated into this report. However, all materials submitted will be included in the final audit report.

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	NCCO AS AMENDED	AUDIT	NCCO AS AMENDED	AUDIT
ASSETS				
Cash on Hand as of 4/17/80 6/			(4,399.65)	(1,440.73)
Prepayments and Security Deposits			39,541.05	36,466.74
TOTAL ASSETS			35,141.40	35,026.01
OBLIGATIONS				
Accounts and Loan Payable			406,466.72	378,869.51 7/
ESTIMATED WINDING DOWN COSTS				
Office Expenses	4,500.00	4,500.00		
Legal Expenses (General)	35,000.00	-0- 8/		
Miscellaneous Staff Expenses	2,500.00	2,500.00		
Field Offices - Transportation Hotels, Freight & Per Diem	6,250.00	6,250.00		
Candidate Travel & Lodging	100,000.00	-0- 8/		
Audit 1 7½ weeks - Room Personnel, Accountant & Attorney Fees	15,000.00	15,000.00		
Audit 2 6 weeks				
FEC Room	1,500.00	-0- 8/		
Personnel	1,200.00	-0- 8/		
Attorney Fees and Expenses	5,000.00	-0- 8/		
Travel For FEC Related Business	5,000.00	5,000.00		
Other Compliance Computer Cost	9,250.00	9,250.00		
Fundraising Costs	66,500.00	-0- 9/		
Candidate Security	27,000.00	-0- 8/		
Storage	2,250.00	2,250.00		
TOTAL ESTIMATED WINDING DOWN COSTS			$280,950.00	$ 44,750.00 10/
TOTAL OBLIGATIONS			687,416.72	423,619.51
NET OUTSTANDING CAMPAIGN OBLIGATIONS DEFICIT			(652,275.32)	(388,593.50)
CONTRIBUTIONS/MATCHING FUNDS APPLIED TOWARD DEFICIT			568,685.78	579,764.82 11/
REMAINING ENTITLEMENT			($ 83,589.54)	$ -0-

6/ April 17, 1980, is the date determined by the Commission to be the Candidate's date of ineligibility for purposes of incurring qualified campaign expenses.

7/ This figure does not include Committee debts of $27,597.21, due to CFL's failure to provide the supporting documentation required by 11 C.F.R. 9033.1(a)(1). See Attachment F for a schedule of debts requiring supporting documentation.

8/ The Commission has preliminarily determined on August 7, 1980 that the items listed are not legitimate winding down costs.

9/ By excluding the items in footnote 8 from estimated winding down costs, the Committee is no longer in a deficit position, therefore, the projected fundraising costs from 8/18 (Date of Nomination of Democratic Candidate) to 12/31/80 are not applicable.

10/ The remaining items appear reasonable but are subject to revision based upon actual cost incurred.

11/ The Committee has only included $330.00 of the $11,409.04 in matching funds received on April 24, 1980.

9204032167

As noted above, the Audit staff's verification of the items on the Committee's NOCO statement revealed various differences which resulted in a net difference (overstatement) in net outstanding campaign obligations of $263,681.82. Therefore, the Committee's NOCO as of the date of ineligibility (April 17, 1980) should have disclosed a deficit of $388,593.50 and not $652,275.32 as stated by the Committee in its amended NOCO statement.

In addition, our review of the Committee's deposits indicated that for the period April 18, 1980, through June 16, 1980, the Committee received $374,332.73 12/ in individual contributions and matching funds. Based on the above, the Committee's remaining entitlement was $14,260.77 ($388,593.50 - $374,332.73) as of June 16, 1980 (see 11 C.F.R. 9034.5(a)). However, the Committee received three (3) subsequent matching fund payments totaling $36,958.19 resulting in an overpayment of $22,697.42 ($36,958.19 - $14,260.77).

Recommendation

The Audit staff recommends that within 30 days of receipt of this report the Committee obtain and submit documentation for the unverified items noted in Attachment F. After reviewing any additional documentation the NOCO figures will be adjusted accordingly. Absent a showing to the contrary, within 30 days of receipt we recommend that the Commission preliminarily determine that $22,697.42 is repayable to the U.S. Treasury pursuant to 26 U.S.C. 9038(b)(1).

The Audit staff also recommends that within 30 days of notification, the Committee obtain and submit the June bank records for its Ohio account as well as financial records for the Teamsters Committee to Elect LaRouche, an authorized committee.

12/ a. The Committee actually received $375,412.34, however, the NSF checks that were matched ($589.07) and the loans/refund that were matched ($490.54) have been deducted from this amount.

b. In addition, the Audit staff was not provided with the June bank records of the Ohio depository or the bank records of the Teamsters Committee to Elect LaRouche. Therefore, a reconcilation of Committee receipts through June 16, 1980 could not be completed.

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2. Non-Sufficient Funds Checks Matched

Section 9034.2(a)(3) of Title 11, Code of Federal Regulations states that a matchable campaign contribution is one in which the amount of the contribution which is submitted for matching shall be actually received by the candidate or any of the candidate's authorized committees and deposited in a designated campaign depository maintained by the principal campaign committee.

In accordance with the Guideline for Presentation in Good Order approved by the Commission on May 17, 1979, committees are required to present a list of all instruments returned by the bank because of insufficient funds. This list forms the basis for adjustments to matching fund payments for contributions, which may have been submitted for matching and subsequently returned by the bank as non-negotiable.

The review of Committee records indicated that 14 contributions were returned by the campaign depository due to insufficient funds in the contributor account. Six (6) of these contributions totaling $145.00 were from identifiable contributors which were not included on the non-negotiable instrument list submitted by the Committee with its matching fund submissions. Matching funds actually disbursed for these contributions after the application of the appropriate submission error rates totaled $139.07. The remaining eight (8) contributions totaling $450.00 were from contributors whose identification could not be ascertained from available records. Therefore, the Audit staff was not able to determine whether these contributions were in fact, matched.

Recommendation

The Audit staff recommends that absent a showing to the contrary within 30 days of receipt of this report, the Commission preliminarily determine that a repayment of $589.07 be made to the U.S. Treasury pursuant to 26 U.S.C. 9038(b)(1) and 11 C.F.R. 9038.2(a)(1).

3. Loans/Refunded Contributions Matched

Section 9034.3(b) of Title 11 of the Code of Federal Regulations defines non-matchable contributions to include a subscription, loan, advance, or deposit of money or anything of value.

As part of our testing, we reviewed the Committee's loan records (including repayments) and records relating to contribution refunds made. Three (3) instances were noted which require recovery of $490.54 in matching funds which were certified for payment to the U.S. Treasury.

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a. the Committee submitted for matching two (2) $1,000 loans from two (2) individuals. Both loans were received in September of 1979. One (1) loan was repaid in full by the Committee in November, 1979 and the other loan was repaid to the extent of $995 in January, 1980. The loan repayments were verified by a review of the cancelled checks negotiated by the individuals. However, on January 14, 1980, the Committee submitted a matching fund submission to the Commission which included signed statements dated December 10, 1979 from the individuals who made the loans, which indicated that $250 of the $1,000 loans were, in fact, not a loan but rather a donation/contribution.

b. the Committee submitted for matching on December 31, 1979, a contribution of $20 which was refunded on October 6, 1979 at the request of the contributor. The refund transaction was not recorded in the Committee's data base and as a result, the $20 contribution was improperly included in a matching fund submission. Matching funds actually paid out for the refunded contribution and the two (2) loans after the application of the appropriate submission error rates totaled $490.54.

Recommendation

The Audit staff recommends that absent a showing to the contrary within 30 days of receipt of this report, the Commission preliminarily determine that a repayment of $490.54 be made to the U.S. Treasury pursuant to 26 U.S.C. 9038(b)(1) and 11 C.F.R. 9038.2(a)(1).

Summary of Repayments

Repayment required from Finding A3	$67,597.59
Repayment required from Finding B1	22,697.42
Repayment required from Finding B2	589.07
Repayment required from Finding B3	490.54
Total repayment	$91,374.62 13/

Recommendation

The Audit staff recommends that absent a showing to the contrary within 30 days of receipt of this report, the Commission preliminarily determine that a repayment of $91,374.62 be made to the U.S. Treasury pursuant to 26 U.S.C. 9038(b)(1) and 11 C.F.R. 9038.2 (a)(1) and (2)(i). See also 11 C.F.R. 9034.4(d)

13/ This amount is subject to adjustment based on the review of the Committee's response with respect to Finding II.A.3 and B.1.

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4. Matters Referred to the Office of General Counsel

Certain other matters noted during the audit were referred to the Commission's Office of General Counsel for consideration on June 13, 1980 and September 5, 1980.

6204032171

Exhibit B

Received 10/27/80 RJC

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 27, 1980

MEMORANDUM

TO: Robert J. Costa

THROUGH: B. Allen Clutter
Staff Director

FROM: Charles N. Steele
General Counsel

SUBJECT: Interim Post-Primary Audit Report
Citizens for LaRouche - A-833

The Office of General Counsel has reviewed the Interim Report of the Audit Division of the Citizens for LaRouche ("CFL") and makes the following comments.

PART I, Background

The Office of General Counsel has no comment with respect to this section of the Report, except to note that footnote one is not a complete sentence and should be rewritten to explain more fully where the understatement in question has occurred.

PART II, Interim Audit Findings and Recommendations

A. 1. Findings relating to Title II - Limitations on Contributions

The Office of General Counsel recommends that the Audit Recommendation contained in this section of the report be revised to include the following caveat, which appears in Commission Requests for Additional Information concerning committee acceptance of excessive contributions that must be refunded.

Although the Commission may take further legal steps concerning the acceptance of an excessive contribution, your prompt refund of the excessive amount will be taken into consideration by the Commission.

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This language makes it clear that the Commission is not waiving its right to take future compliance action against CFL, despite the Committee's refund of excessive amounts. 1/ In addition, because the total amount of excessive contributions received by CFL exceeds $1,000, this matter should also be referred to the Office of General Counsel for possible compliance action against the Committee and possibly Dan J. Carr (whose excessive contribution amounted to $2,375).

A 2. Disclosure of Contributor Information

The Office of General Counsel concurs with the recommendation contained in this section of the Report.

A 3. Allocation of Expenditures to States

The Office of General Counsel suggests that the analysis in part a be expanded to include a footnote in the last paragraph of that section briefly explaining how the figures of $42,305 (to be allocated to New Hampshire) and $7,053.33 (to be allocated to Vermont and Connecticut) were derived by the auditors. Part a (iii) should also contain a fuller explanation of the auditors' conclusion with respect to Committee allocation of expenditures to Massachusetts, and a citation to any prior Commission action (for e.g. Udall in 1976) consistent with this approach, in order to refute the Committee's argument to the contrary. Also, there should be some reference, in the text or a footnote, to the primary procedure in Massachusetts, noting that the state's ballot does not provide for a write in vote. (Staff of this office can fill you in on the details of the Massachuetts Democratic primary system if you don't already have that knowledge.) In addition, the Office of General Counsel suggests that the second paragraph in part b be revised, as well, to more clearly state that the figure of $24,764.77 represents that portion of the 44 2/

1/ The General Counsel's Office notes that the Reports Analysis Division only permits recipient committees 15 days in which to refund apparent excessive contributions and file an amended report reflecting the refund. The time period a recipient committee has in which to refund an excessive contribution should not vary depending on the FEC division making the request. Therefore, the Office of General Counsel suggests that the Audit Division may wish to review its practice of permitting audited committees 30 days in which to refund excessive contributions received.

2/ Your division has informed this office that the number of instances of literature targeted (but not allocated) to New Hampshire is not 45, as this section of the report states, but rather is 44, and that this correction will be made in the report. The Office of General Counsel understands that the amount is correct, and therefore will remain unchanged.

6204036217 3

invoices that was not allocated to New Hampshire but, in the auditors' opinion, should have been. In addition, the Office of General Counsel recommends that part c be revised to include a reference to the applicable regulation (11 C.F.R. § 106.2(b)), and the rule that the regulation sets out for allocating committee expenditures to national headquarters overhead. 3/

B 1. Determination of Net Outstanding Campaign Obligations

The Office of General Counsel recommends that the following changes be made in this portion of the report. Note seven of the amended NOCO statement (page 10) should be revised to provide a fuller explanation of the difference in the figures of the auditors from those of CFL. For example, the note could state that, "This figure does not include debts of the committee of $27,597.21, due to CFL's failure to provide the supporting documentation required by 11 C.F.R. § 9033.1(a)(1). See Attachment F."

The Office of General Counsel also recommends that the last two paragraphs before the Recommendation section in Part B 1 be revised as follows:

> As noted above, the Audit staff's verification of the items on the Committee's NOCO statement revealed various differences which resulted in a net difference (overstatement) in net outstanding campaign obligations of $263,682.02. Thus, the amount of the Committee's net outstanding campaign obligations as of the date of ineligibility (April 17, 1980) was $388,593.30, and not $622,275.32 as stated by the Committee in its (amended) NOCO Statement. The audit review of the Committee's deposits indicated that the Committee had receipts of $374,322.73 in matching funds and contributions during the period of April 18 - June 16, 1980. Therefore, as of June 16, 1980, the Committee's remaining entitlement was $14,260.57 ($388,593.30 - $374,332.73). See 11 C.F.R. § 9034.5(a). However, the Committee received three (3) subsequent matching fund payments totaling $36,958.19, resulting in an overpayment of $22,697.62 ($36,958.19 - $14,260.57).

3/ 11 C.F.R. § 106.2(b) provides for allocation of an expense to national headquarters only if such an expenditure for administrative, staff and overhead costs is directly related to the national campaign headquarters. As the analysis in part C states, the cost of candidate lodging in a particular state for the period just prior to that state's primary (February 26, 1980) does not directly relate to national campaign headquarters, but rather clearly relates to the candidate's campaign in the state in question. See also 11 C.F.R. § 106.3(a).

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The recommendation in this section also is not in compliance with the procedures of 11 C.F.R. § 9038.2(a)(3). That regulatory provision states that the candidate shall have 90 days after notice from the Commission in which to make repayment, and 30 days to demonstrate that repayment is not required. Furthermore, the notice from the Commission must contain the factual and legal basis for the decision that repayment is due. The audit report contains no such information with respect to the auditor's determination that the expenditures in question were inadequately documented. Therefore, the Office of General Counsel recommends that the first paragraph of the Audit Recommendation be stricken, and substituted with a paragraph informing CFL that the matter has been forwarded to the General Counsel's Office with an Audit Division recommendation that repayment be sought by the Commission. This Office can then review the materials obtained by the auditors and present a recommendation to the Commission including, if necessary, a proposed Notice of Request for Repayment to CFL, containing the factual and legal basis for the request.

The above proposed revision also applies to the Recommendations in Parts B 2 and 3. In addition, the paragraph of this section stating the audit opinion with respect to repayment of the amounts by which the New Hampshire spending limit was exceeded (page 8 of the report, second full paragraph) should include a reference to 11 C.F.R. § 9034.4(d), the regulation which states that an expenditure in excess of a state limitation is not a qualified campaign expense. The Office of General Counsel also recommends that the matter noted in Part B 3a concerning the apparently false documentation submitted with a contribution to be matched (which was, in fact, a loan that had been fully repaid prior to the date of the document in question) also be referred to this office for possible compliance action.

B 4. Disbursement Irregularities

The Office of General Counsel recommends this section be stricken from the report. Even if it is established that the same individual who endorsed the checks in question also filled in the payee line, there is nothing unlawful about such a procedure. On the contrary, it is a relatively common practice of some check drawers to leave the payee line blank to be filled in by the payee (or stamped in), especially when there is a close relationship between the drawer and payee. Nor is it illegal or questionable for a committee to have the same banker as one of its vendors, particularly where the bank is such a large established one as the Chemical Bank. Therefore, the Office of General Counsel instead suggests that the analysis contained in this section be the subject of an informational memorandum to the attorney (Robert Bogin) and staff handling the MURs involving CFL, for later reference should additional evidence arise which might call this Committee practice into serious question.

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Attachment A

Contributions in Excess of $1,000 Limitation

	Contributor	Aggregate Amount	Excessive Portion
1.	August F. Arace	$ 1,025	$ 25
2.	Don J. Carr	2,375	1,375
3.	James M. Duree	1,043	43
4.	Shirley Fingerman	1,105	105
5.	John Holly	1,030	30
6.	T. J. Hopkins	1,044	44
7.	Sherri S. Lightner	1,150	150
8.	John Pellicano	1,100	100
9.	John Ryman	1,100	100
10.	John J. Sakala	1,120	120
11.	Walter J. Stevens	1,125	125
12.	James Taylor	1,010	10
13.	Verne Tomlins	1,030	30
14.	Carleton Williams	1,515	515
15.	Frederic L. Young	1,580	580
	Total	$18,352	$3,352

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Attachment B

Media Costs Not Allocated

Vendor/Particulars	Statement Date (2/1/80 for Jan services)	Amount
Grand Design Advertising		
Charges:		
Production		$ 1,780.89
Television		7,443.45
Radio		1,839.45
Other (Bumper stickers, Billboards)		4,033.26
		$15,097.05
	(3/1/80 for Feb services)	
Charges:		
Production		$18,063.90
Print		456.47
Other (Buttons, stickers)		1,742.43
		$20,262.80
Total Media Costs Not Allocated		$35,359.85

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Attachment C

Schedule of Media Costs Allocated to Massachusetts after 1/4/80 Ballot Access Date

Vendor	Date	Invoice Amount
WMTW-TV-Boston	1/80	$ 2,263.75
Grand Design Advertising:		
WCVB-TV-Boston	1/9/80	5,717.00
WBZ-TV-Boston	1/9/80	9,936.00
WNAC-TV-Boston	1/9/80	3,912.00
WCVB-TV-Boston	1/18/80	176.00
WCVB-TV-Boston	2/80	2,975.00
WNAC-TV-Boston	2/80	4,250.00
WNAC-TV-Boston	2/80	1,785.00
WBZ-TV-Boston	2/80	2,762.50
Grand Design Advertising:		
WBZ-TV-Boston	2/6/80	4,705.88
WNAC-TV-Boston	2/8/80	600.00
WCUB-TV-Boston	2/8/80	3,200.00
WBZ-TV-Boston	2/8/80	8,350.00
WBZ radio-Boston	2/8/80	1,944.00
Production Costs	1/5/80	1,804.00
Production Costs	1/7/80	900.49
Production Costs	1/10/80	2,112.00
		$57,393.62
Allocated to Massachusetts	86%	49,358.53
Allocated to New Hamsphire	12%	6,887.21
Allocated to Connecticut	1%	573.94
Allocated to Vermont	1%	573.94
Total		$57,393.62

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Attachment D

Literature Costs Targeted to New Hampshire but not Allocated on a 100% Basis

Vendor Name	Invoice #	Invoice Date	Invoice Amount
PMR Printing Company	2623	12/24/79	$ 140.00
" " "	2621	12/31/79	57.00
" " "	2680	11/29/79	238.00
" " "	2685	1/6/80	1,200.00
" " "	2688	1/3/80	800.00
" " "	2689	1/2/80	3,000.00
" " "	2687	1/5/80	160.00
" " "	2690	1/3/80	351.00
" " "	2716	1/9/80	185.00
" " "	2794	1/10/80	333.00
" " "	2756	1/11/80	265.00
" " "	2758	1/15/80	1,125.00
" " "	2797	12/13/79	1,915.00
" " "	2796	12/21/79	2,930.00
" " "	2795	12/22/79	2,995.00
" " "	2799	1/16/80	890.00
" " "	2820	1/16/80	320.00
" " "	2842	1/17/80	1,400.00
" " "	2749	1/22/80	130.00
" " "	2841	1/28/80	3,395.00
" " "	2908	1/22/80	170.00
" " "	2913	1/22/80	799.00

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Attachment D

Literature Costs Targeted to New Hampshire but not Allocated on a 100% Basis

Vendor Name	Invoice #	Invoice Date	Invoice Amount
PMR Printing Company	2844	2/1/80	$ 100.00
" " "	2885	2/7/80	400.00
" " "	2887	2/10/80	670.00
" " "	2883	2/11/80	335.00
" " "	2970	2/12/80	350.00
" " "	2982	2/12/80	185.00
" " "	2973	2/13/80	355.00
" " "	A1695	2/14/80	355.00
" " "	A1696	2/14/80	2,290.00
" " "	2964A	2/14/80	5,085.00
" " "	A1697	2/15/80	400.00
" " "	2972	2/17/80	520.00
" " "	2993	2/17/80	2,040.00
" " "	2974	2/18/80	635.00
" " "	2964B	2/19/80	635.00
" " "	2990A	2/21/80	635.00
" " "	2990B	2/19/80	1,397.00
" " "	3003	2/19/80	1,125.00
" " "	3040	2/20/80	635.00
" " "	A1693	2/22/80	635.00
" " "	3041	2/22/80	697.00
" " "	3042	2/23/80	1,190.00
" " "	3011	2/25/80	700.00
			$44,167.00

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Attachment E

Part I

Literature Costs Allocated to States however Sample Copies of Literature not Available to Verify Allocation

Vendor Name	Invoice #	Invoice Date	Invoice Amount
Campaigner Publications	178	11/30/79	$29,499.00
" "	198	12/31/79	2,820.00
" "	186	12/31/79	2,140.00
" "	72	1/31/80	500.00
PMR Printing Company	2508	11/27/79	795.00
" " "	2566*	11/28/79	163.00
" " "	2570*	11/29/79	200.00
" " "	2637	12/79	375.00
" " "	2572*	12/2/79	55.00
" " "	2569*	12/2/79	160.00
" " "	2576*	12/3/79	409.00
" " "	2574*	12/5/79	175.00
" " "	2549*	12/5/79	57.00
" " "	2587*	11/29/79	890.00
" " "	2509*	12/6/79	395.00
" " "	2567	12/7/79	115.00
" " "	2548*	12/9/79	185.00
" " "	2582	12/9/79	110.00
" " "	2550*	12/10/79	30.00
" " "	2578	12/12/79	575.00
" " "	2638	12/14/79	75.00
" " "	2639*	12/22/79	980.00

* Sample copies of literature received from the Committee.

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Attachment E

Part I

Literature Costs Allocated to States however Sample Copies of Literature not Available to Verify Allocation

Vendor Name	Invoice #	Invoice Date	Invoice Amount
PMR Printing Company	2625*	12/15/79	$ 288.00
" " "	2634*	12/15/79	545.00
" " "	2635*	12/16/79	235.00
" " "	2628*	12/17/79	830.00
" " "	2631	12/18/79	3,800.00
" " "	2630	12/21/79	1,925.00
" " "	2624	12/23/79	260.00
" " "	2596	12/24/79	150.00
" " "	2597*	12/24/79	381.00
" " "	2629	12/26/79	369.00
" " "	2681	1/5/80	56.00
" " "	2684	1/6/80	125.00
" " "	2715*	1/7/80	1,380.00
" " "	2809* in part	1/6/80	775.00
" " "	2805	1/18/80	680.00
" " "	2791	1/24/80	510.00
" " "	2840	1/27/80	40.00
" " "	2830*	2/1/80	645.00
" " "	2829	2/4/80	95.00
" " "	2828	2/7/80	523.00
" " "	2907	2/3/80	301.00
" " "	2886	2/5/80	1,800.00
" " "	2889	2/6/80	75.00

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Attachment E

Part I

Literature Costs Allocated to States however Sample Copies of Literature not Available to Verify Allocation

Vendor Name	Invoice #	Invoice Date	Invoice Amount
PMR Printing Company	2919*	2/6/80	$ 90.00
" " "	2997	2/16/80	355.00
" " "	3043	2/19/80	75.00
" " "	4016	2/8/80	200.00
" " "	4017	2/8/80	125.00
" " "	4018	2/8/80	125.00
" " "	4019	2/8/80	125.00
" " "	3035	2/15/80	1,560.00
" " "	3084	2/24/80	1,212.00
" " "	3085	2/24/80	850.00
" " "	3016	2/27/80	707.00
" " "	3024	2/27/80	354.00
" " "	3082	2/27/80	25.00
" " "	3039	3/1/80	1,875.00
" " "	3023*	3/2/80	164.00
" " "	3068*	3/2/80	25.00
" " "	4049	3/17/80	1,825.00
" " "	4048	3/18/80	2,380.00
" " "	4074*	3/21/80	366.00
" " "	5036	3/7/80	2,015.00
" " "	5021A*	3/24/80	70.00

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Attachment E

Part I

Literature Costs Allocated to States however Sample Copies of Literature not Available to Verify Allocation

Vendor Name	Invoice #	Invoice Date	Invoice Amount
PMR Printing Company	5024*	3/30/80	$ 100.00
" " "	5027*	3/25/80	855.00
" " "	5041	3/25/80	100.00
" " "	5021	4/3/80	20.00
" " "	5019	4/3/80	100.00
" " "	5091*	4/11/80	1,405.00
" " "	6067A	4/13/80	3,105.00
" " "	6091	4/16/80	1,500.00
" " "	6034	4/24/80	850.00
" " "	6088	4/30/80	240.00
" " "	7047	5/8/80	110.00
" " "	8071	5/24/80	4,025.00
" " "	8073	5/28/80	2,839.00
" " "	8091	5/30/80	85.00
" " "	8072	5/30/80	2,875.00
" " "	9026	6/1/80	75.00
" " "	9008	6/2/80	35.00
" " "	9027	6/3/80	375.00
" " "	9028	6/6/80	105.00
" " "	9036	6/9/80	830.00
" " "	9084	6/10/80	400.00

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Attachment E

Part I

Literature Costs Allocated to States however Sample Copies of Literature not Available to Verify Allocation

Vendor Name	Invoice #	Invoice Date	Invoice Amount
PMR Printing Company	9086	6/12/80	$ 470.00
" " "	9101	6/17/80	20.00
" " "	9104	6/17/80	55.00
" " "	9109	6/18/80	230.00
" " "	9111	6/19/80	285.00
" " "	9113	6/20/80	60.00
" " "	2983	2/12/80	262.00
Vanguard Offset Printers	13812	12/6/79	1,002.44
" " "	13900	12/14/79	706.69
" " "	14034	1/11/80	2,402.00
" " "	14140	1/24/80	436.50
" " "	14066	1/11/80	1,370.10
" " "	14156	1/24/80	707.90
" " "	14179	1/24/80	1,502.50
" " "	14245	2/5/80	5,350.00
World Composition Services, Inc.	623* in part	11/30/79	825.00
" " "	625	11/30/79	2,045.00
" " "	626* in part	11/30/79	2,215.00
" " "	671* in part	12/31/79	2,239.00
" " "	672* in part	12/31/79	1,587.00
" " "	674* in part	12/31/79	551.00
" " "	458	10/8/79	360.00

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Attachment E

Part I

Literature Costs Allocated to States however Sample Copies of Literature not Available to Verify Allocation

Vendor Name	Invoice #	Invoice Date	Invoice Amount
World Composition Services, Inc.	462	10/8/79	$ 60.00
" " "	465	10/8/79	60.00
" " "	457	10/8/79	1,095.00
" " "	459	10/8/79	340.00
" " "	460*	10/8/79	30.00
" " "	461	10/8/79	30.00
" " "	463*	10/8/79	830.00
" " "	464	10/8/79	90.00
" " "	466	10/8/79	95.00
" " "	467	10/8/79	450.00
" " "	624	11/30/79	445.00
" " "	627* in part	11/30/79	420.00
" " "	628* in part	11/30/79	2,600.00
" " "	670* in part	12/31/79	1,147.00
" " "	673* in part	12/31/79	380.00
" " "	478A*	10/16/79	1,920.00
" " "	479A*	10/16/79	600.00
" " "	480A*	10/16/79	1,440.00
" " "	468	10/8/79	185.00
" " "	469	10/8/79	165.00
" " "	470	10/8/79	65.00
" " "	698	1/15/80	922.00

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Attachment E

Part I

Literature Costs Allocated to States however Sample Copies of Literature not Available to Verify Allocation

Vendor Name	Invoice #	Invoice Date	Invoice Amount
World Composition Services, Inc.	699	1/15/80	$ 445.00
" " "	700* in part	1/15/80	635.00
" " "	727* in part	1/31/80	1,318.00
" " "	728	1/31/80	1,380.00
" " "	729* in part	1/31/80	820.00
" " "	730A* in part	1/31/80	420.00
" " "	730* in part	1/31/80	1,215.00
" " "	730B	1/31/80	442.00
" " "	781	2/29/80	3,160.00
" " "	782* in part	2/29/80	1,230.00
" " "	783	2/29/80	3,000.00
" " "	798	3/11/80	1,500.00
" " "	816* in part	3/19/80	5,060.00
" " "	817	3/20/80	750.00
" " "	855* in part	3/31/80	1,878.00

Vendor Summary and Related Information

	No. of Invoices	Amount
Campaigner Publications	4	$ 34,959.00
PMR Printing Company	90	57,466.00
Vanguard Offset Printers	8	13,478.13
World Composition Services, Inc.	44	46,444.00
Total	146	$152,347.13

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Attachment E

Part II

Literature Costs not Allocated to State(s) and Sample Copies of Literature not Available

Vendor Name	Invoice #	Invoice Date	Invoice Amount
Campaigner Publications	0033	1/31/80	$ 1,925.00
" "	0038	2/28/80	4,331.25
" "	0040	3/30/80	3,387.50
" "	0045	4/30/79	887.50
" "	0048	5/31/79	1,068.75
" "	0049	7/2/79	1,875.00
" "	0051	7/31/79	1,075.00
" "	0054	8/31/79	10,415.75
" "	0057	9/28/79	2,293.75
" "	0061	10/31/79	3,350.00
" "	0063	11/30/79	1,062.50
" "	0067	12/31/79	600.00
" "	0072	2/28/79	740.00
" "	0198	12/31/79	6,760.00
" "	"	"	1,080.00
		Total	$ 40,852.00

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Attachment F

Schedule of Adjustments to Committee Debts

Vendor	Amount
Illinois Bell Telephone	$ 2,727.33
PMR Printing Company	5,000.00
Estimated Finance Charges - Agents	8,470.08
Andrea Konviser	36.75
Richard Magraw	68.65
Premier Services	542.30
Freyda and Robert Greenberg	1,200.00
Vanguard Offset Printers	993.05
World Composition Services	3,458.00
Andrew Wilson	150.00
Alpha Realty	250.00
Demers Television Service, Inc.	250.00
Campbell Evans	600.00
Lawrence Gray	1,237.11
Public Service Co. of New Hampshire	380.46
Michael Smedberg	1,235.00
David Thill	362.00
Eau Claire Telegram	636.48
Total	$27,597.21

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EXHIBIT B
Page 1/2

4. Disbursement Irregularities

One phase of our review of Committee disbursements involved an examination of all Committee negotiated checks for proper endorsements. During this process several apparent irregularities were noted in checks issued to three (3) vendors. A discussion of the irregularities is supplemented by attachments G, H, and I which provide further detail on the disbursements.

a. Grand Design Advertising - Both Grand Design Advertising (a non-incorporated entity) and the Committee are located at the same address in New York City. The Committee has paid the vendor $212,253.70 for services rendered through April 17, 1980. The style of handwriting which completed the date, payee and amount (numeric and written) lines of three (3) checks, is extraordinarily similar to the style of handwriting which endorsed these checks, to such an extent that the checks may have been written (face) and endorsed (reverse) by the same hand (see Attachment G #021, #030, #1638). In addition, the style of writing which completed the payee line on check #027 appears to be the same style of writing which completed both the payee lines (face) and endorsements (reverse) on the three (3) checks noted above (see Attachment G #027, #021, #030, #1638). Other similarities noted are as follow:

The style of writing which completed the payee lines on checks #001 and #019 (Grand Design Advertising) appears to be the same style of writing which endorsed the six (6) checks (see Attachment H #001, #019, #012, #023, #033, #038, #1745 and #1746) issued to PMR Printing Company, Inc. (see 4b below).

One (1) of the Committee's accounts at the Chemical Bank (#028-017706) and one (1) of the vendor's accounts at the Chemical Bank (#028-017900) appear to have been opened at the same time, as evidenced by the closeness of the account numbers assigned.

An additional point was noted during our review of checks payable to Grand Design Advertising. There are at least two (2) handwritten annotations on the reverse of check #019 (see Attachment I) in addition to the apparent stamped credit instructions. The first annotation (partially illegible due to poor copy resolution and the machine stamp) contains (1) Grand Design's apparent bank account #018-1-085341, (2) "c/o Kenneth ?? Mandell ??,* 304 W. 58th, (NY, NY) 10019" which, as previously stated, is the address of both the Committee and Grand Design Advertising. The second annotation is almost totally illegible, although it appears the following may be contained therein: "?? Redeposit, M--,Legg----??". Further, a series of numbers appear in the upper righthand portion of the reverse side of the check: 41,500.4-. Neither the purpose of the annotations, nor their significance is known at this time.

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* An individual named Kenneth Mandel, 52 N. Arlington Ave., E. Orange, N. J. 07018 was listed on the Committee's Threshold Submission as having donated $2.00 to the Committee on 6/27/79.

EXHIBIT B
Page 2/2

b. PMR Printing Company, Inc. (incorporated in the state of New York on July 28, 1977) - The Committee has paid this vendor $166,425 through April 17, 1980. The style of printing which completed the date, payee, and amount lines of six (6) checks is extraordinarily similar to the style of printing endorsing these checks, to such an extent the checks may have been completed by the same hand (see Attachment J #043, #1188, #1193, #1578, #1579, and #1793). In addition, two (2) of these checks (#1188 and #1193) are drawn on a Committee depository located in Detroit, Michigan and the remaining four (4) checks (#043, #1578, #1579 and #1793) are drawn on the Committee's New York depositories. Other similiarities noted are as follows:

The style of printing which completed the payee lines on checks #002, #003, and #017, appears to be the same as the style of printing which endorsed checks #012, #023, #033, #038, #1745 and #1746 (see Attachment K).

The style of printing which completed the payee lines on checks #009, #033, and #48 appears to be the same as the style of printing which endorsed checks #043, #1188, #1193, #1578, #1579 and #1793 (see Attachment L).

Check #12 (Payee line) and check #34 (endorsement) appear to be printed by the same hand (see Attachment M).

c. Project Consulting Services (a non-incorporated entity) - The vendor has received $116,105 in payments through April 17, 1980. The style of printing which completed the date, payee, and amount lines of five (5) checks, totaling $9,500, is extraordinarily similar to the style of printing which endorsed these checks, to such an extent the checks may have been completed by the same hand (see Attachment N). In addition, the printing is slanted to the left. Project Consulting Services registered to do business in Southfield, Michigan, with the Oakland County Clerk's Office on August 30, 1979.

Recommendation

The Audit staff recommends that this matter be referred to the Commission's Office of General Counsel for further consideration.

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REFER TO INSTRUCTIONS ON REVERSE SIDE BEFORE FILLING

REPORTS ANALYSIS REFERRAL SHEET

DATE July 19, 1980 ANALYST Mike Thompson

TO: Office of General Counsel TEAM CHIEF Irene Allen

THROUGH: STAFF DIRECTOR B.L. COMPLIANCE REVIEW

FROM: ASSISTANT STAFF DIRECTOR FOR REPORTS ANALYSIS

CANDIDATE/COMMITTEE: Citizens for Larouche (C00107391)
TREASURER: Ms. Felice Merritt Gelman
ADDRESS: 304 West 58th St.
New York, New York 10019

AFFILIATE(S): See Attachment A

ALLEGATION(S): CITE: ATTACHMENT(S)

See Attachment B

DATE INITIATED: June 24, 1980

MANNER IN WHICH REVIEW WAS INITIATED:
☒ Normal Review ☐ Other: ATTACHMENT
☐ Special Project:

REPORTS: All reports within the dates listed below have received initial basic review. For all reports reviewed, see Attachment 1.

PERIOD COVERED FROM January 1, 1979 TO March 31, 1980

TOTAL RECEIPTS $ 1,304,317 TOTAL EXPENDITURES $ 1,293,743

CASH ON HAND $ 10,573 (3/31/80) DEBTS $ (BY=$272,595; TO=$40,463)

HISTORY:

RESULTS OF REVIEW: *ATTACHMENT*

RFAI/SV Dated May 13, 1980	2
Second Notice RFAI/SV Dated June 5, 1980	4
Partial Response to RFAI/SV Dated June 16, 1980	5

COMMUNICATIONS WITH CANDIDATE/COMMITTEE: *ATTACHMENT*

Telecon with Mr. Richard Welsh Dated June 2, 1980	3

REASON(S) FOR REFERRAL: *ATTACHMENT*

Receipt of excessive contributions - in excess of referral threshold

(Some refunded, Some not refunded, Some computer entry errors)

OTHER PENDING ACTIONS INITIATED BY RAD: *ATTACHMENT*

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ATTACHMENT A

AFFILIATED COMMITTEES:

1980 Principal Campaign Committee:

Citizens for Larouche
(C00107391)

1980 Authorized Committee:

Teamster Committee to Elect Larouche President
(C00110502)

1976 Committees:

Committee to Elect Lyndon Larouche
(C00031781)

Larouche Campaign Finance Committee
(C00079152)

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ATTACHMENT B

ALLEGATION AND CITE:

Acceptance of Excessive Contributions, (including Loans) 2 U.S.C. 441a(a)(1)(a)

The committee has received several excessive contributions, (17 included in this referral). Only upon notice from the Commission has the committee addressed such excessive contributions, and then only after second notice has been sent to the committee. (See also Attachment C.)

The SV mailed on May 15, 1980 regarding these excessive contributions covered from date of registration through March 31, 1980. The excessive contributions that were addressed did not include those which have been previously addressed in other SVs.

The total contributions, including loans, (net of refunds and repayments), for the 17 individuals was $28,680 for an average of $1,687.

Two of those contributions have not been addressed by the committee. They are:

Urban Meyer, Jr	only $40 ~~$4,000~~	~~(Total single contribution)~~
Freeerick L. Young	$1,580	(Aggregate)

The committee has stated that the excessive contributions from the following individuals have been refunded/repaid: aggregate

Belinda F. Degrazia	$1,050
Alexandra Ward	$1,250 1/
Daniel B. Polin	$2,150
Mary F. Cuming	$1,125
James M. Everett	$1,075
Michael J. Micale	$1,250
Gary Lee Merritt	$1,100
Donald J. Carr	$2,375 2/
Ellen G. Scott	$2,030

The committee has stated that the following contributions were reported incorrectly by the committee:

Edward J. Hauser:	1 Loan of $ 650 was entered twice
Joy M. Wilkinson:	1 Cont of $ 750 was entered twice
Alexandra Ward	1 Cont of $1,000 was entered twice
Norman F. Childers	1 Cont of $1,000 was NSF and entered improperly
Joseph R. Mather	1 Cont of $ 750 was entered twice
Donald J. Carr	2 Cont of $ 200 and $ 100 were entered improperly
Ruth Rosen	1 Loan of $1,000 was entered twice
Urban Meyer, Jr.	1 contribution of $40 was entered as $4000.

1/ $1,000 Loan incorrectly duplicated by committee on report

2/ $200 & $100 Contributions incorrectly reported by committee

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Rochelle Ascher
461 Westover Hills, Blvd.
Richmond, Virginia 23225

Re: MUR 1253 (1262, 1344)

Dear Ms. Ascher:

On , 1981, the Federal Election Commission determined that there is reason to believe that you violated Section 441a(a)(1)(A) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the Citizens for LaRouche Committee which in the aggregate, exceed $1,000. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten (10) days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with informal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at 202/523-4039.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

6204036219 6

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

RESPONDENT Rochelle Ascher

MUR NO. 1253 (1262, 1344)
STAFF MEMBER(S) & TEL. NO.
Michael Dymersky
(202) 523-4039

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

From evidence disclosed in an Audit Division Referral on June 13, 1980, it appears that respondent violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Citizens For LaRouche Committee ("the Committee" or "CFL").

FACTUAL AND LEGAL ANALYSIS

CFL reports indicate that respondent advanced $2,713.53 to the Committee.

The Act plainly contemplates that an "advance . . . of money or anything of value" is a contribution. 2 U.S.C. § 431(8)(A)(i); former 2 U.S.C. § 431(e)(1).

While past Commission pronouncements have indicated that individuals may incur expenses on behalf of political committees and receive subsequent reimbursement, 1/ the Commission has never indicated that the advances made by such individuals are not

1/ In the Financial Control and Compliance Manual for Presidential Candidates Receiving Public Financing (Primary Election Financing), July 1979, at pp. 138-143, for example, it is stated that a political committee should report the overall reimbursement to an individual for expenditures on Schedule B, with memo entries detailing the ultimate recipients and particulars of each expenditure above $100. This implicitly approves of the concept of individuals advancing funds to a political committee and receiving reimbursement thereafter.

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subject to the Act's limitations when not reimbursed within a reasonable time. Indeed, it would undermine the purposes of the contribution limitations if an individual without restriction, could incur expenditures for a candidate or committee with his or her own funds without affecting his or her contribution limitations. This is not less so if the individual is expressly designated as an agent of the candidate or committee. The candidate or committee plainly enjoys the benefit of the goods or services from the moment they are purchased by the individual. The transaction certainly represents a contribution if the advance is not reimbursed within a reasonable time.

In the General Counsel's view, it could be argued that the contribution arises from the moment the individual makes a payment for the goods or services, i. e., at the time cash, a check, or a credit card is tendered. At that point the vendor receives either money, a negotiable instrument, or a firm contractual right to payment, and the candidate or committee receives goods or services through the efforts of the individual. At that point also, there should be a written receipt or other documentation available to evidence the date, amount, purpose, and payee of the transaction. See 2 U.S.C. § 432(c)(5).

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It is true that Commission regulations, at 11 C.F.R. § 100.7(a)(4), provide that the term "contribution" does not include the extension of credit by any person for a length of time within normal business or trade practice. However, it should be recognized that this limited exemption is geared toward businesses and commercial vendors which have standardized billing cycles whereby goods or services are routinely provided first and paid for later. Individuals carrying out volunteer political activities, rather than business or commercial activities, cannot claim the benefit of this specific exemption, in the General Counsel's view.

Nonetheless, it is not necessary to conclude that the advances involved in this matter were contributions from the moment the services were purchased. Clearly, the advances have been outstanding well beyond what could be considered a reasonable period of time. On that basis alone, the advances here involved can be viewed as contributions.

While, the obligations, for the most part, consisted of expenses for travel, lodging and subsistence for other Committee representatives and the candidate, the exclusion contained in fromer 2 U.S.C. § 431(e)(5)(D) applies solely to an individual's <u>own</u> expenses for travel. See 11 C.F.R. § 100.7(b)(8); former 11 C.F.R. § 100.4(b)(6). Thus, no argument can be sustained that a $1,000 exemption pertains to each individual's aggregate advances.

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Therefore, to the extent that such expenditures exceed the limits prescribed by the Act at 2 U.S.C. § 441a(a)(1)(A) and remain unreimbursed, such expenditures should be considered as excessive contributions.

RECOMMENDATION

1. Find reason to believe that Rochelle Ascher violated 2 U.S.C. § 441a(a)(1)(A).

02040362200

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Elliot Eisenberg
5611 N. Glenwood
Chicago, Illinois 60660

Re: MUR 1253 (1262, 1344)

Dear Mr. Eisenberg:

On , 1981, the Federal Election Commission determined that there is reason to believe that you violated Section 441a(a)(1)(A) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the Citizens for LaRouche Committee which, in the aggregate, exceed $1,000. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten (10) days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with informal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at 202/523-4039.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

MUR NO. 1253 (1262, 1344)

RESPONDENT Elliot Eisenberg

STAFF MEMBER(S) & TEL. NO.
Michael Dymersky
(202) 523-4039

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

From evidence disclosed in an Audit Division Referral on June 13, 1980, it appears that respondent violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Citizens For LaRouche Committee ("the Committee" or "CFL").

FACTUAL AND LEGAL ANALYSIS

CFL reports indicate that respondent advanced $3,378.34 to the Committee.

The Act plainly contemplates that an "advance . . . of money or anything of value" is a contribution. 2 U.S.C. § 431(8)(A)(i); former 2 U.S.C. § 431(e)(1).

While past Commission pronouncements have indicated that individuals may incur expenses on behalf of political committees and receive subsequent reimbursement, 1/ the Commission has never indicated that the advances made by such individuals are not

1/ In the Financial Control and Compliance Manual for Presidential Candidates Receiving Public Financing (Primary Election Financing), July 1979, at pp. 138-143, for example, it is stated that a political committee should report the overall reimbursement to an individual for expenditures on Schedule B, with memo entries detailing the ultimate recipients and particulars of each expenditure above $100. This implicitly approves of the concept of individuals advancing funds to a political committee and receiving reimbursement thereafter.

subject to the Act's limitations when not reimbursed within a reasonable time. Indeed, it would undermine the purposes of the contribution limitations if an individual without restriction, could incur expenditures for a candidate or committee with his or her own funds without affecting his or her contribution limitations. This is not less so if the individual is expressly designated as an agent of the candidate or committee. The candidate or committee plainly enjoys the benefit of the goods or services from the moment they are purchased by the individual. The transaction certainly represents a contribution if the advance is not reimbursed within a reasonable time.

In the General Counsel's view, it could be argued that the contribution arises from the moment the individual makes a payment for the goods or services, i. e., at the time cash, a check, or a credit card is tendered. At that point the vendor receives either money, a negotiable instrument, or a firm contractual right to payment, and the candidate or committee receives goods or services through the efforts of the individual. At that point also, there should be a written receipt or other documentation available to evidence the date, amount, purpose, and payee of the transaction. See 2 U.S.C. § 432(c)(5).

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It is true that Commission regulations, at 11 C.F.R. § 100.7(a)(4), provide that the term "contribution" does not include the extension of credit by any person for a length of time within normal business or trade practice. However, it should be recognized that this limited exemption is geared toward businesses and commercial vendors which have standardized billing cycles whereby goods or services are routinely provided first and paid for later. Individuals carrying out volunteer political activities, rather than business or commercial activities, cannot claim the benefit of this specific exemption, in the General Counsel's view.

Nonetheless, it is not necessary to conclude that the advances involved in this matter were contributions from the moment the services were purchased. Clearly, the advances have been outstanding well beyond what could be considered a reasonable period of time. On that basis alone, the advances here involved can be viewed as contributions.

While, the obligations, for the most part, consisted of expenses for travel, lodging and subsistence for other Committee representatives and the candidate, the exclusion contained in fromer 2 U.S.C. § 431(e)(5)(D) applies solely to an individual's <u>own</u> expenses for travel. See 11 C.F.R. § 100.7(b)(8); former 11 C.F.R. § 100.4(b)(6). Thus, no argument can be sustained that a $1,000 exemption pertains to each individual's aggregate advances.

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Therefore, to the extent that such expenditures exceed the limits prescribed by the Act at 2 U.S.C. § 441a(a)(1)(A) and remain unreimbursed, such expenditures should be considered as excessive contributions.

RECOMMENDATION

1. Find reason to believe that Elliot Eisenberg violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Jeffrey Forest
217 Haven Ave.
New York, New York 10032

Re: MUR 1253 (1262, 1344)

Dear Mr. Forest:

On , 1981, the Federal Election Commission determined that there is reason to believe that you violated Section 441a(a)(1)(A) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the Citizens for LaRouche Committee which, in the aggregate, exceed $1,000. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten (10) days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with informal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at 202/523-4039.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

MUR NO. 1253 (1262, 1344)
STAFF MEMBER(S) & TEL. NO.
Michael Dymersky
(202) 523-4039

RESPONDENT Jeffrey Forest

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

From evidence disclosed in an Audit Division Referral on June 13, 1980, it appears that respondent violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Citizens For LaRouche Committee ("the Committee" or "CFL").

FACTUAL AND LEGAL ANALYSIS

CFL reports indicate that respondent advanced $2,067.3232 to the Committee.

The Act plainly contemplates that an "advance . . . of money or anything of value" is a contribution. 2 U.S.C. § 431(8)(A)(i); former 2 U.S.C. § 431(e)(1).

While past Commission pronouncements have indicated that individuals may incur expenses on behalf of political committees and receive subsequent reimbursement, 1/ the Commission has never indicated that the advances made by such individuals are not

1/ In the Financial Control and Compliance Manual for Presidential Candidates Receiving Public Financing (Primary Election Financing), July 1979, at pp. 138-143, for example, it is stated that a political committee should report the overall reimbursement to an individual for expenditures on Schedule B, with memo entries detailing the ultimate recipients and particulars of each expenditure above $100. This implicitly approves of the concept of individuals advancing funds to a political committee and receiving reimbursement thereafter.

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subject to the Act's limitations when not reimbursed within a reasonable time. Indeed, it would undermine the purposes of the contribution limitations if an individual without restriction, could incur expenditures for a candidate or committee with his or her own funds without affecting his or her contribution limitations. This is not less so if the individual is expressly designated as an agent of the candidate or committee. The candidate or committee plainly enjoys the benefit of the goods or services from the moment they are purchased by the individual. The transaction certainly represents a contribution if the advance is not reimbursed within a reasonable time.

In the General Counsel's view, it could be argued that the contribution arises from the moment the individual makes a payment for the goods or services, i. e., at the time cash, a check, or a credit card is tendered. At that point the vendor receives either money, a negotiable instrument, or a firm contractual right to payment, and the candidate or committee receives goods or services through the efforts of the individual. At that point also, there should be a written receipt or other documentation available to evidence the date, amount, purpose, and payee of the transaction. See 2 U.S.C. § 432(c)(5).

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It is true that Commission regulations, at 11 C.F.R. § 100.7(a)(4), provide that the term "contribution" does not include the extension of credit by any person for a length of time within normal business or trade practice. However, it should be recognized that this limited exemption is geared toward businesses and commercial vendors which have standardized billing cycles whereby goods or services are routinely provided first and paid for later. Individuals carrying out volunteer political activities, rather than business or commercial activities, cannot claim the benefit of this specific exemption, in the General Counsel's view.

Nonetheless, it is not necessary to conclude that the advances involved in this matter were contributions from the moment the services were purchased. Clearly, the advances have been outstanding well beyond what could be considered a reasonable period of time. On that basis alone, the advances here involved can be viewed as contributions.

While, the obligations, for the most part, consisted of expenses for travel, lodging and subsistence for other Committee representatives and the candidate, the exclusion contained in fromer 2 U.S.C. § 431(e)(5)(D) applies solely to an individual's <u>own</u> expenses for travel. See 11 C.F.R. § 100.7(b)(8); former 11 C.F.R. § 100.4(b)(6). Thus, no argument can be sustained that a $1,000 exemption pertains to each individual's aggregate advances.

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Therefore, to the extent that such expenditures exceed the limits prescribed by the Act at 2 U.S.C. § 441a(a)(1)(A) and remain unreimbursed, such expenditures should be considered as excessive contributions.

RECOMMENDATION

1. Find reason to believe that Jeffrey Forest violated 2 U.S.C. § 441a(a)(1)(A).

6204035221 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Lawrence Gray
200 East 27th St.
New York, N.Y. 10016

Re: MUR 1253 (1262, 1344)

Dear Mr. Gray:

On , 1981, the Federal Election Commission determined that there is reason to believe that you violated Section 441a(a)(1)(A) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the Citizens for LaRouche Committee which in the aggregate, exceed $1,000. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten (10) days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with informal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at 202/523-4039.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

6204036221 4

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

RESPONDENT Lawrence Gray

MUR NO. 1253 (1262, 1344)
STAFF MEMBER(S) & TEL. NO.
Michael Dymersky
(202) 523-4039

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

From evidence disclosed in an Audit Division Referral on June 13, 1980, it appears that respondent violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Citizens For LaRouche Committee ("the Committee" or "CFL").

FACTUAL AND LEGAL ANALYSIS

CFL reports indicate that respondent advanced $5,120.32 to the Committee.

The Act plainly contemplates that an "advance . . . of money or anything of value" is a contribution. 2 U.S.C. § 431(8)(A)(i); former 2 U.S.C. § 431(e)(1).

While past Commission pronouncements have indicated that individuals may incur expenses on behalf of political committees and receive subsequent reimbursement, 1/ the Commission has never indicated that the advances made by such individuals are not

1/ In the Financial Control and Compliance Manual for Presidential Candidates Receiving Public Financing (Primary Election Financing), July 1979, at pp. 138-143, for example, it is stated that a political committee should report the overall reimbursement to an individual for expenditures on Schedule B, with memo entries detailing the ultimate recipients and particulars of each expenditure above $100. This implicitly approves of the concept of individuals advancing funds to a political committee and receiving reimbursement thereafter.

subject to the Act's limitations when not reimbursed within a reasonable time. Indeed, it would undermine the purposes of the contribution limitations if an individual without restriction, could incur expenditures for a candidate or committee with his or her own funds without affecting his or her contribution limitations. This is not less so if the individual is expressly designated as an agent of the candidate or committee. The candidate or committee plainly enjoys the benefit of the goods or services from the moment they are purchased by the individual. The transaction certainly represents a contribution if the advance is not reimbursed within a reasonable time.

In the General Counsel's view, it could be argued that the contribution arises from the moment the individual makes a payment for the goods or services, i. e., at the time cash, a check, or a credit card is tendered. At that point the vendor receives either money, a negotiable instrument, or a firm contractual right to payment, and the candidate or committee receives goods or services through the efforts of the individual. At that point also, there should be a written receipt or other documentation available to evidence the date, amount, purpose, and payee of the transaction. See 2 U.S.C. § 432(c)(5).

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It is true that Commission regulations, at 11 C.F.R. § 100.7(a)(4), provide that the term "contribution" does not include the extension of credit by any person for a length of time within normal business or trade practice. However, it should be recognized that this limited exemption is geared toward businesses and commercial vendors which have standardized billing cycles whereby goods or services are routinely provided first and paid for later. Individuals carrying out volunteer political activities, rather than business or commercial activities, cannot claim the benefit of this specific exemption, in the General Counsel's view.

Nonetheless, it is not necessary to conclude that the advances involved in this matter were contributions from the moment the services were purchased. Clearly, the advances have been outstanding well beyond what could be considered a reasonable period of time. On that basis alone, the advances here involved can be viewed as contributions.

While, the obligations, for the most part, consisted of expenses for travel, lodging and subsistence for other Committee representatives and the candidate, the exclusion contained in fromer 2 U.S.C. § 431(e)(5)(D) applies solely to an individual's <u>own</u> expenses for travel. See 11 C.F.R. § 100.7(b)(8); former 11 C.F.R. § 100.4(b)(6). Thus, no argument can be sustained that a $1,000 exemption pertains to each individual's aggregate advances.

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Therefore, to the extent that such expenditures exceed the limits prescribed by the Act at 2 U.S.C. § 441a(a)(1)(A) and remain unreimbursed, such expenditures should be considered as excessive contributions.

RECOMMENDATION

1. Find reason to believe that Lawrence Gray violated 2 U.S.C. § 441a(a)(1)(A).

02040362218

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Marjorie Mazel Hecht
251 West 87th St.
New York, New York 10024

Re: MUR 1253 (1262, 1344)

Dear Ms. Hecht:

On , 1981, the Federal Election Commission determined that there is reason to believe that you violated Section 441a(a)(1)(A) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the Citizens for LaRouche Committee which in the aggregate, exceed $1,000. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten (10) days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with informal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at 202/523-4039.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

02040302220

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

MUR NO. 1253 (1262, 1344)

RESPONDENT Marjorie Mazel Hecht

STAFF MEMBER(S) & TEL. NO.
Michael Dymersky
(202) 523-4039

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

From evidence disclosed in an Audit Division Referral on June 13, 1980, it appears that respondent violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Citizens For LaRouche Committee ("the Committee" or "CFL").

FACTUAL AND LEGAL ANALYSIS

CFL reports indicate that respondent advanced $3,681.32 to the Committee.

The Act plainly contemplates that an "advance . . . of money or anything of value" is a contribution. 2 U.S.C. § 431(8)(A)(i); former 2 U.S.C. § 431(e)(1).

While past Commission pronouncements have indicated that individuals may incur expenses on behalf of political committees and receive subsequent reimbursement, 1/ the Commission has never indicated that the advances made by such individuals are not

1/ In the Financial Control and Compliance Manual for Presidential Candidates Receiving Public Financing (Primary Election Financing), July 1979, at pp. 138-143, for example, it is stated that a political committee should report the overall reimbursement to an individual for expenditures on Schedule B, with memo entries detailing the ultimate recipients and particulars of each expenditure above $100. This implicitly approves of the concept of individuals advancing funds to a political committee and receiving reimbursement thereafter.

subject to the Act's limitations when not reimbursed within a reasonable time. Indeed, it would undermine the purposes of the contribution limitations if an individual without restriction, could incur expenditures for a candidate or committee with his or her own funds without affecting his or her contribution limitations. This is not less so if the individual is expressly designated as an agent of the candidate or committee. The candidate or committee plainly enjoys the benefit of the goods or services from the moment they are purchased by the individual. The transaction certainly represents a contribution if the advance is not reimbursed within a reasonable time.

In the General Counsel's view, it could be argued that the contribution arises from the moment the individual makes a payment for the goods or services, i. e., at the time cash, a check, or a credit card is tendered. At that point the vendor receives either money, a negotiable instrument, or a firm contractual right to payment, and the candidate or committee receives goods or services through the efforts of the individual. At that point also, there should be a written receipt or other documentation available to evidence the date, amount, purpose, and payee of the transaction. See 2 U.S.C. § 432(c)(5).

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It is true that Commission regulations, at 11 C.F.R. § 100.7(a)(4), provide that the term "contribution" does not include the extension of credit by any person for a length of time within normal business or trade practice. However, it should be recognized that this limited exemption is geared toward businesses and commercial vendors which have standardized billing cycles whereby goods or services are routinely provided first and paid for later. Individuals carrying out volunteer political activities, rather than business or commercial activities, cannot claim the benefit of this specific exemption, in the General Counsel's view.

Nonetheless, it is not necessary to conclude that the advances involved in this matter were contributions from the moment the services were purchased. Clearly, the advances have been outstanding well beyond what could be considered a reasonable period of time. On that basis alone, the advances here involved can be viewed as contributions.

While, the obligations, for the most part, consisted of expenses for travel, lodging and subsistence for other Committee representatives and the candidate, the exclusion contained in fromer 2 U.S.C. § 431(e)(5)(D) applies solely to an individual's <u>own</u> expenses for travel. See 11 C.F.R. § 100.7(b)(8); former 11 C.F.R. § 100.4(b)(6). Thus, no argument can be sustained that a $1,000 exemption pertains to each individual's aggregate advances.

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Therefore, to the extent that such expenditures exceed the limits prescribed by the Act at 2 U.S.C. § 441a(a)(1)(A) and remain unreimbursed, such expenditures should be considered as excessive contributions.

RECOMMENDATION

1. Find reason to believe that Marjorie Mazel Hecht violated 2 U.S.C. § 441a(a)(1)(A).

02040302224

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Andrew Wilson
145 Peachtree Park Drive
Atlanta, Georgia 30309

Re: MUR 1253 (1262, 1344)

Dear Mr. Wilson:

On , 1981, the Federal Election Commission determined that there is reason to believe that you violated Section 441a(a)(1)(A) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the Citizens for LaRouche Committee which in the aggregate, exceed $1,000. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten (10) days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with informal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at 202/523-4039.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

6204036222 6

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

RESPONDENT Andrew Wilson

MUR NO. 1253 (1262, 1344)
STAFF MEMBER(S) & TEL. NO.
Michael Dymersky
(202) 523-4039

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

From evidence disclosed in an Audit Division Referral on June 13, 1980, it appears that respondent violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Citizens For LaRouche Committee ("the Committee" or "CFL").

FACTUAL AND LEGAL ANALYSIS

CFL reports indicate that respondent advanced $2,403.90 to the Committee.

The Act plainly contemplates that an "advance . . . of money or anything of value" is a contribution. 2 U.S.C. § 431(8)(A)(i); former 2 U.S.C. § 431(e)(1).

While past Commission pronouncements have indicated that individuals may incur expenses on behalf of political committees and receive subsequent reimbursement, 1/ the Commission has never indicated that the advances made by such individuals are not

1/ In the Financial Control and Compliance Manual for Presidential Candidates Receiving Public Financing (Primary Election Financing), July 1979, at pp. 138-143, for example, it is stated that a political committee should report the overall reimbursement to an individual for expenditures on Schedule B, with memo entries detailing the ultimate recipients and particulars of each expenditure above $100. This implicitly approves of the concept of individuals advancing funds to a political committee and receiving reimbursement thereafter.

subject to the Act's limitations when not reimbursed within a reasonable time. Indeed, it would undermine the purposes of the contribution limitations if an individual without restriction, could incur expenditures for a candidate or committee with his or her own funds without affecting his or her contribution limitations. This is not less so if the individual is expressly designated as an agent of the candidate or committee. The candidate or committee plainly enjoys the benefit of the goods or services from the moment they are purchased by the individual. The transaction certainly represents a contribution if the advance is not reimbursed within a reasonable time.

In the General Counsel's view, it could be argued that the contribution arises from the moment the individual makes a payment for the goods or services, i. e., at the time cash, a check, or a credit card is tendered. At that point the vendor receives either money, a negotiable instrument, or a firm contractual right to payment, and the candidate or committee receives goods or services through the efforts of the individual. At that point also, there should be a written receipt or other documentation available to evidence the date, amount, purpose, and payee of the transaction. See 2 U.S.C. § 432(c)(5).

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It is true that Commission regulations, at 11 C.F.R. § 100.7(a)(4), provide that the term "contribution" does not include the extension of credit by any person for a length of time within normal business or trade practice. However, it should be recognized that this limited exemption is geared toward businesses and commercial vendors which have standardized billing cycles whereby goods or services are routinely provided first and paid for later. Individuals carrying out volunteer political activities, rather than business or commercial activities, cannot claim the benefit of this specific exemption, in the General Counsel's view.

Nonetheless, it is not necessary to conclude that the advances involved in this matter were contributions from the moment the services were purchased. Clearly, the advances have been outstanding well beyond what could be considered a reasonable period of time. On that basis alone, the advances here involved can be viewed as contributions.

While, the obligations, for the most part, consisted of expenses for travel, lodging and subsistence for other Committee representatives and the candidate, the exclusion contained in fromer 2 U.S.C. § 431(e)(5)(D) applies solely to an individual's <u>own</u> expenses for travel. See 11 C.F.R. § 100.7(b)(8); former 11 C.F.R. § 100.4(b)(6). Thus, no argument can be sustained that a $1,000 exemption pertains to each individual's aggregate advances.

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Therefore, to the extent that such expenditures exceed the limits prescribed by the Act at 2 U.S.C. § 441a(a)(1)(A) and remain unreimbursed, such expenditures should be considered as excessive contributions.

RECOMMENDATION

1. Find reason to believe that Andrew Wilson violated 2 U.S.C. § 441a(a)(1)(A).

02040322230

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Donald J. Carr
6730 Alexander
Saint Louis Mo. 63116

Re: MUR 1253 (1262, 1344)

Dear Mr. Carr:

On , 1981, the Federal Election Commission determined that there is reason to believe that you violated Section 441a(a)(1)(A) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the Citizens for LaRouche Committee which in the aggregate, exceed $1,000. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten (10) days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with informal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at 202/523-4039.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

02040302232

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

RESPONDENT Donald J. Carr

MUR NO. 1253 (1262, 1344)
STAFF MEMBER(S) & TEL. NO.
Michael Dymersky
(202) 523-4039

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

From evidence disclosed in an Audit Division Referral on September 5, 1980, it appears that respondent violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Citizens for LaRouche Committee ("the Committee" or "CFL").

FACTUAL AND LEGAL ANALYSIS

CFL reports indicate that respondent contributed $2,375 to the Committee. The excessive portion was reimbursed on June 15, 1980. Thus, the excessive portion remained unrefunded for approximately 120 days.

2 U.S.C. § 441a(a)(1)(A) places an aggregate ceiling of $1,000 on individual contributions "to any candidate and his authorized political committees with respect to any election for Federal office."

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It is recommended that the Commission view the respondent as having violated the contribution limitations set forth in the Act.

RECOMMENDATION:

1. Find reason to believe that Donald J. Carr violated 2 U.S.C. § 441a(a)(1)(A).

6204036222 34

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Ellen G. Scott
116 East St.
Box 48
Fort Edward, New York 12828

Re: MUR 1253 (1262, 1344)

Dear Ms. Scott:

On , 1981, the Federal Election Commission determined that there is reason to believe that you violated Section 441a(a)(1)(A) of Title 2, United States Code, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the Citizens for LaRouche Committee which, in the aggregate, exceed $1,000. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten (10) days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with informal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at 202/523-4039.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

6204035223 6

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

RESPONDENT Ellen G. Scott

MUR NO. 1253 (1262, 1344)
STAFF MEMBER(S) & TEL. NO.
Michael Dymarsky
(202) 523-4039

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

From evidence disclosed in an Audit Division Referral on September 5, 1980, it appears that respondent violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Citizens for LaRouche Committee ("the Committee" or "CFL").

FACTUAL AND LEGAL ANALYSIS

CFL reports indicate that respondent contributed $2,375 to the Committee. The excessive portion was reimbursed on June 15, 1980. Thus, the excessive portion remained unrefunded for approximately 152 days.

2 U.S.C. § 441a(a)(1)(A) places an aggregate ceiling of $1,000 on individual contributions "to any candidate and his authorized political committees with respect to any election for Federal office."

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It is recommended that the Commission view the respondent as having violated the contribution limitations set forth in the Act.

RECOMMENDATION:

1. Find reason to believe that Ellen G. Scott violated 2 U.S.C. § 441a(a)(1)(A).

02040302238

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
James F. Schoener, Esq.
Miller, Canfield, Paddock and Stone
1015 15th Street, N.W., Suite 1240
Washington, D.C. 20005

Re: MUR 1253 (1262, 1344)

Dear Mr. Schoener:

On , 1981, the Federal Election Commission determined that there is reason to believe that your client, Citizen for LaRouche, violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by accepting contributions from 15 individuals in excess of the limitation found at 2 U.S.C. § 441a(a)(1)(A). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against your client. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten (10) days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your client, the Commission may find probable cause to believe that a violation has occurred and proceed with informal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at 202/523-4039.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

6204032240

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

RESPONDENT Citizens for La Rouche

MUR NO. 1253 (1262, 1344)
STAFF MEMBER(S) & TEL. NO.
Michael Dymersky
(202) 523-4039

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

I. BACKGROUND/PREVIOUS COMMISSION ACTION:

On January 22, 1981, the Commission voted to find reason to believe that Citizens for LaRouche ("the Committee" or "CFL") violated 2 U.S.C. § 441a(f) by knowingly accepting excessive contributions in the form of loans which totaled $17,121.90. Thereafter, on January 23, 1981, this office sent the required notification letter to the Treasurer of the Committee. As of this writing, the General Counsel has received no factual or legal materials in response.

In a review by this office of existing Matters Under Review, it has been disclosed that two other internally generated matters involving the Committee appear to involve similarly excessive contributions. 1/ This report, therefore, addresses these two matters as well, and recommends hereafter that the three MURs be merged.

1/ These matters have been administratively numbered MUR 1262 and MUR 1344, respectively. First General Counsel Reports have not heretofore been submitted to the Commission regarding these MURs.

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II. LEGAL ANALYSIS.

MUR 1253 emanated from a referral by the Audit Division ("Audit") on June 13, 1980, wherein the Audit staff noted that fifteen (15) individuals incurred obligations on behalf of the Committee and appeared to have exceeded the limitations on contributions under 2 U.S.C. § 441a(a)(1)(A) by an aggregate amount of $17,121.90. The Committee reported debts and obligations owed to these individuals. 2/ The Commission found reason to believe only against the Committee.

MUR 1344 emanated from a referral by the Audit Division on September 5, 1980, wherein the Audit staff noted that 26 additional individuals had exceeded the $1,000 contribution limitation by an aggregate amount of $7,092. While twelve (12) of these individuals received refunds, apparently fourteen (14) individuals did not. 3/

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2/ Rochelle Ascher, $2,713.53; Karen Brubaker, $1,742.15; John Covici, $1,024.48; Joseph D'Urso, $1,279.55, Elliot Eisenberg, $3,378.34; Jeffrey Forest, $2,067.32; Gregory Garnier, $1,409.59; Laurence Gray, $5,120.32; Marjorie Mazel Hecht, $3,681.32; Marsha Kokinda, $1,285.87; Melvin Johnson, $1,738.68; Michael Smedberg, $1,763.76; Martin Simon, $1,005.44, David W. Thill, $1,507.65; Andrew Wilson, $2,403.90.

3/ August F. Arace, $1,025; James M. Duree, $1,043; Shirley Fingerman, $1,105; John Holly, $1,030; T. J. Hopkins, $1,044; Sherri S. Lightner, $1,150; John Pellicano, $1,100; John Ryman, $1,100; John J. Sakala, $1,120; Walter J. Stevens, $1,125; James Taylor, $1,010; Verne Tomlins, $1,030; Carleton Williams, $1,515; Frederic L. Young, $1,580.

The Interim Audit Report also listed Don J. Carr as having made an unreimbursed contribution in the amount of $2,375. See Attachment 1, pp. 3, 18, 21. The Committee has orally confirmed that Mr. Carr received a refund of the excessive portion on June 15, 1980, about 120 days after the excessive contribution was made.

MUR 1262 emanated from a referral by the Reports Analysis Division ("RAD") on July 18, 1980. RAD discovered sixteen (16) additional individuals who appeared from the Committee's reports to have exceeded the $1,000 limitation. While nine (9) of the individuals apparently received refunds, and eight (8) of the individuals (including two (2) of those receiving refunds) were incorrectly reported as making certain contributions, according to the Committee, apparently one (1) individual neither received a refund nor was incorrectly reported. 4/ This individual also appeared in the September 5, Audit referral as did one of the refunders.

The General Counsel notes that the Commission has found reason to believe that the Committee received $17,121.90 in excessive contributions (unreimbursed loans) in MUR 1253. With the inclusion of the excessive contributions set out in MUR 1344 and MUR 1262 the total of excessive contributions received by the Committee, including loans, (net of timely refunds and repayments), for the 36 individuals involved, appears to be $22,793.90. 5/

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4/ That individual is Frederic L. Young whose contribution total is $1,580. Mr. Young also appears in MUR 1344 (see footnote No. 3, supra). The individuals who purportedly received refunds include the following: Donald J. Carr, $2,375 (excess returned after about 120 days); Ellen G. Scott, $2,030 (excess returned after 152 days); Daniel B. Polin, $2,150 (excess returned after 10 days); Belinda F. GeGrazia, $1,050 (excess returned after 144 days); Alexandra Ward, $1,250 (excess returned after 138 days); Mary F. Cumming, $1,125 (excess returned after 77 days); James M. Everett, $1,075 (excess returned after 150 days); Michael Micale, $1,250 (excess returned after 202 days); Gary Merrit, $1,100 (excess apparently returned immediately).

5/ The amount of $22,793.90 is the sum of the excessive contributions which are the subject of the merged MURs, exclusive of timely refunds, timely repayments, and incorrectly reported sums. MUR 1253 contained a total of $17,121.90 in excess of the $1,000 contribution limitation; MUR 1344 contained a total of $1,977 in excess of the $1,000 contribution limitation, and MUR 1262 contained a total of $2,955 in excess of the $1,000 contribution limitation.

A. MUR 1253: Expenses Incurred by Individuals on Behalf of CFL.

The Act plainly contemplates that an "advance ... of money or anything of value" is a contribution. 2 U.S.C. § 431(8)(A)(i); former 2 U.S.C. § 431(e)(1).

While past Commission pronouncements have indicated that individuals may incur expenses on behalf of political committees and receive subsequent reimbursement, 6/ the Commission has never indicated that the advances made by such individuals are not subject to the Act's limitations when not reimbursed within a reasonable time. Indeed, it would undermine the purposes of the contribution limitations if an individual, without restriction, could incur expenditures for a candidate or committee with his or her own funds without affecting his or her contribution limitations. This is not less so if the individual is expressly designated as an agent of the candidate or committee. The candidate or committee plainly enjoys the benefit of the goods or services from the moment they are purchased by the individual. The transaction certainly represents a contribution if the advance is not reimbursed within a reasonable time.

6/ In the Financial Control and Compliance Manual for Presidential Candidates Receiving Public Financing (Primary Election Financing), July 1979, at pp. 138-143, for example, it is stated that a political committee should report the overall reimbursement to an individual for expenditures on Schedule B, with memo entries detailing the ultimate recipients and particulars of each expenditure above $100. This implicitly approves of the concept of individuals advancing funds to a political committee and receiving reimbursement thereafter.

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In the General Counsel's view it could be argued that the contribution arises from the moment the individual makes a payment for the goods or services, i. e., at the time cash, a check, or a credit card is tendered. At that point the vendor receives either money, a negotiable instrument, or a firm contractual right to payment, and the candidate or committee receives goods or services through the efforts of the individual. At that point also, there should be a written receipt or other documentation available to evidence the date, amount, purpose, and payee of the transaction. See 2 U.S.C. § 432(c)(5).

It is true that Commission regulations, at 11 C.F.R. § 100.7(a)(4), provide that the term "contribution" does not include the extension of credit by any person for a length of time within normal business or trade practice. However, it should be recognized that this limited exemption is geared toward businesses and commercial vendors which have standardized billing cycles whereby goods or services are routinely provided first and paid for later. Individuals carrying out volunteer political activities, rather than business or commercial activities, cannot claim the benefit of this specific exemption, in the General Counsel's view.

Nonetheless, it is not necessary to conclude that the advances involved in this matter (see footnote 2, supra) were contributions from the moment the services were purchased. Clearly, the advances have been outstanding well beyond what

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could be considered a reasonable period of time. On that basis alone, the advances here involved can be viewed as contributions.

While the obligations, for the most part, consisted of expenses for travel, lodging and subsistence for other Committee representatives and the candidate, the exclusion contained in former 2 U.S.C. § 431(e)(5)(D) applies solely to an individual's own expenses for travel. See 11 C.F.R. § 100.7(b)(8), former 11 C.F.R. § 100.4(b)(6). Thus, no argument can be sustained that a $1,000 exemption pertains to each individual's aggregate advances.

Therefore, to the extent that such expenditures by these named individuals exceed the limits prescribed by the Act at 2 U.S.C. § 441a(a)(1)(A), such expenditures should be considered as excessive contributions.

B. MUR 1344 and MUR 1262: Other Excessive Contributions by Individuals.

2 U.S.C. § 441a(a)(1)(A) places an aggregate ceiling of $1,000 on individual contributions "to any candidate and his authorized political committees with respect to any election for Federal office."

In the pertinent RAD and Audit reports, it is indicated that CFL records evidence unrefunded excessive contributions by certain individuals to the Committee. As to these unrefunded, excessive contributions, it is recommended that the Commission view these fourteen (14) named individuals as having violated the contribution

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limitations set forth in the Act. (See footnote 3, supra). Furthermore, these same reports indicate that other excessive contributions, even when refunded, have been outstanding well beyond what could be considered a reasonable period of time. As to these excessive contributions which, although refunded, have been outstanding for an unreasonable period of time, it is recommended that the Commission view these seven (7) named individuals, as having violated the contribution limitations set forth in the Act. (See footnote 4, supra).

C. Persons Against Whom the Commission Should Proceed.

The General Counsel recommends that the Commission deal only with those individuals who have made excessive contributions which have yet to be reimbursed by the Committee (see footnotes 2 and 3, supra), and those individuals who have made excessive contributions which, although refunded, have been outstanding for an unreasonable period of time (see footnote 4, supra). The Commission regulations at 11 C.F.R. § 103.3(b)(2) state that "refunds shall be made within a reasonable time, and the treasurer shall note the refund by amending the current report or noting the change on the Committee's next required report." Since CFL refunded the excessive portion of a number of the excessive contributions within a reasonable time, or otherwise corrected errors in its data base, only those excessive contributions which remain outstanding or have been reimbursed only after a reasonable period of time has lapsed should be considered for enforcement action.

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It is recommended that the Commission find reason to believe CFL violated 2 U.S.C. § 441a(f) with respect to the 21 individuals' excessive contributions, totalling $4,932. 7/

III. RECOMMENDATIONS

1. Merge MUR 1262 and MUR 1344 with MUR 1253.

2. Find reason to believe that Citizens for LaRouche violated 2 U.S.C. § 441a(f) by accepting contributions from 21 individuals in excess of the limitation of 2 U.S.C. § 441a(a)(1)(A).

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7/ The Commission has already found reason to believe that CFL violated 2 U.S.C. § 441a(f) by accepting excessive contributions in the form of advances from fifteen (15) individuals in MUR 1253. The instant 21 individuals emanate from MUR's 1262 and 1344.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MWE

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/JODY CUSTER JC

DATE: MAY 4, 1981

SUBJECT: MUR 1253 Interim Investigative Report #2, dated April 30, 1981; Received in OCS, May 1, 1981, 11:00

The above-named document was circulated to the Commission on a 24 hour no-objection basis at 2:00, May 1, 1981.

There were no objections to the Interim Investigative Report at the time of the deadline.

6204036 2249

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION
April 30 , 1981

81 MAY 1 A11:00

In the Matter of)
) MUR 1253
Citizens for LaRouche, et al.)

INTERIM INVESTIGATIVE REPORT #2

SENSITIVE

On January 22, 1981, the Commission voted to find reason to believe that Citizens for LaRouche ("the Committee" or "CFL") violated 2 U.S.C. §441a(f) by knowingly accepting excessive contributions in the form of loans which totaled $17,121.90. Thereafter, on January 23, 1981, this office sent the required notification letter to the Treasurer of the Committee. As of this report, the General Counsel has received no factual or legal materials in response.

In a review by this office of existing Matters Under Review, it has been disclosed that two other internally generated matters involving the Committee appear to involve similarly excessive contributions. These matters have been administratively numbered MUR 1262 and MUR 1344, respectively. First General Counsel Reports have not heretofore been submitted to the Commission regarding these MURS. The Commission may expect a General Counsel's Report on these matters within two (2) weeks.

30 April 1981
Date

Charles N. Steele
General Counsel

6204036225 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/JODY CUSTER

DATE: APRIL 1, 1981

SUBJECT: MUR 1253 Interim Investigative Report #1, dated 3-27-81; Received in OCS, 3-30-81, 2:55

The above-named document was circulated to the Commission on a 24 hour no-objection basis at 11:00, March 31, 1981.

There were no objections to the Interim Investigative Report at the time of the deadline.

9204036225 1

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION
March 27, 1981

81 MAR 30 P2:55

In the Matter of)
)
Citizens for LaRouche) MUR 1253

INTERIM INVESTIGATIVE REPORT #1

On January 22, 1981, the Commission decided by a vote of 6-0 to find reason to believe that Citizens for LaRouche violated 2 U.S.C. Section 441a(f) by knowingly accepting excessive contributions. At that time, there was no recommendation as to the fifteen (15) individual contributors involved.

My staff is currently involved in preparing a General Counsel's Report which will address the individuals therein involved, as well as merge MUR 1262 and MUR 1344 into the instant MUR, as similar violations are involved in each as pertaining to additional individuals. (MUR 1262 and MUR 1344 have not been before the Commission in the form of First General Counsel's Reports, but have been given MUR numbers at this point, for administrative purposes within my Office.) It is anticipated that the General Counsel's Report will be circulated through the Commission Secretary within two weeks.

27 March 1981
Date

Charles N. Steele
General Counsel

02040362252

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 6, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James A. Schoener, Esq.
1015 15th Street, N.W., Suite 1240
Washington, D.C. 20005

Re: MUR 1253

Dear Mr. Schoener:

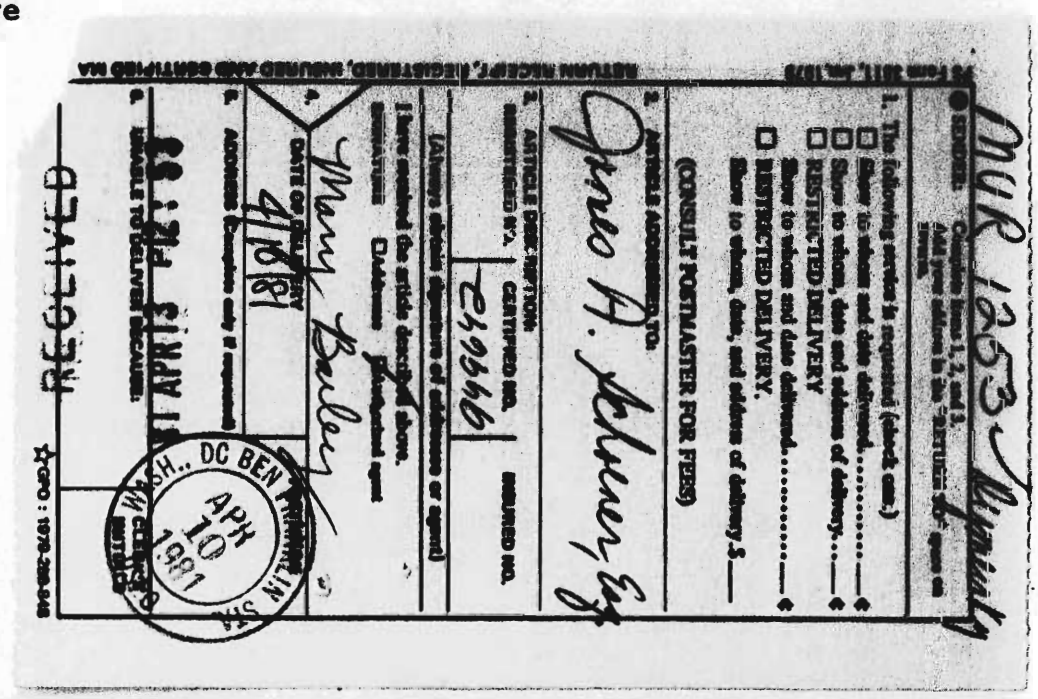
Pursuant to your request by letter dated March 31, 1981, and received by this office on April 2, 1981, please find a xerographic copy of "Exhibit A" enclosed for your reference.

If you have any further questions, please contact Michael A. Dymersky, the staff member in charge of this matter, at 202-523-4039.

Sincerely,

Scott Thomas
Assistant General Counsel

Enclosure



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81 APR 2 PM: 13

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J. SCOTT TIMMER
JOAN BECKHAM WHITMORE
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JOHN D. RAYIS

Washington Office

1015-15th Street, N.W., Ste. 1240
Washington, D.C. 20005

James F. Schoener

Counsel
(202) 789-8690

81 APR 2 P3:

March 31, 1981

Michael Dymersky, Esq.
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: M.U.R. 1253

Dear Mr. Dymersky:

In attempting to file an answer to the above M.U.R., I found that your Summary of Allegations made a reference to Exhibit A. You will find that reference on page 2 of your Summary of Allegations in the first full paragraph. In order to properly answer the allegation, a copy of Exhibit A will be necessary to let us know exactly the amounts that are shown in the November, 1979 report. We believe that much of this has been subsequently paid for, so that we must have a copy of Exhibit A in order to answer you.

Very truly yours,

James F. Schoener

James F. Schoener

JFS:mfb

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GCC#4305

MUR 1253

DATE: March 18, 1981

TO: Federal Election Commission

FROM: Citizens for LaRouche

RE: Appearance of Counsel

Please take notice that Citizens for LaRouche does hereby designate James F. Schoener of the firm of Miller, Canfield, Paddock and Stone as its attorney and counsel for any and all matters, communications, notices, subpoenas and service of process that your Commission may have concerning our Committee.

The present address for Mr. Schoener is Suite 1240, 1015-15th Street, N.W., Washington, D.C. 20005, and his telephone numbers are 789-8690 and 822-9333.

This notice of representation and appearance shall continue until revoked in writing.

Citizens for LaRouche

By Patricia Dolbeare
Patricia Dolbeare,
Treasurer

82040362255

11 MAR 27 A10:48

RECEIVED
OFFICE OF THE GENERAL COUNSEL

DATE: March 18, 1981

TO: Federal Election Commission

FROM: Citizens for LaRouche

RE: Appearance of Counsel

Please take notice that Citizens for LaRouche does hereby designate James F. Schoener of the firm of Miller, Canfield, Paddock and Stone as its attorney and counsel for any and all matters, communications, notices, subpoenas and service of process that your Commission may have concerning our Committee.

The present address for Mr. Schoener is Suite 1240, 1015-15th Street, N.W., Washington, D.C. 20005, and his telephone numbers are 789-8690 and 822-9333.

This notice of representation and appearance shall continue until revoked in writing.

Citizens for LaRouche

By Patricia Dolbeare
Patricia Dolbeare,
Treasurer

82040352256

81 MAR 27 A10:48

GENERAL COUNSEL

In error, this letter was sent to you without a date.

Please note that it was dictated and sent on March 5, 1981.

Thank you.

912468

Dymersky

GCC 4/13

81 MAR 11 PM 2:36

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SAUNDERS V. DORSEY
HUGH M. SMITH

March 5, 1981

Michael Dymersky, Esquire
Office of General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: M.U.R. 1253

Dear Mr. Dymersky:

Again, the Federal Election Commission has ignored my general appearances as counsel for the Citizens for La Rouche. My client received the notice of M.U.R. 1253 dated February 9, 1981 on February 25, 1981. Because of the delay in getting information to me, I will be unable to file our legal and factual response for some two weeks from today's date.

Please note that I have changed law firms and my new telephone number is (202) 789-8690. My new address is 1015 Fifteenth Street, N.W., Suite 1240, Washington, D.C. 20005.

Very truly yours,

James F. Schoener

James F. Schoener

JFS/lg

81 MAR 11 P2:25
RECEIVED
GENERAL COUNSEL

8204036225 7

912458

GCC# 4130

LAW OFFICES OF
MILLER, CANFIELD, PADDOCK AND STONE
2500 DETROIT BANK & TRUST BUILDING
DETROIT, MICHIGAN 48226

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RICHARD J. MAREK
STEPHEN G. PALMS

GILLIAN STEINHAUER
JEROME R. WATSON
JOHN J. COLLINS, JR.
DONNA J. DONATI
DONALD W. KEIM
LARRY J. SAYLOR
CHARLES E. SCHOLL
RICHARD J. SERYAK
MICHAEL R. ATKINS
MAUREEN P. AUGHTON
LELAND D. BARRINGER
EDW. D. EINOWSKI
TIMOTHY D. SOCHOCKI
JUDSON L. TEMPLE
MICHAEL E. TINDALL
KRISTINE G. OPPERWALL
SAUNDERS V. DORSEY
HUGH M. SMITH

Washington Office

1015-15th St., N.W., Ste. 1240
Washington, D.C. 20005

James F. Schoener
Counsel
(202) 789-8690

9 2 0 4 0 3 0 2 2 5 8

Michael Dymersky, Esquire
Office of General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: M.U.R. 1253

Dear Mr. Dymersky:

Again, the Federal Election Commission has ignored my general appearances as counsel for the Citizens for La Rouche. My client received the notice of M.U.R. 1253 dated February 9, 1981 on February 25, 1981. Because of the delay in getting information to me, I will be unable to file our legal and factual response for some two weeks from today's date.

Please note that I have changed law firms and my new telephone number is (202) 789-8690. My new address is 1015 Fifteenth Street, N.W., Suite 1240, Washington, D.C. 20005.

Very truly yours,

James F. Schoener

James F. Schoener

JFS/lg

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GENERAL COUNSEL

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 23, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Felice Gelman, Treasurer
Citizens for LaRouche
Box 976
Radio City Station
New York, New York 10019

RE: MUR 1253

Dear Ms. Gelman:

On January 22, 1980, the Federal Election Commission determined that there is reason to believe that your committee violated section 441a(f) of the Federal Election Campaign Act of 1971, as amended ("the Act") (2 U.S.C. § 431 et. seq.) by knowingly accepting excessive contributions. On that same date, the Commission voted to take no action with respect to the travel expenditures. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your committee, the Commission may find probable cause to believe that a violation has occurred and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

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The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at 202/523-4039.

Sincerely,

John Warren McGarry
Chairman

Enclosures

General Counsel's Facutal and Legal Analysis
Description of Preliminary Procedures

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE January 23, 1981

MUR NO. 1253

STAFF MEMBER(S) & TEL. NO.

RESPONDENT: Citizens for LaRouche

Robert I. Bogin - 523-4000
Michael Dymersky - 523-4039

SOURCE OF MUR: INTERNALLY GENERATED

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SUMMARY OF ALLEGATIONS

In a referral from the Audit Division on June 13, 1980, the audit staff notes that fifteen (15) individuals incurred obligations on behalf of the Citizens for LaRouche Committee ("CFL" or "Committee") and appear to have exceeded the limitations on contributions under 2 U.S.C. § 441a(a)(1)(A). The audit staff also notes that certain expenditures made by CFL in connection with foreign travel might be unqualified campaign expenses.

FACTUAL AND LEGAL ANALYSIS

A. Debts Owed to Individuals

An Audit review of the Committee's reported debts and obligations indicated that 15 individuals incurred obligations on behalf of the campaign in amounts greater than $1,000.00 and appear to have exceeded the limitation on contributions under 2 U.S.C. § 441a(a)(1)(A). These obligations have been outstanding from 38 to 308 days. The amounts owed to the individuals ranged between $1,005.44 to $5,120.32 and totaled $32,131.94. 1/ The treasurer stated that the 15 individuals

---

1/ Totals reflect the reported activity as of 12-31-79 as adjusted for obligations outstanding less than 38 days and do not include any reported obligations incurred after 11-24-79.

were acting as representatives of the Committee and were authorized (orally) to incur obligations on behalf of the Committee.

The obligations, for the most part, consisted of expenses for travel, lodging and subsistence for other Committee representatives and the Candidate. 2/ The expenses were disclosed as obligations owed by the Committee on the Schedule of Debts and Obligations. (See Exhibit A). 3/ With the exception of $4,952.14 in debts incurred in November, 1979, the remainder were reported as being incurred prior to November 2, 1979. Furthermore, the majority of debts with balance greater than $1,000 have been outstanding since August, September and October, 1979. The earliest reported date of incurrence was February, 1979.

Respondents' contention that an expenditure of personal funds on behalf of CFL should not be considered a contribution because the individuals were authorized by CFL to make expenditures on its behalf has no basis in law. The unreimbursed expenses should be viewed as contributions, and, to the extent that such an expenditure by an individual exceeds the limits prescribed by the Act, and remains unreimbursed, such expenditure should be viewed as excessive.

2 U.S.C. § 431(e) defines a "contribution" as, inter alia, a loan or advance made for the purpose of

> (B) influencing the result of an election held for the expression of a preference for the nomination of persons for election to the office of President of the United States;

2/ The exclusion contained in former 2 U.S.C. § 431(e)(5)(D) applies to an individual's own expenses for travel and therefore may be applicable to certain individuals mentioned above. The new provision found at 2 U.S.C. § 431(8)(B)(iv) would allow the activity up to $1000 with respect to any single election.

3/ The occupation and principal place of business of the 15 individuals (as annotated on Exhibit A) consist of the following:

> Research assistant, Medical College of Virginia; programmer, Computron; employee, E.W. Finley, P.C.; electrican, Singer Company; technican, Astronauntics; banking consultant, American Banking Association; salesman, Sewing Exchange; clerk, Team Temps; housewife, husband unemployed; four (4) unidentified in records and reports; one (1) self employed; and one (1) unemployed person.

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2 U.S.C. § 441a(a)(1)(A) prescribes a limitation on individual contributions by stating that

> (1) No person shall make contributions -
> (A) to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000;

Thus, with regard to the majority of individual, unreimbursed expenditures made on behalf of CFL, which do not have the benefit of the former 2 U.S.C. § 431(e)(5)(D) exclusion for personal expenditures on the volunteer's own behalf, it is apparent that CFL has received excessive contributions.

Therefore, the Office of General Counsel recommends that the Commission find reason to believe that CFL violated 2 U.S.C. § 441a(f) by knowingly accepting contributions in violation of the individual contribution ceilings imposed by 2 U.S.C. § 441a(a)(1)(A).

B. Apparent Unqualified Campaign Expenses

The Audit Division's examination of Committee expenditure records disclosed certain expenses related to travel outside the United States, its territories and or possessions, which may not be "in connection with" the Candidate's campaign for nomination for election. 26 U.S.C. § 9032(9). These expenses were initially reported on the Schedule of Debts and Obligations (with the exception of one (1) undisclosed expense) and were identified as airfare costs owed to individuals for travel outside the United States. The airfare costs for persons traveling, including the candidate, were paid by other Committee representatives. Partial payments on account for some obligations were subsequently made for international travel costs, as well as other travel occurring inside the United States.

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The precise amount of expenses incurred for travel outside the United States cannot readily be determined because records maintained by the Committee did not isolate the international portion of a trip which included both national and international travel. However, the total costs associated with the national and international travel for the 10 trips amounted to $11,076.49.

The Committee considers these expenditures/obligations to be campaign related and has provided a statement regarding the purpose of travel for nine (9) of the ten (10) trips. (See Exhibit B). The Committee has been requested to provide an additional statement for the one (1) international trip not included in the initial statement, though this office has yet to receive such a statement.

26 U.S.C. § 9032(9)(A) and (B) states that the term "qualified campaign expenses" means, inter alia, a payment incurred by a candidate's authorized committee in connection with her campaign for nomination for election which does not violate any State or Federal law. Commission regulations at 11 C.F.R. § 9033.1(a) add a further qualification by stipulating that the "candidate has the burden of proving that expenditures by the candidate [or] the principal campaign committee . . . are qualified campaign expenses.

The Office of General Counsel has reviewed the statement provided by CFL, in order to ascertain whether the nine (9) explained international trips were "in connection with" Lyndon LaRouche's Campaign for nomination for election. This Audit referral raises a significant legal issue -- to what extent can travel expenses be characterized as being in connection with the candidate's campaign for nomination for election, and thus as qualified campaign expenses?

It is the opinion of this Office that the Committee could have provided more substantial explanations for the nine trips. Furthermore, the purpose of the tenth trip should have been addressed by the Committee. However, it appears that campaign officials or representatives paid for the trips, and were principal travelers in many. Also, the expressed purpose for the nine trips may very well be legitimate, especially if there is a recognition that the general focus of the LaRouche campaign was upon international economic issues, and that the international drug traffic problem was one element of his overall agenda. It seems reasonable, therefore, that the candidate should seek to explore foreign economic concerns as well as secure a perspective on a typical drug-exporting nation. Likewise, it does not seem implausible that the candidate would consult with an ostensible personal security specialist, considering the candidate's preoccupation in that area. Finally, relations between the United States and Mexico is a contemporary issue which may have figured heavily in the election, especially from a regional view, and it does not seem unreasonable that the campaign would benefit from an understanding of this relationship.

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Considering the discussion above-set forth, and in light of consistent treatment of other candidates with respect to required documentation on similar foreign travel expenditures, the Office of General Counsel believes that the attached explanations offered by the Committee are not unreasonable, and therefore recommends that no action be taken with respect to such travel expenses.

Recommendations

1. Find reason to believe that Citizens for LaRouche violated 2 U.S.C. § 441a(f) by knowingly accepting excessive contributions.

2. Take no action with respect to the travel expenditures.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Citizens for LaRouche) MUR 1253

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission's Executive Session on January 22, 1981, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 1253:

1. Find reason to believe that Citizens for LaRouche violated 2 U.S.C. §441a(f) by knowingly accepting excessive contributions.

2. Take no action with respect to the travel expenditures.

3. Approve the letter attached to the General Counsel's First Report in this matter.

Attest:

1/22/81
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MWE

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/MARGARET CHANEY

DATE: JANUARY 12, 1981

SUBJECT: OBJECTION - MUR 1253 - First General Counsel's Report dated 1-8-81; Received in OCS 1-8-81, 11:25

The above-named document was circulated on a 48 hour vote basis at 4:00, January 8, 1981.

Commissioner Reiche submitted an objection and comment at 3:01, January regarding MUR 1253.

This matter will be placed on the Executive Session Agenda for Thursday, January 22, 1981.

A copy of Commissioner Reiche's vote sheet is provided for your information.

ATTACHMENT:
Copy of Vote Sheet

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January 12, 1981

MEMORANDUM TO: Marjorie W. Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 1253 - Errata

Please have the attached Memo distributedto the Commission on an informational basis as soon as possible. Thank you.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 12, 1981

MEMORANDUM TO: The Commission

FROM: Charles N. Steele
General Counsel

SUBJECT: MUR 1253; Errata

It has come to my attention that the General Counsel's Factual and Legal Analysis attached to the notification letter addressed to Felice Gelman, Treasurer for the Citizens for LaRouche Committee, should be amended by deleting footnote 4 on page 3. (See Attached). Furthermore, the date in the first sentence of the notification letter itself should be "1981."

Attachments
1) Letter to Felice Gelman
2) Page 3 of the General Counsel's Factual and Legal Analysis

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Attachment 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Felice Gelman, Treasurer
Citizens for LaRouche
Box 976
Radio City Station
New York, New York 10019

RE: MUR 1253

Dear Ms. Gelman:

On , 1981, the Federal Election Commission determined that there is reason to believe that your committee violated section 441a(f) of the Federal Election Campaign Act of 1971, as amended ("the Act") (2 U.S.C. § 431 et. seq.) by knowingly accepting excessive contributions. On that same date, the Commission voted to take no action with respect to the travel expenditures. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your committee, the Commission may find probable cause to believe that a violation has occurred and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

2 U.S.C. § 441a(a)(1)(A) prescribes a limitation on individual contributions by stating that

> (1) No person shall make contributions -
> (A) to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000;

Thus, with regard to the majority of individual, unreimbursed expenditures made on behalf of CFL, which do not have the benefit of the former 2 U.S.C. § 431(e)(5)(D) exclusion for personal expenditures on the volunteer's own behalf, it is apparent that CFL has received excessive contributions.

Therefore, the Office of General Counsel recommends that the Commission find reason to believe that CFL violated 2 U.S.C. § 441a(f) by knowingly accepting contributions in violation of the individual contribution ceilings imposed by 2 U.S.C. § 441a(a)(1)(A). 4/

B. Apparent Unqualified Campaign Expenses

The Audit Division's examination of Committee expenditure records disclosed certain expenses related to travel outside the United States, its territories and or possessions, which may not be "in connection with" the Candidate's campaign for nomination for election. 26 U.S.C. § 9032(9). These expenses were initially reported on the Schedule of Debts and Obligations (with the exception of one (1) undisclosed expense) and were identified as airfare costs owed to individuals for travel outside the United States. The airfare costs for persons traveling, including the candidate, were paid by other Committee representatives. Partial payments on account for some obligations were subsequently made for international travel costs, as well as other travel occurring inside the United States.

January 8, 1981

MEMORANDUM TO: Marjorie W. Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 1253

Please have the attached First GC Report distributed to the Commission on a 48 hour tally basis. Thank you.

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COMMISSION SECRETARY
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FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

MUR # 1253
STAFF MEMBER(S)
Robert Bogin
Michael Dymersky

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION 1-8-81

SOURCE OF MUR: INTERNALLY GENERATED

RESPONDENT'S NAME: Citizens for LaRouche

RELEVANT STATUTE: 2 U.S.C. § 441a(a)(1)(A)
2 U.S.C. § 441a(a)(6)
former 2 U.S.C. § 431(e)
former 2 U.S.C. § 431(e)(5)(D)
2 U.S.C. § 431(8)(B)(iv)
2 U.S.C. § 441a(f)
26 U.S.C. § 9032(9)

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SUMMARY OF ALLEGATIONS

In a referral from the Audit Division on June 13, 1980, the audit staff notes that fifteen (15) individuals incurred obligations on behalf of the Citizens for LaRouche Committee ("CFL" or "Committee") and appear to have exceeded the limitations on contributions under 2 U.S.C. § 441a(a)(1)(A). The audit staff also notes that certain expenditures made by CFL in connection with foreign travel might be unqualified campaign expenses.

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A. Debts Owed to Individuals

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1/ Totals reflect the reported activity as of 12-31-79 as adjusted for obligations outstanding less than 38 days and do not include any reported obligations incurred after 11-24-79.

were acting as representatives of the Committee and were authorized (orally) to incur obligations on behalf of the Committee.

The obligations, for the most part, consisted of expenses for travel, lodging and subsistence for other Committee representatives and the Candidate. 2/ The expenses were disclosed as obligations owed by the Committee on the Schedule of Debts and Obligations. (See Exhibit A). 3/ With the exception of $4,952.14 in debts incurred in November, 1979, the remainder were reported as being incurred prior to November 2, 1979. Furthermore, the majority of debts with balance greater than $1,000 have been outstanding since August, September and October, 1979. The earliest reported date of incurrence was February, 1979.

Respondents' contention that an expenditure of personal funds on behalf of CFL should not be considered a contribution because the individuals were authorized by CFL to make expenditures on its behalf has no basis in law. The unreimbursed expenses should be viewed as contributions, and, to the extent that such an expenditure by an individual exceeds the limits prescribed by the Act, and remains unreimbursed, such expenditure should be viewed as excessive.

2 U.S.C. § 431(e) defines a "contribution" as, inter alia, a loan or advance made for the purpose of

> (B) influencing the result of an election held for the expression of a preference for the nomination of persons for election to the office of President of the United States;

2/ The exclusion contained in former 2 U.S.C. § 431(e)(5)(D) applies to an individual's own expenses for travel and therefore may be applicable to certain individuals mentioned above. (See Exhibit A). The new provision found at 2 U.S.C. § 431(8)(B)(iv) would allow the activity up to $1000 with respect to any single election.

3/ The occupation and principal place of business of the 15 individuals (as annotated on Exhibit A) consist of the following:

> Research assistant, Medical College of Virginia; programmer, Computron; employee, E.W. Finley, P.C.; electrican, Singer Company; technican, Astronauntics; banking consultant, American Banking Association; salesman, Sewing Exchange; clerk, Team Temps; housewife, husband unemployed; four (4) unidentified in records and reports; one (1) self employed; and one (1) unemployed person.

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2 U.S.C. § 441a(a)(1)(A) prescribes a limitation on individual contributions by stating that

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Thus, with regard to the majority of individual, unreimbursed expenditures made on behalf of CFL, which do not have the benefit of the former 2 U.S.C. § 431(e)(5)(D) exclusion for personal expenditures on the volunteer's own behalf, it is apparent that CFL has received excessive contributions.

Therefore, the Office of General Counsel recommends that the Commission find reason to believe that CFL violated 2 U.S.C. § 441a(f) by knowingly accepting contributions in violation of the individual contribution ceilings imposed by 2 U.S.C. § 441a(a)(1)(A). 4/

B. Apparent Unqualified Campaign Expenses

The Audit Division's examination of Committee expenditure records disclosed certain expenses related to travel outside the United States, its territories and or possessions, which may not be "in connection with" the Candidate's campaign for nomination for election. 26 U.S.C. § 9032(9). These expenses were initially reported on the Schedule of Debts and Obligations (with the exception of one (1) undisclosed expense) and were identified as airfare costs owed to individuals for travel outside the United States. The airfare costs for persons traveling, including the candidate, were paid by other Committee representatives. Partial payments on account for some obligations were subsequently made for international travel costs, as well as other travel occurring inside the United States.

4/ We have deferred making a finding as to the individual contributions involved herein, pending a review of the response, if any, by CFL. Since 2 U.S.C. § 431(8)(B)(iv) states that "any unreimbursed payment for travel expenses made by an individual on behalf of any candidate or political committee "cannot exceed in cumulative value, $1000 with respect to the candidate , and $2000 with respect to the political committee, some, but not all of the individual expenditures may be allowed under the 1979 Amendments.

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The precise amount of expenses incurred for travel outside the United States cannot readily be determined because records maintained by the Committee did not isolate the international portion of a trip which included both national and international travel. However, the total costs associated with the national and international travel for the 10 trips amounted to $11,076.49.

The Committee considers these expenditures/obligations to be campaign related and has provided a statement regarding the purpose of travel for nine (9) of the ten (10) trips. (See Exhibit B). The Committee has been requested to provide an additional statement for the one (1) international trip not included in the initial statement, though this office has yet to receive such a statement.

26 U.S.C. § 9032(9)(A) and (B) states that the term "qualified campaign expenses" means, inter alia, a payment incurred by a candidate's authorized committee in connection with her campaign for nomination for election which does not violate any State or Federal law. Commission regulations at 11 C.F.R. § 9033.1(a) add a further qualification by stipulating that the "candidate has the burden of proving that expenditures by the candidate [or] the principal campaign committee . . . are qualified campaign expenses.

The Office of General Counsel has reviewed the statement provided by CFL, (See Exhibit B), in order to ascertain whether the nine (9) explained international trips were "in connection with" Lyndon LaRouche's Campaign for nomination for election. This Audit referral raises a legal questions -- to what extent can travel expenses be characterized as being in connection with the candidate's campaign for nomination for election, and thus as qualified campaign expenses?

It is the opinion of this Office that the Committee could have provided more substantial explanations for the nine trips. Furthermore, the purpose of the tenth trip should have been addressed by the Committee. However, it appears that campaign officials or representatives paid for the trips, and were principal travelers in many. Also, the expressed purpose for the nine trips may very well be legitimate, especially if there is a recognition that the general focus of the LaRouche campaign was upon international economic issues, and that the international drug traffic problem was one element of his overall agenda. It seems reasonable, therefore, that the candidate should seek to explore foreign economic concerns as well as secure a perspective on a typical drug-exporting nation. Likewise, it does not seem implausible that the candidate would consult with a personal security specialist. Finally, relations between the United States and Mexico is a contemporary issue which may have figured heavily in the election, especially from a regional view, and it does not seem unreasonable that the campaign would benefit from an understanding of this relationship.

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Considering the discussion above-set forth, and in light of consistent treatment of other candidates with respect to required documentation on similar foreign travel expenditures, the Office of General Counsel believes that the attached explanations offered by the Committee are not unreasonable, and therefore recommends that no action be taken with respect to such travel expenses.

Recommendations

1. Find reason to believe that Citizens for LaRouche violated 2 U.S.C. § 441a(f) by knowingly accepting excessive contributions.

2. Take no action with respect to the travel expenditures.

3. Approve the attached letter.

Attachments
1) Attachment A - Letter of Threshold Audit Findings
2) Exhibit A
3) Exhibit B
4) Letter to Citizens for LaRouche
5) General Counsel's Factual and Legal Analysis for Respondent

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Attachment A/1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 13, 1980

MEMORANDUM

TO: CHARLES STEELE
GENERAL COUNSEL

THROUGH: ORLANDO B. POTTER B.L. for O.B.P.
STAFF DIRECTOR

FROM: BOB COSTA

SUBJECT: LETTER OF THRESHOLD AUDIT FINDINGS

Attached is the letter of threshold audit findings of the the Citizens For LaRouche Committee for legal analysis.

If you have any questions regarding this matter, please do not hesitate to contact Tom Nurthen or Bruce Shelton on extension 3-4155.

Attachment as stated

6204036278

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Ms. Felice Gelman, Treasurer
Citizens For LaRouche
Radio City Station, P.O. Box 976
New York, New York 10019

Dear Ms. Gelman:

This is to advise you of the findings and recommendations pertaining to the audit fieldwork conducted in March and April, 1980, which covered the period from inception though December 31, 1979. As you are aware, this audit was conducted pursuant to 26 U.S.C. 9039(b) and 11 C.F.R. 9038.1(b). Matters noted herein may also be addressed in the audit report prepared at the conclusion of the audit fieldwork conducted pursuant to 26 U.S.C. 9038(a), 9039(b), and 11 C.F.R. 9038.1(a) and (b).

The matters noted below were discussed with yourself and members of your staff on April 25, 1980. These matters fall into two categories. Those which require amendments to disclosure reports or other specific action and those which contain observations concerning your accounting system(s) which are presented for your information.

Any amendments or documentation presented in response to these findings will be acknowledged in the Audit report resulting from audit work which began on June 9, 1980. If no response or an inadequate response is received, the above mentioned audit report will contain a recommendation(s) that the Committee take appropriate action within a specific period of time.

If you have any questions regarding these matters, please do not hesitate to contact Mr. Bruce Shelton or Mr. Thomas Nurthen by calling (202) 523-4155 or toll free (800) 424-9530.

Sincerely,

Robert J. Costa
Assistant Staff Director
for the Audit Division

Attachment
cc: Mr. Lyndon LaRouche

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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THRESHOLD AUDIT FINDINGS

ON

CITIZENS FOR LAROUCHE

I. Background

A. Overview

This is to advise you of the findings and recommendations pertaining to the audit fieldwork conducted in March and April, 198., which covered the period from inception to December 31, 1979. The audit was conducted pursuant to Section 9039(b) of Title 26 of the United States Code which states, in part, that the Commission is authorized to prescribe rules and regulations in accordance with th provisions of subsection (c), to conduct examinations and audits (i addition to examinations and audits required by Section 9038(a)), t conduct investigations, and to require the keeping and submission o any books, records, and information, which it determines to be necessary to carry out the responsibilities under this chapter.

In addition, Section 9038.1(b) of Title 11 of the Code of Federal Regulations states that the Commission may conduct other examinations and audits from time to time as it deems necessary to carry out the provisions of this subchapter.

B. Key Personnel

The principal officers of the Committee during the perio audited were Ms. Carol White, Chairman, and Ms. Felice Gelman, Treasurer.

C. Scope

The audit included such tests as verification of total reported receipts, expenditures and individual transactions; review of required supporting documentation, review of contributions and expenditure limitations, analysis of debts and obligation ; and such other audit procedures as deemed necessary under the circumstances.

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II. Audit Findings and Recommendations

A. Excessive Contributions

Section 441a(a)(1)(A) of Title 2 of the United States Code states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000. During the period of the audit, Section 431(e)(1)(B) defined, in part, a contribution to include a loan made for the purpose of influencing the result of an election held for expression of a preference for nomination of persons for election to the Office of President of the United States.

During the course of the audit fieldwork, the examination of contribution records disclosed that the Committee received contributions from eight (8) individuals which totaled $10,145.00, the excessive portions amounting to $2,145.00. Included in these totals are loans from each of the contributors, in addition to direct contributions (i.e. donations of money). According to Committee officials, the recordkeeping system in use at that time did not provide for the combined aggregation of loans and other contributions.

In November of 1979, the Committee issued five (5) refund checks; however, all five (5) checks were still outstanding as of April, 1980.

Recommendation

The Audit staff recommends that the Committee refund the $2,145 in contributions received from individuals which are in excess of the limitations and submit evidence (front and back of cancelled checks) to the Audit Division for review.

B. Allocation of Expenditures to State Limitations

Section 441a(b)(1)(A) and 441a(c) of Title 2 of the United States Code states in part, that no candidate for the Office of President of the United States who is eligible to receive and has received matching funds may make an aggregation of expenditures in any one state in excess of the greater of 16 cents multiplied by the state voting age population and adjusted by the Consumer Price Index, or $200,000.

For the period audited, Section 106.2 of Title 11 of the Code of Federal Regulations specified the manner in which allocations of expenditures to states were to be made. Section 106.2(b) stated, in part, that expenditures for staff, media, printing, and other

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goods and services used in a campaign in a specific state shall be attributed to that state. Section 106.2(c)(2) required that expenditures for travel within a state be allocated to that state, however travel between states did not have to be allocated to any one state.

Although the Committee did not file a state allocation schedule (FEC Form 3Pc) prior to commencement of the audit, the Committee's Year End Report was amended on March 19, 1980 to include a state allocation schedule. The totals included in the state allocation schedule were developed from two separate sources; the cash disbursements journal (expenses) and the accounts payable ledger (payables).

Although the provisions contained in the Act and the regulations pertaining to state allocation require that expenses be allocated, the Committee elected to also allocate obligations owed by the Committee. The reason provided for the allocation of payables was that the Committee anticipated having certain obligations outstanding for a relatively long period of time and would be making periodic payments on account. In the Committee's judgement, it was more convenient to allocate the full amount of an obligation rather than a serie of subsequent payments.

The state allocation findings which follow make reference to the allocation of expenditures not allocated to states as well as the allocation of obligations if the vendor is receiving payments on account and neither the payments nor the initial amount of the obligation were allocated to a state.

1. Media

Our review of Committee expenditures for proper state allocation revealed that the disbursements for television and radio broadcasts were generally allocated to the appropriate state but those costs associated with the production of the broadcasts were being allocated to the state(s) in which the broadcasts were viewed. Further, the duplication and editing, for these productions were also not allocated.

Another area of media expense not properly allocated to a state(s) was the cost for political advertising in a newspaper and magazine distributed in cities throughout the United States. A review of the expenditure records indicated that $33,01[illegible].70 in payments made or obligations owed to a vendor for the advertising space were not allocated to a state(s) as required. The Committee also purchased 67,600 copies of the newspaper, costing $6,760.00 and 1,350 copies of the magazine, costing $1,080.00, for selected distribution during the campaign. The purchase price of these newspapers was not allocated to any state(s).

6 2 0 4 0 3 6 2 2 8 2

Also noted during the review of expenditure records were literature (leaflets, fliers, stickers, etc.) costs which appear to be improperly allocated. The Committee's general policy on allocation of literature costs was to allocate a percentage of the total cost to each state receiving literature. Typically, literature costs were spread on a 5% basis for 14 key states in which the Committee actively campaigned (70% of the total cost), 10% in a state in which the Committee extensively campaigned and 20% on a lump sum basis to the National headquarters overhead.

A review of literature purchased from a Committee vendor indicated that in four (4) instances literature clearly targeted at New Hampshire was being allocated on a 5% basis to New Hampshire. Of the 39 vendor invoices billed to the Committee for a total of $27,714.00, the four (4) improperly allocated invoices amounted to $7,980. However, sample copies of literature were not available for all of the invoices and therefore could not be examined for proper allocation.

2. Travel

During the period covered by the Audit, the candidate and Committee representatives traveled to various parts of the country on campaign tours. The tours often involved visits to several cities in different states.

Our review of the expenditure records associated with these tours indicated that the intra-state lodging, subsistence and security costs were not being allocated to any of those states visited.

During our discussions with Committee officials they commented that tours held early in the campaign year were not deemed to be state activity but were related to the National campaign. No documentation to date has been presented to support this statement.

3. Consulting Services

The Committee entered into a contract with the Project Consulting Services Company in September, 1979, on an informal basis. This contractual agreement was formalized on November 10, 1979 and stated that the Project Consulting Services Company would provide the following services:

(a) Campaign Media Development Strategies
(b) Volunteer Services Programs
(c) Organizational Structure Plan
(d) Campaign Budget Planning
(e) Propose a Fundraising Campaign Plan.

6 2 0 4 0 3 6 2 2 8 3

The Committee's reported activity relating to Project Consulting Services Company for the period ending December 31, 1979 totaled $96,231.54, of which $68,805.00 had been paid. Further, none of the above obligations or expenditures had been allocated to a state(s).

After examining a statement of expenses submitted by the vendor, it was determined that some of the costs (such as advertising expense and hotel accomodations in New Hampshire) should have been allocated. This matter was discussed with Committee officials during the exit conference and they concurred that some of the expenses required state allocation. They stated further, that an itemized breakdown of work performed from the vendor would form the basis for developing their state allocations.

Recommendation

1) The Audit staff recommends that the Committee obtain copies of the missing literature, where necessary, and review all media expenditures for disbursements which require state allocation and amend the 1979 state allocation schedule (FEC Form 3Pc).

2) The Audit staff recommends that the Committee review expenditures relating to intra-state travel, security, etc. which require allocation to a state(s) and amend the state allocation schedule (FEC Form 3Pc).

3) It is the recommendation of the Audit staff that the Committee examine the costs associated with Project Consulting Services Company to determine the value of the expenses which require state allocation and file the necessary amendment to the state allocation schedule (FEC Form 3Pc).

C. Unmatchable Contributions

Section 9034.2(a)(1) of Title 11 of the Code of Federal Regulations states, in part, that a matchable contribution must be a gift of money made by an individual by a written instrument. Section 9034.2(b) defines a written instrument to be a check written on a personal, escrow or trust account, a money order or any other negotiable instrument. Further, Section 9034.3(b) of Title 11 of the Code of Federal Regulations defines non-matchable contribution to include a subscription, loan, advance, or deposit of money, or anything of value.

0 2 0 4 0 3 0 2 2 8 4

In accordance with the Guideline for Presentation in Good Order approved by the Commission on May 17, 1979, Committees are required to present a list of all instruments returned by the bank because of insufficient funds or other reasons (i.e. account closed, etc.) This list forms the basis for adjustments to matching fund payments for contributions, or portions thereof, which may have been submitted for matching and were subsequently returned by the bank as non-negotiable.

1. The review of Committee records indicated that ten (10) contributions returned due to insufficent funds were not adequately identified or were not included on the non-negotiable instrument list submitted by the Committee with its matching fund submissions. Two (2) of the items not disclosed were matched for a total of $65. The dollar value of the eight (8) remaining items, $450, was disclosed on the non-negotiable instrument list of returned checks but the identification (name and address) of the contributors was not provided. A determination could not be made as to whether the contributions had been matched.

According to Committee officials, copies of returned contributor checks were not received from the banking institution and the identity of the individual contributor was unknown.

2. As part of our testing, we reviewed the Committee's loan records (including repayments) and records relating to contribution refunds made. Two (2) instances were noted which require recovery of $270.00 in matching funds which was certified for payment to the U.S. Treasury.

The first instance involved the Committee receipt in September, 1979, of a $1,000 loan from an individual. This loan was repaid in full by the Committee in November, 1979 as evidenced by negotiated loan repayment checks. However, on January 14, 1980, the Committee submitted its matching fund submission to the Commission which included a signed statement dated December 10, from the individual who made the loan, which indicated that $250.00 of the $1,000 loan was, in fact, not a loan but rather a donation/contribution. Based on the signed statement from the individual, the $250 was determined as matchable.*

* Information relating to the loan repayment was not available at the time the submission was reviewed.

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In the second case, a $20 contribution submitted for matching on December 31, 1979, was actually refunded on October 6, 1979 at the request of the contributor. The refund transaction was not recorded in the Committee's data base and as a result, the $20 contribution was improperly included in a submission.

Recommendation

1) The Audit staff recommends that the Committee obtain the required documentation relating to the eight (8) unidentified NSF items totaling $450 and submit the list prepared in accordance with the Commission's guideline. It is also recommended that the two (2) identified NSF contributions which were previously matched be substracted from a future matching fund payment; as well as any other adjustment necessary based on our review of the information requested relating to the remaining eight (8) NSF contributions. Further, should the Committee be unable to provide the required information (i.e. sufficient information to enable a determination as to whether the NSF instruments were, in fact, matched), the Audit staff recommends that a deduction be made from a future matching fund payment for those instruments which we cannot determine whether or not they were submitted and matched.

2) The Audit staff recommends that a deduction from a future matching fund payment also be made for the $270.00 in matching funds which was certified for payment to the U.S. Treasury.

III. Matters Referred To The Office of General Counsel

A. Debts Owed to Individuals

Our review of the Committee's reported debts and obligations indicated that 15 individuals incurred obligations on behalf of the campaign in amounts greater than $1,000.00 and appear to have exceeded the limitation on contributions under 2 U.S.C., 441a(a)(1)(A). These obligations have been outstanding from 38 to 308 days. The amounts owed to the individuals ranged between $1,005.44 to $5,120.32 and totaled $32,121.94. 1/ The treasurer stated that the 15 individuals were acting as representatives of the Committee and were authorized (orally) to incur obligations on behalf of the Committee.

1/ Totals reflect the reported activity as of 12-31-79 as adjusted for obligations outstanding less than 38 days and do not include any reported obligations incurred after 11-24-79.

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The obligations, for the most part, consisted of expenses for travel, lodging and subsistence for other Committee representatives and the Candidate. 2/ The expenses were disclosed as obligations owed by the Committee on the Schedule of Debts and Obligations (See Exhibit A). With the exception of $4,952.14 in debts incurred in November, 1979, the remainder were reported as being incurred prior to 11/1/79. Further, the majority of debts with balances greater than $1,000 have been outstanding since August, September and October, 1979. The earliest reported date of incurrence was February, 1979.

In the Audit Staff's opinion, 30 days from the date of incurrence would be a reasonable amount of time for an individual to present a reimbursement request to the Committee. If reimbursement by the Committee does not occur within the following 30 days (60 days from the date of incurrence), the value of the unreimbursed expenses may be viewed as a contribution (See 2 U.S.C. 431(e)). The treasurer contended that an expenditure of personal funds in this situation is not considered a contribution because the individuals 3/ were authorized by the Committee to make expenditures on behalf of the Committee.

Recommendation

The Audit staff recommends that this matter be referred to the Office of General Counsel for review and comment.

B. Apparent Unqualified Campaign Expenses

Our examination of Committee expenditure records disclosed certain expenses related to travel outside the United States, its territories and/or possessions, which may not be "in connection with" the Candidate's campaign for nomination for election (See 26 U.S.C. 9032.9). These expenses were initially reported on the Schedule of Debts and Obligations (with the exception of one (1) undisclosed expense) and were indentified as airfare costs owed to individuals for travel outside the United States. The airfare costs for persons traveling, including the candidate, were paid by other Committee representatives. Partial payments on account for some obligations were subsequently made for international travel costs, as well as other travel occurring inside the United States.

2/ The exclusion contained in 2 U.S.C. 431(e)(5)(D) applies to an individual's own expenses for travel and therefore may be applicable to certain individuals mentioned above, (See Exhibit A)

3/ The occupation and principal place of business of the 15 individuals (as annotated on Exhibit A) consist of the following: (Continued on page 9)

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The precise amount of expenses incurred for travel outside the United States cannot readily be determined because records maintained by the Committee did not isolate the international portion of a trip which included both national and international travel. However, the total costs associated with the national and international travel for the 10 trips amounted to $11,076.49.

The Committee considers these expenditures/obligations to be campaign related and has provided a statement regarding the purpose of travel for nine (9) of the ten (10) trips (See Exhibit B). The Committee has been requested to provide an additional statement for the one (1) international trip not included in the initial statement. The response will be forwarded to your office upon the Commission's receipt.

The statement provided by the Committee has been reviewed by the Audit staff in order to formulate an opinion as to whether the nine (9) international trips were in connection with the Candidate's campaign for nomination for election. Although the scope of the statement is very limited, it is our opinion that the expenses might reasonably be viewed as qualified campaign expenses made "in connection with" the Candidate's nomination for election.

Recommendation

The Audit staff recommends that this matter be referred to the Office of General Counsel for review and comment as to whether or not the international travel expenes are "in connection with" the Candidate's nomination for election.

C. Receipt Irregularities

One phase of our review of Committee receipts involved an examination of photocopies of contribution instruments (i.e. receipts for cash contributions, checks, money orders) for selected Committee deposits. During this process, several apparent irregularities surfaced in the December 1979 deposits. A discussion of the irregularities is supplemented by Exhibits C, D, E, F, G, H, and I which provide further detail on these receipts.

Footnote 3/ continued from page 8.

Research assistant, Medical College of Virginia; programmer, Computron; employee, E.W. Finley, P.C.; electrican, Singer Company; technican, Astronauntics; banking consultant, American Banking Association; salesman, Sewing Exchange; clerk, Team Temps; housewife, husband unemployed; four (4) unidentified in records and reports; one (1) self employed; and one (1) unemployed person.

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The initial pattern noted during the review of photocopies of contribution instruments was the large number of money orders issued from two (2) Chicago banking entities which were deposited in the New York headquarters account between December 10th and 17th. An examination of the serial numbers and dates of purchase associated with these money orders revealed that many instruments were consecutively numbered and purchased on or about the same date (See Exhibit C). Additional money orders with serial number patterns or linkage to the December deposits were also noted. A total of 31 money orders received from 23 contributors were examined during this review.

At this juncture, we reviewed the Committee's 1979 listing of contributions and determined that:

(a) 21 of the 23 contributors making the 31 contributions by money order were listed as "unemployed";

(b) the individuals, listed as unemployed, made contributions by money order ranging in value from $50.00 to $250.00;

(c) the total value of the 29 contributions from the 21 unemployed persons was $4,425.00; and,

(d) one (1) of the individuals making contributions by money orders is listed in Committee records as a Committee representative and three (3) others are listed as campaign coordinators.

We then conducted a close examination of photocopies of money order contributions and several additional irregularities were apparent:

1. <u>Money Orders Purchased From Illinois Banking Entities</u>

The style of handwriting which completed the date and payee lines of 20 of the 24 instruments is extraordinarily similar to such an extent that it may have been written by the same hand. Several common characteristics of handwriting style appear on the money orders which distinguish them from the other instruments. The most prevelant characteristics are:

(a) The "Ci" in <u>Citizens</u> in 17 instances is detached from the "t";

(b) The "t" in <u>Citizens</u> in 14 instances is written as "+ ";

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(c) The "s" in Citizens in approximately 17 instances is detached from the connected "en";

(d) The "7" in 79 is generally tilted to the right and almost touches the "9";

(e) The "f" in for is written in a distinctive style lower-case writing; and,

(f) For 15 of the 24 money orders a date line is not provided. In all 15 cases the date is rubber stamped on the money order and 12 of the 15 rubber stamped dates appear to be made from the same stamp.

Other characteristics may be developed in a more detailed comparison but those discussed above are readily apparent to the untrained eye and in some combination, appear on all 24 instruments (See Exhibit D, Instruments 1-24).

Although the identity of the person(s) who actually completed date and payee lines of the instruments is uncertain, our review of signatures appearing on the money orders revealed the characteristically distinctive "t" in an instrument signed in the name of Janice Hart (See Exhibit D, Instrument 1). We can not state with any degree of certainty that Janice Hart signed the instrument because one (1) other money order (See Exhibit D, Instrument 7) and three (3) contributions by personal check (See Exhibit E) bear the signature -Janice Hart- in a different style of handwriting. There appears to be a connection between Janice Hart or the person signing the money order in Janice Hart's name and the other 18 money orders. However, the three (3) personal checks (Exhibit E) bearing the signature Janice Hart are drawn on the joint account of Robert Hart and Janice Hart. Furthermore, the same characteristics in the signature of Janice Hart (specifically HART) on the three (3) personal checks appear to be similar with a money order that bears the signature of Robert Hart (Exhibit D, Instrument 21). The common characteristics apparent to the untrained eye in all four (4) instruments are:

(a) the "H" in Hart appears to be written as

(b) The "r" in Hart is slanted and somewhat pointed

(c) the "t" in Hart is written a .

In addition, Committee records indicate that Robert Hart is a campaign coordinator.

0 2 0 4 0 3 0 2 2 9 0

2. Money Orders Purchased From New York Banking Entities

a) Chase Manhattan Bank - The handwriting style of the date and payee lines in all four (4) instruments bear several common traits and appear to have been completed by the same hand (See Exhibit F). This irregularity is similar to the discussion under 1, except the style of handwriting is that of a different hand. The unique characteristics associated with this handwriting style are:

(1) The "D" in the December is written in the same open distinctive style.

(2) The use of the number "7" in 79 with a bar, sometimes referred to as a European 7.

(3) On the payee line, the "t" and "z" in Citizens and the "F" in For are written with bars across each letter.

Other characteristics may be developed but those discussed are readily apparent to the untrained eye and appear on all four (4) instruments.

b) The Bank of New York - Three (3) contributors made contributions by money orders drawn on the above bank (see Exhibit G). There does not appear to be any common characteristics in the handwriting styles when comparing the three (3) money orders; however, we have noted the following:

(1) The money orders are consecutively numbered (WE 305 180-181-182);

(2) The money orders are dated December 11, 1979;

(3) The money orders are for $200; and,

(4) "Buffalo" is written on the lower left corner of each money order.

Furthermore, money order # WE 305-181 which bears the signature - Joyce H. Rubinstein - has the same common characteristics as the four (4) Chase Manhattan Bank money orders described in Section 2a, which are also from contributors living in the Buffalo area. Committee records indicate that Joyce H. Rubinstein is a CFL representative.

6 2 0 4 0 3 6 2 2 9 1

3. Signature Irregularities

Another irregularity observed in the instruments involved signature discrepancies appearing on the the money orders. Contributor signatures were examined on the 31 money orders, in conjunction with signatures of other contribution instruments attributed to the contributor. The examination revealed a distinctive variation of handwriting style in contributions from the following persons:

(a) Janice Hart - See Exhibit D, Instruments 1, 7, and also Exhibit E. Previously discussed in Section A;

(b) William Lerch - See Exhibit D, Instruments 2 and 15. The signatures on the two (2) contribution instruments are significantly different (presumed to be one in the same individual since the Committee submitted both instruments for matching as being contributed by William Lerch;

(c) Melvin Klenetsky - See Exhibit D, Instruments 3 and 13. The signatures on the two (2) instruments are significantly different. Additionally, the payee lines appear to be written by different hands;

(d) Victoria A. Lacy - The two (2) money orders (Exhibit D, Instruments 5, 9) appear to be written by the same hand, signature included, but significantly different from the handwriting on another money order and personal check bearing the signature Victoria A. Lacy (Exhibit H); and,

(e) Paul Greenberg - The payee lines on both money orders appear to be written by the same hand, however, the two (2) signatures appear to be different (See Exhibit D, Instruments 6 and 20). Furthermore, the signature and CFL endorsement on the reverse side of a State refund check are significantly different from the previously mentioned money orders (Exhibit I).

The variation in signatures appearing on these instruments exists to such a degree that they would appear to have been written with the stroke of a different hand.

0 2 0 4 0 3 5 2 2 9 2

Another separate but related discrepancy was noticed in connection with the signature review. The signature and address for the money order signed in the name Paul Greenberg (See (e) above) also bears a strong similarity to the style of handwriting appearing on an instrument signed in the name Elliot R. Eisenburg (See Exhibit D, Instruments 6 and 8).

The results of the review discussed above led the Audit staff to examine contributor addresses for common patterns of residence. It was determined that 10 of the 16 individuals associated with irregular money orders issued from Chicago banking entities (See Exhibit C) resided at two (2) groups of related addresses. 4/ Further, all 10 of the individuals are listed as contributors on money orders bearing similarities of handwriting style discussed in Section A, and may be connected to the Janice Hart signature irregularities.

A review was also conducted to determine if any of the money orders were matched. The results of the review indicated that 23 instruments were submitted by the Committee for matching.

Recommendation

The Audit staff recommends that this matter be referred to the Office of General Counsel for possible MUR treatment. 5/

4/ A "related address" is a term used to describe a group of people linked either directly or indirectly by residential addresses. The link between individuals may be established directly, such as when several unrelated individuals appear to share the same address, or indirectly, such as when an individual sharing an address with another, moves to a different address shared with a different individual. A persistent link (cited here) between ten (10) individuals, linking two (2) different groups, is the handwriting identified to money orders bearing the similarities discussed in Section A and may be connected to Janice Hart signature irregularities.

5/ This matter is similar to item B in our memorandum referred to your office on February 6, 1980. In that case, the money orders possessed several of the characteristics mentioned above.

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EXHIBIT A

1. Rochelle Ascher

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Rochelle Ascher 61 Westover Hills Blvd. Richmond, VA				
☑ Primary ☐ General ☐ Other	9/10/79	$ 1180.24	$ -0-	$1180.24

NATURE OF OBLIGATION (Details of Debt)

Subsistence & Lodging charged to charge card, Arlington, VA

2 0 4 0 3 6 2 2 9 4

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Rochelle Ascher 461 Westover Hills Richmond, Va. 23225				
☑ Primary ☐ General ☐ Other	(see below)	$ 4411.96	$ 1698.43	$ 2713.53

NATURE OF OBLIGATION (Details of Debt):

---	Balance from previous quarter	1180.24	
8/9	M/M LaRouche, S. Mendez, air tickets Det-Chi-LaCrosse-Chi-Frankfurt 12/9	3031.11	
8/9	Finance charge	200.61	4411.96

Research Assistant
Mass Bail of VA
Box [illegible] MCV Station
Richmond, VA
23298

YE Balance 2,713.53
Debts [illegible]
Debts [illegible] days [illegible]

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2. Karen Brubaker

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Karen Brubaker 2758 No. 48th St. Chicago, Ill.				
☑ Primary ☐ General ☐ Other	8/1/79	$ 1742.15	$ -0-	$ 1742.15

NATURE OF OBLIGATION (Details of Debt)

Car rental charged to charge card, Chicago, Ill.

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Karen Brubaker 27[illegible] N. 46th St. Milwaukee, Wisc. 53210	(see below)			
☑ Primary ☐ General ☐ Other		$ 1742.15	$ 0.00	$ 1742.15

NATURE OF OBLIGATION (Details of Debt)

Balance from previous quarter 1742.15

(husband, wife, [illegible])

YE Balance 1742
Debt [illegible]
Debts [illegible] days [illegible]

3. John Covici

YE

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
John Covici 54 Hillside Ave. NY NY 10040				
☒ Primary ☐ General ☐ Other	(see below)	$ 1616.00	$ 591.52	$ 1024.48

NATURE OF OBLIGATION (Details of Debt)

10/10	WerBell (Atl-Det-NY-Atl) Delta 10/4	309.00	
10/10	R. Magraw, R. Kay (Bsn-NY) Delta	96.00	
10/10	S. Mendez (Manch-NY) Delta 10/10	49.00	
10/11	Salisbury (NY-Manch) Delta 10/11	98.00	
10/17	Kalimtgis, Hammerman, White (NY-Manch) DL	294.00	
10/17	E. Boyd (NY-Manch) 10/17	98.00	
11/15	WerBell & sister (Atl-NY-Mht-Atl) DL	672.00 →	1616.00

Programmer
Computron Systems
[illegible] 9th Ave
New York, NY 10017

YE Balance [illegible]
Debts up to 60 days 0
Debts > 38 days [illegible]

4 Joseph D'Urso

Q3

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Joseph D'Urso 1285 N. Rademacher Detroit, Mi.	(see below)	$1017.55	$-0-	$1017.55
☐ Primary ☐ General ☐ Other				

NATURE OF OBLIGATION (Details of Debt)

8/6/79	Gas (local travel)	17.55	
8/6	Lodging, Michigan Inn	1000.00	1017.55

YF

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Joseph D'Urso 1285 N. Rademacher Detroit, Mi	(see below)	$ 1279.55	$ 0.00	$ 1279.55
☐ Primary ☐ General ☐ Other				

NATURE OF OBLIGATION (Details of Debt)

---	Balance from previous quarter	1017.55	
9/9	Gas	10.00	
10/2	M/M LaRouche, S. Mendez, E. Boyd (Det-Clevel)	252.00	1279.55

YF Balance 1279.
Debts 60-90 ---
Debts >35 days 1279.

Unemployed

5 Elliot Eisenberg

YE

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payments To Date	Outstanding Balance at Close of This Period
Elliot Eisenberg 5611 N. Glenwood Chicago, Il160660 ☒ Primary ☐ General ☐ Other	(see attached sheet)	$ 3378.34	$ 0.00	$ 3373.34

NATURE OF OBLIGATION (Details of Debt)

Supplementary Schedule for Section C, Debts and Obligations
For Quarterly Report 1/31/80

Creditor: Elliot Eisenberg

Balance from previous quarters:
Expenses incurred this quarter:

1[illegible]/4	Staff lodging (Chi) Continental Plaza	1754.58
9/22	R. Kay (Chi-Bsn) UA	129.00
[illegible]	R. Magraw (same)	129.00
[illegible]	L. LaRouche (same)	155.00
[illegible]	M. Metzko (same)	129.00
[illegible]	S. Thompson (same)	129.00
[illegible]	S. Mendez (same)	155.00
[illegible]	H. LaRouche (same)	155.00
11/3	Bismarck Hotel (Chi) room rental	642.36

TOTAL OBLIGATION TO DATE 3378.34

Unemployed
(Wife, Mary Beth, Secretary
Bear, Allen + Hamilt
[illegible] LaSalle St

YE Balance 3,378.34
Debts repaid 5.
Debts 738 days 3,378.34

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6. Jeffrey Forrest

B2

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Jeffrey Forrest New York, NY ☒ Primary ☐ General ☐ Other	(see below)	$ 552.00	$ -0-	$ 552.00

5/22/70 Air fare NY-Detroit-NY for one 158.00
5/25/70 Air fare Denver-NY for one 170.00
5/28/70 Air fare NY-Seattle for one 224.00
TOTAL $ 552.00

E. W. Finley P.C.
477 Park Ave South
New York, NY 10033

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Origin Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Jeffrey Forrest 217 Haven New York, NY ☒ Primary ☐ General ☐ Other	(see attached sheet)	$ 3227.00	$ 222.46	$ 3004.54

NATURE OF OBLIGATION (Details of Debt)

(Various: see attached sheet)

Supplementary Schedule for Section C, Debts and Obligations
For Quarterly Report 10/10/79

Creditor: Jeffrey Forrest

Expenses incurred previous quarters:	$ 552.00
Expenses incurred this quarter:	
Air tickets--	
P. Magraw (NY-Manchester, NH-NY) 8/28	90.00
J. Moore (Buf-Albany-Phila; Wash, DC-Buf) 8/5	207.00
J. Moore (Wash, DC-Atlanta-Jacksonville, FL-Atl-Buf) 9/12	220.00
D. Goldman (NY-Chi-LaCrosse, Wisc-Chi-NY) 9/11	246.00
L. Scanlon (Wash, DC-Chi) 9/12	102.00
M. Brown (Wash, DC-Detroit) 9/12	78.00
Messrs. Sneider & Mishra (NY-Wash, DC-NY) 9/12	188.00
R. Magraw, S. Pettingell, E. Boyd (Detroit-Chi-LaCrosse-Chi-NY) 8/7	561.00
W. Hamerman (NY-Buf-Roch-NY) 8/10	109.00
A. Salisbury (Det-San Francisco) 8/2	229.00
P. Glumaz (Rochester-Chi-Los Angeles) 8/17	197.00
M/M Hamerman (NY-Detroit-Lansing, MI-Cleveland-NY) 8/24	340.00
P. Goldstein (NY-Los Angeles) 8/22	108.00
TOTAL INCURRED OBLIGATION	$ 3,227.00

YE

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
J. Troy Forrest 217 Haven Ave. NY NY 10032	(see below)	$ 3184.66	$ 1117.34	$ 2067.32
☒ Primary ☐ General ☐ Other				

NATURE OF OBLIGATION (Details of Debt)

---	Balance from previous quarter	3004.54	
10/20	R. Magraw (Det-Chi-NY)	169.00	
	Interest	- 11.12	3184.66

YE Balance 2067.32
Debts 11/24-12/31 8
Debts 738 days 2,067.32

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7. Gregory Garnier

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Gregory Garnier 1746 No. 53rd St. Milwaukee, Wi. ☒ Primary ☐ General ☐ Other	(see below)	$ 899.78	$ -0-	$ 899.78

NATURE OF OBLIGATION (Details of Debt)

/13-8/30) Travel & subsistence, Wisconsin tour

One air fare (Mil-LaCros-Minn-LaCros-Minn-Des Moines-Milw)	332.00	
Car rental & gas	217.00	
Lodging & subsistence	251.98	
	98.80	899.78

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Gregory Garner 1746 N. 53rd St. Milwaukee, Wisc. 53208 ☒ Primary ☐ General ☐ Other	(see below)	$1409.59	$ 0.00	$ 1409.59

NATURE OF OBLIGATION (Details of Debt):

	balance from previous Quart.	899.78	
9/13	Mtg. room, Stoddard Hotel, LaCrosse, WI	259.75	
9/21	Lodging, Valley Motel, Green Bay, WI	23.81	
9/25	S. Cook (Milw-LaCrosse)	53.00	
9/28	Tickets (LaCrosse-Madison-Milw)	54.00	
9/28	National car rental, LaCrosse	47.85	
9/28	Lodging, Stoddard Hotel, LaCrosse	71.40	1409.59

YE Balance 1409.59
Debts 4/24-12/31 -0-
Debts 7/25 days 1409.59

Technician
Aeronautics
Sixty 1st Street
Milwaukee, WI

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8. Laurence Gray

C2

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Laurence Gray New York, NY ☒ Primary ☐ General ☐ Other	(see below)	$ 7692.11	$ 37.22	$ 7654.89

NATURE OF OBLIGATION (Details of Debt)

(Air travel: see attached memo) ← No memo located

C3

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Laurence Gray 200 E. 27 St. New York, NY ☒ Primary ☐ General ☐ Other	(see below)	$7692.11	$ 1368.99	$ 6323.12

NATURE OF OBLIGATION (Details of Debt)

Balance due from expenditures reported in 7/10/79 quarterly report

YE

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Laurence Gray 200 East 27th St. NY NY ☒ Primary ☐ General ☐ Other	(see below	$6323.12	$1202.80	$5120.32

NATURE OF OBLIGATION (Details of Debt)

Balance due from previous quarter 6323.12

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Occupation/Principle Place of Business: Unknown

YE Balance 5120
Debt 1/24-12/31
Disbursements

C2

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Marjorie Mazel Hecht New York, NY ☒ Primary ☐ General ☐ Other	(see below)	$ 5067.00	$ 1453.00	$ 3653.00

NATURE OF OBLIGATION (Details of Debt)

3/16/79 Midwest-West tour (LaRouche +4: NY-DET-St.Louis-Chicago-Los Angeles Washington, D.C.) Air fares $2940.00
4/6/79 LaRouche + 2 air fare, NY-Paris 1651.00
4/3/79 One air fare NY-Bogota-NY 476.00
TOTAL $5067.00

C3

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Marjorie Mazel Hecht 251 W. 87 St. New York, NY 10024 ☒ Primary ☐ General ☐ Other	(see sheet)	$ 8521.46	$ 4337.08	$ 4184.38

NATURE OF OBLIGATION (Details of Debt)

Supplementary Schedule for Section C, Debts and Obligations
For Quarterly Report 10/10/79

Creditor: Marjorie Mazel Hecht

Expenses incurres previous quarters:	$ 5,067.00
Expenses incurred this quarter:	
Air tickets--	
L. LaRouche, S. Mendez (Chi-St. Louis-Chi) 7/24	318.00
Same (NY-Atlanta-Chi-Detroit) 7/18	992.00
F. Sober (NY-Chi-NY) 7/18	202.00
S. Pettingell, E. Boyd (NY-Chi-Detroit) 7/18	300.00
R. Greenberg (Chi-Detroit) 7/24	49.00
L. Scanlon (Chi-St. Louis-Chi) 7/24	98.00
S. Pettingell, E. Boyd, R. Leebove (Chi-St. Louis-Chi) 7/24	258.00
R. Kay (NY-Kansas City) 9/17	154.00
N. Mletzko (Luxembourg-NY-Lux) 9/17	553.00
E. Boyd, (C. Curtis (Kansas City-NY)	308.00
Avis Car Rental, 7/19	222.46
TOTAL OBLIGATION TO DATE	$ 8,521.46

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YE

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Note	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Marjorie Mazel Hecht 251 W. 87th St. NY NY (X) Primary ( ) General ( ) Other	(See below)	$ 4817.62	$ 1136.30	$ 3681.32

NATURE OF OBLIGATION (Details of Debt)

--	balance from prev quart.	4184.38	
8/27	M/M LaRouche, S Pettingell (Indiap.-Chi-Port OR) Ameri., United	594.00	
	Interest	39.24	4817.62

02040362

YE Balance 3,681.32
Debt 1/30-2/28 0
Debt >38 days 3,681.32

Occupation/Principal Place of Business: Unknown

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Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Marsha Kokinda RD 1, Knapp Road Mechanicville, NY 12118 ☒ Primary ☐ General ☐ Other	(see below)	$ 924.38	$ 119.00	$ 805.38

NATURE OF OBLIGATION (Details of Debt)

3/30/79	Car rental	$119.38
6/6/79	One air fare, Mex.-NY	198.00
6/8/79	One air fare, NY-Richmond-Casper, WY-Denver-Casper-Denver-San Fran	367.00
6/18/79	One air fare, NY-Cleve-NY	132.00
6/21/79	One air fare, Los Ang.-NY	108.00

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Marsha Kokinda 1707 Columbia Rd. Washington, DC ☐ Primary ☐ General ☐ Other	(see below)	$ 939.40	$ 751.92	$ 187.48

NATURE OF OBLIGATION (Details of Debt)

Inc[illegible] prev. quarter:	924.38	
Inter[illegible] on credit card (Jun-Aug)	13.94	
(Jun-Sep)	1.08	939.40

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Marsha Kokinda 1707 Columbia Rd. Washington, DC 20009 ☒ Primary ☐ General ☐ Other	(see below)	$ 2455.48	$ 1169.61	$ 1285.87

NATURE OF OBLIGATION (Details of Debt)

---	balance from previous quarter	187.48
7/9	M/M LaRouche, S. Mendez	
	Lufthansa (Chi-Frankfurt)	2268.00
		2455.48

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[illegible] Consultant
[illegible] has
[illegible]

YE Balance 1,285.[illegible]
Debts [illegible]

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Melvin Johnson Chicago, Ill. ☒ Primary ☐ General ☐ Other	(see below)	$ 3738.68	$ -0-	$ 3738.68

NATURE OF OBLIGATION (Details of Debt)

5/30/79	One air fare, San Fran.-Hermosillo, Mex.-Los Angeles	$198.68
5/25	One air fare, Mexico City-NY-Detroit-Chicago-Los Angeles-Mexico City	498.00
	Hotel rooms + subsistence, LaRouche+5 (Michigan Inn, Southfield, MI)	3000.00
	Meals (Lyttons, Chicago, Ill.)	42.00

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Melvin Johnson 2219 W. Gidding St. Chicago, Ill. ☒ Primary ☐ General ☐ Other	(see below)	$ 5738.68	$ 4000.00	$ 1738.68

NATURE OF OBLIGATION (Details of Debt)

Balance due from prev. report	3738.68	
Hotel room rentals, Chicago, 8/79	2000.00	5738.68

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Melvin Johnson 2219 W. Biddings St. Chicago Ill 60625 ☒ Primary ☐ General ☐ Other		$ 1738.68	$ 0.00	$ 1738.68

NATURE OF OBLIGATION (Details of Debt):

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12. Michael Smedberg

YE

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Michael Smedberg 261 Seaman Ave., NY NY 10034	(See below)			
8 ☒ Primary ☐ General ☐ Other		$2495.00	$ 731.24	$1763.76

NATURE OF OBLIGATION (Details of Debt)

2/27	5 AA tickets $2470; M/MLaR.,S. Pettingell S. Mendez,P.Goldstein, (NY-Chi-Mex Cy)	1235.00
8/27	4 Del. tkts $860; M/MLaR., E. Boyd, S. Pettingell (Atl-Indianap.)	344.00
8/27	S. Thompson (Atl-NY)	103.
11/10	AA tkts M/M LaR., Mendez, Pike,Andromidas (Det-Bos)	813.00
		2495.00

62040

YE Balance 1763.76
Debt 1/2 old
Debt 733 days

Occupation/Principal Place of Business Unknown

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Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Martin Simon PO Box 14403 Portland, OR 97214	(see below)	$ 508.12	$ -0-	$ 508.12
☒ Primary ☐ General ☐ Other				

NATURE OF OBLIGATION (Details of Debt)

4/27/79	Banquet room rental (Thunderbird Inn, Portland)	$288.45
6/22/79	Same (same)	170.77
6/16/79 & 4/18/79	Printing flyers	16.85
	Miscellaneous postage & eqpt. rental	32.05
	TOTAL	508.12

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Martin Simon PO Box 14403 Portland, OR 97214	(see below)	$ 508.12	$ -0-	$ 508.02
☐ Primary ☐ General ☐ Other				

NATURE OF OBLIGATION (Details of Debt)

Incurred last quarter

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Martin Simon 2514 SE Ankey Portland, Oregon	(See below)	$ 1403.84	$ 0.00	$ 1403.84
☒ Primary ☐ General ☐ Other				

NATURE OF OBLIGATION (Details of Debt)

---	balance from previous quart.	508.12	
12/9	Portland Fundraiser	398.50	
8/18-20	Printing & Postage	23.21	
11/9	Mtg. room Lake Oswego, OR	130.	
11/16	meals	165.85	
11/7	leaflets OR	134.80	1403.84
11/7	postage OR	43.46	

Employees [illegible] Signed

[illegible] balance [illegible]

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H. David W. Thill

YE

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
David W. Thill 260 East High St. Manchester, N.H. ☒ Primary ☐ General ☐ Other	(see attached sheet)	$ 3507.65	$ 2000.00	$ 1507.65
NATURE OF OBLIGATION (Details of Debt)				

Supplementary Schedule for Section C, Debts and Obligations
For Quarterly Report 1/31/80

Creditor: David W. Thill

Balance from previous quarters: $0.00
Expenses incurred this quarter: $3507.65

7/28-29/79	$2004.50	LaRouche and entourage lodging--Michigan Inn--Southfield, Mich.
8/8/79	9.10	Lodging--Queen City Motor Inn--Manchester, N.H.
9/16/79	50.00	Lodging--Queen City Motor Inn--Manchester, N.H.
9/22/79	127.60	Lodging--Uptown Motel--Manchester, N.H.
9/24/79	21.20	Lodging--Uptown Motel--Manchester, N.H.
9/29/79	21.20	Lodging--Uptown Motel--Manchester, N.H.
10/1/79	82.96	Auto rental--ThriftyRent-A-Car--Rochester, N.H.
10/19/79	595.00	Auto rental--Avis Rent-A-Car--Manchester, N.H.
11/11/79	362.00	Fundraiser room rental--Greenwich Steak House--Nashua, N.H.
11/21/79	221.00	Auto rental--Budget Rent-A-Car--Manchester, N.H.
11/23/79	13.09	Subsistence--Ferretti's Restaurant--N.H.

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Andrew Wilson Atlanta, GA ☒ Primary ☐ General ☐ Other	(see below)	$992.52	$-0-	$992.52

NATURE OF OBLIGATION (Details of Debt)

5/18/79	One air fare, Atlanta-Jacksonville-Atlanta	$96.00
5/18	One air fare, Atlanta-Jacksonville-Tampa-Atlanta	150.00
		746.52
		$992.52

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Andrew Wilson 145 Peachtree Park Dr. Atlanta, Ga. ☒ Primary ☐ General ☐ Other	(see attached sheet)	$ 3187.52	$ 1472.39	$ 1715.13

NATURE OF OBLIGATION (Details of Debt)

Supplementary Schedule for Section C, Debts and Obligations
For Quarterly Report 10/10/79

Creditor: Andrew Wilson

Expenses Incurred previous quarters:	$ 992.52
Expenses Incurred This Quarter:	
Air tickets--	
Mi. Schlanger (Atlanta-Jacksonville-Atl)	100.00
Ma. Schlanger (same) (both 7/15)	100.00
H. Schlanger (Atlanta-Sarasota-Atlanta) 7/16	146.00
M/M Guillot (N. Orleans-Atlanta-MSY) 7/18	268.00
R. Bartelt (Fayetteville-Atl-Fayett) 7/18	142.00
D. Cochran (Orlando-Atl-Orlando) 7/18	128.00
W. Engdahl (Atl-NY) 7/23	97.00
S. Schlanger (Atl-Ft. Laud.-Atl) 7/23	166.00
M. Schlanger (same)	166.00
H. Quinde (Atl-NY) 8/8	103.00
T. Pike (Atl-San Francisco) 8/8	224.00
M. Mletzko (Atl-NY) 8/8	206.00
H. Schlanger (Atl-San Anton.-Dallas-Austin-Houston-Atl) 8/17	349.00
TOTAL OBLIGATION TO DATE	$ 3,187.52

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Andrew Wilson 145 Peachtree Park Drive Atlanta, GA ☐ Primary ☐ General ☐ Other	(see below)	$6539.47	$ 2901.05	$ 3638.42

NATURE OF OBLIGATION (Details of Debt):

(see attached)

Supplementary Schedule for Section C, Debts and Obligations
For Quarterly Report 1/31/80

Creditor: Andrew Wilson

Balance from previous quarters: 1715.13
Expenses incurred this quarter:

9/[illegible]	[illegible]. Schlanger (Atl-[illegible]) (Eastern)	$106.00
9/[illegible]	[illegible] Lake Hotel--Atlanta	
9/2[illegible]	[illegible] M. Brown (Atl-Pete) (Delta)	1288.67
8/2[illegible]	[illegible] R. Moore (Atl-Buff)	89.00
8/2[illegible]	[illegible] H. Schlanger (Atl-Hous) (Delta)	104.00
8/3[illegible]	[illegible] Magraw (Jksvl-Atl) (Eastern)	175.00
9/9/[illegible]	[illegible] Moore (Atl-Buff) (Eastern)	42.00
9/1[illegible]/79	C. Curtis (Man-Atl-Jksvl) (Eastern)	104.00
9/14/79	Mendez, Boyd, Curtis (Atl-Hous) (Eastern)	97.00
9/2[illegible]	[illegible] H. Schlanger, C. Winslow (Atl-Hous) (Atl-Jksvl)	306.00
9/2[illegible]	[illegible] H. Schlanger (Atl-Mia-Atl) (Delta)	116.00
10/7	[illegible] H. Schlanger (Atl-Ft Laud) (Delta)	175.00
10/1[illegible]/79	H. Schlanger (Ft Laud-Atl-Hous-Atl) (Eastern)	78.00
10/3[illegible]/79	H. Schlanger (Detr-Hous-Dal) (Delta)	246.00
10/2[illegible]/79	Meeting Room--Georgian Oaks--Ga.	196.00
12/3/[illegible]	S. Schlanger (Ft Laud-FDI-Jksvl-Mia)	467.17
12/6-[illegible]/79	H. Schlanger (Atl-Ft Laud-Mia-Tam-Atl) (Delta)	143.00
12/8-9/79	U. Parpart (Mia-Tam-Atl-NY) (NA)	225.00
12/14-24/79	C. Winslow (Atl-Ft Laud-Atl)	168.00
12/17/79	S. Schlanger (Ft Laud-Atl-Ft Laud) (Delta)	168.00
12/17/79	B. Winslow (Atl-Ft Laud-Atl) (Eastern)	115.50
12/18-24/79	H. Schlanger (Atl-Ft Laud-Atl) (Delta)	126.00
12/27/79-1/1/80	M. Schlanger (Atl-Detr-Atl) (Delta)	168.00
		121.00

YE Balance 3[illegible]
Debt [illegible]
Debt 735 days [illegible]

Check
Temps

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Attachment 2

Citizens for LaRouche

Box 976, Radio City Station, New York, N.Y. 10019

EXHIBIT B

Co-chairmen
Allen Salisbury
Carol White

Treasurer
Felice Gelman

TO: BRUCE SHELTON, Federal Elections Commission Audit Staff

FROM: Felice Gelman, Treasurer

April 24, 1980

RE: Overseas Travel Expenses

Paid by Melvin Johnson:

SanFrancisco-Mexico-Los Angeles (traveller: Pat Dolbeare)

Mexico-NY-Detroit-Chicago-Los Angeles-Mexico (traveller: Marivilia Carrasco)

Purpose of both to explore options and begin operation of organizing Mexican-American vote, oriented to states with substantial such populations (California, Arizona, New Mexico, Texas, Colorado, Illinois).

Paid by Marsha Kokinda:

Mexico-NY (traveller: Fernando Quijano).

Purpose was consultation on candidate's program relating to foreign relations (Mexico).

Chicago-Frankfurt (travellers: candidate and party).

Purposes: (1) meeting with Americans in Europe representing potential supporters of campaign; (2) (primary purpose) exploring foreign policy issues (European) for developing campaign program.

Paid by Marjorie Mazel Hecht:

NY-Bogota-NY (traveller: Dennis Small). Purpose: Investigation of illegal narcotics traffic for development of campaign position.

NY-Paris (4/6) (traveller: LaRouche and party). Purpose: Same as above European trip, point (2).

Luxemburg-NY-Luxemburg: (traveller: M. Mletzko). Purpose: Security consultation relating to candidate's campaign travel and appearances.

92040362313

Citizens for LaRouche
Box 976, Radio City Station, New York, N.Y. 10019

Co-chairmen
Alice Salisbury
Carol White

Treasurer
Felice Gelman

Paid by Rochelle Ascher:

Detroit-Chicago-LaCrosse-Chicago-Frankfurt (traveller: Candidate and party).

Purpose: Same as European travel noted above (foreign policy program development for campaign).

Paid by Michael Smedberg:

NY-Chicago-Mexico City (traveller: Candidate and party).

Purpose: Consultation with Mexican officials on U.S.-Mexican foreign policy questions for further development of campaign positions.

0204035314

Attachment 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Felice Gelman, Treasurer
Citizens for LaRouche
Box 976
Radio City Station
New York, New York 10019

RE: MUR 1253

Dear Ms. Gelman:

On , 1980, the Federal Election Commission determined that there is reason to believe that your committee violated section 441a(f) of the Federal Election Campaign Act of 1971, as amended ("the Act") (2 U.S.C. § 431 et. seq.) by knowingly accepting excessive contributions. On that same date, the Commission voted to take no action with respect to the travel expenditures. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your committee, the Commission may find probable cause to believe that a violation has occurred and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

0 2 0 4 0 3 0 2 3 1 5

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michael Dymersky, the staff member assigned to this matter, at 202/523-4039.

Sincerely,

Enclosures

General Counsel's Facutal and Legal Analysis
Description of Preliminary Procedures

6204036231 6

Attachment 5

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

MUR NO. 1253
STAFF MEMBER(S) & TEL. NO.

RESPONDENT: Citizens for LaRouche

Robert I. Bogin - 523-4000
Michael Dymersky - 523-4039

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

0 2 0 4 0 3 5 2 3 1 7

SUMMARY OF ALLEGATIONS

In a referral from the Audit Division on June 13, 1980, the audit staff notes that fifteen (15) individuals incurred obligations on behalf of the Citizens for LaRouche Committee ("CFL" or "Committee") and appear to have exceeded the limitations on contributions under 2 U.S.C. § 441a(a)(1)(A). The audit staff also notes that certain expenditures made by CFL in connection with foreign travel might be unqualified campaign expenses.

FACTUAL AND LEGAL ANALYSIS

A. Debts Owed to Individuals

An Audit review of the Committee's reported debts and obligations indicated that 15 individuals incurred obligations on behalf of the campaign in amounts greater than $1,000.00 and appear to have exceeded the limitation on contributions under 2 U.S.C. § 441a(a)(1)(A). These obligations have been outstanding from 38 to 308 days. The amounts owed to the individuals ranged between $1,005.44 to $5,120.32 and totaled $32,131.94. 1/ The treasurer stated that the 15 individuals

---

1/ Totals reflect the reported activity as of 12-31-79 as adjusted for obligations outstanding less than 38 days and do not include any reported obligations incurred after 11-24-79.

were acting as representatives of the Committee and were authorized (orally) to incur obligations on behalf of the Committee.

The obligations, for the most part, consisted of expenses for travel, lodging and subsistence for other Committee representatives and the Candidate. 2/ The expenses were disclosed as obligations owed by the Committee on the Schedule of Debts and Obligations. (See Exhibit A). 3/ With the exception of $4,952.14 in debts incurred in November, 1979, the remainder were reported as being incurred prior to November 2, 1979. Furthermore, the majority of debts with balance greater than $1,000 have been outstanding since August, September and October, 1979. The earliest reported date of incurrence was February, 1979.

Respondents' contention that an expenditure of personal funds on behalf of CFL should not be considered a contribution because the individuals were authorized by CFL to make expenditures on its behalf has no basis in law. The unreimbursed expenses should be viewed as contributions, and, to the extent that such an expenditure by an individual exceeds the limits prescribed by the Act, and remains unreimbursed, such expenditure should be viewed as excessive.

2 U.S.C. § 431(e) defines a "contribution" as, inter alia, a loan or advance made for the purpose of

> (B) influencing the result of an election held for the expression of a preference for the nomination of persons for election to the office of President of the United States;

2/ The exclusion contained in former 2 U.S.C. § 431(e)(5)(D) applies to an individual's own expenses for travel and therefore may be applicable to certain individuals mentioned above. The new provision found at 2 U.S.C. § 431(8)(B)(iv) would allow the activity up to $1000 with respect to any single election.

3/ The occupation and principal place of business of the 15 individuals (as annotated on Exhibit A) consist of the following:

> Research assistant, Medical College of Virginia; programmer, Computron; employee, E.W. Finley, P.C.; electrican, Singer Company; technican, Astronauntics; banking consultant, American Banking Association; salesman, Sewing Exchange; clerk, Team Temps; housewife, husband unemployed; four (4) unidentified in records and reports; one (1) self employed; and one (1) unemployed person.

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2 U.S.C. § 441a(a)(1)(A) prescribes a limitation on individual contributions by stating that

> (1) No person shall make contributions -
> (A) to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000;

Thus, with regard to the majority of individual, unreimbursed expenditures made on behalf of CFL, which do not have the benefit of the former 2 U.S.C. § 431(e)(5)(D) exclusion for personal expenditures on the volunteer's own behalf, it is apparent that CFL has received excessive contributions.

Therefore, the Office of General Counsel recommends that the Commission find reason to believe that CFL violated 2 U.S.C. § 441a(f) by knowingly accepting contributions in violation of the individual contribution ceilings imposed by 2 U.S.C. § 441a(a)(1)(A). 4/

B. Apparent Unqualified Campaign Expenses

The Audit Division's examination of Committee expenditure records disclosed certain expenses related to travel outside the United States, its territories and or possessions, which may not be "in connection with" the Candidate's campaign for nomination for election. 26 U.S.C. § 9032(9). These expenses were initially reported on the Schedule of Debts and Obligations (with the exception of one (1) undisclosed expense) and were identified as airfare costs owed to individuals for travel outside the United States. The airfare costs for persons traveling, including the candidate, were paid by other Committee representatives. Partial payments on account for some obligations were subsequently made for international travel costs, as well as other travel occurring inside the United States.

4/ We have deferred making a finding as to the individual contributions involved herein, pending a review of the response, if any, by CFL. Since 2 U.S.C. § 431(8)(B)(iv) states that "any unreimbursed payment for travel expenses made by an individual on behalf of any candidate or political committee "cannot exceed in cumulative value, $1000 with respect to the candidate , and $2000 with respect to the political committee, some, but not all of the individual expenditures may be allowed under the 1979 Amendments.

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Considering the discussion above-set forth, and in light of consistent treatment of other candidates with respect to required documentation on similar foreign travel expenditures, the Office of General Counsel believes that the attached explanations offered by the Committee are not unreasonable, and therefore recommends that no action be taken with respect to such travel expenses.

Recommendations

1. Find reason to believe that Citizens for LaRouche violated 2 U.S.C. § 441a(f) by knowingly accepting excessive contributions.

2. Take no action with respect to the travel expenditures.

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 1253

Date Filmed 12/20/83 Camera No. --- 2

Cameraman DPC

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

THE FOLLOWING MATERIAL IS BEING ADDED TO THE PUBLIC FILE OF CLOSED MUR 1253.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MURs 1158, 1186, 1253 and 1352
Citizens for LaRouche	)	

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission Executive Session on January 18, 1983, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in the above-captioned matter:

1. Authorize the acceleration of all CFL installment payments, thereby making the full amount ($15,000) due ten days after written notice is received by CFL;

2. Authorize the filing of a civil action for relief against CFL and Lyndon LaRouche if full payment of the $15,000 civil penalty is not received by February 1, 1983; and

3. Approve the letter notifying counsel for CFL of the Commission's actions as recommended by the FEC General Counsel in the report dated January 6, 1983.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively for the decision.

Attest:

Jan. 18, 1983
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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January 6, 1983

MEMORANDUM TO: Marjorie W. Emmons

FROM: Phyllis A. Kayson

SUBJECT: MURs 1158, 1186, 1253 and 1352

Please have the attached Memo to the Commission distributed to the Commission for the agenda of January 18, 1983 as a sensitive matter. Thank you.

Attachment

cc: Lerner

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RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

83 JAN 6 P1:26

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 6, 1983

EXECUTIVE SESSION

MEMORANDUM

JAN 18 1983

SENSITIVE

TO: The Commission

FROM: Charles N. Steele
General Counsel

RE: Citizens for LaRouche Conciliation Agreement - MURs 1158, 1186, 1253 and 1352

On November 5, 1982, the Commission accepted a conciliation agreement submitted on behalf of Citizens for LaRouche (CFL) in MURs 1158, 1186, 1253 and 1352, in which CFL agreed to pay a $15,000 civil penalty to the Commission. (See Attachment I) According to the terms of that agreement CFL was to make an initial installment payment of $5,000 on December 1, 1982, followed by ten consecutive monthly installments of $1,000 each. The agreement further provides that if any of the installment payments is not made on time, the Commission may accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to CFL.

As of December 15, 1982, the Commission had not received CFL's initial installment payment of $5,000. Consequently, the Office of General Counsel sent a letter to CFL's counsel notifying him of the delinquency and reminding him of the acceleration provision in the conciliation agreement. (See Attachment II) The letter also advised that CFL should forward a $5,000 check to the Commission prior to December 17, 1982 if it wished to avoid further Commission consideration of the matter.

The Commission has not yet received a check or any other response from CFL or its attorney. The Office of General Counsel, therefore, recommends that the Commission authorize the acceleration of all the CFL installment payments, authorize the filing of a civil action for relief against both CFL and Lyndon

LaRouche*/ in the event full payment of the accelerated amount is not received within 10 days of CFL's receipt of the Commission's notice, and approve the attached letter notifying CFL's counsel of those actions. (See Attachment IV)

Recommendation

1) Authorize the acceleration of all CFL installment payments, thereby, making the full amount ($15,000) due ten days after written notice is received by CFL.

2) Authorize the filing of a civil action for relief against CFL and Lyndon LaRouche if full payment of the $15,000 civil penalty is not received by February 1, 1983.

3) Approve attached letter notifying counsel for CFL of the Commission's actions.

Attachments

I. Signed conciliation agreement of CFL;

II. December 9, 1982 letter to Mayer Morganroth, counsel for CFL;

III. Candidate certification letter submitted by Lyndon LaRouche.

IV. Proposed letter notifying CFL's counsel of the Commission's actions.

---

*/ In the candidate certification letter submitted as part of his application for Presidential Primary Matching Funds, Lyndon LaRouche certified that he had read Section 9033.1 of the Commission's regulations and agreed to comply with each condition set forth, therein. (See Attachment III) Section 9033.1(9) states:

> The candidate shall pay any civil penalties included in a conciliation agreement with or imposed under 2 U.S.C. § 437g against the candidate, the principal campaign committee or any authorized committee of the candidate. (emphasis added)

As Mr. LaRouche certified that he would pay any CFL civil penalty the suit should be filed against both he and CFL.

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82 OCT 27 P12:25

BEFORE THE FEDERAL ELECTION COMMISSION

OCT 27 P1:58

In the Matter of)
Citizens for LaRouche) MURs 1158, 1186, 1253 and 1352
)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "Commission") pursuant to information obtained in the normal course of carrying out the Commission's supervisory responsibilities under the Federal Election Campaign Act of 1971, as amended 2 U.S.C. § 431 et seq., and the Presidential Primary Matching Payment Account Act, 26 U.S.C. § 9031 et seq. Reason to believe has been found that the Respondent violated the following statutory and regulatory provisions:

2 U.S.C. § 441f;

11 C.F.R. § 110.4(c)(2);

2 U.S.C. § 441a(f) and;

26 U.S.C. § 9042(c)(1)(A).

NOW, THEREFORE, the Commission and Respondent, having entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i) do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.

II. The Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. The Respondent enters voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Respondent is the principal campaign committee authorized by Lyndon LaRouche to receive contributions and make expenditures in connection with Lyndon LaRouche's candidacy for the Democratic nomination for the office of President in 1980.

2. During that period, Respondent maintained offices throughout the country where volunteers, inter alia, solicited contributions and forwarded them to Respondent's New York headquarters.

3. These volunteers knew that Respondent would submit the collected contributions to the Commission in an effort to obtain presidential primary matching funds.

4. Respondent, through its volunteers, violated 2 U.S.C. § 441f by knowingly accepting the following contributions made by one person in the name of another:

(A) MUR 1158

(1) $250 cashier's check in the name of Harold Harrison dated 1/14/80.

(2) $150 money order in the name of Anne R. Taylor dated 11/20/79.

(3) $1,009.58 loan check from Household Finance submitted with signature document indicating that it had been contributed by David Sanders and Lenore Sanders, his spouse, dated 1/22/80.

(B) MUR 1352

(1) $250 money order signed "Robert Hart" and dated 12/10/79 (no accompanying signature document).

(2) $125 money order signed "Janice Hart" and dated 12/7/79 (no accompanying signature document).

(3) $120 money order signed "Janice Hart" and dated 12/7/79 (no accompanying signature document).

(4) $100 money order signed "Paul Greenberg" and dated 12/10/79 (no accompanying signature document).

(5) $100 money order signed "Paul Greenberg" and dated 12/11/79 (no accompanying signature document).

(6) $135 money order signed "Sherri Waffle" and dated 12/7/79 (no accompanying signature document).

(7) $85 money order signed "Sherri Waffle" and dated 12/7/79 (no accompanying signature document).

(8) $80 money order signed "Sherri Waffle" and dated 12/7/79 (no accompanying signature document).

(9) $55 money order signed "William Lerch" and dated 12/7/79 (no accompanying signature document).

The Commission has not alleged that these were willful violations.

5. Respondent, through its volunteers, violated 11 C.F.R. § 110.4(c)(2) by accepting and retaining the following cash contributions, which when added to the contributors' previous contributions, exceeded, in the aggregate, $100 in cash for each of the respective contributors:

(A) <u>MUR 1158</u>

(1) $40 cash contribution made by Ernest Pulsifer.

(2) $150 cash contribution made by Ernest Pulsifer.

(3) $250 cash contribution made by Nancy Radcliffe.

(4) $400 cash contribution made by Belinda F. deGrazia.

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The Commission has not alleged that these were knowing and willful violations.

6. Respondent, through its volunteers, violated 2 U.S.C. § 441a(f) by knowingly accepting the following contributions which were in violation of contribution limitations set forth in 2 U.S.C. § 441a(a)(1)(A):

(A) MUR 1158

(1) $1,009.58 check from David Sanders.

(B) MUR 1253

(1) $2,713.53 in contributions from Rochelle Ascher;

(2) $1,742.15 in contributions from Karen Brubaker;

(3) $1,024.48 in contributions from John Covici;

(4) $1,279.55 in cntributions from Joseph D'Urso;

(5) $3,378.34 in contributions from Elliot Eisenberg;

(6) $2,067.32 in contributions from Jeffrey Forrest;

(7) $1,409.59 in contributions from Gregory Garnier;

(8) $5,120.32 in contributions from Laurence Gray;

(9) $3,681.32 in contributions from Marjorie Mazel Hecht;

(10) $1,285.87 in contributions from Marsha Kokinda;

(11) $1,738.68 in contributions from Melvin Johnson;

(12) $1,763.76 in contributions from Michael Smedberg;

(13) $1,005.44 in contributions from Martin Simon;

(14) $1,507.65 in contributions from David W. Thill;

(15) $2,403.90 in contributions from Andrew Wilson;

(16) $1,025 in contributions from August F. Arace;

(17) $1,043 in contributions from James M. Duree;

(18) $1,105 in contributions from Shirley Fingerman;

(19) $1,030 in contributions from John Holly;

(20) $1,044 in contributions from T. J. Hopkins;

(21) $1,150 in contributions from Sherri S. Lightner;

(22) $1,100 in contributions from John Pellicano;

(23) $1,100 in contributions from John Ryman;

(24) $1,120 in contributions from John J. Sakala;

(25) $1,125 in contributions from Walter J. Stevens;

(26) $1,010 in contributions from James Taylor;

(27) $1,030 in contributions from Verne Tomlins;

(28) $1,515 in contributions from Carleton Williams;

(29) $1,580 in contributions from Frederic L. Young;

(30) $2,375 in contributions from Donald J. Carr;

(31) $2,030 in contributions from Ellen G. Scott;

(32) $1,050 in contributions from Belinda F. deGrazia;

(33) $1,250 in contributions from Alexander Ward;

(34) $1,125 in contributions from Mary F. Cummings;

(35) $1,075 in contributions from James M. Everette;

(36) $1,250 in contributions from Michael Micale.

The Commisson has not alleged that these were willful violations.

7. Respondent, through its volunteers, violated 26 U.S.C. § 9042(c)(1)(A) by knowingly and willfully submitting

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false and/or misleading information to the Commission in an attempt to obtain matching funds with regard to the following contributions:

(A) MUR 1158

(1) $35 money order signed "William Hayden" and dated 1/8/80.

(2) $150 money order signed "Ernest Pulsifor" and dated 12/4/79.

(3) $250 money order signed "Nancy Radcliff" and dated 9/12/79.

(4) $250 money order signed "Robert A. Robinson" and dated 9/12/79.

(5) $140 money order signed "Kevin Salisbury" and dated 1/12/80.

(6) $450 money order signed "Kevin Salisbury" and dated 1/21/80.

(7) $70 money order signed "Charles Clark" and dated 11/13/79.

(8) $150 money order signed "Anne R. Taylor" and dated 11/20/79.

(9) $45 money order signed "David Sanders" and dated 11/25/79.

(10) $25 money order signed "David Sanders" and dated 1/3/79.

(11) $1,009.58 Household Finance Company loan check endorsed by David Sanders submitted along with a signature document signed by David Sanders and Lenore Sanders, as spouse.

(12) $400 money order signed "Belinda F. deGrazia" and dated 1/22/80.

(13) $250 cashier's check and signature document for Dr. Harold Harrison.

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(B) MUR 1186

(1) $40 money order signed "Harold Harper" and dated 7/17/79 accompanied by signature document dated 12/7/79.

(C) MUR 1352

(1) $200 money order signed "William Lerch" and dated 11/19/79.

(2) $55 money order signed "William Lerch" and dated 12/7/79.

(3) $135 money order signed "Sherri Waffle" and dated 12/7/79.

(4) $85 money order signed "Sherri Waffle" and dated 12/7/79.

(5) $80 money order signed "Sherri Waffle" and dated 12/7/79.

(6) $125 money order signed "Janice Hart" and dated 12/7/79.

(7) $120 money order signed "Janice Hart" and dated 12/7/79.

(8) $100 money order signed "Victoria Lacey" and dated 12/10/79.

(9) $50 money order signed "Victoria Lacey" and dated 12/10/79.

(10) $250 money order signed "Robert Hart" and dated 12/10/79.

(11) $100 money order signed "Paul Greenberg" and dated 12/10/79.

(12) $100 money order signed "Paul Greenberg" and dated 12/11/79.

V. The Commission has treated the matters described in this document as civil violations.

VI. Respondent will pay a civil penalty to the Treasurer of the United States in the amount of fifteen thousand dollars

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($15,000), pursuant to 2 U.S.C. § 437g(a)(5)(A), such penalty to be paid as follows:

1) One initial payment of $5,000, due on December 1, 1982;

2) Thereafter, beginning on January 1, 1983, ten consecutive monthly installment payments of $1,000 each;

3) Each such installment shall be paid on the first day of the month in which it becomes due;

4) In the event that any installment payment is not received by the Commission by the fifth day of the month in which it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to the respondent. Failure by the Commission to accelerate the payments with regard to any overdue installment shall not be construed as a waiver of its right to do so with regard to future overdue installments.

VII. Respondent agrees that it shall not undertake any activity which is in violation of either the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §§ 431 et seq. or the Presidential Primary Matching Payment Account Act, 26 U.S.C. § 9001 et seq.

VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with

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this agreement. If the Commission believes that this agreement or any requirement thereof has been violated it may institute a civil action for relief in the United States District Court for the District of Columbia.

IX. Except for the conditions specified in paragraph VIII above, this agreement constitutes a complete bar to any further action by the Commission with regard to the matters set forth in this agreement. It is the understanding of the Respondent and the Commission that the execution of this agreement will result in the termination of all pending Matters Under Review concerning the respondent as of the present date, and that this agreement constitutes complete satisfaction of all such pending Matters Under Review.

X. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

Charles N. Steele
General Counsel

Nov. 5, 1982
Date

By: Kenneth A. Gross
Associate General Counsel

Citizens for LaRouche

10-25-82
Date:

By: Mayer Morganroth
Counsel for Respondent

83040100015

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 9, 1982

Mayer Morganroth, Esq.
Heritage Plaza
Suite 555
24901 Northwestern Highway
Southfield, Michigan 48075

Re: Citizens for LaRouche
Conciliation Agreement

Dear Mr. Morganroth:

On October 25, 1982 you entered into a conciliation agreement on behalf of your client, Citizens for LaRouche (CFL), in which CFL agreed to pay a $15,000 civil penalty to the Commission. According to the terms of that agreement, CFL was to have made its initial installment payment of that penalty, in the amount of $5,000, on December 1, 1982.

It is now December 9, and no such payment has been received by the Commission. I, therefore, direct your attention to paragraph IV, section 4 of the conciliation agreement which states:

> In the event that any installment payment is not received by the Commission by the fifth day of the month in which it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to respondent.

In order to avoid such an accelaration, CFL should forward a check to the Commission in the full amount due ($5,000) prior to December 17, 1982.

This is the only notice of deliquency that you will receive prior to further Commission consideration of this matter. If you have any questions contact Lois Lerner, the attorney in charge, at (202) 523-4175.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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Federal Election Commission
1325 K Street
Washington, D.C., 20463

II

Madame and Gentlemen:

Pursuant to the provisions of the Presidential Primary Matching Payment Account Act, the 'act', and the Federal Election Commission regulations promulgated thereunder, the 'regulations', I hereby certify that I am seeking the nomination of the Democratic Party to the office of President of the United States in more than one state.

I further certify that neither I nor Citizens for LaRouche, my authorized principal campaign committee, will incur qualified campaign expenses in excess of the limitations set forth under section 9035 of the regulations.

I further certify that Citizens for LaRouche has received on my behalf matchable contributions which, totaled, exceed $5,000 in contributions from individuals who are residents of each of at least 20 states, and with respect to any individual do not exceed $250. The information required by section 9033.2 (c) (2) of the regulations with respect to such contributions is enclosed herewith.

I further certify that I have read section 9033.1 of the regulations and I hereby agree that Citizens for LaRouche and I will comply with each condition set forth set forth in section 9033.1

Citizens for LaRouche and I specifically agree to obtain and furnish to the Commission at its request any evidence regarding qualified campaign expenses by me, Citizens for LaRouche, and all authorized committees. We will include as part of this evidence the following documentation:

For expenditures exceeding $100 or for expenditures of less than $100 to a payee who receives expenditures aggregating more than $100 per year, either:

a. a receipted bill which is from the payee which states the particulars of the expenditure -- or
b. if such a receipted bill is not available, the following documents which will state the particulars of the expenditure:
1. A cancelled check negotiated by the payee-- plus
2. One of the following documents from the payee-- a bill, invoice, voucher or or contemporaneous memorandum--
3. Where the documents specified in 2. above are not available, a voucher or contemporaneous memorandum from the candidate or Citizens for LaRouche --or
c. if neither a receipted bill nor the documentation specified above is available, a cancelled check stating the particulars of the expenditure.

Where the supporting documentation required above is not available, Citizens for LaRouche and I may present a cancelled check and collateral evidence to document the qualified campaign expense. Such evidence may include but is not limited to : (a) evidence demonstrating that the expenditure is part of an identifiable program or project which is other-

a number of documented expenditures relating to a campaign mailing or to the operation of a campaign office-- (b) evidence that the expenditure is covered by a pre-established written campaign committee policy, such as per Diem policy , etc.

Citizens for LaRouche and I understand that the term 'particulars' means the identification of the payee, the date and amount of the expenditure, and a description of the goods or services purchased.

For all other expenditures:
a. if from the petty cash fund, a record disclosing the identification of the payee, the amount and the date of the expenditure-- or
b. a cancelled check which has been negotiated by the payee and states, the identification of the payee, and the amount and date of the expenditure.

Citizens for LaRouche and I understand that 'payee' means the person who provides the goods and services to the committee or candidate in return for the expenditure except for an advance of $500. or less for travel and/or subsistence to an individual who will be the recipient or the goods or services purchased.

Upon the request of the Commission, Citizens for LaRouche and I shall supply an explanation of the connection between the expenditure and the campaign.

Citizens for LaRouche and I shall keep and furnish to the Commission any books, records, including bank records for all accounts and supporting documentation for matching fund submissions , or other information that the Commission may request , as well as copies of books and records maintained by all authorized committees of the candidate.

For purposes of audit and examination pursuant to section 9038 of the regulations, and at the Commission's request , Citizens for LaRouche and I shall gather the books and records required, as stated above, in one centralized location.

Citizens for LaRouche and I shall permit an audit and examination pursuant to section 9038 of all campaign expenditures, including those made by all authorized committees-- facilitate such audit by making available office space, records , and such personnel as is necessary to conduct the audit and examination-- and pay any amounts required to be paid under section 9038.

Prior to the date of the first matching funds payment pursuant to the Act, Citizens for LaRouche and I shall submit the name and mailing address of the national or state banks designated by Citizens for LaRouche and myself as a campaign depository as required by 11 CFR part 103 and section 9037.3 of the regulations.

Citizens for LaRouche and I shall prepare matching funds submissions in accordance with the Federal Election Commission guideline for presentation in good order.

Citizens for LaRouche and I shall comply with applicable requirements of sections 431-434-437b title 2, US code and parts 100-108 of the Federal Election Commission regulations.

Citizens for LaRouche and /or I shall pay any civil penalties including in a conciliation agreement or imposed under 2 usc section 437g against me, the committee, or any authorized committee of mine.

If there are any questions regarding the above certification and agreements, please call either Felice Gelman, treasurer of Citizens for LaRouche, or James F. Schoener, counsel representing Citizens for LaRouche.

Very truly yours,

Lyndon H. LaRouche, Jr.

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ATTACHMENT III (3 of 3)

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mayer Morganroth, Esq.
Heritage Plaza
Suite 555
24901 Northwestern Highway
Southfield, Michigan 48075

Re: Citizens for LaRouche Conciliation Agreement

Dear Mr. Morganroth:

On October 25, 1982 you entered into a conciliation agreement on behalf of Citizens for LaRouche (CFL), in which CFL agreed to pay a $15,000 civil penalty to the Commission. According to the terms of that agreement, CFL was to have made its $5,000 initial installment payment of that penalty on December 1, 1982, followed by ten consecutive monthly installments of $1,000 to begin January 1, 1983. The agreement further provides that if any installment payment is not received at the Commission by the fifth day of the month in which it becomes due, the Commission may accelerate the remaining payments - causing the entire amount to become due ten days after CFL receives written notice of such an acceleration.

On December 9, 1982, the Commission notified you that it had not received CFL's initial $5,000 installment and advised you that CFL should forward the $5,000 payment prior to December 17, 1982, in order to avoid acceleration of the entire amount. No such payment has been received. In addition, the first $1,000 monthly installment payment due on January 1, 1983 is now overdue.

On January , 1983, based on CFL's failure to comply with the payment schedule set forth in the conciliation agreement, the Commission authorized the acceleration of all remaining payments. Please be advised, therefore, that the entire civil penalty ($15,000) is due ten days after your receipt of this letter. Additionally, the Commission has authorized the filing of a civil

action for relief against both CFL and Lyndon LaRouche*/ in the event that payment of the entire $15,000 is not received within 10 days of your receipt of this notice.

If you have any questions concerning the Commission's actions, please contact Lois Lerner at (202) 523-4175.

Sincerely,

Charles N. Steele
General Counsel

---

*/ In the candidate certification letter submitted as part of his application for Presidential Primary Matching Funds, Mr. LaRouche agreed to pay any civil penalties assessed against CFL pursuant to a conciliation agreement.

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

END OF ADDITIONAL MATERIAL FOR CLOSED MUR 1253.

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