FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 1436

Date Filmed 2/28/84 Camera No. --- 2

Cameraman JRL

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FEDERAL ELECTION COMMISSION

routing slips; conciliation correspondence and memoranda; personal banking records; 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 Nancy B Nathan

Date 2/22/84

FEC 9-21-77

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1436
Richmond Reelection Committees	)	
Walco National Corporation	)	
Gerard Jansen	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on January 24, 1984, the Commission decided by a vote of 5-0 to take the following actions in MUR 1436:

1. Approve the conciliation agreements and letters to respondents Richmond Reelection Committee, Walco National Corporation and Gerard Jansen, as submitted with the General Counsel's January 20, 1984, Memorandum to the Commission.

2. Close the file in this matter.

3. Approve the letters to respondents Coastal Dry Dock and Repair Corporation, Charles Montanti, and Stanley Lazar, as attached to the January 20, 1984, Memorandum to the Commission.

Commissioners Aikens, Elliott, Harris, McDonald and Reiche voted affirmatively in this matter; Commissioner McGarry did not cast a vote.

Attest:

Jan. 24 1984
Date

Judy C. Ransom
for Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary: 1-20-84, 9:47
Circulated on 48 hour tally basis: 1-20-84, 2:00

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SENSITIVE

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

84 JAN 20 A 9: 47

January 20, 1984

MEMORANDUM TO: The Commission

FROM: Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

RE: MUR 1436 (Richmond Reelection Committee; Walco National Corporation; Gerard Jansen)

Attached are conciliation agreements signed by counsel to Respondents Richmond Reelection Committee and Walco National Corporation ("Walco"), and by Respondent Gerard Jansen.

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This office recommends that the Commission approve the attached conciliation agreements (Attachment 1-3) and letters to Respondents Richmond Reelection Committee, Walco National Corporation and Gerard Jansen (Attachments 4-6), close the file in this matter. We further recommend the approval of the attached letters to Respondents Coastal Dry Dock and Repair Corporation, Charles Montanti, and Stanley Lazar informing them that the enitre file has been closed (Attachments 7 and 8).

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committees) MUR 1436

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"). The Commission has found reason to believe that the 1978 Citizens Committee for Fred Richmond and the 1980 Richmond Reelection Committee ("Respondent") violated 2 U.S.C. § 441b(a) by accepting contributions of staff time, office space and materials by Walco National Corporation ("Walco"), and 2 U.S.C. §§ 431(8)(B)(ix)(II) and 434(b), by failing to report the contribution by Walco of certain accounting services.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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Attachment 1-1

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

1. Seven individuals employed by Walco during the period 1976-1981 performed campaign services for Respondent during their free time and during regular working hours at Walco.

2. The campaign services performed by Walco employees during regular working hours were performed in Walco's offices. Some Walco office equipment, services and materials were used in the course of their campaign work.

3. Before it was notified of the commencement of the investigation by the Commission, Respondent calculated the reasonable value of the employees' services and of the use of the Walco facilities, including incidental use and use during time made up by the employees, for the period 1976-1981, and reimbursed Walco in the amount of $12,625.49. That amount included $1,250.72 for use of office facilities in 1976; $3,328.89 for campaign services by employees, and $1,891.42 for office facilities, in 1978; $1,106.84 for office facilities in 1979; $910.35 for campaign services by employees, and $1,639.38 for office facilities, in 1980; and $691.86 for campaign services by employees, and $1,638.84 for office facilities, in 1981.

Attachment 1 - 2

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4. Certain accounting services were performed for Respondent by regular employees of Walco that were solely for ensuring compliance with the provisions of the Federal Election Campaign Act of 1971, as amended. In a January 1982 memo entry filed with the Commission, Respondent reported its acceptance of those accounting services.

V. Section 441b(a) of Title 2, United States Code, prohibits the acceptance of contributions in connection with any federal election from corporations. At 2 U.S.C. § 431(8)(A)(i), "contribution" is defined to include "any gift, subscription, loan, advance, or deposit of money or anything of value (emphasis added) made by any person for the purpose of influencing any election for Federal office." At 2 U.S.C. § 431(8)(A)(ii), "contribution" is further defined to include "the payment by any person of compensation for the personal services of another person which are rendered to a political committee without charge for any purpose."

VI. By its acceptance of services performed by Walco employees during working hours, calculated in the amount of $4,931.10, Respondent violated of 2 U.S.C. § 441b(a).

VII. By its acceptance of the use of office facilities by Walco employees performing services for Respondent, calculated in the amount of $7,527.20, Respondent violated of 2 U.S.C. § 441b(a).

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Attachment 1 - 3

VIII. By its failure to report, as required by 2 U.S.C. § 434(b), its acceptance of certain accounting services performed by Walco employees, Respondent violated 2 U.S.C. § 434(b) and § 431(8)(B)(ix)(II).

IX. Respondent contends that it did not knowingly and willfully violate the law in that it was not aware that it was violating the statute at the time that it accepted the services and the use of the facilities.

X. Respondent agrees to pay a civil penalty in the amount of Two Thousand Dollars ($2,000.00) payable to the United States Treasury, pursuant to 2 U.S.C. § 437g(a)(5)(A).

XI. Respondent agrees that, in the future, it will comply with the requirements of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431 et seq.

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

XIII. This agreement shall become effective as of the date both parties have executed it and the Commission has approved the entire agreement.

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Attachment 1 - 4

XIV. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement its requirements and to so notify the Commission.

FOR THE COMMISSION:

Charles N. Steele
General Counsel

By: _____ _____
Kenneth A. Gross — Date
Associate General Counsel

FOR THE RESPONDENT:

_____ 1/10/84
Walter Sterling Surrey — Date
Special Counsel for the
Respondent

8404044317

Attachment 1-5

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Walco National Corporation) MUR 1436

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"). The Commission has found reason to believe that Walco National Corporation ("Respondent") furnished some staff time, office space and materials to the 1978 and 1980 campaign committees of U.S. Representative Frederick Richmond, which resulted in a violation of 2 U.S.C. § 441b(a).

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. During the period 1976-1981, seven employees of Respondent performed some services during some of their regular working hours for the Richmond Reelection

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Attachment 2 -1

Committees of 1978 and 1980.

2. In doing so, the employees used some of Respondent's office equipment, services and materials.

3. Following its notification that the activities described supra had been conducted in violation of 2 U.S.C. §441b(a), Respondent made a detailed analysis of the reasonable value of those activities. On March 3, 1982, Respondent received from the Richmond Reelection Committees of 1978 and 1980 payment of the reasonable value of those activities, as shown in such analysis, $12,625.49 in all. That amount included $1,250.72 for use of office facilities in 1976; $3,328.89 for campaign services by employees, and $1,891.42 for office facilities, in 1978; $1,106.84 for office facilities in 1979; $910.35 for campaign services by employees, and $1,639.38 for office facilities, in 1980; and $691.86 for campaign services by employees, and $1,638.84 for office facilities, in 1981.

V. Section 441b(a) of Title 2, United States Code, prohibits corporations from making contributions in connection with any federal election. At 2 U.S.C. § 431(8)(A)(i), "contribution" is defined to include "any gift, subscription, loan, advance, or deposit of money or anything of value (emphasis added) made by any person for the purpose of influencing any election for Federal office." At 2 U.S.C. § 431(8)(A)(ii), "contribution" is further defined to include "the payment by any person of compensation for the personal

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services of another person which are rendered to a political committee without charge for any purpose."

VI. The services of Respondent's employees on behalf of the Richmond Reelection Committees during 1976-1981 constituted a contribution by Respondent to the committees, calculated in the amount of $4,931.10, in violation of 2 U.S.C. § 441b(a). Respondent contends that it did not knowingly and willfully violate 2 U.S.C. § 441b(a) in that it was not aware at the time such services of its employees were being performed that they constituted a violation of the statute.

VII. The use of Respondent's office facilities in connection with such services constituted a contribution by Respondent to the Richmond Reelection Committees, calculated in the amount of $7,527.20, in violation of 2 U.S.C. § 441b(a). Respondent contends that it did not knowingly and willfully violate 2 U.S.C. § 441b(a) in that it was not aware at the time such use was being made of its facilities that the use constituted a violation of the statute.

VIII. Respondent agrees to pay a civil penalty in the amount of Two Thousand Dollars ($2,000) to the United States Treasury, pursuant to 2 U.S.C. § 437g(a)(5)(A).

IX. Respondent agrees that, in the future, it will comply with the requirements of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431 et seq.

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

XI. This agreement shall become effective as of the date both parties have executed it and the Commission has approved the entire agreement.

XII. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement its requirements and to so notify the Commission.

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FOR THE COMMISSION:

Charles N. Steele
General Counsel

By: _____ _____
Kenneth A. Gross Date
Associate General Counsel

FOR THE RESPONDENT:

William T. Butler _____ January 16, 1984
(Name) Date
(Title) General Counsel

Attachment 2-4

WALCO NATIONAL CORP.
743 FIFTH AVENUE
NEW YORK, NY 10022

17875

1-38/210

CERTIFIED

January 16 1984

PAY TO THE ORDER OF U.S. TREASURY $ 2,000.00

THE SUM 2000 DOLS 00 CTS DOLLARS

MANUFACTURERS HANOVER TRUST COMPANY
741 Fifth Avenue, New York, N.Y. 10022

John F. Rein Jr.

FOR

⑈017875⑈ ⑆021000306⑆0026 0⑈03525⑈

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Attachment 2-5

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Gerard Jansen	)	MUR 1436

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"). The Commission has found reason to believe that Gerard Jansen ("Respondent") violated 2 U.S.C. § 441f by making contributions to the 1978 and 1980 campaign committees of U.S. Representative Frederick Richmond in the names of other persons.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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Attachment 3-1

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

1. Respondent contributed a total of $1,800 to the 1978 campaign committee of U.S. Representative Frederick Richmond in the names of other persons, and reimbursed those persons with personal funds.

V. Section 441f of Title 2, United States Code, prohibits the making of contributions in the names of other persons.

VI. By making contributions to the 1978 campaign committee of U.S. Representative Frederick Richmond in the names of other persons, Respondent violated 2 U.S.C. § 441f.

VII. Respondent agrees to pay a civil penalty in the amount of Nine Hundred Dollars ($900) to the United States Treasury, pursuant to 2 U.S.C. § 437g(a)(5)(A).

VIII. Respondent agrees that, in the future, he will comply with the requirements of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431 et seq.

IX. 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 initiative, 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.

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Attachment 3-2

X. This agreement shall become effective as of the date both parties have executed it and the Commission has approved the entire agreement.

XI. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement its requirements and to so notify the Commission.

FOR THE COMMISSION:

Charles N. Steele
General Counsel

By: _____ _____
Kenneth A. Gross Date
Associate General Counsel

FOR THE RESPONDENT:

X Gerard Jansen 12-7-83
Gerard Jansen Date

8404043155

Attachment 3-3

GERARD G. JANSEN
MARY JANSEN
4 KAY AVENUE
JERICHO, NY 11753

Dec 7 1983 6021

1-12/210

Pay to the order of The Federal Election Committee $ 900.00

Nine Hundred 00/100 Dollars

CHEMICAL BANK
199 Church Street
New York, N.Y. 10007

Memo

Mary Jansen

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Attachment 3 - 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Carol M. Welu, Esq.
Surrey and Morse
1250 Eye Street, N.W.
Washington, D.C. 20005

Re: MUR 1436
Richmond Reelection Committee;
Citizens Committee for Fred Richmond

Dear Ms. Welu:

On , 198 , the Commission accepted the conciliation agreement signed by you on behalf of the above-referenced committees and a civil penalty in settlement of violations of 2 U.S.C. §§ 431(8)(B)(ix)(II), 434(b), and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it 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 you 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.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreement

Attachment 4

8404043157

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Stanley Geller, Esq.
Butler, Jablow and Geller
400 Madison Avenue
New York, N.Y. 10017

Re: MUR 1436
Walco National Corporation

Dear Mr. Geller:

On , 198 , the Commission accepted the conciliation agreement signed by you on behalf of Walco National Corporation, and a civil penalty in settlement of a violation of 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it 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 you 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.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreement

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Attachment 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Anthony J. Falanga, Esq.
Dean, Falanga and Rose
One Old Country Road
Carle Place, N.Y. 11514

RE: MUR 1436
Gerard Jansen

Dear Mr. Falanga:

On , 198 , the Commission accepted the conciliation agreement signed by Gerard Jansen and a civil penalty in settlement of a violation of 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it 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 you 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.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreement

Attachment 6

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Herbert Burstein, Esq.
Zelby and Burstein
Suite 2373
One World Trade Center
New York, N.Y. 10048

Re: MUR 1436
Coastal Dry Dock and Repair
Corporation; Charles Montanti

Dear Mr. Burstein:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within thirty days.

Should you have any questions, contact Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

8404043160

Attachment 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Harvey L. Greenberg, Esq
299 Broadway
New York, N.Y. 10007

RE: MUR 1436
Stanley Lazar

Dear Mr. Greenberg:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within thirty days.

Should you have any questions, contact Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

8404043151

Attachment 8

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 26, 1984

Anthony J. Falanga, Esq.
Dean, Falanga and Rose
One Old Country Road
Carle Place, N.Y. 11514

RE: MUR 1436
Gerard Jansen

Dear Mr. Falanga:

On January 24, 1984, the Commission accepted the conciliation agreement signed by Gerard Jansen and a civil penalty in settlement of a violation of 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it 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 you 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.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Anthony J. Falanga, Esq.
Dean, Falanga and Rose
One Old Country Road
Carle Place, N.Y. 11514

RE: MUR 1436
Gerard Jansen

Dear Mr. Falanga:

On , 198 , the Commission accepted the conciliation agreement signed by Gerard Jansen and a civil penalty in settlement of a violation of 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it 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 you 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.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreement

DAG
1/26/84

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Gerard Jansen	)	MUR 1436

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"). The Commission has found reason to believe that Gerard Jansen ("Respondent") violated 2 U.S.C. § 441f by making contributions to the 1978 and 1980 campaign committees of U.S. Representative Frederick Richmond in the names of other persons.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

III. 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 contributed a total of $1,800 to the 1978 campaign committee of U.S. Representative Frederick Richmond in the names of other persons, and reimbursed those persons with personal funds.

V. Section 441f of Title 2, United States Code, prohibits the making of contributions in the names of other persons.

VI. By making contributions to the 1978 campaign committee of U.S. Representative Frederick Richmond in the names of other persons, Respondent violated 2 U.S.C. § 441f.

VII. Respondent agrees to pay a civil penalty in the amount of Nine Hundred Dollars ($900) to the United States Treasury, pursuant to 2 U.S.C. § 437g(a)(5)(A).

VIII. Respondent agrees that, in the future, he will comply with the requirements of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431 et seq.

IX. 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 initiative, 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.

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X. This agreement shall become effective as of the date both parties have executed it and the Commission has approved the entire agreement.

XI. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement its requirements and to so notify the Commission.

FOR THE COMMISSION:

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Date: January 26, 1984

FOR THE RESPONDENT:

Gerard Jansen

Date: 12-7-83

8400143156

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 26, 1984

Stanley Geller, Esq.
Butler, Jablow and Geller
400 Madison Avenue
New York, N.Y. 10017

Re: MUR 1436
Walco National Corporation

Dear Mr. Geller:

On January 24, 1984, the Commission accepted the conciliation agreement signed by you on behalf of Walco National Corporation, and a civil penalty in settlement of a violation of 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it 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 you 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.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Stanley Geller, Esq.
Butler, Jablow and Geller
400 Madison Avenue
New York, N.Y. 10017

Re: MUR 1436
Walco National Corporation

Dear Mr. Geller:

On , 198 , the Commission accepted the conciliation agreement signed by you on behalf of Walco National Corporation, and a civil penalty in settlement of a violation of 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it 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 you 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.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreement

8 4 0 4 0 4 4 3 1 5 6

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Walco National Corporation) MUR 1436

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"). The Commission has found reason to believe that Walco National Corporation ("Respondent") furnished some staff time, office space and materials to the 1978 and 1980 campaign committees of U.S. Representative Frederick Richmond, which resulted in a violation of 2 U.S.C. § 441b(a).

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. During the period 1976-1981, seven employees of Respondent performed some services during some of their regular working hours for the Richmond Reelection

9 3 0 4 0 4 3 1 5 6

Committees of 1978 and 1980.

2. In doing so, the employees used some of Respondent's office equipment, services and materials.

3. Following its notification that the activities described supra had been conducted in violation of 2 U.S.C. §441b(a), Respondent made a detailed analysis of the reasonable value of those activities. On March 3, 1982, Respondent received from the Richmond Reelection Committees of 1978 and 1980 payment of the reasonable value of those activities,as shown in such analysis, $12,625.49 in all. That amount included $1,250.72 for use of office facilities in 1976; $3,328.89 for campaign services by employees, and $1,891.42 for office facilities, in 1978; $1,106.84 for office facilities in 1979; $910.35 for campaign services by employees, and $1,639.38 for office facilities, in 1980; and $691.86 for campaign services by employees, and $1,638.84 for office facilities, in 1981.

V. Section 441b(a) of Title 2, United States Code, prohibits corporations from making contributions in connection with any federal election. At 2 U.S.C. § 431(8)(A)(i), "contribution" is defined to include "any gift, subscription, loan, advance, or deposit of money or anything of value (emphasis added) made by any person for the purpose of influencing any election for Federal office." At 2 U.S.C. § 431(8)(A)(ii), "contribution" is further defined to include "the payment by any person of compensation for the personal

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services of another person which are rendered to a political committee without charge for any purpose."

VI. The services of Respondent's employees on behalf of the Richmond Reelection Committees during 1976-1981 constituted a contribution by Respondent to the committees, calculated in the amount of $4,931.10, in violation of 2 U.S.C. § 441b(a). Respondent contends that it did not knowingly and willfully violate 2 U.S.C. § 441b(a) in that it was not aware at the time such services of its employees were being performed that they constituted a violation of the statute.

VII. The use of Respondent's office facilities in connection with such services constituted a contribution by Respondent to the Richmond Reelection Committees, calculated in the amount of $7,527.20, in violation of 2 U.S.C. § 441b(a). Respondent contends that it did not knowingly and willfully violate 2 U.S.C. § 441b(a) in that it was not aware at the time such use was being made of its facilities that the use constituted a violation of the statute.

VIII. Respondent agrees to pay a civil penalty in the amount of Two Thousand Dollars ($2,000) to the United States Treasury, pursuant to 2 U.S.C. § 437g(a)(5)(A).

IX. Respondent agrees that, in the future, it will comply with the requirements of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431 et seq.

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

XI. This agreement shall become effective as of the date both parties have executed it and the Commission has approved the entire agreement.

XII. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement its requirements and to so notify the Commission.

FOR THE COMMISSION:

Charles N. Steele
General Counsel

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

Date January 26, 1984

FOR THE RESPONDENT:

William J. Butler
(Name)
General Counsel
(Title)

Date January 16, 1984

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 26, 1984

Carol M. Welu, Esq.
Surrey and Morse
1250 Eye Street, N.W.
Washington, D.C. 20005

Re: MUR 1436
Richmond Reelection Committee;
Citizens Committee for Fred Richmond

Dear Ms. Welu:

On January 24, 1984, the Commission accepted the conciliation agreement signed by you on behalf of the above-referenced committees and a civil penalty in settlement of violations of 2 U.S.C. §§ 431(8)(B)(ix)(II), 434(b), and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it 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 you 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.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreement

8404043173

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Carol M. Welu, Esq.
Surrey and Morse
1250 Eye Street, N.W.
Washington, D.C. 20005

Re: MUR 1436
Richmond Reelection Committee;
Citizens Committee for Fred Richmond

Dear Ms. Welu:

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Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committees) MUR 1436

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"). The Commission has found reason to believe that the 1978 Citizens Committee for Fred Richmond and the 1980 Richmond Reelection Committee ("Respondent") violated 2 U.S.C. § 441b(a) by accepting contributions of staff time, office space and materials by Walco National Corporation ("Walco"), and 2 U.S.C. §§ 431(8)(B)(ix)(II) and 434(b), by failing to report the contribution by Walco of certain accounting services.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Seven individuals employed by Walco during the period 1976-1981 performed campaign services for Respondent during their free time and during regular working hours at Walco.

2. The campaign services performed by Walco employees during regular working hours were performed in Walco's offices. Some Walco office equipment, services and materials were used in the course of their campaign work.

3. Before it was notified of the commencement of the investigation by the Commission, Respondent calculated the reasonable value of the employees' services and of the use of the Walco facilities, including incidental use and use during time made up by the employees, for the period 1976-1981, and reimbursed Walco in the amount of $12,625.49. That amount included $1,250.72 for use of office facilities in 1976; $3,328.89 for campaign services by employees, and $1,891.42 for office facilities, in 1978; $1,106.84 for office facilities in 1979; $910.35 for campaign services by employees, and $1,639.38 for office facilities, in 1980; and $691.86 for campaign services by employees, and $1,638.84 for office facilities, in 1981.

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4. Certain accounting services were performed for Respondent by regular employees of Walco that were solely for ensuring compliance with the provisions of the Federal Election Campaign Act of 1971, as amended. In a January 1982 memo entry filed with the Commission, Respondent reported its acceptance of those accounting services.

V. Section 441b(a) of Title 2, United States Code, prohibits the acceptance of contributions in connection with any federal election from corporations. At 2 U.S.C. § 431(8)(A)(i), "contribution" is defined to include "any gift, subscription, loan, advance, or deposit of money or anything of value (emphasis added) made by any person for the purpose of influencing any election for Federal office." At 2 U.S.C. § 431(8)(A)(ii), "contribution" is further defined to include "the payment by any person of compensation for the personal services of another person which are rendered to a political committee without charge for any purpose."

VI. By its acceptance of services performed by Walco employees during working hours, calculated in the amount of $4,931.10, Respondent violated of 2 U.S.C. § 441b(a).

VII. By its acceptance of the use of office facilities by Walco employees performing services for Respondent, calculated in the amount of $7,527.20, Respondent violated of 2 U.S.C. § 441b(a).

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VIII. By its failure to report, as required by 2 U.S.C. § 434(b), its acceptance of certain accounting services performed by Walco employees, Respondent violated 2 U.S.C. § 434(b) and § 431(8)(B)(ix)(II).

IX. Respondent contends that it did not knowingly and willfully violate the law in that it was not aware that it was violating the statute at the time that it accepted the services and the use of the facilities.

X. Respondent agrees to pay a civil penalty in the amount of Two Thousand Dollars ($2,000.00) payable to the United States Treasury, pursuant to 2 U.S.C. § 437g(a)(5)(A).

XI. Respondent agrees that, in the future, it will comply with the requirements of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431 et seq.

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

XIII. This agreement shall become effective as of the date both parties have executed it and the Commission has approved the entire agreement.

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XIV. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement its requirements and to so notify the Commission.

FOR THE COMMISSION:

Charles N. Steele
General Counsel

By: _____ Date January 24, 1984
Kenneth A. Gross
Associate General Counsel

FOR THE RESPONDENT:

_____ Date 1/10/84
Walter Sterling Surrey
Special Counsel for the
Respondent

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 26, 1984

Herbert Burstein, Esq.
Zelby and Burstein
Suite 2373
One World Trade Center
New York, N.Y. 10048

Re: MUR 1436
Coastal Dry Dock and Repair
Corporation; Charles Montanti

Dear Mr. Burstein:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within thirty days.

Should you have any questions, contact Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

8404043180

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Herbert Burstein, Esq.
Zelby and Burstein
Suite 2373
One World Trade Center
New York, N.Y. 10048

Re: MUR 1436
Coastal Dry Dock and Repair
Corporation; Charles Montanti

Dear Mr. Burstein:

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Should you have any questions, contact Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

8404043181

1/26/84

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 26, 1984

Harvey L. Greenberg, Esq
299 Broadway
New York, N.Y. 10007

RE: MUR 1436
Stanley Lazar

Dear Mr. Greenberg:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within thirty days.

Should you have any questions, contact Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

8404043192

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Harvey L. Greenberg, Esq
299 Broadway
New York, N.Y. 10007

RE: MUR 1436
Stanley Lazar

Dear Mr. Greenberg:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within thirty days.

Should you have any questions, contact Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

8401044319

1/26/84

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84 JAN 18 A7:57

BUTLER, JABLOW & GELLER
ATTORNEYS AT LAW
400 MADISON AVENUE
NEW YORK, N.Y. 10017

WILLIAM J. BUTLER
RICHARD B. JABLOW (1906-1975)
STANLEY GELLER
MELVIN J. NELSON

WILLIAM B. CARLISLE
COUNSEL

PHONE: (212) 755-2040
CABLE: "WILLOWMAN" N.Y.

January 16, 1984

Nancy B. Nathan, Esq.
Federal Election Commission
1325 "K" Street, N. W.
Washington, D. C. 20463

Re: Walco w/ Federal Election Commission

Dear Nancy:

Enclosed are the original and the copies of the conciliation agreement, as signed by my partner, as General Counsel to Walco, together with a check for $2,000 in payment of the civil penalty specified in the agreement.

Thank you once again for your cooperation in this matter.

Sincerely yours,

Stanley Geller

SG:mn
enclosures

8404043184

WALCO NATIONAL CORP.
743 FIFTH AVENUE
NEW YORK, NY 10022

17875

1-30/210

January 16 1984

PAY TO THE ORDER OF U.S. TREASURY $ 2,000.00

THE SUM 2000 DOLS 00 CTS DOLLARS

MANUFACTURERS HANOVER TRUST COMPANY
741 Fifth Avenue, New York, N.Y. 10022

John F. Rein Jr.

FOR

⑈017875⑈ ⑆021000306⑆0026 0⑈03525⑈

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BUTLER, JABLOW & GELLER
ATTORNEYS AT LAW
400 MADISON AVENUE
NEW YORK, N.Y. 10017

WILLIAM J. BUTLER
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STANLEY GELLER
MELVIN J. NELSON

WILLIAM R. CARLISLE
COUNSEL

PHONE: (212) 755-2040
CABLE: "WILLOWBEAN" N.Y.

January 16, 1984

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Stanley Geller

SG:mn
enclosures

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WALCO NATIONAL CORP.
743 FIFTH AVENUE
NEW YORK, NY 10022

17875

1-38/219

January 16 1984

PAY TO THE ORDER OF U.S. TREASURY $ 2,000.00

THE SUM 2000 DOLS 00 CTS DOLLARS

MANUFACTURERS HANOVER TRUST COMPANY
741 Fifth Avenue, New York, N.Y. 10022

FOR

John F. Rein Jr.

⑈017875⑈ ⑆021000306⑆0026 0⑈03525⑈

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COUNSEL

PHONE: (212) 755-2040
CABLE: "WILLOWMAN" N.Y.

January 16, 1984

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Federal Election Commission
1325 "K" Street, N. W.
Washington, D. C. 20463

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Thank you once again for your cooperation in this matter.

Sincerely yours,

Stanley Geller

SG:mn
enclosures

8404043138

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Walco National Corporation) MUR 1436

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"). The Commission has found reason to believe that Walco National Corporation ("Respondent") furnished some staff time, office space and materials to the 1978 and 1980 campaign committees of U.S. Representative Frederick Richmond, which resulted in a violation of 2 U.S.C. § 441b(a).

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. During the period 1976-1981, seven employees of Respondent performed some services during some of their regular working hours for the Richmond Reelection

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Committees of 1978 and 1980.

2. In doing so, the employees used some of Respondent's office equipment, services and materials.

3. Following its notification that the activities described supra had been conducted in violation of 2 U.S.C. §441b(a), Respondent made a detailed analysis of the reasonable value of those activities. On March 3, 1982, Respondent received from the Richmond Reelection Committees of 1978 and 1980 payment of the reasonable value of those activities,as shown in such analysis, $12,625.49 in all. That amount included $1,250.72 for use of office facilities in 1976; $3,328.89 for campaign services by employees, and $1,891.42 for office facilities, in 1978; $1,106.84 for office facilities in 1979; $910.35 for campaign services by employees, and $1,639.38 for office facilities, in 1980; and $691.86 for campaign services by employees, and $1,638.84 for office facilities, in 1981.

V. Section 441b(a) of Title 2, United States Code, prohibits corporations from making contributions in connection with any federal election. At 2 U.S.C. § 431(8)(A)(i), "contribution" is defined to include "any gift, subscription, loan, advance, or deposit of money or anything of value (emphasis added) made by any person for the purpose of influencing any election for Federal office." At 2 U.S.C. § 431(8)(A)(ii), "contribution" is further defined to include "the payment by any person of compensation for the personal

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services of another person which are rendered to a political committee without charge for any purpose."

VI. The services of Respondent's employees on behalf of the Richmond Reelection Committees during 1976-1981 constituted a contribution by Respondent to the committees, calculated in the amount of $4,931.10, in violation of 2 U.S.C. § 441b(a). Respondent contends that it did not knowingly and willfully violate 2 U.S.C. § 441b(a) in that it was not aware at the time such services of its employees were being performed that they constituted a violation of the statute.

VII. The use of Respondent's office facilities in connection with such services constituted a contribution by Respondent to the Richmond Reelection Committees, calculated in the amount of $7,527.20, in violation of 2 U.S.C. § 441b(a). Respondent contends that it did not knowingly and willfully violate 2 U.S.C. § 441b(a) in that it was not aware at the time such use was being made of its facilities that the use constituted a violation of the statute.

VIII. Respondent agrees to pay a civil penalty in the amount of Two Thousand Dollars ($2,000) to the United States Treasury, pursuant to 2 U.S.C. § 437g(a)(5)(A).

IX. Respondent agrees that, in the future, it will comply with the requirements of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431 et seq.

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8404431992

FOR THE COMMISSION:

Charles N. Steele
General Counsel

By: _____ _____
Kenneth A. Gross Date
Associate General Counsel

FOR THE RESPONDENT:

William P. Butler January 16, 1984
(Name) Date
(Title) General Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Walco National Corporation) MUR 1436

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"). The Commission has found reason to believe that Walco National Corporation ("Respondent") furnished some staff time, office space and materials to the 1978 and 1980 campaign committees of U.S. Representative Frederick Richmond, which resulted in a violation of 2 U.S.C. § 441b(a).

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FOR THE COMMISSION:

Charles N. Steele
General Counsel

By: _____ _____
Kenneth A. Gross
Associate General Counsel

Date

FOR THE RESPONDENT:

William F. Butler
(Name)
Counsel Counsel
(Title)

January 16, 1984
Date

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BUTLER, JABLOW & GELLER

400 MADISON AVENUE

NEW YORK, N. Y. 10017

TO:

Nancy B. Nathan, Esq.
Federal Election Commission
1325 "K" Street, N. W.
Washington, D. C. 20463

RECEIPT

FEDERAL ELECTION COMMISSION

1325 K Street, N.W.
Washington, D.C. 20463

30003

19 Jan 1984
Date

OGC
Mur 1436
95F3075.16

The Federal Election Commission has received $ 2.00.00 in cash/check for the purchase of copies of documents on file at the Federal Election Commission, or for other materials made available by the Commission.

Mary Ann Hedges
Federal Election Commission

Purchaser understands any information copied from reports and statements shall not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee. 2 U.S.C. Section 438

8404043198

Occ# 1397
MUR 1436
Nathan

SURREY & MORSE

1250 EYE STREET, N.W.
WASHINGTON, D. C. 20005
(202) 682-4000
CABLE: SURMON
TELEX: RCA 248446 SURM UR
WU 892526 SURMON WSH

485 MADISON AVENUE
NEW YORK, NEW YORK 10022
TELEPHONE: (212) 935-7700
CABLE: SURREYMAN, NEW YORK
TELEX: 237013 SRMS UR

53 AVENUE MONTAIGNE
75008 PARIS, FRANCE
TELEPHONE: 359-23-48
CABLE: SURGOE, PARIS
TELEX: 290156 SURGOE

38 DAVIES STREET
LONDON W1Y 1LG ENGLAND
TELEPHONE: 01-493-9361
CABLE: SURGOE LONDON W1
TELEX: 298116 SURMON G

P. O. BOX 7199
RIYADH, SAUDI ARABIA
TELEPHONE: 465-7840
TELEX: 203609 LAWYER SJ

WRITER'S DIRECT DIAL NUMBER

January 10, 1984

A10:04

Nancy B. Nathan, Esquire
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 1436

Dear Ms. Nathan:

Please find enclosed the signed original of the Conciliation Agreement. Please contact me when the Conciliation Agreement has been approved and signed by the Commission.

Sincerely yours,

Carol M. Welu

Carol M. Welu

CMW/cac

Enclosure

8404043199

8 4 0 4 0 4 4 3 2 3 0

FEC

FIRST CLASS

SURREY & MORSE
1250 EYE STREET, N.W.
WASHINGTON, D. C. 20005

TO:
Nancy B. Nathan, Esquire
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

FIRST CLASS MAIL

RECEIVED AT THE FEC
GCC#1364
84 JAN 6 AM 11:47

BUTLER, JABLOW & GELLER
ATTORNEYS AT LAW
400 MADISON AVENUE
NEW YORK, N.Y. 10017

WILLIAM J. BUTLER
RICHARD B. JABLOW (1886-1975)
STANLEY GELLER
MELVIN J. NELSON

WILLIAM R. CARLISLE
COUNSEL

PHONE: (212) 755-2040
CABLE: "WILLOWMAN" N.Y.

MUR 1436
Nathan

January 4, 1984

Nancy B. Nathan, Esq.
Federal Election Commission
1325 "K" Street, N. W.
Washington, D. C. 20463

Re: Walco w/ Federal Election Commission

Dear Nancy:

Enclosed is a copy of my letter of December 14th that never reached you, together with a copy of the draft agreement enclosed in that letter.

Sincerely yours,

Stanley Geller

SG/cm
Enc.

JAN 6 P2:16

8404043201

BUTLER, JABLOW & GELLER
400 MADISON AVENUE
NEW YORK, N. Y. 10017

Nancy B. Nathan, Esq.
Federal Election Commission
1325 "K" Street, N. W.
Washington, D. C. 20463

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RECEIVED AT THE FEC

84 JAN 6 AM 11:47

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Walco National Corporation) MUR 1436

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"). The Commission has found reason to believe that Walco National Corporation ("Respondent") furnished some staff time, office space and materials to the 1978 and 1980 campaign committees of U.S. Representative Frederick Richmond, which resulted in a violation of 2 U.S.C. § 441b(a).

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. During the period 1976-1981, seven employees of Respondent performed some services during some of their regular working hours for the Richmond Reelection

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Committees of 1978 and 1980.

2. In doing so, the employees used some of Respondent's office equipment, services and materials.

3. Following its notification that the activities described supra had been conducted in violation of 2 U.S.C. §441b(a), Respondent made a detailed analysis of the reasonable value of those activities. On March 3, 1982, Respondent received from the Richmond Reelection Committees of 1978 and 1980 payment of the reasonable value of those activities, as shown in such analysis, $12,625.49 in all. That amount included $1,250.72 for use of office facilities in 1976; $3,328.89 for campaign services by employees, and $1,891.42 for office facilities, in 1978; $1,106.84 for office facilities in 1979; $910.35 for campaign services by employees, and $1,639.38 for office facilities, in 1980; and $691.86 for campaign services by employees, and $1,638.84 for office facilities, in 1981.

V. Section 441b(a) of Title 2, United States Code, prohibits corporations from making contributions in connection with any federal election. At 2 U.S.C. § 431(8)(A)(i), "contribution" is defined to include "any gift, subscription, loan, advance, or deposit of money or anything of value (emphasis added) made by any person for the purpose of influencing any election for Federal office." At 2 U.S.C. § 431(8)(A)(ii), "contribution" is further defined to include "the payment by any person of compensation for the personal

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services of another person which are rendered to a political committee without charge for any purpose."

VI. The services of Respondent's employees on behalf of the Richmond Reelection Committees during 1976-1981 constituted a contribution by Respondent to the committees, calculated in the amount of $4,931.10, in violation of 2 U.S.C. § 441b(a). Respondent contends that it did not knowingly and willfully violate 2 U.S.C. § 441b(a) in that it was not aware at the time such services of its employees were being performed that they constituted a violation of the statute.

VII. The use of Respondent's office facilities in connection with such services constituted a contribution by Respondent to the Richmond Reelection Committees, calculated in the amount of $7,527.20, in violation of 2 U.S.C. § 441b(a). Respondent contends that it did not knowingly and willfully violate 2 U.S.C. § 441b(a) in that it was not aware at the time such use was being made of its facilities that the use constituted a violation of the statute.

VIII. Respondent agrees to pay a civil penalty in the amount of Two Thousand Dollars ($2,000) to the United States Treasury, pursuant to 2 U.S.C. § 437g(a)(5)(A).

IX. Respondent agrees that, in the future, it will comply with the requirements of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431 et seq.

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

XI. This agreement shall become effective as of the date both parties have executed it and the Commission has approved the entire agreement.

XII. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement its requirements and to so notify the Commission.

8404043206

FOR THE COMMISSION:

Charles N. Steele
General Counsel

By: _____ _____
Kenneth A. Gross
Associate General Counsel

Date

FOR THE RESPONDENT:

William T. Butler
(Name)
(Title) General Counsel

January 16, 1984
Date

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committees) MUR 1436

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"). The Commission has found reason to believe that the 1978 Citizens Committee for Fred Richmond and the 1980 Richmond Reelection Committee ("Respondent") violated 2 U.S.C. § 441b(a) by accepting contributions of staff time, office space and materials by Walco National Corporation ("Walco"), and 2 U.S.C. §§ 431(8)(B)(ix)(II) and 434(b), by failing to report the contribution by Walco of certain accounting services.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Seven individuals employed by Walco during the period 1976-1981 performed campaign services for Respondent during their free time and during regular working hours at Walco.

2. The campaign services performed by Walco employees during regular working hours were performed in Walco's offices. Some Walco office equipment, services and materials were used in the course of their campaign work.

3. Before it was notified of the commencement of the investigation by the Commission, Respondent calculated the reasonable value of the employees' services and of the use of the Walco facilities, including incidental use and use during time made up by the employees, for the period 1976-1981, in the amount of $12,625.49. That amount included $1,250.72 for use of office facilities in 1976; $3,328.89 for campaign services by employees, and $1,891.42 for office facilities, in 1978; $1,106.84 for office facilities in 1979; $910.35 for campaign services by employees, and $1,639.38 for office facilities, in 1980; and $691.86 for campaign services by employees, and $1,638.84 for office facilities, in 1981.

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4. Certain accounting services were performed for Respondent by regular employees of Walco that were solely for ensuring compliance with the provisions of the Federal Election Campaign Act of 1971, as amended. In a January 1982 memo entry filed with the Commission, Respondent reported its acceptance of those accounting services.

V. Section 441b(a) of Title 2, United States Code, prohibits the acceptance of contributions in connection with any federal election from corporations. At 2 U.S.C. § 431(8)(A)(i), "contribution" is defined to include "any gift, subscription, loan, advance, or deposit of money or anything of value (emphasis added) made by any person for the purpose of influencing any election for Federal office." At 2 U.S.C. § 431(8)(A)(ii), "contribution" is further defined to include "the payment by any person of compensation for the personal services of another person which are rendered to a political committee without charge for any purpose."

VI. By its acceptance of services performed by Walco employees during working hours, calculated in the amount of $4,931.10, Respondent violated of 2 U.S.C. § 441b(a).

VII. By its acceptance of the use of office facilities by Walco employees performing services for Respondent, calculated in the amount of $7,527.20, Respondent violated of 2 U.S.C. § 441b(a).

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VIII. By its failure to report, as required by 2 U.S.C. § 434(b), its acceptance of certain accounting services performed by Walco employees, Respondent violated 2 U.S.C. § 434(b) and § 431(8)(B)(ix)(II).

IX. Respondent contends that it did not knowingly and willfully violate the law in that it was not aware that it was violating the statute at the time that it accepted the services and the use of the facilities.

X. Respondent agrees to pay a civil penalty in the amount of Two Thousand Dollars ($2,000.00) payable to the United States Treasury, pursuant to 2 U.S.C. § 437g(a)(5)(A).

XI. Respondent agrees that, in the future, it will comply with the requirements of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431 et seq.

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

XIII. This agreement shall become effective as of the date both parties have executed it and the Commission has approved the entire agreement.

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XIV. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement its requirements and to so notify the Commission.

FOR THE COMMISSION:

Charles N. Steele
General Counsel

By: _____ _____
Kenneth A. Gross Date
Associate General Counsel

FOR THE RESPONDENT:

_____ _____
(Name) Date
(Title)

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84 JAN 3 P12:09

D.C.

SURREY & MORSE
1250 EYE STREET, N.W.
WASHINGTON, D.C. 20005

TO: Nancy B. Nathan, Esquire
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

FIRST CLASS MAIL

GERARD G. JANSEN
MARY JANSEN
4 KAY AVENUE
JERICHO, NY 11753

Dec 7 1983 6021

1-12/210

Pay to the order of The Federal Election Committee $ 900.00

Nine Hundred 00/100 Dollars

CHEMICAL BANK
100 Church Street
New York, N.Y. 10007

Memo

Mary Jansen

⑆021000128⑆ 002⑈503085⑈ 6021

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29721

RECEIPT
FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20463

OGC
Mail 1436
Cash 1326

29 Dec 1983
Date

The Federal Election Commission has received $ 900.00 in cash/check for the purchase of copies of documents on file at the Federal Election Commission, or for other materials made available by the Commission.

Mary Anne Gilligan
Federal Election Commission

Purchaser understands any information copied from reports and statements shall not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee. 2 U.S.C. Section 438

95-35-0001

Pay to the order of any Federal Reserve Bank or Branch or General Depositary for credit to the United States Treasury. This check is in payment of an obligation to the United States and must be paid at par. N.P. Do not wire non-payment.

Date of endorsement 12-9-93

Larry D. McCoy, Dep. Asst. Staff Dir. for Admin.
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Negotiation of this check does not constitute acceptance by the Federal Election Commission of the proposed penalty. The proceeds of this check have been placed in a suspense account pending Commission consideration of the penalty.

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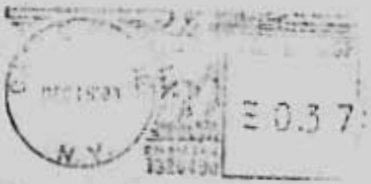
Dean, Falanga & Rose
ONE OLD COUNTRY ROAD
CARLE PLACE, NEW YORK 11514



Federal Election Commission

Washington, D. C.

20463

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1436
Richmond Reelection Committee	)	
Walco National Corporation	)	
Coastal Dry Dock and Repair Corporation	)	
Charles Montanti	)	
Gerard Jansen	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 7, 1983, the Commission decided by a vote of 6-0 to take the following actions in MUR 1436:

1. Approve and send the proposed conciliation agreement and letter to the Richmond Reelection Committee as submitted with the General Counsel's September 30, 1983 Memorandum to the Commission.

2. Approve and send the revised conciliation agreement and letter to Walco National Corporation as attached to the September 30, 1983 Memorandum to the Commission.

3. Approve and send the proposed conciliation agreement and letter to Gerard Jansen, attached to the September 30, 1983 Memorandum.

4. Take no further action with respect to the findings of reason to believe that the Richmond Reelection Committee violated 2 U.S.C. §§ 441f, 441c(a)(2) and 441a(f).

(continued)

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5. Take no further action with respect to the findings of reason to believe that Charles Montanti violated 2 U.S.C. §§ 441f and 441b(a), close the file and send the letter as attached to the General Counsel's September 30, 1983 Memorandum to the Commission.

6. Take no further action with respect to the findings of reason to believe that Coastal Dry Dock and Repair Corporation violated 2 U.S.C. §§ 441f, 441b(a) and 441c(a)(2), close the file and send the letter as submitted with the September 30, 1983 Memorandum.

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

Attest:

10-11-83
Date

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

Received in Office of Commission Secretary: 9-30-83, 3:49
Circulated on 48 hour tally basis: 10-3-83, 11:00

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OFFICE OF THE
COMMISSION SECRETARY

83 SEP 30 P 3: 49

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 30, 1983

SENSITIVE

MEMORANDUM TO: The Commission

FROM: Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

RE: MUR 1436 - Richmond Reelection Committee; Walco National Corporation; Coastal Dry Dock and Repair Corporation; Charles Montanti; Gerard Jansen

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RICHMOND REELECTION COMMITTEE

On April 20, 1982, the Commission found reason to believe, inter alia, that the 1978 and 1980 Richmond Reelection Committees ("the Committee") violated: 2 U.S.C. § 441b(a), by accepting contributions of office facilities and staff time by Walco National Corporation ("Walco"); § 441f, by knowingly accepting contributions made in the names of others; § 441b(a), by knowingly accepting contributions violative of § 441f that were made with corporate funds; § 441c(a)(2), by knowingly soliciting contributions from a corporation holding federal government contracts; § 441a(f), by accepting contributions in excess of $1,000 from an individual, Harvey Van Zandt; and, § 431(8)(B)(ix)(II) and § 434(b), by failing to report the contribution by Walco National Corporation of certain accounting services.

Acceptance of Walco Contribution

The General Counsel's investigation of the matter, together with the submission of respondent Walco, have substantiated the finding that the Committee accepted contributions from Walco in the form of office space and materials, and employee time, in violation of 2 U.S.C. § 441b(a). On March 3, 1982, reimbursement for the contributed services and space was made by the Committee to Walco, in the amount of $12,625.49. Attached is a proposed conciliation agreement for submission to the Committee, which has requested pre-probable cause conciliation. (Attachment 1)

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Acceptance of Contributions Made in Others' Names

Section 441f of Title 2, United States Code, requires that acceptance of contributions made in the names of others be a "knowing acceptance" before a violation can be established. Investigation of the § 441f violations by other respondents in this matter, notably Gerard Jansen (see infra) and Stanley Lazar (whose violation has been resolved through conciliation), has failed to establish that the Committee knew the impermissible contributions collected on its behalf by Jansen and Lazar were made in the names the of others.

During the course of discovery, several individuals were deposed in an effort to substantiate or refute the basis for the reason to believe finding, i.e., implications made in New York Times reports that the Committee was aware of § 441f violations when it received certain contributions. The article that gave rise to the Commission's inquiry suggested that 1978 Committee Treasurer Stephen Fiyalko had become suspicious that contributions received through Charles Montanti, President of Coastal Dry Dock and Repair Corporation ("Coastal"), were made in names of employees, or relatives of employees, of Coastal's subcontractors. Fiyalko reportedly was advised by Committee Chairman Jack deSimone to discontinue calling the subcontractors' offices to check employment information that raised questions in Fiyalko's mind about the accuracy of the contributor information given to the Committee.

Fiyalko is or was out of the country; our efforts to reach him, using addresses furnished by the U.S. Attorney for the Eastern District of New York, whose office has conducted an

investigation concerning Rep. Richmond, have been unsuccessful. */ In a deposition taken by this Office, Jack deSimone specifically denied Fiyalko's assertions, as reported in The Times. He further specifically denied that he knew of any efforts by Coastal subcontractors, or by Charles Montanti, to obtain contributions in the names of others, or that he instructed or encouraged them to use such a technique. DeSimone further denied knowing anything about the individuals interviewed by The Times, whose names were used by respondents Lazar and Jansen to effectuate contributions. He speculated that Fiyalko's motives for having furnished most of the basis for the New York Times article could have grown out of his dismissal by Richmond.

Several of the individuals interviewed by The Times, as well as others whose names were used by Lazar or Jansen, were deposed by this Office. In each case, questions sought to establish that Jansen or Lazar asked the deposed individuals to lend their names at the direction of either Montanti or the Committee. No such links were established.

The affidavit of respondent Lazar asserted that he was not asked by anyone to make his contribution, or any part thereof, to the Committee in the names of others. Respondent Jansen, however, averred that he was asked by a Coastal employee, Robert Massa, to use others' names. The same information was obtained in our deposition of a former Jansen employee, Dominick Aiello, who said he overheard a telephone conversation in which Massa instructed Jansen to use others' names. However, in deposition, Massa denied that he ever instructed any Richmond contributors to use others' names, or was ever instructed to do so by Montanti or the Committee.

Therefore, while the investigation has substantiated the New York Times account to the extent that individuals whose names were used have been identified, and it has been confirmed that respondents Lazar and Jansen used those individuals' names in making contributions to the Committee, it has failed to substantiate the article's further implication that Montanti or the Committee directed, or knew of, the practice.

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*/ As recently as September 2, 1983, the U.S. Attorney's Office had no knowledge of Fiyalko's current address, or whether he was still out of the country.

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In order for the acceptance of contributions made in others' names to violate 2 U.S.C. § 441f, contributions must have been "knowingly" accepted. The "knowing acceptance" language of § 441a(f) has been interpreted by the Commission to mean that a violator must know that the impermissible funds were accepted, but need not know that the funds were impermissible, because committees are charged with knowing when contributors have exceeded their § 441a limits. But in the case of § 441f, a committee would have to know that the contribution it was accepting was made in another's name, as well as that it was accepting the funds, because it would not otherwise be on notice that the contribution was impermissible.

Because the investigation has not shown that the Committee knew that contributions it accepted had been made in the names of others, it is recommended that the Commission take no further action as to the § 441f finding.

Acceptance of Corporate Funds

Respondent Stanley Lazar has admitted in a conciliation agreement approved by the Commission that funds of his corporation, Shore Electric Corporation, were used to reimburse some of those whose names he used to make a contribution to the 1978 committee. The Committee did not receive a Shore corporate check, or even a Lazar personal check covered by Shore funds. The Committee could not have known, from the face of the contribution, that corporate funds were used to reimburse those whose names were used. The investigation did not disclose any other contributions made from the funds of any other corporations, including Coastal.

This Office, therefore, recommends that the Commission take no further action with respect to the § 441b(a) finding against the Committee.

Contributions from a Government Contractor

The Commission also found reason to believe that the Committee violated 2 U.S.C. § 441c(a)(2) by knowingly soliciting contributions from a government contractor, Coastal. The investigation failed to establish that Committee representatives solicited contributions from the corporation. Coastal president Charles Montanti did not deny that he and his family had an interest in supporting the Committee because of Rep. Richmond's effectiveness in obtaining Navy contracts for Coastal, or that

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he encouraged subcontractors and employees of Coastal to contribute for the same reason. However, in deposition, Montanti and Committee chairman Jack deSimone both denied that the Committee solicited contributions from Coastal. The investigation also failed to establish that Coastal corporate funds were used by Charles Montanti, by Coastal employees or by members of their families for the purpose of making contributions to the Committee. Under 11 C.F.R. § 115.6, contributions made personally by officials of firms holding government contracts are permissible. The reason to believe recommendation made by this Office as to the § 441c finding was based upon the proposition that, if Coastal corporate funds did prove to have been contributed, the extensive reported contacts between Montanti and Richmond's Congressional office regarding Navy repair contracts strongly suggested that such funds might have been solicited in violation of 2 U.S.C. § 441c. Neither our deposition of Charles Montanti nor our examination of Coastal financial records indicated that Coastal funds were used for direct contributions or to reimburse individuals for their personal contributions. In the absence of evidence that Coastal funds were solicited by the Committee or used in making contributions, this Office recommends that the Commission take no further action as to the § 441c(a)(2) violation.

Acceptance of Excessive Contribution

The Commission found reason to believe that the Committee accepted an excessive contribution from Harvey Van Zandt. The finding was based on a New York Times article that said that Van Zandt contributed $1,250, and that Van Zandt said his wife was unaware of the contribution. Commission records show $1,000 contributions in April, 1979, from both Van Zandt and his wife. Since nothing in the records indicates that either Mr. or Mrs. Van Zandt exceeded the amount that each was entitled to contribute under 2 U.S.C. § 441a, this Office recommends that no further action be taken with respect to the § 441a(f) finding against the Committee.

WALCO NATIONAL CORPORATION

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GERARD JANSEN

On October 15, 1982, the Commission found reason to believe that Gerard Jansen violated 2 U.S.C. § 441f, by making contributions to the Committee in the names of other persons. The attached affidavits (Attachment 4) and documents obtained during the investigation confirm that Jansen made contributions totaling $1,800 to the Committee, in connection with a June 1978 fundraising event, in the names of others whom he reimbursed with personal funds.

CHARLES MONTANTI AND COASTAL DRY DOCK AND REPAIR CORPORATION

The Commission found reason to believe that Charles Montanti, President of Coastal, and Coastal itself, both violated 2 U.S.C. § 441f, by making contributions to the Committee in the names of others. It further found that Montanti violated § 441b(a), by consenting to the use of Coastal corporate funds to reimburse those whose names were used, and that Coastal also thereby violated § 441b(a). As was noted, supra, depositions of

Montanti and Committee Chairman Jack deSimone, and examination of Coastal financial records did not reveal that Montanti or Coastal made contributions in the names of others or that Coastal funds were used either to make direct contributions or to reimburse others. It is recommended that the Commission take no further action and close the files as to the §§ 441f and 441b(a) findings against Montanti and Coastal.

The Commission also found reason to believe that Coastal violated 2 U.S.C. § 441c(a)(1), by making contributions to the Committee. Because the investigation did not reveal any contributions other than those made personally by Montanti family members, and also did not reveal any Coastal reimbursement of any individuals for contributions to the Committee, it is recommended that the Commission take no further action as to the § 441c(a)(1) finding, and close the Coastal file.

RECOMMENDATIONS

1. Approve and send the attached proposed conciliation agreement and letter to the Richmond Reelection Committee.

2. Approve and send the attached revised conciliation agreement and letter to Walco National Corporation.

3. Approve and send the attached proposed conciliation agreement and letter to Gerard Jansen.

4. Take no further action with respect to the findings of reason to believe that the Richmond Reelection Committee violated 2 U.S.C. §§ 441f, 441c(a)(2), and 441a(f).

5. Take no further action with respect to the findings of reason to believe that Charles Montanti violated 2 U.S.C. §§ 441f and 441b(a), close the file, and send the attached letter.

6. Take no further action with respect to the findings of reason to believe that Coastal Dry Dock and Repair Corporation violated 2 U.S.C. §§ 441f, 441b(a) and 441c(a)(2), close the file, and send the attached letter.

Attachments

1. Proposed conciliation agreement directed to Richmond Reelection Committee.

2. Walco National Corporation's counterproposed conciliation agreement.

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3. Proposed revised conciliation agreement for submission to Walco.

4. Affidavits of Gerard Jansen.

5. Proposed conciliation agreement directed to Gerard Jansen.

6. Letters.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 13, 1983

Herbert Burstein, Esq.
Zelby and Burstein
Suite 2373
One World Trade Center
New York, New York 10048

Re: MUR 1436
Coastal Dry Dock and
Repair Corporation;
Charles Montanti

Dear Mr. Burstein:

This is to advise you that after an investigation was conducted, the Commission decided, on October 7, 1983, to take no further action with respect to its findings of reason to believe that your clients violated the Act. Accordingly the file in this matter, numbered MUR 1436, has been closed as it pertains to your clients. This matter will become part of the public record within 30 days, after it has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record please do so within 10 days. The Commission reminds you, however, that the confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

If you have any questions, contact Nancy B. Nathan at (202) 523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

8404443226

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Herbert Burstein, Esq.
Zelby and Burstein
Suite 2373
One World Trade Center
New York, New York 10048

Re: MUR 1436
Coastal Dry Dock and
Repair Corporation;
Charles Montanti

Dear Mr. Burstein:

This is to advise you that after an investigation was conducted, the Commission decided, on October 7, 1983, to take no further action with respect to its findings of reason to believe that your clients violated the Act. Accordingly the file in this matter, numbered MUR 1436, has been closed as it pertains to your clients. This matter will become part of the public record within 30 days, after it has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record please do so within 10 days. The Commission reminds you, however, that the confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

If you have any questions, contact Nancy B. Nathan at (202) 523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

8404043227

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Stanley Geller, Esq.
Butler, Jablow and Geller
400 Madison Avenue
New York, New York 10017

Re: MUR 1436
Walco National Corporation

Dear Mr. Geller:

This letter is to confirm the Commission's receipt of your conciliation agreement counterproposal. The Commission has reviewed it, has made some revisions of language, and has inserted a counterproposed civil penalty amount.

Enclosed herewith is a conciliation agreement incorporating these changes, which we submit for your signature.

I am still hopeful that this matter can be settled through a conciliation agreement and I note that the Commission has been willing to include a number of your proposed changes in the agreement. Should you have any further questions, please call Nancy B. Nathan, at (202)523-4073. You should respond to the Commission as soon as possible following your receipt of this notification.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreement

NBN
10/12/83

8404043226

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1436
Stanley Lazar	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 11, 1983, the Commission decided by a vote of 6-0 to take the following actions in MUR 1436:

1. Accept the conciliation agreement as attached to the Memorandum to the Commission dated August 8, 1983.

2. Close the file as it pertains to Mr.Lazar.

3. Approve the letter as attached to the August 8, 1983 Memorandum to the Commission.

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

Attest:

8-11-83
Date

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

Received in Office of Commission Secretary: 8-8-83, 3:19
Circulated on 48 hour tally basis: 8-9-83, 11:00

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 15, 1983

Harvey L. Greenberg, Esq.
299 Broadway
New York, New York 10007

Re: MUR 1436
Stanley Lazar

Dear Mr. Greenberg:

On August 11, 1983, the Commission accepted the conciliation agreement signed by your client, and a civil penalty, in settlement of a violation of 2 U.S.C. §§ 441c and 441f, provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, as it pertains to your client, and it will become part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. 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 you wish any such information to become part of the public record, please advise us in writing. The Commission reminds you, however, that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation agreement

8404043230

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Harvey L. Greenberg, Esq.
299 Broadway
New York, New York 10007

Re: MUR 1436
Stanley Lazar

Dear Mr. Greenberg:

On , 1983, the Commission accepted the conciliation agreement signed by your client, and a civil penalty, in settlement of a violation of 2 U.S.C. §§ 441c and 441f, provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, as it pertains to your client, and it will become part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. 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 you wish any such information to become part of the public record, please advise us in writing. The Commission reminds you, however, that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation agreement

8404044323 1

ltr 8/11/83

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Stanley Lazar	)	MUR 1436

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"). The Commission has found reason to believe that Stanley Lazar ("Respondent") violated 2 U.S.C. § 441f by making contributions to the 1978 and 1980 campaign committees of U.S. Representative Frederick Richmond in the names of other persons, and 2 U.S.C. § 441b by using corporate funds in making contributions to the 1978 campaign committee of Representative Richmond.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent contributed a total of $1,400 to the 1978 campaign committee of U.S. Representative

8404443232

Frederick Richmond in the names of seven other persons, whose contributions were reported in the amount of $200 each, and reimbursed those seven persons with funds belonging to his firm, the Shore Electric Corporation.

2. In 1979, Respondent contributed a total of $950 to the campaign committee of Representative Richmond in the names of three other persons, who were reimbursed in cash by Respondent from his personal funds.

3. In 1981, Respondent contributed a total of $550 to the campaign committee of Representative Richmond, in the name of another person. Respondent reimbursed that person from his personal funds.

V. Section 441f of Title 2, United States Code, prohibits the making of contributions in the names of other persons.

VI. Section 441b of Title 2, United States Code, prohibits corporations from making contributions in connection with any election to political office.

VII. By making contributions in 1978, 1979 and 1981 to the campaign committees of U.S. Representative Frederick Richmond in the names of other persons, Respondent violated 2 U.S.C. § 441f.

VIII. By using the funds of Shore Electric Corporation to reimburse individuals who wrote checks made out to the 1978 campaign committee of Representative Richmond and whose names

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were reported as those having made the contributions, Respondent violated 2 U.S.C. § 441b.

IX. Respondent agrees to pay a civil penalty in the amount of Two Thousand One Hundred Fifty Dollars ($2,150) to the United States Treasury, pursuant to 2 U.S.C. § 437g(a)(5)(A).

X. Respondent agrees that, in the future, he will comply with the requirements of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431 et seq.

XI. 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 initiative, 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.

XII. This agreement shall become effective as of the date both parties have executed it and the Commission has approved the entire agreement.

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XIII. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement its requirements and to so notify the Commission.

FOR THE COMMISSION:

Charles N. Steele
General Counsel

By: Kenneth A. Gross — Date Aug 15, 1983
Kenneth A. Gross
Associate General Counsel

FOR THE RESPONDENT:

Stanley Lazar — Date 7/6/83
Stanley Lazar

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RECEIVED AT THE FEC
Gat# 617
83 AUG 4 P4:15

LAW OFFICES OF
WASHOR, GREENBERG & WASHOR
299 BROADWAY
NEW YORK, NEW YORK 10007

212-732-2077
212-625-6578

MICHAEL S. WASHOR
HARVEY L. GREENBERG

JOSEPH J. McCARTHY, JR.

LEON WASHOR
OF COUNSEL

83 AUG 4 P4:17

August 1, 1983

Federal Election Commission
Washington, D.C. 20463

ATTENTION: Nancy B. Nathan

RE: MUR 1436
Stanley Lazar

Dear Ms. Nathan,

Pursuant to our telephone conversation of today, enclosed herewith you will please find Conciliation Agreement, which my office neglected to enclose in our previous letter.

Very truly yours,

WASHOR, GREENBERG & WASHOR

BY: _____
HARVEY L. GREENBERG

HLG:cp

Encl.

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LAW OFFICES OF
WASHOR, GREENBERG & WASHOR
299 BROADWAY
NEW YORK, NEW YORK 10007

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N.Y.

Federal Election Commission

Washington, D.C. 20463

ATT: Nancy B. Nathan

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83 JUL 21 P4:29
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LAW OFFICES OF
WASHOR, GREENBERG & WASHOR
299 BROADWAY
NEW YORK, NEW YORK 10007

212-732-2077
212-625-6578

MICHAEL S. WASHOR
HARVEY L. GREENBERG

JOSEPH J. McCARTHY, JR.

LEON WASHOR
OF COUNSEL

July 11, 1983

Federal Election Commission
Washington, D.C. 20463

ATTENTION: Nancy B. Nathan

RE: MUR 1436
Stanley Lazar

Dear Ms. Nathan,

In accordance with your letter of June 29th, 1983, I herewith enclose the following:

(1) Conciliation Agreement duly executed by Stanley Lazar on July 6, 1983; and,

(2) Check of Stanley Lazar payable to United States Treasury, dated July 6, 1983 in the sum of $2,150.00.

I believe this closes out this matter. Kindly acknowledge receipt of these documents.

Very truly yours,

WASHOR, GREENBERG & WASHOR

BY: Harvey L. Greenberg
HARVEY L. GREENBERG

HLG:cp

Encls.

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SHIRLEY LAZAR
STANLEY LAZAR
44 Overland Dr
Woodbury, NY 11797

July 6 1983 829

1-7100
2280

Pay to the order of United States Treasury $ 2,150 00/100

Two Thousand One Hundred Fifty and 00/100 Dollars

Queens County Savings Bank
1092 OLD COUNTRY ROAD
PLAINVIEW, NEW YORK 11803

Memo MVR 1436

Stanley Lazar

⑧40410443239

LAW OFFICES OF
WASHOR, GREENBERG & WASHOR
299 BROADWAY
NEW YORK, NEW YORK 10007

NEW YORK, NY 102
PM
11 JUL
1983

NEW YORK
JUL 11 '83

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Federal Election Commission

Washington, D.C. 20463

ATT: Nancy B. Nathan

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 6, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert Massa
c/o Coastal Dry Dock and Repair Corporation
Brooklyn Navy Yard Building 131
Brooklyn, New York

Re: MUR 1436

Dear Mr. Massa:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on July 13, 1983, at 11 a.m. , has been issued. The Commission does not consider you a respondent in this matter, but a witness only.

Since the information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents, and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of the attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. You will be given a check at the time of your deposition.

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Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition

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UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition
Upon Oral Examination and to Produce Certain Documents

TO: Robert Massa

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation in the above-referenced Matter Under Review.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all documents, including but not limited to books, check records and memoranda in your custody or control relating to contributions made to or collected for the Citizens Committee for Fred Richmond in any year.

Notice is hereby given that the deposition is to be taken at Room 130, Federal Courthouse, 225 Cadman Plaza East, Brooklyn, New York, at 11 a.m., on July 13, 1983, and any and all dates adjourned to by the Commission.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this 1st day of July, 1983.

Danny L. McDonald
Danny L. McDonald, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert Massa
c/o Coastal Dry Dock and Repair Corporation
Brooklyn Navy Yard Building 131
Brooklyn, New York

Re: MUR 1436

Dear Mr. Massa:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on July 13, 1983, at 11 a.m. , has been issued. The Commission does not consider you a respondent in this matter, but a witness only.

Since the information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents, and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of the attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. You will be given a check at the time of your deposition.

WRR
6/30/83

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Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition

3404043245

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JODY C. RANSOM

DATE: JULY 1, 1983

SUBJECT: SUBPOENA RE: MUR 1436

The attached subpoena regarding MUR 1436 has been signed and sealed this date.

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Gen# 605

DAVID JOHN DEAN
ANTHONY J. FALANGA
JOSEPH COVELLO
NORMAN ROSE

JOSEPH M. REYNOLDS
MONROE FINK

Dean, Falanga & Rose

COUNSELLORS AT LAW

(516) 248-[illegible]
(516) 741-4411
(212) 343-4114

ONE OLD COUNTRY ROAD • CARLE PLACE, NEW YORK 11514

June 28, 1983

83 AUG 3 P3:52

Federal Election Commission
Washington, D.C.
20463

Attention: Nancy B. Nathan

Dear Ms. Nathan:

Pursuant to your request, we are enclosing herewith duly executed Affidavit from our client, Gerard Jansen.

Kindly keep us advised as to the status of this matter.

With professional respect, we remain

Very truly yours,

DEAN, FALANGA & ROSE

ANTHONY J. FALANGA

AJF:mck
Enclosure

8404043247

STATE OF NEW YORK)
) ss.:
COUNTY OF NASSAU)

GERARD JANSEN, being duly sworn, deposes and says:

1. Deponent resides in Nassau County, New York.

2. This Affidavit is being submitted to the Federal Election Commission in accordance with arrangements made between deponent's attorney and a representative of the Federal Election Commission.

3. That the contents of this Affidavit are to the best of deponent's recollection.

4. That the within Affidavit is being submitted, to the best of deponent's knowledge, in connection with an investigation by Federal Election Commission with respect to their investigation known as "In the matter of Richmond Re-election Committee".

5. That this Affidavit is being submitted to the Federal Election Commission upon their representation to your deponent that they are aware of the immunity extended to deponent by United States Department of Justice pursuant to written correspondence to deponent's attorney dated February 12, 1982.

6. The total amount of contributions to the re-election campaign of Congressman Frederick W. Richmond during the month of June 1978, made directly by your deponent or for which I reimbursed others with respect to contributions made by them was $2,000.00.

7. That the $1,000.00 deposit made in deponent's account in or about December 1978 was reimbursement from deponent's corporation for

8 4 0 4 0 4 4 3 2 4 8

business expenses incurred and had absolutely nothing whatsoever to do with a check drawn for $1,000.00 by your deponent for an additional contribution to the re-election campaign of Congressman Frederick W. Richmond at or about the same time.

GERARD JANSEN

Sworn to before me this
.). day of June, 1983.

Notary Public

Commission Expires 3/30/85

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REC'D Co cert. 5/68

83 JUL 5 A11:29

DAVID JOHN DEAN
ANTHONY J. FALANGA
JOSEPH COVELLO
NORMAN ROSE

JOSEPH M. REYNOLDS
MONROE FINK

Dean, Falanga & Rose

COUNSELLORS AT LAW

ONE OLD COUNTRY ROAD • CARLE PLACE, NEW YORK 11514

(516) 741-4411
(212) 349-4114

83 JUL 5 P3:21

June 28, 1983

Federal Election Commission
Washington, D.C.
20463

Attention: Nancy B. Nathan

Dear Ms. Nathan:

Pursuant to your request, we are enclosing herewith duly executed Affidavit from our client, Gerard Jansen.

Kindly keep us advised as to the status of this matter.

With professional respect, we remain

Very truly yours,

DEAN, FALANGA & ROSE

ANTHONY J. FALANGA

AJF:mck
Enclosure

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STATE OF NEW YORK)
) ss.:
COUNTY OF NASSAU)

GERARD JANSEN, being duly sworn, deposes and says:

1. Deponent resides in Nassau County, New York.

2. This Affidavit is being submitted to the Federal Election Commission in accordance with arrangements made between deponent's attorney and a representative of the Federal Election Commission.

3. That the contents of this Affidavit are to the best of deponent's recollection.

4. That the within Affidavit is being submitted, to the best of deponent's knowledge, in connection with an investigation by Federal Election Commission with respect to their investigation known as "In the matter of Richmond Re-election Committee".

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7. That the $1,000.00 deposit made in deponent's account in or about December 1978 was reimbursement from deponent's corporation for

3 4 0 4 0 4 4 3 2 5 1

business expenses incurred and had absolutely nothing whatsoever to do with a check drawn for $1,000.00 by your deponent for an additional contribution to the re-election campaign of Congressman Frederick W. Richmond at or about the same time.

GERARD JANSEN

Sworn to before me this
21 day of June, 1983.

Notary Public - State of New York
Qualified in Nassau County
Cert No 30-1216635
Comm Exp 3/30/85

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Dean, Falanga & Rose
ONE OLD COUNTRY ROAD
CARLE PLACE, NEW YORK 11514

HEMPSTEAD
83 JUL 5 AM : 20
JUN
11551

Federal Election Commission
Washington, D.C.
20463

Attention: Nancy B. Nathan

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 29, 1983

Stanley Geller, Esq.
Butler, Jablow and Geller
400 Madison Avenue
New York, New York 10017

Re: MUR 1436

Dear Mr. Geller:

On April 20, 1982, the Commission found reason to believe that Walco National Corporation violated 2 U.S.C. § 441b. At your request, the Commission determined on June 22, 1983, to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible. If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Nancy B. Nathan, the attorney assigned to this matter, at 202-523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosures

8 4 0 4 0 4 4 3 2 5 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Stanley Geller, Esq.
Butler, Jablow and Geller
400 Madison Avenue
New York, New York 10017

Re: MUR 1436

Dear Mr. Geller:

On April 20, 1982, the Commission found reason to believe that Walco National Corporation violated 2 U.S.C. § 441b. At your request, the Commission determined on , 1983, to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible. If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Nancy B. Nathan, the attorney assigned to this matter, at 202-523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosures

8 4 0 4 0 4 4 3 2 5 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 29, 1983

Harvey L. Greenberg
Washor, Greenberg and Washor
299 Broadway
New York, New York 10007

Re: MUR 1436

Dear Mr. Greenberg:

On January 5, 1983, the Commission found reason to believe that Stanley Lazar violated 2 U.S.C. § 441f. At your request, the Commission determined on June 22, 1983, to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible. If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Nancy B. Nathan, the attorney assigned to this matter, at 202-523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosures

8404043256

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Harvey L. Greenberg
Washor, Greenberg and Washor
299 Broadway
New York, New York 10007

Re: MUR 1436

Dear Mr. Greenberg:

On January 5, 1983, the Commission found reason to believe that Stanley Lazar violated 2 U.S.C. § 441f. At your request, the Commission determined on , 1983, to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible. If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Nancy B. Nathan, the attorney assigned to this matter, at 202-523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosures

8 4 0 4 0 4 4 3 2 5 7

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1436
Walco National Corporation	)	
Richmond Reelection Committees	)	
Coastal Dry Dock and Repair Corporation	)	
Charles Montanti	)	
Stanley Lazar	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 22, 1983, the Commission decided by a vote of 5-0 to take the following actions in MUR 1436:

1. Approve and send the proposed conciliation agreement and letter to Walco National Corporation as attached to the General Counsel's June 17, 1983 Memorandum to the Commission.

2. Approve and send the proposed conciliation agreement and letter to Stanley Lazar as attached to the General Counsel's June 17, 1983 Memorandum to the Commission.

3. Approve and send the subpoena and letter to witness Robert Massa as attached to the June 17, 1983 Memorandum.

Commissioners Aikens, Elliott, Harris, McGarry and Reiche voted affirmatively; Commissioner McDonald did not cast a vote.

Attest:

6/22/83
Date

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

Received in Office of Commission Secretary: 6-17-83, 2:00
Circulated on 48 hour tally basis: 6-20-83, 11:00

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HAND DELIVERED

RECEIVED AT THE FEC
82 SEP 17 P 1: 46

8 4 0 4 0 4 4 3 2 3 9

August , 1982

Nancy B. Nathan, Esquire
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 1436 - Calculation of Reimbursements by Richmond Campaign Committees to Walco National Corporation

Dear Ms. Nathan:

At the meeting of May 19, 1982, you requested that Walco National Corporation ("Walco") and the Treasurer of the Richmond campaign committees jointly detail the underlying calculations for the amount of $12,625.49 reimbursed by the Richmond campaign committees to Walco on March 3, 1982 */ for the use of Walco employees and facilities during past years.

The methodology employed in the calculations is the one discussed in the meeting held in your offices on February 22, 1982. At that time the campaign committees had calculated the amount of reimbursement to Walco for use of facilities and employees during 1981. Since the campaign committees intended to reimburse Walco for the prior years as well, the meeting was requested to ascertain if the methodology utilized for 1981 was acceptable. Since at the meeting the F.E.C. had no objection to, and indeed seemed to approve of, the methodology used for 1981, calculations for the prior years were made in the same manner as that for 1981. Before addressing each of these five years, the following general points should be made about the methods of calculation employed for all years.

---

*/ As the date indicates, the campaign committees reimbursed Walco prior to receipt of the letter dated April 22, 1982 from the Federal Election Commission indicating that an investigation had been commenced.

Attachment 1 - 1 of 4

First, each available Walco employee who had performed services for the Richmond campaign committees */ was asked to go back and calculate his/her time spent on campaign committee activities in the form of a minimum to maximum range. We discovered that the bulk of the time was spent at the time of the fundraisers. For purposes of calculating the amount the campaign committees had to reimburse Walco for employee time, the maximum estimate of time was used in all instances.

Three former Walco employees who performed services for the campaign committees, Paul Malloff, Leslie Peters, and Stephen Fiyalko, were unavailable to reconstruct their time spent on campaign committee activities. Therefore, their time was calculated by interviewing those individuals who worked closely with them. The services contributed by Mr. Malloff, an accountant who passed away in 1978, were limited to a few hours in the completion of the 1976 F.E.C. reports. 1978 was the only year that Leslie Peters performed campaign services while employed by Walco. Stephen Fiyalko left Walco's employ in November, 1979. You will note that to make certain that all of Mr. Fiyalko's campaign time was reimbursed we have used figures in the higher range of estimates in calculating his campaign service hours.

Once we had calculated the fundraising time for each Walco employee, we determined the amount to be reimbursed to Walco for the value of employees'time spent on campaign services. Pursuant to 11 C.F.R. § 114.1(a)(3)(i), an offsetting adjustment was made for each employee's "make-up" time. This is the only offsetting adjustment made. For example, we did not deduct the safe-harbor for incidental use of corporate facilities of one hour per week or four hours per month per employee, as provided in 11 C.F.R. § 114.9(a)(1)(iii). You will note that, in most cases, the individual's make-up time exceeds his/her time spent on campaign activities -- in which case no reimbursement was owed to Walco for the employee's services.

We did, however, reimburse Walco for the employees' use of its facilities in connection with campaign services, without regard to employee make-up time. Thus, even where employees'

---

*/ Those employees include Jack deSimone, Pauline Nunen, Carmen Agnes, and Beatriz S. Mirich.

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Attachment 1 - 2014

make-up time exceeded the time spent on campaign services, Walco was reimbursed in full for use of its facilities.

If more than one Richmond campaign committee existed in a year, the amount to be reimbursed was divided between committees pro-rata to the amount of contributions received per committee relative to the total contributions received by both committees.

Finally, the calculations distinguish between "accounting services," for which the committees are not obligated to reimburse Walco, 11 C.F.R. § 114.1(a)(2), and all other "campaign services." Accounting services has been construed narrowly to include time for F.E.C. reports and maintenance of books and records necessary for reporting and accounting purposes only. Not included in "accounting services" is the maintenance of any records utilized for purposes in addition to F.E.C. reporting and accounting purposes. For example, maintenance of records concerning "contributors" used for fundraising purposes as well as for F.E.C. reports is not included in the category of accounting services. Thus time spent in the acquisition of a contributor's address or place of employment is included in the category of "campaign services" even though this information is acquired because it is required by the F.E.C. As you have indicated and as provided in 11 C.F.R. § 114.1(a)(2)(vii), we need not include as a reimbursable item the Walco employees' accounting services and that portion of the Walco facilities used for accounting services.

With these few points as background, the following 28 pages summarize the calculations for the amounts reimbursed to Walco by the campaign committees for years 1976-1981.

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SUMMARY OF AMOUNTS

REIMBURSABLE TO WALCO AND OF

ACCOUNTING SERVICES CONTRIBUTED BY

WALCO EMPLOYEES FOR YEARS 1976 - 1981

Year	Reimbursement for CS of Walco Employees +	Reimbursement for Use of Facilities =	Total Reimbursement For Use Of Employees And Facilities	Accounting Services
1976	0	$ 1,250.72	$ 1,250.72	$1,445.94
1977	0	0	0	$ 91.06
1978	$3,328.89	$1,891.42	$5,220.31	$1,842.12
1979	0	$1,106.84	$1,106.84	$1,129.41
1980	$ 910.35	$1,639.38	$2,549.73	$1,780.32
1981	$ 691.86	$1,638.84	$2,330.70	$1,464.62
	$4,931.10	$7,527.20	$12,458.30	$7,753.47

8404043262

Gcl#1055

83 MAY 18 PM 1:33

BUTLER, JABLOW & GELLER
ATTORNEYS AT LAW
400 MADISON AVENUE
NEW YORK, N.Y. 10017

WILLIAM J. BUTLER
RICHARD B. JABLOW (1906-1975)
STANLEY GELLER
MELVIN J. NELSON

WILLIAM R. CARLISLE
COUNSEL

PHONE: (212) 755-2040
CABLE: "WILLOWMAN" N.Y.

9 PM 4:09

May 13, 1983

Federal Election Commission
1325 "K" Street, N.W.
Washington, D.C. 20463

Attention: Nancy B. Nathan, Esq.

Re: Walco National Corporation --
FEC Proceeding
Yr. File No. MUR 1436

Gentlemen/Ladies:

This letter will confirm that Walco National Corporation requests conciliation in this proceeding prior to any hearing with respect to probable cause.

Very truly yours,

William J. Butler

William J. Butler
General Counsel

WJB:nr

8404043263

Attachment 2

Mr. Stanley Lazar
44 Orchard Drive
Woodbury, New York 11797

TO: THE FEDERAL ELECTION COMMISSION

STATE OF NEW YORK)
SS.:
COUNTY OF KINGS)

STANLEY LAZAR, being duly sworn, deposes and says:

That the idea to reimburse my employees either in cash or by check for the contributions to the Frederick Richmond for Congress campaign in 1978, 1979 and 1981 was my own idea and done at my own instance and request.

Stanley Lazar
STANLEY LAZAR

Sworn to before me this
25 day of April 1983

Bernard Pollack
Notary

BERNARD POLLACK
Notary Public State of New York
No. [illegible]
Qualified [illegible] County
Certificate [illegible] Co. Registered
New York County [illegible] and Registered
Commission Expires March 30, 1984

8404044323 4

19

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert Massa
c/o Coastal Dry Dock and Repair Corporation
Brooklyn Navy Yard Building 131
Brooklyn, New York

Re: MUR 1436

Dear Mr. Massa:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on , 1983, at , has been issued. The Commission does not consider you a respondent in this matter, but a witness only.

Since the information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents, and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of the attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. You will be given a check at the time of your deposition.

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Attachment 6 - 1 of 3

Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition

8 4 0 4 0 4 4 3 2 6 6

Attachment 6 - 2 of 3

21

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition
Upon Oral Examination and to Produce Certain Documents

TO: Robert Massa

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation in the above-referenced Matter Under Review.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all documents, including but not limited to books, check records and memoranda in your custody or control relating to contributions made to or collected for the Citizens Committee for Fred Richmond in any year.

Notice is hereby given that the deposition is to be taken at Room 130, Federal Courthouse, 225 Cadman Plaza East, Brooklyn, New York, at , on , 1983, and any and all dates adjourned to by the Commission.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this day of , 1983.

Danny L. McDonald, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

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GCC #333

DAVID JOHN DEAN
ANTHONY J. FALANGA
JOSEPH COVELLO
NORMAN ROSE

JOSEPH M. REYNOLDS
MONROE FINK

Dean, Falanga & Rose

COUNSELLORS AT LAW

ONE OLD COUNTRY ROAD • CARLE PLACE, NEW YORK 11514

(212) 343-4114

83 JUN 16 P 4:23

June 14, 1983

Federal Election Commission
Washington, D. C. 20463

Attention: Kenneth A. Gross, Esq.
Associate General Counsel

Re: MUR 1436
Gerard Jansen

Dear Mr. Gross:

In response to your letter of June 1, 1983, please be advised that to the best of our client's recollection there were no contributions from any individual to the Richmond Committee for which no copies of checks were furnished to the U.S. Attorney.

Please be further advised, also in response to your inquiry, that the total amount contributed by Mr. Jansen in his name in June 1978 was Two Hundred Dollars ($200.00). To the best of our client's recollection such contribution was made by him individually, or possibly on behalf of himself and his wife, but, in any event, did not exceed Two Hundred Dollars ($200.00) in June of 1978.

Finally, the source of the funds represented by the One Thousand Dollar ($1,000.00) deposit into the checking account at Chemical Bank was reimbursement to Mr. Jansen from his corporation for business expenses. It has absolutely nothing whatsoever to do with the One Thousand Dollar ($1,000.00) contribution made by Mr. Jansen in or about December 1978.

Kindly advise if there is any additional information you may require. Moreover, we look forward to hearing from your office with regard to finalization of this matter with respect to our client Gerard Jansen.

Thank you for your attention to the above and with professional respect, we remain

Very truly yours,

DEAN, FALANGA & ROSE

ANTHONY J. FALANGA

AJF:km
cc: Mr. Gerard Jansen

83 JUN 16 P 4:23

8 4 0 4 4 3 2 6 3

Dean, Falanga & Rose
ONE OLD COUNTRY ROAD
CARLE PLACE, NEW YORK 11514

83 JUN 16 P1:19

Federal Election Commission
Washington, D. C. 20463

Attention: Kenneth A. Gross
Associate General Counsel

84004132269

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 1, 1983

Anthony Falanga, Esq.
Dean, Falanga and Rose
One Old Country Road
Carle Place, New York 11514

Re: MUR 1436
Gerard Jansen

Dear Mr. Falanga:

As we agreed by telephone on May 24, 1983, this will set out the information still needed in resolving the above-referenced matter and which you agreed to obtain from Mr. Jansen.

The documents sent to us by the U.S. Attorney for the Eastern District of New York that you had furnished to that Office in the course of its investigation (see attached copies) demonstrate that a total of $1,100 was contributed to Congressman Richmond's committee in June, 1978, in the names of six individuals (Acierno, Tully, Pierson, J. Pignataro, Haskell and M.A. Benedetto). Copies of checks written by Mr. Jansen as reimbursement to those individuals also were forwarded to this office; in addition, there are copies of reimbursement checks totaling $500 made out to D. Pignataro, P. Benedetto, and Camelia Rodriguez. Were there contributions from those individuals to the Richmond committee for which no copies were furnished to us by the U.S. Attorney? If so, please furnish copies of those individuals' checks. What was the total contributed to the Richmond committee by Mr. Jansen in his name, his wife's name, or in the names of others, in June, 1978?

Our additional question involves the deposit of $1,000 to the Jansens' checking account at Chemical Bank, dated December 15, 1978. What was the source of the funds represented by that deposit slip?

Thank you for your continued cooperation.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosures

8404043270

Doc # 210

DAVID JOHN DEAN
ANTHONY J. FALANGA
JOSEPH COVELLO
NORMAN ROSE

JOSEPH M. REYNOLDS
MONROE FINK

Dean, Falanga & Rose

COUNSELLORS AT LAW

ONE OLD COUNTRY ROAD • CARLE PLACE, NEW YORK 11514

(516) 248-[illegible]
(516) 741-[illegible]
(212) 343-[illegible]

83 MAY 23 P3:38

May 20, 1983

Federal Election Commission
Washington, D.C.
20463

ATTENTION: Nancy B. Nathan

Dear Ms. Nathan:

Pursuant to your request we are enclosing herewith duly executed Affidavit from our client Gerard Jansen.

Kindly keep us advised as to the status of this matter.

With professional respect, we remain

Very truly yours,

DEAN, FALANGA & ROSE

ANTHONY J. FALANGA

AJF:en
Enc.

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STATE OF NEW YORK)
) ss.:
COUNTY OF NASSAU)

GERARD JANSEN, being duly sworn, deposes and says:

1. Deponent resides in Nassau County, New York.

2. This Affidavit is being submitted to the Federal Election Commission in accordance with arrangements made between deponent's attorney and a representative of the Federal Election Commission.

3. That the contents of this Affidavit are to the best of deponent's recollection.

4. That the within Affidavit is being submitted, to the best of deponent's knowledge, in connection with an investigation by Federal Election Commission with respect to their investigation known as "In the matter of Richmond Re-election Committee".

5. That this Affidavit is being submitted to the Federal Election Commission upon their representation to your deponent that they are aware of the immunity extended to deponent by United States Department of Justice pursuant to written correspondence to deponent's attorney dated February 12, 1982.

6. When deponent was solicited by Mr. Robert Massa for contribution to the Re-election campaign of Congressman Frederick W. Richmond, deponent was advised that the suggested contribution was in the sum of $2,000. When I agreed to send a check, I was advised that they didn't want it that way but instead wanted ten (10) separate contributions from ten (10) different people at $200 each. It was further suggested that I get employees, friends or relatives to make the contributions and that I then repay them.

7. In accordance with such suggestions, I arranged to have employees

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and family members contribute $200 each and, thereafter, deponent reimbursed said individuals by way of deponent's personal checks. Only personal funds were used to reimburse the contributors.

8. Deponent has no personal knowledge of any other solicitations made to other parties with respect to the Re-election campaign of Congressman Richmond.

GERARD JANSEN

Sworn to before me this
16th day of May, 1983.

Monroe Fink
Monroe Fink
Notary Public, State of New York
Qualified in Nassau County
Cert No 30-1216635
Comm Exp 3/30/85

8404043273

Dean, Falanga & Rose
ONE OLD COUNTRY ROAD
CARLE PLACE, NEW YORK 11514

Federal Election Commission

Washington, D.C.

20463

ATTENTION: Nancy B. Nathan

83 MAY 23 AM 11:19

8404044327

BUTLER, JABLOW & GELLER
400 MADISON AVENUE
NEW YORK, N. Y. 10017

Federal Election Commission
1325 "K" Street, N.W.
Washington, D.C. 20463

Attention: Nancy B. Nathan, Esq.

8 4 0 0 4 4 3 2 7 5

204796

RECEIVED AT THE FEC
Gcc# 9975
83 MAY 5 P2:37

LAW OFFICES OF
WASHOR, GREENBERG & WASHOR
299 BROADWAY
NEW YORK, NEW YORK 10007

212-732-2077
212-625-6578

MICHAEL S. WASHOR
HARVEY L. GREENBERG

JOSEPH J. McCARTHY, JR.

LEON WASHOR
OF COUNSEL

83 MAY 5 P3:33

May 2, 1983

Federal Election Commission
Washington, D.C. 20463

ATTENTION: Nancy B. Nathan

RE: MUR No. 1436
Stanley Lazar

Dear Ms. Nathan:

Enclosed herewith please find Affidavit of Stanley Lazar, sworn to the 25th day of April, 1983, as per your request and our telephone conversation.

Very truly yours,

WASHOR, GREENBERG & WASHOR

BY: HARVEY L. GREENBERG

HLG:cp

Encl.

8 4 0 4 0 4 4 3 2 7 6

Mr. Stanley Lazar
44 Orchard Drive
Woodbury, New York 11797

TO: THE FEDERAL ELECTION COMMISSION

STATE OF NEW YORK)
SS.:
COUNTY OF KINGS)

STANLEY LAZAR, being duly sworn, deposes and says:

That the idea to reimburse my employees either in cash or by check for the contributions to the Frederick Richmond for Congress campaign in 1978, 1979 and 1981 was my own idea and done at my own instance and request.

Stanley Lazar
STANLEY LAZAR

Sworn to before me this
25 day of April, 1983

Bernard Pollack
Notary

BERNARD POLLACK
Notary Public, State of New York
No. [illegible]
Qualified in [illegible] County
Certificate Filed in [illegible] County
Commission Expires March 30, 1984

3400443277

LAW OFFICES OF
WASHOR, GREENBERG & WASHOR
299 BROADWAY
NEW YORK, NEW YORK 10007

Federal Election Commission

Washington, D.C. 20463

ATT: Nancy B. Nathan

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Robert Massa
c/o Coastal Dry Dock and Repair Corporation
Brooklyn Navy Yard - Building 131
Brooklyn, N.Y.

Re: MUR 1436

Dear Mr. Massa:

This will confirm your scheduled appearance for deposition in the above-referenced matter on Thursday, July 21, 1983, at 11 a.m. at Room 130 of the U.S. Courthouse in Brooklyn.

Sincerely,

Nancy B. Nathan

Nancy B. Nathan
Attorney

8404043279

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

83 MAR 28 P 2: 09

In the Matter of	)	
	)	
Citizens Committee for Fred Richmond, et al.	)	MUR 1436
	)	

COMPREHENSIVE INVESTIGATIVE REPORT # 1

On April 20, 1982, the Commission found reason to believe that the campaign committee of former Rep. Frederick Richmond, Walco National Corporation, Coastal Dry Dock and Repair Corporation and Charles Montanti violated various provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). On October 15, 1982, and on January 5, 1983, the Commission found reason to believe that Gerard Jansen and Stanley Lazar, respectively, also violated the Act.

Discovery has been pursued with respondents Montanti, Jansen and Lazar, and with several other individuals whose testimony was sought because of their knowledge of contributions made by some respondents in the names of others, in violation of 2 U.S.C. § 441f.

On March 16, 1983, this Office received a letter from Mr. Lazar's counsel requesting pre-probable cause conciliation and indicating that Mr. Lazar would admit violations of 2 U.S.C. § 441f in 1978, 1979 and 1981, and also of 2 U.S.C. § 441b, in the use of corporate funds to make the contributions in 1978.

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Mr. Lazar's violations of 2 U.S.C. § 441f had been indicated in interrogatories and depositions by some of the individuals whose names were used.

Also on March 16, 1983, an Assistant U.S. Attorney for the Eastern District of New York telephoned to say that documents subpoenaed by the Commission from Gerard Jansen would, at Mr. Jansen's request, be released by the U.S. Attorney's office. Included in the documents being sent to us are checks issued by Mr. Jansen to ten individuals, reimbursing them for a total of $1,800 contributed by Jansen in their names to the 1978 Richmond committee. That information will document the violation of 2 U.S.C. § 441f by Mr. Jansen that has been indicated in depositions taken from some of the individuals he reimbursed. Mr. Jansen has not requested pre-probable cause conciliation.

Our investigation has found no link between Charles Montanti or his firm, Coastal Dry Dock, and any other Richmond contributors making contributions in the names of others, including Mr. Jansen and Mr. Lazar. Further, no evidence has been found to indicate that Mr. Montanti or his firm violated 2 U.S.C. § 441f. Mr. Montanti has not requested pre-probable cause conciliation.

Walco National Corporation's response to the reason to believe finding was submitted, along with amended reports reflecting the Walco contribution of personnel and office

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space to the Richmond committees, on September 17, 1982. Because the response amounts to an admission of the violations that the Commission found reason to believe Walco had committed, this Office has not conducted any further investigation in that part of this matter.

Following our receipt of the materials being sent by the U.S. Attorney's office, this Office will make recommendations for findings as to the various respondents.

March 25, 1983
Date

Charles N. Steele
General Counsel

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

8 4 0 4 0 4 4 3 2 9 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 2, 1983

Dominick Aiello
9 Bernadette Court
Hicksville, New York 11801

Re: MUR 1436

Dear Mr. Aiello:

Enclosed is a transcript of your testimony before the Commission taken in deposition on November 17, 1982. At the conclusion of that deposition, you requested that a copy of the transcript be sent to you for your inspection. After you have had an opportunity to read the transcript and to make and initial any corrections in your testimony, please sign the transcript on the line on page 30, and return it to the Commission in the enclosed envelope within 30 days of your receipt of this letter.

If you have any questions, please contact Nancy B. Nathan, at (202) 523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
deposition transcript
return envelope

8404043293

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 2, 1983

Anthony Benedetto
26 East Oxford Street
Valley Stream, New York 11580

Re: MUR 1436

Dear Mr. Benedetto:

Enclosed is a transcript of your testimony before the Commission taken in deposition on November 17, 1982. At the conclusion of that deposition, you requested that a copy of the transcript be sent to you for your inspection. After you have had an opportunity to read the transcript and to make and initial any corrections in your testimony, please sign the transcript on the line on page 18, and return it to the Commission in the enclosed envelope within 30 days of your receipt of this letter.

If you have any questions, please contact Nancy B. Nathan, at (202) 523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
deposition transcript
return envelope

8404044329 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 2, 1983

Stanley Geller, Esq.
400 Madison Avenue
New York, New York 10017

Re: MUR 1436
Jack deSimone

Dear Mr. Geller:

Enclosed is a copy of the transcript of Mr. deSimone's testimony taken on November 7, 1982. At the conclusion of the deposition, you requested that your client have an opportunity to review the transcript, and to make changes or additions as needed. Please ask your client to make and initial any corrections and sign the transcript at page 63, and return it to the Commission in the enclosed envelope within 30 days of your receipt of this letter.

If you have any questions, please contact Nancy B. Nathan at (202) 523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
deposition transcript
return envelope

8404043295

203875 GCC# 9411

RECEIVED AT THE FEC

83 JAN 26 P 1:19

DAVID JOHN DEAN
ANTHONY J. FALANGA
JOSEPH COVELLO
NORMAN ROSE

JOSEPH M. REYNOLDS
MONROE FINK

Dean, Falanga & Rose

COUNSELLORS AT LAW

ONE OLD COUNTRY ROAD • CARLE PLACE, NEW YORK 11514

January 24, 1983

83 JAN 26 P 4:31

Federal Election Commission
Washington, D.C.
20463

ATTENTION: Kenneth A. Gross,
Associate General Counsel

Re: MUR 1436
Gerard Jansen

Dear Mr. Gross:

We acknowledge receipt of your letter dated January 7, 1983, and the subpoena enclosed thereto.

Please be advised that the only documentation Mr. Jansen had with regard to the subject matter of the subpoena was certain cancelled checks, all of which were turned over to the U.S. District Attorney's office on or about March 3, 1982. Neither the undersigned nor our client have copies of such checks, however, we assume that you will be able to secure either the originals or copies thereof from the U.S. District Attorney's office. Moreover, in the event you require any authorization from this office or Mr.Jansen to obtain either the original cancelled checks or the copies thereof from the U.S. District Attorney's office we will be most happy to furnish same.

Very truly yours,

DEAN, FALANGA & ROSE

ANTHONY J. FALANGA

AJF:en
cc: Mr. G. Jansen

3404043236

Dean, Falanga & Rose
ONE OLD COUNTRY ROAD
CARLE PLACE, NEW YORK 11514

8 4 0 4 0 4 4 3 2 8 7

U.S. POSTAL SERVICE
24 JAN 1983
RECEIVED
83 JAN 26 P1:10

Federal Election Commission

Washington, D.C.

20463

ATTENTION: Kenneth A. Gross,
Associate General Counsel

Cccth 9394

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

In the Matter of

83 JAN 24 A11:56

Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Stanley Lazar? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Shore Electric Corporation? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts?

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you?

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check to Congressman Richmond's campaign committee? If so, who gave such a check, to whom was the check given, and what did the person giving the check receive in return?

Please submit all books, records, memoranda and other written materials in your possession that pertain to the 1978 and 1980 campaigns of Rep. Frederick Richmond, particularly all checks and bank statements pertaining to contributions to such campaigns.

8 1 0 4 0 4 1 3 1 9 8

Jan 19, 1983

To Whom It May Concern,

The following are my answers to the questionnair that was sent me.

#1 Yes I know Stanley Lazar
He was my Employer.

2 Yes I know Charles Montanti
He is the President of Coastal Drydock that Shore Electric Worked for.

3 Yes I worked for Shore Electric for approximately 16 years. I was General foreman.

4 Yes in 1978 for $200
in 1980 for $300

5 Yes from Mr. Lazar. approx. 1 or 2 days later in 1978 it was in Cash and 1980 it was a check.

6 No

7 No

8 No

Sincerely
Frank Caffrey.

8404043039

F. CAFFREY
23 GRACE PARK DR.
COMMACK NY.
11725

HICKSVILLE, NY
PM
20 JAN
1983

Donny L Mc Donald.
Federal Election Commission
Washington D. C.
20463

83 JAN 24 A9:20

RECEIVED AT THE FEC

8404043029

202858

RECEIVED BY THE FEC
Cc4 9390
83 JAN 24 P2:27

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens Committee for Fred Richmond	)	MUR 1436

SUBPOENA TO PRODUCE DOCUMENTS AND ORDER TO SUBMIT WRITTEN ANSWERS

TO: George Pizzo
1169 - 43rd Street
Brooklyn, New York 11219

Pursuant to 2 U.S.C. § 437d(a)(1) and (3) and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce certain specified documents.

The answers must be submitted under oath and must be forwarded, along with the documents, to the Commission within (15) days of your receipt of this Order/Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand on this 6th day of Jan., 1983.

Danny L. McDonald
Danny L. McDonald
Chairman

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions and Requested Documents

83 JAN 24 P4:29

8404443291

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Stanley Lazar? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Shore Electric Corporation? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts?

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you?

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check to Congressman Richmond's campaign committee? If so, who gave such a check, to whom was the check given, and what did the person giving the check receive in return?

Please submit all books, records, memoranda and other written materials in your possession that pertain to the 1978 and 1980 campaigns of Rep. Frederick Richmond, particularly all checks and bank statements pertaining to contributions to such campaigns.

8 1 0 1 0 4 4 3 2 9 2

7/19/83

1 - Yes: My employer

2 - Yes. He is the president of Coastial Dry Dock

3 - Yes: I started Sept. 9, 1965 in position of electrician until present.

4 - Yes: In 1978 I contributed Two Hundred Dollars

5 - Yes: By Stanley Lazar.

6 - No

7 - No

8 - No

8 470 4 5 3 2 9 3

Geo[illegible]

George Pezzo.
H-69 43rd St.
Bklyn N.Y 11219

24004443 2

Federal Election commission
General Counsel.
1325 K Street N.W
Washington DC 20463

RECEIVED AT THE FEC
2:21

CERTIFIED
P 278 529 241

RETURN RECEIPT REQUESTED

att
Nancy B Nelson

203873 CCC# 9409

RECEIVED BY THE FEC
83 JAN 26 P1:19

January 21, 1983

Federal Election Commission
Washington, D.C. 20463

RE: MUR 1436

Gentlemen:

With reference to your letter of January 7, 1983, attached are the documents (photostatic copies) you requested and below are my answers to the list of questions also attached.

1. Yes. Mr. Lazar is my former employer.

2. Yes. Mr. Montanti, President of Coastal Dry Dock & Repair Corp. conducted business with Mr. Lazar of Shore Electric Corp.

3. Yes. I was employed by Shore Electric Corp. from July 1968 to July 1981. I was the secretary to Mr. Lazar.

4. Yes. 1979. $350.00

5. Yes. I received reimbursement from Stanley Lazar. June, 1979 in cash.

6. No.

7. No.

8. No.

Evelyn Brennan

Evelyn Brennan
285 - Sixth Street
Brooklyn, New York 11215

JAMES A. CALICCHIO
Notary Public, State of New York
No. 43-4688304
Qualified in Richmond County
Certificate Filed in Kings County
Certificate Filed in New York County
Commission Expires March 30, 1983

James A. Calicchio

83 JAN 26 P4:30

8404043295

8 4 0 4 0 4 4 3 2 9 6

NUMBER 70

6/1 1979

1-482
260

PAY TO THE ORDER OF Citizens for Fred Richmond $350 00/XX

Three Hundred Fifty DOLLARS

EVELYN BRENNAN

Republic National Bank of New York
888 NINTH STREET
BROOKLYN, NEW YORK 11215

MEMO

Evelyn Brennan

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Stanley Lazar? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Shore Electric Corporation? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts?

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you?

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check to Congressman Richmond's campaign committee? If so, who gave such a check, to whom was the check given, and what did the person giving the check receive in return?

Please submit all books, records, memoranda and other written materials in your possession that pertain to the 1978 and 1980 campaigns of Rep. Frederick Richmond, particularly all checks and bank statements pertaining to contributions to such campaigns.

8 4 0 4 0 4 4 3 2 9 7

Evelyn Brennan
285 - 6th Street
Brooklyn, N.Y. 11215

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

ATT: NANCY B. NATHAN
GENERAL COUNSEL OFFICE

CERTIFIED
P 361 618 348
MAIL

840404432 7 8

ecd 9393

Joseph A. Colandrea
814 72nd Street
Bklyn, N.Y. 11228

Federal Election Commission
Washington, D.C. 20463
Attn: Charles N. Steele

Re: Matter of Citizens Committee for Fred Richmond MUR 1436

January 15, 1983

To Whom It May Concern:

In response to your subpoena/order dated Jan. 7, 1983, the following are my answers. The questions are answered in order submitted.

1. I know Stanley Lazar as a good customer at my restaurant.
2. I know Charles Montanti as a good customer at my restaurant.
3. I have never been employed by Shore Electric Corp.
4. I have contributed the following to the Committee of Congressman Fred Richmond:
   (a) May 30, 1978 - $200.00
   (b) May 30, 1979 - $350.00
5. I did not receive reimbursement nor did I give a check in blank for my contributions.
6. I know of no other person who received consideration for their contributions.

Enclosed are copies of my canceled checks.

I have answered the above to the best of my ability and I swear that the answers are true.

Joseph A. Colandrea

8 4 0 4 0 4 4 3 2 9 5

JOSEPH A. COLANDREA
MARIE COLANDREA
814 72ND ST. BROOKLYN, N. Y. 11228

514

1-2/210

5/30 1978

PAY TO THE ORDER OF Citizens Committee for Fred Richmond $ 200 xx

Two hundred DOLLARS

THE CHASE MANHATTAN BANK
National Association
7415 Fifth Avenue, Brooklyn, N.Y. 11209

FOR

JOSEPH A. COLANDREA
MARIE COLANDREA
814 72ND ST. BROOKLYN, N. Y. 11228

620

1-2/210

5/30 1979

PAY TO THE ORDER OF Citizens Committee for Fred Richmond $ 350 xx

Three hundred fifty DOLLARS

THE CHASE MANHATTAN BANK
National Association
7415 Fifth Avenue, Brooklyn, N.Y. 11209

FOR

8 1 0 1 0 4 4 3 3 0 0

Joseph A. Colandrea
814 72nd Street
Bklyn, N.Y. 11228

Federal Election Commission
Washington, D.C. 20463
Attn: Charles N. Steele

RETURN RECEIPT
REQUESTED

R 026 728 775

83 JAN 24 P2:14

8 4 0 4 0 4 4 3 3 0 1

J02851

RECEIVED BY THE FEC

Case # 9383

83 JAN 24 P2:30

LAW OFFICES OF
WASHOR, GREENBERG & WASHOR
299 BROADWAY
NEW YORK, NEW YORK 10007

212-732-2077
212-625-6578

MICHAEL S. WASHOR
HARVEY L. GREENBERG

JOSEPH J. McCARTHY, JR.

LEON WASHOR
OF COUNSEL

83 JAN 24 P4:04

January 20, 1983

Federal Election Commission
Washington, D.C. 20463

ATTENTION: Nancy B. Nathan

RE: MUR No. 1436
Stanley Lazar

Dear Ms. Nathan:

In accordance with our telephone conversation of yesterday, I enclose herewith Designation of Counsel.

I am also confirming my request for an opportunity for conciliation in this matter.

Kindly advise.

Very truly yours,

WASHOR, GREENBERG & WASHOR

BY: HARVEY L. GREENBERG

HLG:cp

Encl.

8404043302

RECEIVED AT THE FEC

83 JAN 24 P 2: 30

STATEMENT OF DESIGNATION OF COUNSEL

NAME OF COUNSEL: WASHOR, GREENBERG & WASHOR, ESQS.
BY: HARVEY L. GREENBERG, ESQ.

ADDRESS: 299 Broadway, New York, NY 10007

TELEPHONE: (212) 625-6578

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

January 20, 1983
Date

Stanley Lazar
Signature

NAME: STANLEY LAZAR

ADDRESS: 44 Orchard Drive, Woodbury, New York 11797

HOME PHONE:

BUSINESS PHONE: (212) 788-1234

8 4 0 4 0 4 4 3 1 0 3

LAW OFFICES OF
WASHOR, GREENBERG & WASHOR
299 BROADWAY
NEW YORK, NEW YORK 10007

RECEIVED
NEW YORK N.Y.
83 JAN 24 P2:08
FEE $1.00
U.S. POSTAGE
1554831

Federal Election Commission

Washington, D.C. 20463

ATT: Nancy B. Nathan

P1

8 3 0 0 4 0 4 5 0 4

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1436
Citizens Committee for Fred Richmond	)	
Walco National Corporation	)	
Coastal Dry Dock and Repair Corporation	)	
Charles Montanti	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on January 5, 1983, the Commission decided by a vote of 6-0 to take the following actions in MUR 1436:

1. Find reason to believe that Stanley Lazar violated 2 U.S.C. § 441f.

2. Approve the subpoenas for the production of documents directed to Stanley Lazar and Gerard Jansen, as attached to the General Counsel's Report signed December 22, 1982.

3. Approve the subpoenas to produce documents and orders to submit written answers directed to Frank Caffrey, Evelyn Brennan, George Pizzo and Joseph Colandra, as submitted with the General Counsel's Report signed December 22, 1982.

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

Attest:

Jan. 5, 1983
Date

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

Received in Office of Commission Secretary: 12-23-82, 10:33
Circulated on 48 hour tally basis: 12-23-82, 4:00

8 4 0 0 4 4 3 3 0 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 7, 1983

Stanley Lazar
44 Orchard Drive
Woodbury, New York 11797

Re: MUR 1436

Dear Mr. Lazar:

On January 5, 1983, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the campaign committee of U.S. Rep. Frederick Richmond in the names of other persons. 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. In addition, you will find enclosed a Commission subpoena which requires the production of certain documents.

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 conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

8404043306

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 Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Danny L. McDonald

DANNY L. McDONALD
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

8404044307

1436 117

PS Form 3811, Dec. 1980

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
   - ☐ Show to whom and date delivered ..... —¢
   - ☐ Show to whom, date, and address of delivery .. —¢
2. ☐ RESTRICTED DELIVERY —¢
   (*The restricted delivery fee is charged in addition to the return receipt fee.*)

TOTAL $ ____

3. ARTICLE ADDRESSED TO:
Stanley Lazar
Woodbury, NY

4. TYPE OF SERVICE:
☐ REGISTERED ☐ INSURED
☒ CERTIFIED ☐ COD
☐ EXPRESS MAIL

ARTICLE NUMBER
SIL 38 h

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent
X P. Lazar

6. DATE OF DELIVERY
1/11/83

POSTMARK
WOODBURY JAN 1983 USPO

8. ADDRESSEE'S ADDRESS (*Only if requested*)

7. UNABLE TO DELIVER BECAUSE:

7a. EMPLOYEE'S INITIALS

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No. 1436
STAFF MEMBER & TEL. NO.
Nancy B. Nathan
(202) 523-4073

RESPONDENT Stanley Lazar

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

The evidence available to the Office of General Counsel suggests that Stanley Lazar may have violated 2 U.S.C. § 441f in connection with certain contributions purportedly made in the names of others.

FACTUAL AND LEGAL ANALYSIS

Reports in The New York Times of January 18, 1982, describe evidence indicating that some contributions to the 1978 Richmond campaign committee may have been made by persons other than the persons listed as the contributors, and mention Mr. Lazar's possible involvement.

In addition, in a telephone interview conducted by the Office of General Counsel, on November 2, 1982, Frank Caffrey, a former employee of Mr. Lazar's firm, Shore Electric Corporation, said that he had been reimbursed by Mr. Lazar for a check made out to the 1978 Richmond campaign committee. He said he knew that other employees had done the same. He said he also was reimbursed by Mr. Lazar in 1979 for a contribution to the Richmond campaign.

It is recommended that the Commission find reason to believe that Stanley Lazar violated 2 U.S.C. § 441f by making contributions in the names of other persons to the 1978 and/or 1980 Frederick Richmond campaign committees.

8404043309

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens Committee for Fred Richmond	)	MUR 1436
	)	

SUBPOENA

To: Stanley Lazar
44 Orchard Drive
Woodbury, New York 11797

PURSUANT to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby subpoenas all books, records, memoranda and other written materials in your possession which pertain to the 1978 and 1980 campaigns of Rep. Frederick Richmond, particularly all checks, bank statements and bookkeeping entries pertaining to contributions to such campaigns, and including corporate checks and financial records.

Notice is given that these materials must be submitted to the Office of General Counsel, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. within 15 days of your receipt of this subpoena. Legible copies which, where applicable, show both sides of documents, may be substituted for originals.

8404043310

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this, 6 day of Jan, 1983.

Danny L. McDonald
Danny L. McDonald
Chairman

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

8404044331 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 7, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Joseph Colandra
814 - 72nd Street
Brooklyn, New York 11228

Re: MUR 1436

Dear Mr. Colandra:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended (2 U.S.C. § 431 et seq.). In connection with an investigation being conducted by the Commission, the enclosed Subpoena/Order which requires you provide certain information has been issued. The Commission does not consider you a respondent in this matter, but rather a witness only.

Since this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney and have an attorney assist you in the preparation of your response to this Subpoena/Order. If you have any questions please direct them to Nancy B. Nathan, the attorney handling this matter, at (202)523-4073.

Sincerely,

Charles N. Steele
General Counsel

Kenneth A. Gross -by KT

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena/Order

8 4 0 4 0 4 4 3 3 1 2

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens Committee for Fred Richmond	)	MUR 1436

SUBPOENA TO PRODUCE DOCUMENTS AND
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Joseph Colandra
814 - 72nd Street
Brooklyn, New York 11228

Pursuant to 2 U.S.C. § 437d(a)(1) and (3) and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce certain specified documents.

The answers must be submitted under oath and must be forwarded, along with the documents, to the Commission within (15) days of your receipt of this Order/Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand on this 6th day of Jan, 1983.

Danny L. McDonald
Danny L. McDonald
Chairman

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions and Requested Documents

8 4 0 1 0 4 4 3 3 1 3

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Stanley Lazar? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Shore Electric Corporation? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts?

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you?

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check to Congressman Richmond's campaign committee? If so, who gave such a check, to whom was the check given, and what did the person giving the check receive in return?

Please submit all books, records, memoranda and other written materials in your possession that pertain to the 1978 and 1980 campaigns of Rep. Frederick Richmond, particularly all checks and bank statements pertaining to contributions to such campaigns.

8 4 0 4 0 4 4 3 3 1 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 7, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Frank Caffrey
12 Grance Park Road
Commack, New York 11755

Re: MUR 1436

Dear Mr. Caffrey:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended (2 U.S.C. § 431 et seq.). In connection with an investigation being conducted by the Commission, the enclosed Subpoena/Order which requires you provide certain information has been issued. The Commission does not consider you a respondent in this matter, but rather a witness only.

Since this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney and have an attorney assist you in the preparation of your response to this Subpoena/Order. If you have any questions please direct them to Nancy B. Nathan, the attorney handling this matter, at (202)523-4073.

Sincerely,

Charles N. Steele
General Counsel

Kenneth A. Gross - by BT

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena/Order

8 4 0 4 0 4 4 3 1 5

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens Committee for Fred Richmond	)	MUR 1436

SUBPOENA TO PRODUCE DOCUMENTS AND
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Frank Caffrey
12 Grance Park Road
Commack, New York 11755

Pursuant to 2 U.S.C. § 437d(a)(1) and (3) and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce certain specified documents.

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Danny L. McDonald
Danny L. McDonald
Chairman

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions and Requested Documents

8404043316

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Stanley Lazar? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Shore Electric Corporation? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts?

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you?

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check to Congressman Richmond's campaign committee? If so, who gave such a check, to whom was the check given, and what did the person giving the check receive in return?

Please submit all books, records, memoranda and other written materials in your possession that pertain to the 1978 and 1980 campaigns of Rep. Frederick Richmond, particularly all checks and bank statements pertaining to contributions to such campaigns.

8 4 0 4 4 3 3 1 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 7, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

George Pizzo
1169 - 43rd Street
Brooklyn, New York 11219

Re: MUR 1436

Dear Mr. Pizzo:

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You may consult with an attorney and have an attorney assist you in the preparation of your response to this Subpoena/Order. If you have any questions please direct them to Nancy B. Nathan, the attorney handling this matter, at (202)523-4073.

Sincerely,

Charles N. Steele
General Counsel

Kenneth A. Gross - by KT

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena/Order

8 4 0 4 0 4 4 3 3 1 8

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens Committee for Fred Richmond	)	MUR 1436

SUBPOENA TO PRODUCE DOCUMENTS AND
ORDER TO SUBMIT WRITTEN ANSWERS

TO: George Pizzo
1169 - 43rd Street
Brooklyn, New York 11219

Pursuant to 2 U.S.C. § 437d(a)(1) and (3) and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce certain specified documents.

The answers must be submitted under oath and must be forwarded, along with the documents, to the Commission within (15) days of your receipt of this Order/Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand on this 6th day of Jan., 1983.

Danny L. McDonald
Danny L. McDonald
Chairman

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions and Requested Documents

8404043319

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Stanley Lazar? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Shore Electric Corporation? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts?

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you?

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check to Congressman Richmond's campaign committee? If so, who gave such a check, to whom was the check given, and what did the person giving the check receive in return?

Please submit all books, records, memoranda and other written materials in your possession that pertain to the 1978 and 1980 campaigns of Rep. Frederick Richmond, particularly all checks and bank statements pertaining to contributions to such campaigns.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 7, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Evelyn Brennan
285 Sixth Street
Brooklyn, New York 11215

Re: MUR 1436

Dear Ms. Brennan:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended (2 U.S.C. § 431 et seq.). In connection with an investigation being conducted by the Commission, the enclosed Subpoena/Order which requires you provide certain information has been issued. The Commission does not consider you a respondent in this matter, but rather a witness only.

Since this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney and have an attorney assist you in the preparation of your response to this Subpoena/Order. If you have any questions please direct them to Nancy B. Nathan, the attorney handling this matter, at (202)523-4073.

Sincerely,

Charles N. Steele
General Counsel

Kenneth A. Gross by NBN

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena/Order

8404044332 1

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens Committee for Fred Richmond	)	MUR 1436

SUBPOENA TO PRODUCE DOCUMENTS AND
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Evelyn Brennan
285 Sixth Street
Brooklyn, New York 11215

Pursuant to 2 U.S.C. § 437d(a)(1) and (3) and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce certain specified documents.

The answers must be submitted under oath and must be forwarded, along with the documents, to the Commission within (15) days of your receipt of this Order/Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand on this 6th day of Jan, 1983.

Danny L. McDonald
Danny L. McDonald
Chairman

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions and Requested Documents

8404443322

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Stanley Lazar? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Shore Electric Corporation? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts?

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you?

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check to Congressman Richmond's campaign committee? If so, who gave such a check, to whom was the check given, and what did the person giving the check receive in return?

Please submit all books, records, memoranda and other written materials in your possession that pertain to the 1978 and 1980 campaigns of Rep. Frederick Richmond, particularly all checks and bank statements pertaining to contributions to such campaigns.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 7, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Anthony Falanga, Esq.
Dean, Falanga and Rose
1 Old Country Road
Carle Place, New York 11514

Re: MUR 1436
Gerard Jansen

Dear Mr. Falanga:

On October 19, 1982, you received notification that the Commission had found reason to believe that your client, Gerard Jansen, had violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. An investigation of this matter is being conducted and it has been determined that additional information from your client is necessary.

Consequently, the Federal Election Commission has issued the attached subpoena which requires your client to provide information which will assist the Commission in carrying out its statutory duty of investigating this matter.

If you have any questions please direct them to Nancy B. Nathan, the attorney handling this matter, at (202)523-4073.

Sincerely,

Charles N. Steele
General Counsel

Kenneth A. Gross -by NBN

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens Committee for Fred Richmond	)	MUR 1436
	)	

SUBPOENA

To: Gerard Jansen
c/o Anthony Falanga, Esq.
Dean, Falanga and Rose
1 Old Country Road
Carle Place, New York 11514

PURSUANT to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby subpoenas all books, records, memoranda and other written materials in your possession which pertain to the 1978 and 1980 campaigns of Rep. Frederick Richmond, particularly all checks, bank statements and bookkeeping entries pertaining to contributions to such campaigns, and including corporate checks and financial records.

Notice is given that these materials must be submitted to the Office of General Counsel, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. within 15 days of your receipt of this subpoena. Legible copies which, where applicable, show both sides of documents, may be substituted for originals.

8404043325

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this, 6th day of Jan, 1983.

Danny L. McDonald
Danny L. McDonald
Chairman

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

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1436 117

PS Form 3811, Dec. 1980

● SENDER: Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
- ☐ Show to whom and date delivered ..... ___¢
- ☐ Show to whom, date, and address of delivery.. ___¢
- 2. ☐ RESTRICTED DELIVERY ___¢
  (The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL $___

3. ARTICLE ADDRESSED TO:
Joseph Colandra
Brooklyn, NY

4. TYPE OF SERVICE: ☐ REGISTERED ☐ INSURED ☒ CERTIFIED ☐ COD ☐ EXPRESS MAIL

ARTICLE NUMBER: 711 984

(Always obtain signature of addressee or agent)

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

5. DATE OF DELIVERY: 1/14/83

POSTMARK: 1983

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:

7a. EMPLOYEE'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

1436 117

PS Form 3811, Dec. 1980

● SENDER: Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
- ☐ Show to whom and date delivered ..... ___¢
- ☐ Show to whom, date, and address of delivery.. ___¢
- 2. ☐ RESTRICTED DELIVERY ___¢
  (The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL $___

3. ARTICLE ADDRESSED TO:
Evelyn Brennan
Brooklyn, NY

4. TYPE OF SERVICE: ☐ REGISTERED ☐ INSURED ☒ CERTIFIED ☐ COD ☐ EXPRESS MAIL

ARTICLE NUMBER: 711 984

(Always obtain signature of addressee or agent)

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

5. DATE OF DELIVERY: 1/20/83

POSTMARK: BROOKLYN 1983

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:

7a. EMPLOYEE'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

1436 117

PS Form 3811, Dec. 1980

● SENDER: Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
- ☐ Show to whom and date delivered ..... ___¢
- ☐ Show to whom, date, and address of delivery.. ___¢
- 2. ☐ RESTRICTED DELIVERY ___¢
  (The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL $___

3. ARTICLE ADDRESSED TO:
Anthony Falonga
Carle Place, NY

4. TYPE OF SERVICE: ☐ REGISTERED ☐ INSURED ☒ CERTIFIED ☐ COD ☐ EXPRESS MAIL

ARTICLE NUMBER: 711 984

(Always obtain signature of addressee or agent)

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

5. DATE OF DELIVERY

POSTMARK

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:

7a. EMPLOYEE'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

1436 117

PS Form 3811, Dec. 1980

● SENDER: Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
- ☐ Show to whom and date delivered ..... ___¢
- ☐ Show to whom, date, and address of delivery.. ___¢
- 2. ☐ RESTRICTED DELIVERY ___¢
  (The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL $___

3. ARTICLE ADDRESSED TO:
Frank Caffrey
Commack, NY

4. TYPE OF SERVICE: ☐ REGISTERED ☐ INSURED ☒ CERTIFIED ☐ COD ☐ EXPRESS MAIL

ARTICLE NUMBER: 711 984

(Always obtain signature of addressee or agent)

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

5. DATE OF DELIVERY

POSTMARK: USPO 1983

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:

7a. EMPLOYEE'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

1436 1/7

PS Form 3811, Dec. 1980

● SENDER: Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
   - ☐ Show to whom and date delivered ..... —¢
   - ☐ Show to whom, date, and address of delivery.. —¢
2. ☐ RESTRICTED DELIVERY —¢
   (*The restricted delivery fee is charged in addition to the return receipt fee.*)

TOTAL $ ___

3. ARTICLE ADDRESSED TO:
George Pizzo
Brooklyn, NY

4. TYPE OF SERVICE:
☐ REGISTERED ☐ INSURED
☒ CERTIFIED ☐ COD
☐ EXPRESS MAIL

ARTICLE NUMBER
L1L2Eh

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

Pamela J Agnesto

5. DATE OF DELIVERY
1/11/83

POSTMARK

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:

7a. EMPLOYEE'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

8404043528

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Stanley Lazar
44 Orchard Drive
Woodbury, New York 11797

Re: MUR 1436

Dear Mr. Lazar:

On , , the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the campaign committee of U.S. Rep. Frederick Richmond in the names of other persons. 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. In addition, you will find enclosed a Commission subpoena which requires the production of certain documents.

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 conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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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 Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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NBN 1/6/83

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Joseph Colandra
814 - 72nd Street
Brooklyn, New York 11228

Re: MUR 1436

Dear Mr. Colandra:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended (2 U.S.C. § 431 et seq.). In connection with an investigation being conducted by the Commission, the enclosed Subpoena/Order which requires you provide certain information has been issued. The Commission does not consider you a respondent in this matter, but rather a witness only.

Since this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney and have an attorney assist you in the preparation of your response to this Subpoena/Order. If you have any questions please direct them to Nancy B. Nathan, the attorney handling this matter, at (202)523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena/Order

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Frank Caffrey
12 Grance Park Road
Commack, New York 11755

Re: MUR 1436

Dear Mr. Caffrey:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended (2 U.S.C. § 431 et seq.). In connection with an investigation being conducted by the Commission, the enclosed Subpoena/Order which requires you provide certain information has been issued. The Commission does not consider you a respondent in this matter, but rather a witness only.

Since this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney and have an attorney assist you in the preparation of your response to this Subpoena/Order. If you have any questions please direct them to Nancy B. Nathan, the attorney handling this matter, at (202)523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena/Order

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

George Pizzo
1169 - 43rd Street
Brooklyn, New York 11219

Re: MUR 1436

Dear Mr. Pizzo:-

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended (2 U.S.C. § 431 et seq.). In connection with an investigation being conducted by the Commission, the enclosed Subpoena/Order which requires you provide certain information has been issued. The Commission does not consider you a respondent in this matter, but rather a witness only.

Since this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney and have an attorney assist you in the preparation of your response to this Subpoena/Order. If you have any questions please direct them to Nancy B. Nathan, the attorney handling this matter, at (202)523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena/Order

8404043333

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Evelyn Brennan
285 Sixth Street
Brooklyn, New York 11215

Re: MUR 1436

Dear Ms. Brennan:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended (2 U.S.C. § 431 et seq.). In connection with an investigation being conducted by the Commission, the enclosed Subpoena/Order which requires you provide certain information has been issued. The Commission does not consider you a respondent in this matter, but rather a witness only.

Since this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney and have an attorney assist you in the preparation of your response to this Subpoena/Order. If you have any questions please direct them to Nancy B. Nathan, the attorney handling this matter, at (202)523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena/Order

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Anthony Falanga, Esq.
Dean, Falanga and Rose
1 Old Country Road
Carle Place, New York 11514

Re: MUR 1436
Gerard Jansen

Dear Mr. Falanga:

On October 19, 1982, you received notification that the Commission had found reason to believe that your client, Gerard Jansen, had violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. An investigation of this matter is being conducted and it has been determined that additional information from your client is necessary.

Consequently, the Federal Election Commission has issued the attached subpoena which requires your client to provide information which will assist the Commission in carrying out its statutory duty of investigating this matter.

If you have any questions please direct them to Nancy B. Nathan, the attorney handling this matter, at (202)523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena

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MPS
11/6/83

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JODY C. RANSOM JCR

DATE: JANUARY 6, 1983

SUBJECT: SUBPOENAS RE: MUR 1436

The attached subpoenas, approved on January 5, 1983 by a vote of 6-0, have been signed and sealed this date.

Attachments

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December 23, 1982

MEMORANDUM TO: Marjorie W. Emmons

FROM: Phyllis A. Kayson

SUBJECT: MUR 1436

Please have the attached General Counsel's Report distributed to the Commission on a 48 hour tally basis as a sensitive matter. Thank you.

Attachment

cc: Nathan

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SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

82 DEC 23 A10: 33

In the Matter of

Citizens Committee for Fred Richmond; Walco National Corporation; Coastal Dry Dock and Repair Corporation; Charles Montanti

MUR 1436

GENERAL COUNSEL'S REPORT

On April 20, 1982, the Commission found reason to believe that the above-referenced respondents had violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). On October 15, 1982, the Commission found reason to believe that Gerard Jansen also had violated the Act.

The General Counsel's memorandum to the Commission, dated November 5, 1982, requested Commission authorization for issuance of a subpoena to Mr. Stanley Lazar, president of Shore Electric Corporation, of Brooklyn.

On November 17, 1982, Mr. Lazar appeared with counsel pursuant to that subpoena, but declined to be deposed. His decision was based primarily on a stated concern that informal criminal immunity granted to him by the Assistant U.S. Attorney for the Eastern District of N.Y., in connection with Lazar's grand jury testimony in the Richmond matter, would not protect him in other jurisdictions. Despite oral assurances made to Mr. Lazar that day by the Assistant U.S. Attorney (who had made the original agreement not to prosecute) that Mr. Lazar's FEC testimony would not be used against him in that District,

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Mr. Lazar declined to cooperate with our investigation because of concern about prosecution in other federal districts. Mr. Lazar also expressed concern about the Commission's intention to make findings against him in the future. He was told that we could not give any assurance that his deposition might not serve as a basis for a Commission finding against him.

This Office's request for issuance of a subpoena to Mr. Lazar was based upon information obtained on November 2, 1982, in an interview with a former employee of Mr. Lazar, Frank Caffrey. Mr. Caffrey told this Office that he had been reimbursed by Mr. Lazar for a check made out to the 1978 Richmond campaign committee. He said he knew that other employees had done the same. He said he also was reimbursed by Mr. Lazar in 1979 for a contribution to the Richmond campaign.

Based upon that same information, together with a mention of Mr. Lazar in the January, 1982, New York Times article that gave rise to the Commission's reason-to-believe findings in this matter, this Office recommends that the Commission find reason to believe that Stanley Lazar may have violated 2 U.S.C. § 441(f), by making contributions in 1978 and 1979 to the Richmond campaign committee in the names of others.

In addition, because of Mr. Lazar's and Mr. Jansen's refusals to be deposed, this Office recommends issuance of the attached subpoenas for documents. No claims of immunity can be

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interposed to avoid production of subpoenaed documents. Those documents would include checks issued to reimburse those whose names were used to make contributions, and would reveal whether personal or corporate checks were written for that purpose. The subpoena also would seek bank and corporate records that might reveal whether corporate funds were used, even if personal checks were written to those who were reimbursed. In a collateral effort to pursue resolution of the investigation in this matter, we recommend issuance of the attached Orders to Produce Documents and Submit Written Answers, directed to three individuals listed on FEC reports as 1978 Richmond committee contributors employed by Mr. Lazar's firm, Shore Electric Corporation, and a fourth, who, according to The New York Times, was originally listed on Richmond reports as a Shore employee, but whose employer was then changed in the final copy of the report.

Recommendations

1. Find reason to believe that Stanley Lazar violated 2 U.S.C. § 441f.

2. Approve the attached subpoenas for the production of documents directed to Stanley Lazar and Gerard Jansen.

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3. Approve the attached subpoenas to produce documents and orders to submit written answers directed to Frank Caffrey, Evelyn Brennan, George Pizzo, and Joseph Colandra.

December 22, 1982
Date

Charles N. Steele
General Counsel

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

Attachments
1. Proposed letter, General Counsel's Factual and Legal Analysis, and subpoena to Mr. Lazar.
2. Proposed letter and subpoena to Mr. Jansen.
3. Proposed letters and subpoenas/orders to Caffrey, Brennan, Pizzo, and Colandra.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Stanley Lazar
44 Orchard Drive
Woodbury, New York 11797

Re: MUR 1436

Dear Mr. Lazar:

On , , the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the campaign committee of U.S. Rep. Frederick Richmond in the names of other persons. 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. In addition, you will find enclosed a Commission subpoena which requires the production of certain documents.

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 conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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Attachment 1 - 1 of 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 Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

8404044334 3

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No. 1436
STAFF MEMBER & TEL. NO.
Nancy B. Nathan
(202) 523-4073

RESPONDENT Stanley Lazar

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

The evidence available to the Office of General Counsel suggests that Stanley Lazar may have violated 2 U.S.C. § 441f in connection with certain contributions purportedly made in the names of others.

FACTUAL AND LEGAL ANALYSIS

Reports in The New York Times of January 18, 1982, describe evidence indicating that some contributions to the 1978 Richmond campaign committee may have been made by persons other than the persons listed as the contributors, and mention Mr. Lazar's possible involvement.

In addition, in a telephone interview conducted by the Office of General Counsel, on November 2, 1982, Frank Caffrey, a former employee of Mr. Lazar's firm, Shore Electric Corporation, said that he had been reimbursed by Mr. Lazar for a check made out to the 1978 Richmond campaign committee. He said he knew that other employees had done the same. He said he also was reimbursed by Mr. Lazar in 1979 for a contribution to the Richmond campaign.

It is recommended that the Commission find reason to believe that Stanley Lazar violated 2 U.S.C. § 441f by making contributions in the names of other persons to the 1978 and/or 1980 Frederick Richmond campaign committees.

Attachment 1-3 of 5

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens Committee for Fred Richmond	)	MUR 1436
	)	

SUBPOENA

To: Stanley Lazar
44 Orchard Drive
Woodbury, New York 11797

PURSUANT to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby subpoenas all books, records, memoranda and other written materials in your possession which pertain to the 1978 and 1980 campaigns of Rep. Frederick Richmond, particularly all checks, bank statements and bookkeeping entries pertaining to contributions to such campaigns, and including corporate checks and financial records.

Notice is given that these materials must be submitted to the Office of General Counsel, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. within 15 days of your receipt of this subpoena. Legible copies which, where applicable, show both sides of documents, may be substituted for originals.

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WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this, day of , 198 .

Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

8404044334 6

Attachment 1-5 of 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Anthony Falanga, Esq.
Dean, Falanga and Rose
1 Old Country Road
Carle Place, New York 11514

Re: MUR 1436
Gerard Jansen

Dear Mr. Falanga:

On October 19, 1982, you received notification that the Commission had found reason to believe that your client, Gerard Jansen, had violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. An investigation of this matter is being conducted and it has been determined that additional information from your client is necessary.

Consequently, the Federal Election Commission has issued the attached subpoena which requires your client to provide information which will assist the Commission in carrying out its statutory duty of investigating this matter.

If you have any questions please direct them to Nancy B. Nathan, the attorney handling this matter, at (202)523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena

8404044343347

Attachment 2- 1of3

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens Committee for Fred Richmond	)	MUR 1436
	)	

SUBPOENA

To: Gerard Jansen
c/o Anthony Falanga, Esq.
Dean, Falanga and Rose
1 Old Country Road
Carle Place, New York 11514

PURSUANT to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby subpoenas all books, records, memoranda and other written materials in your possession which pertain to the 1978 and 1980 campaigns of Rep. Frederick Richmond, particularly all checks, bank statements and bookkeeping entries pertaining to contributions to such campaigns, and including corporate checks and financial records.

Notice is given that these materials must be submitted to the Office of General Counsel, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. within 15 days of your receipt of this subpoena. Legible copies which, where applicable, show both sides of documents, may be substituted for originals.

8404043348

Attachment 2 - 2 of 3

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this, day of , 198 .

Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

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Attachment 2 - 3 of 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Joseph Colandra
814 - 72nd Street
Brooklyn, New York 11228

Re: MUR 1436

Dear Mr. Colandra:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended (2 U.S.C. § 431 et seq.). In connection with an investigation being conducted by the Commission, the enclosed Subpoena/Order which requires you provide certain information has been issued. The Commission does not consider you a respondent in this matter, but rather a witness only.

Since this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney and have an attorney assist you in the preparation of your response to this Subpoena/Order. If you have any questions please direct them to Nancy B. Nathan, the attorney handling this matter, at (202)523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena/Order

8 4 0 4 0 4 4 3 3 5 0

Attachment 3- 1 of 12

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens Committee for Fred Richmond	)	MUR 1436

SUBPOENA TO PRODUCE DOCUMENTS AND
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Joseph Colandra
814 - 72nd Street
Brooklyn, New York 11228

Pursuant to 2 U.S.C. § 437d(a)(1) and (3) and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce certain specified documents.

The answers must be submitted under oath and must be forwarded, along with the documents, to the Commission within (15) days of your receipt of this Order/Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand on this day of , 198 .

Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions and Requested Documents

Attachment 3- 20/12

8404043351

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Stanley Lazar? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Shore Electric Corporation? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts?

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you?

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check to Congressman Richmond's campaign committee? If so, who gave such a check, to whom was the check given, and what did the person giving the check receive in return?

Please submit all books, records, memoranda and other written materials in your possession that pertain to the 1978 and 1980 campaigns of Rep. Frederick Richmond, particularly all checks and bank statements pertaining to contributions to such campaigns.

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Attachment 3 - 30/12

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Frank Caffrey
12 Grance Park Road
Commack, New York 11755

Re: MUR 1436

Dear Mr. Gaffrey:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended (2 U.S.C. § 431 et seq.). In connection with an investigation being conducted by the Commission, the enclosed Subpoena/Order which requires you provide certain information has been issued. The Commission does not consider you a respondent in this matter, but rather a witness only.

Since this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney and have an attorney assist you in the preparation of your response to this Subpoena/Order. If you have any questions please direct them to Nancy B. Nathan, the attorney handling this matter, at (202)523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena/Order

Attachment 3 - 4 of 12

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens Committee for Fred Richmond	)	MUR 1436

SUBPOENA TO PRODUCE DOCUMENTS AND
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Frank Caffrey
12 Grance Park Road
Commack, New York 11755

Pursuant to 2 U.S.C. § 437d(a)(1) and (3) and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce certain specified documents.

The answers must be submitted under oath and must be forwarded, along with the documents, to the Commission within (15) days of your receipt of this Order/Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand on this day of , 198 .

Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions and Requested Documents

Attachment 3-50/12

8404043354

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Stanley Lazar? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Shore Electric Corporation? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts?

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you?

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check to Congressman Richmond's campaign committee? If so, who gave such a check, to whom was the check given, and what did the person giving the check receive in return?

Please submit all books, records, memoranda and other written materials in your possession that pertain to the 1978 and 1980 campaigns of Rep. Frederick Richmond, particularly all checks and bank statements pertaining to contributions to such campaigns.

8404443355

Attachment 3-6 of 12

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

George Pizzo
1169 - 43rd Street
Brooklyn, New York 11219

Re: MUR 1436

Dear Mr. Pizzo:-

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended (2 U.S.C. § 431 et seq.). In connection with an investigation being conducted by the Commission, the enclosed Subpoena/Order which requires you provide certain information has been issued. The Commission does not consider you a respondent in this matter, but rather a witness only.

Since this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney and have an attorney assist you in the preparation of your response to this Subpoena/Order. If you have any questions please direct them to Nancy B. Nathan, the attorney handling this matter, at (202)523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena/Order

8404043356

Attachment 3. 7 of 12

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens Committee for Fred Richmond	)	MUR 1436

SUBPOENA TO PRODUCE DOCUMENTS AND
ORDER TO SUBMIT WRITTEN ANSWERS

TO: George Pizzo
1169 - 43rd Street
Brooklyn, New York 11219

Pursuant to 2 U.S.C. § 437d(a)(1) and (3) and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce certain specified documents.

The answers must be submitted under oath and must be forwarded, along with the documents, to the Commission within (15) days of your receipt of this Order/Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand on this day of , 198 .

Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions and Requested Documents

Attachment 3-8 of 12

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Stanley Lazar? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Shore Electric Corporation? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts?

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you?

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check to Congressman Richmond's campaign committee? If so, who gave such a check, to whom was the check given, and what did the person giving the check receive in return?

Please submit all books, records, memoranda and other written materials in your possession that pertain to the 1978 and 1980 campaigns of Rep. Frederick Richmond, particularly all checks and bank statements pertaining to contributions to such campaigns.

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Attachment 3-8 of 12

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Evelyn Brennan
285 Sixth Street
Brooklyn, New York 11215

Re: MUR 1436

Dear Ms. Brennan:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended (2 U.S.C. § 431 et seq.). In connection with an investigation being conducted by the Commission, the enclosed Subpoena/Order which requires you provide certain information has been issued. The Commission does not consider you a respondent in this matter, but rather a witness only.

Since this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney and have an attorney assist you in the preparation of your response to this Subpoena/Order. If you have any questions please direct them to Nancy B. Nathan, the attorney handling this matter, at (202)523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena/Order

9 4 0 1 0 4 4 3 3 5 9

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens Committee for Fred Richmond	)	MUR 1436

SUBPOENA TO PRODUCE DOCUMENTS AND
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Evelyn Brennan
285 Sixth Street
Brooklyn, New York 11215

Pursuant to 2 U.S.C. § 437d(a)(1) and (3) and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce certain specified documents.

The answers must be submitted under oath and must be forwarded, along with the documents, to the Commission within (15) days of your receipt of this Order/Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand on this day of , 198 .

Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions and Requested Documents

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Stanley Lazar? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Shore Electric Corporation? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts?

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you?

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check to Congressman Richmond's campaign committee? If so, who gave such a check, to whom was the check given, and what did the person giving the check receive in return?

Please submit all books, records, memoranda and other written materials in your possession that pertain to the 1978 and 1980 campaigns of Rep. Frederick Richmond, particularly all checks and bank statements pertaining to contributions to such campaigns.

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Attachment 3-12 of 12

LAW OFFICES OF
WASHOR, GREENBERG & WASHOR
299 BROADWAY
NEW YORK, NEW YORK 10007

NEW YORK N.Y. PM 1 DEC 1992

NEW YORK N.Y. DEC-1'92 STAMPS POSTAGE METER 1584861 0.20

Federal Election Commission

1325 K Street, N.W.

Washington, D.C. 20463

ATT: Nancy B. Nathan, Esq.

92 DEC 3 PM 2:26

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RECEIVED BY THE FEC
Gen# 9043
82 DEC 3 P12:25

LAW OFFICES OF
WASHOR, GREENBERG & WASHOR
299 BROADWAY
NEW YORK, NEW YORK 10007

212-732-2077
212-625-6578

MICHAEL S. WASHOR
HARVEY L. GREENBERG

JOSEPH J. McCARTHY, JR.

LEON WASHOR
OF COUNSEL

82 DEC 3 P2:54

December 1, 1982

82 DEC 3 P2:42

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

ATTENTION: Nancy B. Nathan, Esq.

RE: Stanley Lazar

Dear Ms. Nathan:

I enclose herewith invoices from Federal Express for subpoenas served upon my client, STANLEY LAZAR. Obviously, you do not expect him to pay for his own subpoena.

Just as a reminder, there is a subpoena fee and mileage charges due to my client.

Kindly forward same.

Very truly yours,

WASHOR, GREENBERG & WASHOR

BY: Harvey L. Greenberg
HARVEY L. GREENBERG

HLG:cp

Encls.

8404043363

SEC

11/5/82

To: Nancy Nathan

Per your request.

Mitch Dembin

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Doc# 8963

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Litigation Release No. 9798 /November 9, 1982

Securities and Exchange Commission v. Walco National Corporation and Frederick W. Richmond, (United States District Court for the District of Columbia, Civil Action No. 82-3194)

The Securities & Exchange Commission announced today the filing of a civil injunctive action in the United States District Court for the District of Columbia against Walco National Corporation ("Walco") and Frederick W. Richmond ("Richmond"). The complaint alleges violations of Sections 10(b), 13(a), 13(d), 14(a), 14(d) and 14(e) of the Securities Exchange Act of 1934 ("Exchange Act"), (the anti-fraud, proxy, tender offer and certain reporting provisions of the federal securities laws) by Walco and Richmond.

The Commission's Complaint alleges that beginning in or about 1977, Walco and Richmond, in Walco tender offer materials, proxy solicitation materials and annual and other reports materially misrepresented Richmond's role in Walco business matters, Richmond's remuneration from Walco and transactions with Walco and the nature of the pension agreement between Walco and Richmond which became effective on December 31, 1978. In addition, the Complaint alleges that Walco and Richmond, in schedules relating to beneficial ownership of securities filed by Walco pursuant to Section 13(d) of the Exchange Act, misrepresented the purpose for purchases of the securities of a certain issuer and failed to disclose that Walco, through Richmond, had entered into certain contracts, arrangements or understandings with a third party in connection with the securities of certain issuers.

Specifically, Walco annual and other reports, proxy solicitation materials and tender offer materials disclosed that Richmond had resigned from active management of Walco beginning January 1, 1979. In fact, the Complaint alleges, Richmond continued to dominate and control Walco. Walco public filings, moreover, purport to disclose remuneration to and related party transactions with Richmond. The filings, the Complaint alleges, fail to disclose that Walco has paid, from at least 1977 to date, 90% of the expenses of an apartment owned by Richmond, has supplied Richmond with an automobile and driver at Walco expense, has made charitable contributions designed to benefit Richmond and has allowed Richmond and certain entities and organizations with which Richmond is affilitated or associated to use Walco facilities, equipment and personnel, all to benefit Ricmond. The Complaint also alleges, in connection with the acquisition by Walco of more than 5% of the outstanding common stock of General Steel Industries, Inc., that Walco made certain filings pursuant to Section 13(d) of the Exchange Act which disclosed its intentions, with respect to its acquisition of GSI securities, as for investment when, in

fact, Walco intended to acquire a controlling share of GSI common stock. The Complaint further alleges that in connection with the acquisition by Walco of more than 5% of the outstanding common stock of certain issuers, that Walco made certain filings pursuant to Section 13(d) of the Exchange Act, but failed to disclose that Walco, through Richmond, had entered into certain arrangements or understandings with a third party, including option agreements and guarantees against loss, regarding these securities.

Simultaneous with the filing of the Complaint, Walco and Richmond, without admitting or denying the allegations of the Complaint, consented to the entry of Final Judgments of Permanent Injunction which enjoin Walco and Richmond from violating Sections 10(b), 13(a), 13(d), 14(a), 14(d) and 14(e) of the Exchange Act and certain rules and regulations thereunder.

Walco, in settling this action, has agreed, among other things, to establish a committee of its board of directors to review any proposed transactions between Walco and Richmond, directly or indirectly. The committee is to be composed of two new directors to be appointed and a third director. Richmond, in settling this action, has agreed, among other things, to pay to Walco, with regard to certain matters alleged in the Complaint the sum of $425,000, pursuant to an arrangement taking into account the resolution of two pending related private actions, and to release the company from all further payments pursuant to the Pension Agreement.

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UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. WALCO NATIONAL CORPORATION, and FREDERICK W. RICHMOND, Defendants.	CIVIL ACTION NO. COMPLAINT FOR INJUNCTIVE AND OTHER EQUITABLE RELIEF

The SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") for its Complaint alleges, upon information and belief, that:

1. Defendants WALCO NATIONAL CORPORATION ("WALCO") and FREDERICK W. RICHMOND ("RICHMOND"), directly and indirectly, have engaged, are engaged and are about to engage in transactions, acts, practices and courses of business which constitute and will constitute violations of Sections 10(b), 13(a), 13(d), 14(a), 14(d) and 14(e) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. 78j(b), 78m(a), 78m(d), 78n(a), 78n(d) and 78n(e)] and Rules 10b-5, 12b-20, 13a-1, 13d-1, 14a-3, 14a-9 and 14d-3 [17 CFR 240.10b-5, 240.12b-20, 240.13a-1, 240.13d-1, 240.14a-3, 240.a-9 and 240.14d-3] promulgated thereunder.

2. The Commission pursuant to authority granted to it by Sections 10(b), 13(a), 13(d), 14(a) and 14(d) of the Exchange Act [15 U.S.C. 78j(b), 78m(a), 78m(d), 78n(a) and 78n(d)] has promulgated Rules 10b-5, 12b-20, 13a-1, 13d-1, 14a-3, 14a-9 and 14d-3 [17 CFR 240.10b-5, 240.12b-20, 240.13a-1, 240.13d-1, 240.14a-3, 240.14a-9 and 240.14d-3] which have been in effect at all times material to this Complaint.

JURISDICTION AND VENUE

3. This Court has jurisdiction of this action pursuant to Section 27 of the Exchange Act [15 U.S.C. 78aa].

4. The Commission brings this action pursuant to Sections 21(d) and 21(e) of the Exchange Act [15 U.S.C. 78u(d) and 78u(e)] to restrain and enjoin the Defendants from engaging in such transactions, acts, practices and courses of business and conduct complained of herein and for other equitable relief.

5. The Defendants made use of the means and instrumentalities of transportation and communication in interstate commerce, and of the mails, in connection with the activities complained of herein.

6. Certain of the transactions, acts, practices and courses of business constituting violations of the Exchange Act have occurred within the jurisdiction of this Court.

7. The Defendants, unless restrained and enjoined by this Court, will continue to engage in transactions, acts, practices and courses of business set forth in this Complaint, and in transactions, acts, practices and courses of business of similar purport or object.

DEFENDANTS

8. WALCO is a New York corporation with offices at 743 Fifth Avenue, New York, New York. WALCO, through its subsidiaries, manufactures industrial and other equipment. WALCO stock is registered with the Commission pursuant to Section 12 of the Exchange Act [15 U.S.C. 78l] and is traded on the American Stock Exchange. As of September 30, 1982, WALCO had outstanding 3,912,283 shares of common stock held by approximately 1,800 shareholders.

9. RICHMOND is a former U.S. Congressman who resides in Brooklyn, New York. RICHMOND founded WALCO and is WALCO's

largest shareholder. RICHMOND owns approximately 42.4% of the outstanding shares of WALCO common stock and has served as WALCO's Chairman of the Board of Directors, President and as a director. The Frederick W. Richmond Foundation ("Richmond Foundation") owns an additional 4.6% of the outstanding shares of WALCO common stock. After his election to Congress in 1974, RICHMOND resigned as WALCO's President. On December 31, 1978, RICHMOND resigned as WALCO's Chairman and as of June 30, 1982, RICHMOND resigned as a director of WALCO.

FIRST CAUSE OF ACTION

Violations of Section 10(b) of the Exchange Act [15 U.S.C. 78j(b) and Rule 10b-5 [17 CFR 240.10b-5 thereunder

10. Paragraphs 1 through 9 of this Complaint are realleged and are incorporated herein by reference.

11. From on or about January 1, 1977, to the present, WALCO and RICHMOND, directly and indirectly, in connection with the purchase and sale of the securities of WALCO and other securities of other issuers have employed and are employing devices, schemes and artifices to defraud, have made and are making untrue statements of material facts and have omitted to state material facts necessary, in order to make the statement made, in the light of the circumstances under which they were made, not misleading, and have engaged and are engaging in acts, practices and courses of business which operate or would operate as a fraud or deceit upon any person. As part of the violative course of conduct, WALCO and RICHMOND caused to be filed with the Commission and to be sent to shareholders of securities issued by WALCO and other issuers, materially false and misleading tender offer materials, proxy soliciting materials and annual and other periodic reports which materially misrepresent RICHMOND's role in WALCO business

matters, which materially misrepresent RICHMOND's remuneration from WALCO and transactions with WALCO and which materially misrepresent the nature of the pension agreement between RICHMOND and WALCO which became effective December 31, 1978. As a further part of the violative course of conduct, WALCO and RICHMOND have caused to be filed with the COMMISSION, and sent to national securities exchanges and certain corporations, materially false and misleading schedules relating to beneficial ownership of securities, pursuant to Section 13(d) of the Exchange Act, which misrepresent Defendants' intentions with respect to the securities beneficially owned and with respect to agreements with others with respect to the securities beneficially owned, all as more fully set forth below.

THE RICHMOND PENSION

12. On or about December 31, 1978, RICHMOND resigned as Chairman of the Board of WALCO. On that date, RICHMOND became eligible to receive one million dollars from WALCO as a pension which was payable in bi-annual installments of $50,000 for ten years. The pension agreement was submitted to and approved by WALCO shareholders at the Annual Meeting on October 26, 1979. WALCO stated, in its 1979 proxy statement, that the pension agreement was in recognition of RICHMOND's past services. In fact, however, it was expressly understood by RICHMOND and by WALCO that RICHMOND would retain virtually the same duties and responsibilities as prior to his "resignation," particularly with respect to WALCO's investment program. RICHMOND has obtained $350,000, to date, by virtue of the pension agreement.

13. After his resignation, RICHMOND continued to chair WALCO board meetings, continued to select investment and acquisition targets, continued to represent WALCO in negotiations with acquisition targets and continued to receive undisclosed personal benefits from WALCO. Moreover. after the

date of RICHMOND's resignation, WALCO's board of directors did not vote on any matter opposed by RICHMOND and WALCO did not enter into any major business venture or investment without RICHMOND's approval.

14. WALCO's proxy statement for the years 1980 and 1981 and its Annual Reports on Form 10-K for the same years represented that RICHMOND had "retired" from WALCO while failing to disclose that RICHMOND continued to exercise virtually the identical functions as those exercised prior to his resignation. WALCO shareholders were not apprised of these facts until the matter was exposed in litigation in 1981.

RICHMOND PERSONAL BENEFITS

15. From on or about January 1, 1977, to the present, RICHMOND has obtained certain undisclosed personal benefits from WALCO. WALCO has paid 90% of the expenses attributable to an apartment owned by RICHMOND; has provided RICHMOND with a WALCO automobile and chauffeur; has made charitable contributions in RICHMOND's name, at RICHMOND's direction, and to organizations affiliated with RICHMOND. WALCO has permitted organizations affiliated with RICHMOND to use WALCO facilities, equipment and personnel at no cost to the organizations; has permitted RICHMOND to use WALCO personnel for purposes related to RICHMOND's political efforts; and has allowed WALCO personnel to supervise and manage the financial record-keeping of RICHMOND, RICHMOND's corporate identities and certain not-for-profit organizations affiliated with RICHMOND, as set forth more fully below.

The Apartment

16. RICHMOND owns a cooperative apartment at 25 Sutton Place, New York, New York. WALCO, however, pays all of the

expenses of the apartment and bills RICHMOND for 10% of the expenses. This arrangement, not publicly disclosed until 1981, has been in effect for at least five years and remains in effect to date. Although WALCO occasionally uses the apartment for business purposes, the apartment is more often used by RICHMOND for personal purposes. No records have been maintained by WALCO with respect to the uses of the apartment. Beginning with WALCO's fiscal year ended June 30, 1978, WALCO has expended approximately $440,000 on the expenses of the apartment which include a live-in housekeeper, luxury furnishings, repairs, telephone systems and daily items such as groceries, laundry and tipping the doorman. Despite his greater use of the apartment, RICHMOND has been required to pay only 10% of these expenses.

17. The 90% - 10% ratio of expenses was derived by WALCO's audit committee of its board of directors and approved by the board of directors. The Audit Committee routinely approves the payment of 90% of all apartment expenses regardless of the purpose of the expense, and bills RICHMOND for 10%. The ratio is premised upon the assumption that RICHMOND would have continued use of the apartment and was expected to use the apartment for non-WALCO purpose 10% of the time. That determination never was reviewed nor verified. In fact, the apartment is more often used by RICHMOND for non-WALCO purposes than by WALCO.

WALCO Charitable Contributions

18. WALCO's program of charitable contributions has resulted in the expenditure of approximately $100,000-150,000 per year beginning with the fiscal year ended June 30, 1978. Virtually all of the contributions made by WALCO were made

at the direction of RICHMOND and were intended to benefit RICHMOND. Many of the recipients are organizations associated with RICHMOND. For the fiscal years ended June 30, 1981 and 1982, a total of 40 organizations received a contribution from WALCO. A total of $305,285 was expended by WALCO for these two years of which $244,000 was paid to Big Apple Farm and Food Conference, Inc. Big Apple was founded by RICHMOND and its only function, since 1979, has been operating a facility known as the RICHMOND Market Gardening Center. In addition, in at least two instances, WALCO made charitable contributions in RICHMOND's name.

Use of WALCO Facilities, Equipment and Personnel

19. WALCO's offices also are the offices of the Frederick W. Richmond Foundation, Big Apple Farm and Food Conference, Inc. and Project Upgrade, each of which are non-profit organizations which operate to RICHMOND's benefit. These organizations receive funds, directly and indirectly, from WALCO, and pay no rent or expenses to WALCO. RICHMOND and other WALCO officers and directors constitute the boards of directors of these entities.

20. WALCO clerical personnel answer the telephones for these organizations, which have the same telephone number as WALCO and, with the exception of Project Upgrade which has two employees, WALCO personnel maintain the files, maintain books and records, respond to correspondence and generally constitute the staff of these organizations. These services are performed without reimbursement by these organizations to WALCO.

21. WALCO management personnel provide managerial services to these organizations and generally supervise their operation. WALCO's book-keeper maintains the financial records, issues checks, prepares balance sheets and performs all book-keeping

functions for these organizations, for RICHMOND and for RICHMOND's corporate identities. WALCO's treasurer supervises the financial record-keeping of these organizations. WALCO's vice-president for public relations administers the grant program of the RICHMOND Foundation and serves as its President. WALCO's attorneys and accountants provide services, as needed, to these RICHMOND affiliates at no charge to the affiliates.

22. WALCO management and clerical staff assist in political fund-raising for RICHMOND by maintaining contributor lists, arranging for fund-raising functions, maintaining guest lists and monitoring the financial condition of the RICHMOND election committees.

23. WALCO, in annual reports on Form 10-K and in proxy soliciting statements for the years 1978 through 1980, purported to disclose the extent of RICHMOND's remuneration and benefits but, in fact, failed to disclose the matters referred to in paragraphs 15 through 22 above. In 1981, as the result of litigation, certain disclosures regarding these matters were made by WALCO.

PURCHASES OF GSI SECURITIES

24. Between January 1 and April 18, 1981, WALCO purchased in open market and privately negotiated transactions approximately 29.6% of the outstanding common stock of General Steel Industries, Inc. ("GSI"), a Delaware corporation with offices in St. Louis, Missouri. On May 1, 1981, WALCO filed with the COMMISSION a report on Schedule 13D which stated that WALCO purchased the GSI securities for investment purposes. WALCO also filed three amendments to its Schedule 13D which amendments are dated June 26, 1981, July 29, 1981, and August 28, 1981, which contined to state that WALCO's purchases of

GSI securities were for investment purposes. By September 29, 1981, WALCO claimed to own approximately 34.1% of the outstanding common stock of GSI. The purpose for WALCO's purchases of GSI securities was not for investment as disclosed by WALCO. The purpose for the purchases was for WALCO to acquire control of GSI.

25. WALCO's intention to acquire control of GSI is indicated not only by the pace and size of its purchases but also by a memorandum dated June 26, 1981, from RICHMOND to WALCO's President stating that "Our aim is to acquire 51% of the company." Significantly, the partial tender offer commenced by WALCO on November 2, 1981, for GSI securities was designed to increase WALCO's position in GSI securities to 51%. In addition, RICHMOND negotiated the private sale of a substantial number of GSI shares from a private investor to WALCO and actively directed WALCO in its GSI-related activities.

PARTIAL TENDER OFFER FOR GSI SECURITIES

26. On November 2, 1981, WALCO commenced a partial tender offer to purchase an additional 750,000 shares of GSI common stock. If successful, WALCO would own approximately 51% of the outstanding common stock of GSI. The Offer to Purchase mailed to GSI shareholders on November 2, 1981, failed to disclose:

(a) That the purpose for WALCO's purchases of GSI securities, from the beginning, was to acquire control of GSI, as set forth in paragraph 25, above;

(b) That WALCO was dominated and controlled by RICHMOND, as set forth in paragraphs 12 and 13 above;

(c) The personal benefits that RICHMOND had obtained from WALCO as set forth in paragraphs 15 through 22 above; and

(d) That the pension agreement which became effective upon RICHMOND's "retirement" was, in fact, to pay RICHMOND for continuing services to WALCO, as set forth in paragraphs 12 and 13 above.

AGREEMENTS WITH THIRD PARTY

27. WALCO, in connection with its acquisition of the beneficial ownership of more than 5% of the outstanding common stock of Bristol Brass Corporation, Vulcan, Inc. and other issuers, failed to disclose, as required, in its statements on Schedule 13D that WALCO, through RICHMOND, had entered into certain contracts, arrangements or understandings with a third party or third parties with respect to the securities of the issuers, including joint ventures with the third party, guarantees against loss and option arrangements.

28. By reason of the foregoing, WALCO and RICHMOND, directly and indirectly, violated Section 10(b) of the Exchange Act [15 U.S.C. 78j(b)] and Rule 10b-5 [17 CFR 240.10b-5] thereunder.

SECOND CAUSE OF ACTION

Violations of Section 13(a) of the Exchange Act [15 U.S.C. 78m(a)] and Rules 12b-20 and 13a-1 [17 CFR 240.12b-20 and 240.13a-1] thereunder

29. Paragraphs 1 through 9 are realleged and incorporated herein by reference.

30. From on or about January 1, 1978, through 1981, WALCO filed with the Commission Annual Reports on Form 10-K [17 CFR 249.310] which contained untrue statements of material fact, omitted to state material facts necessary to make statements made, in the light of the circumstances under which they were made, not misleading and omitted information required by Commission rules and regulations to be contained in such reports, as alleged in paragraphs 12 through 23 above.

31. By reason of the foregoing, WALCO violated and RICHMOND caused WALCO to violate Section 13(a) of the Exchange Act [15 U.S.C. 78m(a)] and Rules 12b-20 and 13a-1 [17 CFR 240.12b-20 and 240.13a-1] thereunder.

THIRD CAUSE OF ACTION

Violations of Section 14(a) of the Exchange Act [15 U.S.C. 78n(a)] and Rules 14a-3 and 14a-9 [17 CFR 240.14-3 and 240.14a-9] thereunder

32. Paragraphs 1 through 9 are realleged and incorporated herein by reference.

33. From on or about January 1, 1979, through 1981, WALCO and RICHMOND, directly and indirectly, in connection with the solicitation of proxies for the election of directors at its Annual Meeting, filed with the Commission and distributed to its shareholders proxy solicitation materials which failed to contain the information specified in Schedule 14A, which were materially false and misleading, and which omitted to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not false and misleading as alleged in paragraphs 12 through 23 above.

34. For the foregoing reasons, WALCO and RICHMOND directly and indirectly violated Section 14(a) of the Exchange Act [15 U.S.C. 78n(a)] and Rules 14a-3 and 14a-9 [17 CFR 240.14a-3 and 240.14a-9] thereunder.

FOURTH CAUSE OF ACTION

Violations of Section 13(d) of the Exchange Act [15 U.S.C. 78m(d)] and Rule 13d-1 [17 CFR 240.13d-1] thereunder

35. Paragraphs 1 through 9 are realleged and incorporated herein by reference.

36. From on or about January 1, 1977, to the present, WALCO and RICHMOND, after the acquisition by WALCO, directly

or indirectly, of the beneficial ownership of more than 5% of classes of equity securities registered with the Commission pursuant to Section 12 of the Exchange Act, sent to the issuers of the securities at their principal executive offices, to each exchange where the securities are traded, and filed with the Commission, statements which failed to contain the information required by Section 13(d) of the Exchange Act, Rule 13d-1 and Schedule 13D [17 CFR 240.13d-101] and which contained false and misleading information as set forth in paragraphs 24, 25 and 27, above.

37. For the foregoing reasons, WALCO and RICHMOND, directly and indirectly, violated Section 13(d) of the Exchange Act [15 U.S.C. 78m(d)] and Rule 13d-1 [17 CFR 240.13d-1] thereunder.

FIFTH CAUSE OF ACTION

Violations of Section 14(d) and 14(e) of the Exchange Act [15 U.S.C 78n(d) and 78n(e)] and Rule 14d-3 [17 CFR 240.14d-3] thereunder

38. Paragraphs 1 through 9 are realleged and incorporated herein by reference.

39. Beginning on or about November 2, 1981, WALCO and RICHMOND, directly and indirectly, made a tender offer for, or requested or invited tenders of the common stock of GSI, which stock is registered with the Commission pursuant to Section 12 of the Exchange Act, after the consummation of which, WALCO would be the beneficial owner of more than 5% of the common stock GSI but failed, as soon as practicable after the commencement of the tender offer to file with the Commission the information required by Section 14(d) of the Exchange Act, Rule 14d-3 and Schedule 14D-1; and WALCO and RICHMOND made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in the light

of the circumstances under which they were made, not misleading, and engaged in fraudulent, deceptive and manipulative acts and practices, in connection with the tender offer or request or invitation for tenders, or the solicitation of security holders in opposition to or in favor of any such offer, request or invitation with respect to the tender offer by WALCO for 750,000 shares of the common stock of GSI, as more fully set forth in paragraph 26, above.

40. As a result of foregoing, WALCO and RICHMOND violated Section 14(d) of the Exchange Act [15 U.S.C. 78n(d)], Rule 14d-3 [17 CFR 240.14d-3] thereunder, and Section 14(e) of the Exchange Act [15 U.S.C. 78n(e)].

I.

WHEREFORE, the Commission respectfully requests that the Court issue:

A. A Final Judgment of Permanent Injunction restraining and enjoining WALCO and RICHMOND, their agents, servants, and employees, and each of them, and all persons acting in concert or participation with them from, directly or indirectly, by the use of any means or instrumentality of interstate commerce or of the mails or of any facility of any national securities exchange,

(a) employing any device, scheme, or artifice to defraud;

(b) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or

(c) engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person,

in connection with the purchase or sale of the securities of WALCO or any other issuers.

B. A Final Judgment of Permanent Injunction restraining and enjoining WALCO and RICHMOND, their agents, servants and employees, and each of them, and all persons acting in concert or participation with them from, directly or indirectly, causing WALCO or any other issuer to file, or filing with the Commission any annual or other periodic report which is materially false or misleading or which omits to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading or which fails to contain information required to be contained in such report.

C. A Final Judgment of Permanent Injunction restraining and enjoining WALCO and RICHMOND, their agents, servants, and employees, and each of them, and all persons acting in concert or participation with them from, directly or indirectly, making any or causing WALCO or any other issuer to make any solicitation of proxies of shareholders of WALCO or any other issuer, by means of any proxy statement, form of proxy, notice of meeting or other communication, written or oral, containing any statement which, at the time and in the light of the circumstances under which it is made, is false and misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter which has become false or misleading, or making any proxy solicitation in which any person solicited is not timely

furnished with a written proxy statement containing the information specified in Schedule 14A [17 CFR 240.14a-101], except where provision of a written proxy statement is not required by applicable law or regulation.

D. A Final Judgment of Permanent Injunction restraining and enjoining WALCO and RICHMOND, their agents, servants and employees, and each of them, and all persons acting in concert or participation with them from, directly or indirectly, after acquiring or after another person, entity or group acquires the beneficial ownership of more than five percent of any equity security of any issuer of a class which is registered pursuant to Section 12 of the Exchange Act, filing or causing to be filed with the Commission, or sending or causing to be sent to the issuer and to any national securities exchange on which the issuer's securities are traded, a statement of information required by Scheule 13D [17 CFR 13d-101] which is materially false or misleading or which fails to contain all of the information required by the Commission's rules and regulations.

E. A Final Judgment of Permanent Injunction restraining and enjoining WALCO and RICHMOND, their agents, servants and employees, and each of them, and all persons acting in concert or participation with them from, directly or indirectly,

(a) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or

(b) engaging in any fraudulent, deceptive or manipulative act or practice,

in connection with any tender offer or request or invitation for tenders for the securities of any issuer.

F. A Final Judgment of Permanent Injunction restraining and enjoining WALCO and RICHMOND, their agents, servants and employees, and each of them, and all persons acting in concert or participation with them from, directly or indirectly, by use of the mails or by any means or instrumentality of interstate commerce, making a tender offer for, or a request or invitation for tender of, any class of an equity security of any issuer which is registered with the Commission pursuant to Section 12 of the Exchange Act, if, after consumation thereof, such persons would, directly or indirectly, be the beneficial owner of more than five percent of such class, unless at the time copies of the offer or request or invitation are first published or sent or given to securities holders, such persons have filed with the Commission such statements and information as required by Section 14(d)(1) of the Exchange Act, and Rules 14d-1 and Schedule 14D-1 thereunder or any other rules or regulations prescribed by the Commission pursuant to Section 14(d)(1) of the Exchange Act as necessary or appropriate in the public interest or for the protection of investors, which statements and information shall not be materially false or misleading or fail to contain all of the information required by the Commission's rules and regulations.

G. Such other and further relief as this Court deems appropriate.

Respectfully submitted,

THEODORE A. LEVINE

PAUL A. FISCHER

MITCHELL D. DEMBIN

Attorneys for Plaintiff

Securities and Exchange Commission
450 Fifth Street, Northwest
Washington, D.C. 20549
(202) 272-2211

DATED:

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. WALCO NATIONAL CORPORATION, FREDERICK W. RICHMOND, Defendants.	CIVIL ACTION NO. 82- FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF AS TO WALCO NATIONAL CORPORATION

Plaintiff Securities and Exchange Commission ("Commission") has duly commenced this action by filing its Complaint, and Defendant Walco National Corporation ("Walco") having admitted the jurisdiction of this Court over it and the subject matter of the action, having waived the entry of findings of fact and conclusions of law as provided by Rule 52 of the Federal Rules of Civil Procedure, and without admitting or denying any of the allegations of the Complaint except as to jurisdiction, without trial, argument or adjudication of any issue of fact or law herein, and solely for the purposes of this action, consented to the entry of this Final Judgment of Permanent Injunction and Other Equitable Relief ("Final Judgment") restraining and enjoining Walco from violations of Sections 10(b), 13(a), 13(d), 14(a), 14(d) and 14(e) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. 78j(b), 78m(a), 78m(d), 78n(a), 78n(d) and 78n(e) and Rules 10b-5, 12b-20, 13a-1, 13d-1, 14a-3, 14a-9 and 14d-3 promulgated thereunder [17 C.F.R. 240.10b-5, 240.12b-20, 240.13a-1, 240.13d-1, 240.14a-3, 240.14a-9 and 240.14d-3] and it further appearing that this Court has jurisdiction of the parties and the subject matter hereof, and the Court being fully advised in the premises:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Walco, its officers, directors, agents, servants and employees, when acting as such, and each of them, and all persons acting in concert or participation with them, are hereby permanently restrained and enjoined from directly or indirectly, by the use of any means or instrumentality of interstate commerce or of the mails or of any facility of any national securities exchange,

(a) employing any device, scheme, or artifice to defraud;

(b) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or

(c) engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person,

in connection with the purchase or sale of the securities of Walco or any other issuer.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Walco, its officers, directors, agents, servants and employees, when acting as such, and each of them, and all persons acting in concert or participation with them, are hereby permanently restrained and enjoined from, directly or indirectly, filing or causing to be filed with the Commission any annual or other periodic report which is materially false or misleading or which omits to state a material fact necessary to make the statements made, in the light of the circumstances under

which they were made, not misleading or which fails to contain information required to be contained in such report.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Walco, its officers, directors, agents, servants, and employees, when acting as such, and each of them, and all persons acting in concert or participation with them, are hereby permanently restrained and enjoined from, directly or indirectly, making any solicitation of proxies of shareholders of Walco or any other issuer, by means of any proxy statement, form of proxy, notice of meeting or other communication, written or oral, containing any statement which, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter which has become false or misleading, or making any proxy solicitation in which any person solicited is not timely furnished with a written proxy statement containing the information specified in Schedule 14A [17 C.F.R. 240.14a-101], except where provision of a written proxy statement is not required by applicable law or regulation.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Walco, its officers, directors, agents, servants and employees, when acting as such, and each of them, and all persons acting in concert or participation with them, are hereby permanently restrained and enjoined from, directly or indirectly, after acquiring the beneficial ownership of more than five percent

of any equity security of any issuer of a class which is registered pursuant to Section 12 of the Exchange Act, filing or causing to be filed with the Commission, or sending or causing to be sent to the issuer and to any national securities exchange on which the issuer's securities are traded, a statement of information required by Schedule 13D [17 C.F.R. 13d-101] which is materially false or misleading or which fails to contain all of the information required by the Commission's rules and regulations.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Walco, its officers, directors, agents, servants and employees, when acting as such, and each of them, and all persons acting in concert or participation with them, are hereby permanently restrained and enjoined from, directly or indirectly,

(a) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or

(b) engaging in any fraudulent, deceptive or manipulative act or practice,

in connection with any tender offer or request or invitation for tenders for the securities of any issuer.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Walco, its officers, directors, agents, servants and employees, when acting as such, and each of them, and all persons acting in concert or participation with them, are hereby permanently restrained and enjoined from, directly or indirectly, by use of the mails or by any means or instrumentality of interstate

commerce, making a tender offer for, or a request or invitation for tender of, any class of an equity security of any issuer which is registered with the Commission pursuant to Section 12 of the Exchange Act, if, after consumation thereof, Walco would, directly or indirectly, be the beneficial owner of more than five percent of such class, unless at the time copies of the offer or request or invitation are first published or sent or given to securities holders, Walco has filed with the Commission such statements and information as required by Section 14(d)(1) of the Exchange Act, and Rules 14d-1 and Schedule 14D-1 thereunder or any other rules or regulations prescribed by the Commission pursuant to Section 14(d)(1) of the Exchange Act as necessary or appropriate in the public interest or for the protection of investors, and such statements and information are not materially false or misleading and do not fail to contain all of the information required by the Commission's rules and regulations.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the annexed Consent and Undertaking of Walco be, and the same hereby is incorporated herein with the same force and effect as if fully set forth herein.

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Walco shall fully comply with its undertakings as set forth in the annexed Consent and Undertaking of Walco incorporated herein by reference.

IX.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court retains jurisdiction of this matter for the sole purpose

of enforcing the terms of this Final Judgment and the annexed incorporated Consent and Undertaking of Walco.

UNITED STATES DISTRICT JUDGE

DATED:
Washington, D.C.

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. WALCO NATIONAL CORPORATION, FREDERICK W. RICHMOND, Defendants.	CIVIL ACTION NO. 82- FINAL JUDGMENT OF PERMANENT INJUNCTION AND AND OTHER EQUITABLE RELIEF AS TO FREDERICK W. RICHMOND

Plaintiff Securities and Exchange Commission ("Commission") has duly commenced this action by filing its Complaint, and Defendant Frederick W. Richmond ("Richmond") having admitted the jurisdiction of this Court over him and the subject matter of the action, having waived the entry of findings of fact and conclusions of law as provided by Rule 52 of the Federal Rules of Civil Procedure, and without admitting or denying any of the allegations of the Complaint except as to jurisdiction, without trial, argument or adjudication of any issue of fact or law herein, and solely for the purposes of this action, consented to the entry of this Final Judgment of Permanent Injunction and Other Equitable Relief ("Final Judgment") restraining and enjoining Richmond from violations of Sections 10(b), 13(a), 13(d), 14(a), 14(d) and 14(e) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. 78j(b), 78m(a), 78m(d), 78n(a), 78n(d) and 78n(e) and Rules 10b-5, 12b-20, 13a-1, 13d-1, 14a-3, 14a-9 and 14d-3 promulgated thereunder [17 C.F.R. 240.10b-5, 240.12b-20, 240.13a-1, 240.13d-1, 240.14a-3, 240.14a-9, and 240.14d-3] and it further appearing that this Court has jurisdiction of the parties and the subject matter hereof, and the Court being fully advised in the premises:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Richmond, his agents, servants and employees, when acting as such, and each of them, and all persons acting in concert or participation with them, are hereby permanently restrained and enjoined from, directly or indirectly, by the use of any means or instrumentality of interstate commerce or of the mails or of any facility of any national securities exchange,

(a) employing any device, scheme, or artifice to defraud;

(b) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or

(c) engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person,

in connection with the purchase or sale of the securities of Walco or any other issuer.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Richmond, his agents, servants and employees, when acting as such, and each of them, and all persons acting in concert or participation with them, are hereby permanently restrained and enjoined from, directly or indirectly, causing Walco or any other issuer to file, or filing with the Commission any annual or other periodic report which is materially false or misleading or which omits to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading or which fails to contain information required to be contained in such report.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Richmond, his agents, servants, and employees, when acting as such, and each of them, and all persons acting in concert or participation with them, are hereby permanently restrained and enjoined from, directly or indirectly, making any or causing Walco or any other issuer to make any solicitation of proxies of shareholders of Walco or any other issuer, by means of any proxy statement, form of proxy, notice of meeting or other communication, written or oral, containing any statement which, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter which has become false or misleading, or making any proxy solicitation in which any person solicited is not timely furnished with a written proxy statement containing the information specified in Schedule 14A [17 C.F.R. 240.14a-101], except where provision of a written proxy statement is not required by applicable law or regulation.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Richmond, his agents, servants and employees, when acting as such, and each of them, and all persons acting in concert or participation with them, are hereby permanently restrained and enjoined from, directly or indirectly, after acquiring or after another person, entity or group acquires the beneficial ownership of

more than five percent of any equity security of any issuer of a class which is registered pursuant to Section 12 of the Exchange Act, filing or causing to be filed with the Commission, or sending or causing to be sent to the issuer and to any national securities exchange on which the issuer's securities are traded, a statement of information required by Schedule 13D [17 C.F.R. 13d-101] which is materially false or misleading or which fails to contain all of the information required by the Commission's rules and regulations.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Richmond, his agents, servants and employees, when acting as such, and each of them, and all persons acting in concert or participation with them, are hereby permanently restrained and enjoined from, directly or indirectly,

(a) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or

(b) engaging in any fraudulent, deceptive or manipulative act or practice,

in connection with any tender offer or request or invitation for tenders for the securities of any issuer.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Richmond, his agents, servants and employees, when acting as such, and each of them, and all persons acting in concert or participation with them, are hereby permanently restrained and enjoined, from directly or indirectly, by use of the mails or by any

means or instrumentality of interstate commerce, making a tender offer for, or a request or invitation for tender of, any class of an equity security of any issuer which is registered with the Commission pursuant to Section 12 of the Exchange Act, if, after consumation thereof, such person(s) would, directly or indirectly, be the beneficial owner of more than five percent of such class, unless at the time copies of the offer or request or invitation are first published or sent or given to securities holders, such person(s) have filed with the Commission such statements and information as required by Section 14(d)(1) of the Exchange Act, and Rules 14d-1 and Schedule 14D-1 thereunder or any other rules or regulations prescribed by the Commission pursuant to Section 14(d)(1) of the Exchange Act as necessary or appropriate in the public interest or for the protection of investors, and such statements and information are not materially false or misleading and do not fail to contain all of the information required by the Commission's rules and regulations.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the annexed Consent and Undertaking of Richmond be, and the same hereby is incorporated herein with the same force and effect as if fully set forth herein.

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Richmond shall fully comply with his undertakings as set forth in the annexed Consent and Undertaking of Richmond incorporated herein by reference.

IX.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court retains jurisdiction of this matter for the sole purpose of enforcing the terms of this Final Judgment and the annexed incorporated Consent and Undertaking of Richmond.

UNITED STATES DISTRICT JUDGE

DATED:
Washington, D.C.

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. WALCO NATIONAL CORPORATION FREDERICK W. RICHMOND Defendants.	CIVIL ACTION NO. 82- CONSENT AND UNDERTAKING OF WALCO NATIONAL CORPORATION

1. Defendant Walco National Corporation ("Walco") admits the jurisdiction of this Court over it and over the subject matter of this action and further admits to the service upon it of Plaintiff Securities and Exchange Commission's ("Commission") Complaint for Injunctive and Other Equitable Relief ("Complaint"), and waives the filing of an Answer.

2. Walco, without admitting or denying any of the allegations in the Complaint, except to jurisdiction, to which it admits, hereby consents to the entry of the Final Judgment of Permanent Injunction and Other Equitable Relief as to Walco National Corporation ("Final Judgment") in the form annexed hereto.

3. This Consent and Undertaking of Walco National Corporation ("Consent") is executed, and the Final Judgment in the form annexed hereto is entered without trial, argument or adjudication of any issue of fact or law. Walco hereby waives the entry of findings of fact and conclusions of law.

4. Walco waives any right it may have to appeal from the Final Judgment in the form annexed hereto.

5. Walco enters into this Consent voluntarily, and no promise or threat of any kind whatsoever has been made by the Commission or any members of the staff to induce Walco to enter into this Consent.

6. Walco agrees that the Final Judgment in the form annexed hereto may be presented by the Commission to the Court for signature and entry without further notice.

7. Walco agrees that this Consent shall be incorporated by reference in, and made part of, the Final Judgment annexed hereto, to be entered against Walco in this action.

8. Walco represents and undertakes that within 120 days after the entry of the Final Judgment, or such further time as to which the Commission may agree, it will appoint two additional directors to its Board of Directors who shall have been proposed by Walco and to whom the Commission does not object. Such directors shall not be present or former members of Walco management or Board of Directors and shall not have, or have had in the past, any relationship with Walco, any of its affiliates or subsidiaries or any existing officer, director or beneficial owner of ten percent or more of the outstanding common stock of Walco.

9. Walco represents and undertakes that it will nominate and recommend for election the two directors appointed pursuant to the undertaking contained in paragraph 8 above, at Walco's annual meeting which coincides with the end of the term of office of such directors. Each of said directors shall be nominated for a position on the Board of Directors for a term such that his entire term of office (including the period described in the undertaking contained in paragraph 8 above) shall be at least three years.

10. Walco represents and undertakes that in the event that either or both of the directors appointed pursuant to the undertakings contained in paragraphs 8 and 9 above, shall cease to be directors, prior to the expiration of three years after the entry of the Final Judgment, Walco will propose, appoint, nominate and recommend for election, as required, a replacement(s) for the remainder of the three year period for such position(s), to whom the Commission does not object. Such replacement(s) shall not be present or former members of Walco management or Board of Directors and shall not have, or have had in the past, any relationship with Walco, any of its affiliates or subsidiaries or any existing officer, director or shareholder of ten percent or more of the outstanding common stock of Walco.

11. Walco represents and undertakes that the two directors appointed and elected to Walco's Board of Directors pursuant to the undertakings contained in paragraphs 8, 9 and 10 above and a third director, shall constitute a Business Review Committee of the Board of Directors to be created within 120 days after the entry of the Final Judgment, or such further time as to which the Commission may agree, Walco will continue to maintain the Business Review Committee in the form provided in this paragraph for a period of three years.

12. Walco represents and undertakes that the Business Review Committee will have the responsibility and function:

(a) to review all proposed transactions, directly or indirectly, between Walco and Defendant Frederick W. Richmond ("Richmond") or any person, entity or organization with which Richmond is affiliated or associated, with the exception of any person, entity or organization which is or becomes an

affiliate or associate of Richmond solely by reason of Richmond's affiliation or association with Walco, and to determine whether the terms of the proposed transaction or transfer: (1) are comparable to those on which a reasonably comparable and contemporaneous transaction has been (or if no such transactions have been entered into, would be) entered into with unrelated parties; (2) are fair and reasonable; and (3) in the best interest of Walco; and

(b) to review the proposed payment, conveyance, transfer or other provision of any asset or personal benefit by Walco, directly or indirectly, to defendant Richmond or any person, entity or organization with which Richmond is affiliated or associated, with the exception of any such proposed payment, conveyance, transfer or provision of any asset or personal benefit to Richmond as to which all other Walco stockholders are entitled in proportion to their stockholdings, and with the exception of any person, entity or organization which is or becomes an affiliate or associate of Richmond solely by reason of Richmond's affiliation or association with Walco, to determine whether the proposed provision of asset or benefit is: (1) fair and reasonable and (2) in the best interest of Walco.

13. Walco represents and undertakes that should the Business Review Committee determine that a proposed transaction, payment, transfer, conveyance or other provision of asset or personal benefit subject to review pursuant to paragraph 12 above, is not fair and reasonable or not in the best interest of Walco, or with respect to transactions, is not on terms

comparable to those on which a reasonably comparable and contemporaneous transaction has been (or if no such transactions have been entered into, would be) entered into with unrelated parties, that Walco will not enter into such transaction, payment, transfer, conveyance or other provision of asset or personal benefit.

14. Walco undertakes to disclose in current reports on Form 8-K a summary of all proposed transactions, payments, transfers or conveyances or other provision of any asset or personal benefits reviewed by its Business Review Committee and the action taken with respect to such matters.

15. Walco represents that, during the three years preceding the entry of the Final Judgment, it has forwarded on behalf of Richmond, or reimbursed Richmond for, various legal fees and expenses incurred by Richmond. Walco undertakes to use its best efforts to claim for and collect under all existing insurance policies held by Walco any and all of such legal fees and expenses. In the event that some or all of such legal fees and expenses are not collected through insurance or are not paid back to Walco by Richmond pursuant to paragraph 9 of the Richmond Consent and Undertaking entered in this matter, Walco undertakes to submit to the Business Review Committee and the Business Review Committee shall review the nature of such uncollected legal fees and expenses and determine whether such fees and expenses were paid to or for Richmond for personal, or corporate-related matters. Such determination shall be presented to Richmond for compliance by Richmond with paragraph 9 of the Richmond Consent and Undertaking. Walco further undertakes to timely disclose on a Current Report on Form 8-K the submission of such matters to the Business Review Committee, the determination

of the Business Review Committee and what action, if any, taken by Richmond in response to such determination; provided that nothing in this paragraph shall limit any rights that Walco otherwise may have against Richmond.

16. Walco represents that the Commission has advised it that the Commission is continuing its investigation into matters which are the subject of In the Matter of Walco National Corporation, HO-1385. In connection with such continuing investigation, Walco undertakes to cooperate, and to use its best efforts to cause its officers, directors, employees and agents to cooperate, with the Commission and to provide to the Commission such relevant information as the Commission may request, provided, however, that nothing in this paragraph shall require any person to waive any applicable federally recognized privilege.

17. Walco undertakes to comply with and to use its best efforts to require its officers, directors, agents and employees to comply with the undertakings set forth in this Consent. In this regard, Walco agrees to provide the Business Review Committee with funds and staff as necessary to carry out the functions of the Business Review Committee as set forth herein.

18. Walco undertakes to use its best efforts to require its officers, directors, agents and employees to provide to the Business Review Committee of the Board of Directors such information deemed necessary by the Business Review Committee to carry out its functions as set forth herein. Nothing in this paragraph, however, shall be deemed to require any officer, director, agent or employee to waive any federally recognized

applicable privilege in response to a request for information from the Business Review Committee of the Board of Directors.

WALCO NATIONAL CORPORATION

BY _____
Chairman of the Board
of Directors

_____
Attorney for Defendant
Walco National Corporation

DATED: November 9, 1982

Washington, D.C.)) ss.:)

On this the 9th day of November, 1982, before me personally came Paul D Schuerger Jr., affirmed to me that he has authority from the board of directors of Walco National Corporation to execute and who executed the foregoing Consent and Undertaking of Walco National Corporation.

Christine Williams
NOTARY PUBLIC D.C.

My commission expires 6-14-83

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. WALCO NATIONAL CORPORATION FREDERICK W. RICHMOND Defendants.	CIVIL ACTION NO. 82- CONSENT AND UNDERTAKING OF FREDERICK W. RICHMOND

1. Defendant Frederick W. Richmond ("Richmond") admits the jurisdiction of this Court over him and over the subject matter of this action and further admits to the service upon him of Plaintiff Securities and Exchange Commission's ("Commission") Complaint for Injunctive and Other Equitable Relief ("Complaint"), and waives the filing of an Answer.

2. Richmond, without admitting or denying any of the allegations in the Complaint, except to jurisdiction, to which he admits, hereby consents to the entry of the Final Judgment of Permanent Injunction and Other Equitable Relief as to Frederick W. Richmond ("Final Judgment") in the form annexed hereto.

3. This Consent and Undertaking of Frederick W. Richmond ("Consent") is executed, and the Final Judgment in the form annexed hereto is entered without trial, argument or adjudication of any issue of fact or law. Richmond hereby waives the entry of findings of fact and conclusions of law.

4. Richmond waives any right he may have to appeal from the Final Judgment in the form annexed hereto.

5. Richmond enters into this Consent voluntarily, and no promise or threat of any kind whatsoever has been made by the Commission or any members of the staff to induce him to enter into this Consent.

6. Richmond agrees that the Final Judgment in the form annexed hereto may be presented by the Commission to the Court for signature and entry without further notice.

7. Richmond agrees that this Consent shall be incorporated by reference in, and made part of, the Final Judgment annexed hereto, to be entered against Richmond in this action.

8. Richmond undertakes to pay to Walco, with respect to the matters alleged in paragraphs 12 through 23 of the Commission's Complaint, the sum of $425,000, and to release Walco from any and all further payments pursuant to the "Pension Agreement" referred to in paragraph 12 of the Commission's Complaint. Richmond represents that he is attempting to resolve two pending civil actions (Lewis and Sweet v. Richmond, et al.; Lewis and Liberty v. Richmond, et al.) concerning certain of the matters alleged in paragraphs 12 through 23 of the Commission's Complaint. Such proposed resolution currently contemplates the payment to Walco of certain sums and termination of the "Pension Agreement". Richmond understands that to the extent the resolution of the private actions requires the cash payment by Richmond to Walco of $425,000 or more, the Commission does not object to such payment offsetting the undertaking by Richmond in this Consent to pay $425,000 and further does not object to the payment pursuant to the private litigation being made at a time and on terms approved by the Courts in the two pending private actions. To the extent that the resolution of the two pending private actions requires payment in an amount less than $425,000, Richmond undertakes to pay the difference between such amount and the $425,000 Richmond undertakes to pay pursuant to this Consent within 60 days of the entry of judgment or settlement in the two pending private actions. Provided, however, that in the event there is no order of judgment or settlement in

the two pending private actions within nine months of the entry of the Final Judgment herein, Richmond will pay $425,000 to Walco forthwith, or within such further time as the Commission may agree.

9. Richmond further undertakes to pay to Walco that portion of any and all amounts paid for legal fees and expenses, during the three years preceding the entry of the Final Judgment, by Walco to Richmond or for Richmond in connection with legal representation of Richmond, for which Walco does not receive insurance reimbursement, after making its best efforts to claim for and collect such reimbursement, and which relate to personal legal services. Richmond further understands that with respect to any such amounts for which Walco is not reimbursed through either insurance or by Richmond, Walco will cause its Business Review Committee of its Board of Directors to determine whether such amounts related to legal fees and expenses for personal or corporate-related matters. Such determination will be provided to Richmond, pursuant to paragraph 15 of the Consent and Undertaking of Walco, and Richmond undertakes to abide by such determination and forthwith pay to Walco such amounts as the Business Review Committee determines relate to legal fees and expenses for personal matters.

10. Richmond represents that the Commission has advised it that the Commission is continuing its investigation into matters which are the subject of In the Matter of Walco National Corporation, HO-1385. In connection with such continuing investigation, Richmond undertakes to cooperate and to provide to the Commission such relevant information as the Commission may request; provided, however, that nothing in

this paragraph shall require Richmond to waive any applicable federally recognized privilege.

11. Richmond represents and undertakes to use his best efforts to effectuate the terms and conditions of the Consent and Undertaking of Walco National Corporation ("Walco"). This undertaking includes, but is not limited to, cooperating with and providing all information to the Business Review Committee of the Walco Board of Directors as it deems necessary, and as a security holder of Walco on any matter presented to Walco security holders, to further effectuate the undertakings of Walco relating to the election of additional directors and the establishment of the Business Review Committee as described in paragraphs 8 through 11 contained in the Consent and Undertaking of Walco National Corporation; provided, however, that nothing in this paragraph shall be deemed to require Richmond to waive any federally recognized applicable privilege in order to fulfill his responsibilities pursuant to this paragraph.

Frederick W. Richmond by
FREDERICK W. RICHMOND
By P. Fish III
Atty-in-fact

B. P. Fish
Attorney for Defendant
Frederick W. Richmond

DATED: Nov. 9, 1982

DATED: November 9, 1982

Washington, D.C.)) ss.:)

On this the 9th day of November, 1982, before me personally came Benjamin P Fishburn III, attorney for Frederick W. Richmond, who affirmed to me that he has authority from Mr. Richmond to execute and who executed the foregoing Consent and Undertaking of Frederick W. Richmond.

Christine Nalency
NOTARY PUBLIC D.C.

My commission expires 12-14-85

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STOP 4-4

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

OFFICIAL BUSINESS
RETURN AFTER FIVE DAYS
PENALTY FOR PRIVATE USE, $300

Federal Election Commission
Office of the General Counsel
1325 K Street, Northwest
Washington, D.C. 20463

Attention: Nancy Nathan

205358

RECEIVED AT THE FEC
GCC#8861
82 NOV 4 P12:13

DAVID JOHN DEAN
ANTHONY J. FALANGA
JOSEPH COVELLO
NORMAN ROSE
—
JOSEPH M. REYNOLDS
MONROE FINK

Dean, Falanga & Rose
COUNSELLORS AT LAW
ONE OLD COUNTRY ROAD • CARLE PLACE, NEW YORK 11514
(516) 741-6611
(212) 343-4114

November 2, 1982

Federal Election Commission
Washington, D.C. 20463

Attention: Nancy B. Nathan, Esq.

Re: Gerard Jansen
Gerard Packing and Belting Co.
MUR 1436

2 NOV 4 P 3:01

Dear Ms. Nathan:

In response to your letter of October 19, 1982, from your office signed by the Chairman of the Federal Election Commission, Mr. Frank P. Reiche, we are pleased to enclose herewith duly executed Statement of Designation of this firm as counsel for Gerard Jansen and Gerard Packing and Belting Company.

As you know, our client testified under a grant of immunity before a United States grand jury in the United States District Court, Eastern District, New York. As you are also aware our client, although we acknowledged ignorance of the law is no defense, was in actuality unaware that he was committing any violation of any law by making the contributions in the manner in which same were remitted.

Our client is further cooperating in addition to his testimony before the grand jury, by furnishing your office with whatever information he had pertaining to the individuals referred to in your undated letter received by this office sometime in September, 1982. Our file indicates that telephonically the information you requested was furnished on September 15, 1982.

We sincerely believe that there isn't even any need for the matter to proceed to conciliation and in this regard, we would appreciate telephonically discussing our position with you further. If after such discussions your office feels that the matter should proceed to conciliation, we, of course, will be pleased to set up a mutually convenient conference to discuss the matter and furnish whatever additional information your office may require.

As you are further aware, our client has never been previously charged with any violation of any law whatsoever and is a hard working businessman who simply responded to a solicitation for a political contribution by one of his contractors in the belief that making such contribution was both legal and appropriate.

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Dean, Falanga, & Rose

COUNSELLORS AT LAW

We strongly suggest that your Commission has ample matters before it to consider rather than wasting its time on what we believe to be an isolated situation involving a politician who has since been convicted of various violations of the law. Our cooperation with the United States Attorney's office, we are sure, has already been confirmed by your office. We suggest that such circumstances should be taken into consideration with regard to our suggestion that the matter be discontinued without even proceeding to conciliation, however, as previously indicated we would like to discuss this matter with you further and intend to communicate with you telephonically within the next few days.

Thank you for your attention to the above and with professional respect, we remain

Very truly yours,

DEAN, FALANGA & ROSE

ANTHONY J. FALANGA

AJF:cd
Enc.

3 4 0 4 0 4 4 3 4 1 1 1

STATEMENT OF DESIGNATION OF COUNSEL

NAME OF COUNSEL: Anthony J. Falanga, Esq. (Dean, Falanga & Rose, Esq.)

ADDRESS: One Old Country Road, Carle Place, New York, 11514

TELEPHONE: (516) 248-9888

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

November 1, 1982
Date

Signature

NAME: Gerard G. Jansen

ADDRESS: 4 Kay Avenue, Jericho, New York, 11753

HOME PHONE: (516) 822-2444

BUSINESS PHONE: (212) 962-2443

8 4 0 4 0 4 4 3 4 1 2

2 NOV 4 P3:02

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1436
Stanley Lazar	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on November 10, 1982, the Commission approved by a vote of 6-0 the subpoena and letter to Stanley Lazar as submitted with the November 5, 1982, Memorandum to the Commission in this matter.

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

Attest:

11-10-82
Date

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

8 4 0 4 0 4 4 3 4 1 3

Received in Office of Commission Secretary: 11-5-82, 4:44
Circulated on 48 hour tally basis: 11-8-82, 11:00

SENSITIVE

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

82 NOV 5 P4:44

November 5, 1982

MEMORANDUM TO: The Commission

FROM: Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

RE: MUR 1436 - Subpoena to Stanley Lazar

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The attached subpoena to appear for deposition and to produce documents is directed to Stanley Lazar, president of Shore Electric Co., a subcontractor to Coastal Dry Dock and Repair Corporation ("Coastal"), which is a respondent in this MUR.

Mr. Lazar was mentioned in the New York Times article that gave rise to the Commission's findings involving Coastal and the Richmond campaign. (The article said that certain Richmond campaign documents showed the erasure of an entry listing a contributor as an employee of Shore, and said Lazar declined comment.) Further, in a telephone interview on November 2, 1982, Frank Caffrey, a Shore Electronics employee, confirmed reports we received in an earlier deposition in this MUR that he had used another's name in making a contribution to the 1978 Richmond campaign. In the interview, Caffrey said he did so because Stanley Lazar asked him to contribute to Richmond's campaign and reimbursed him for presenting a contribution check. He also said he was reimbursed by Lazar for a 1979 contribution to Richmond.

It would be helpful to depose Stanley Lazar to determine his knowledge of involvement in such practices by Richmond campaign officials, by Charles Montanti (president

of Coastal Dry Dock Corporation), and by any other subcontractors. Further, we will seek to determine the source of funds used by Mr. Lazar to reimburse Mr. Caffrey and any others.

Recommendation:

Approve the attached subpoena and letter to Stanley Lazar.

Attachments:

Subpoena and letter

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Stanley Lazar
44 Orchard Drive
Woodbury, New York 11797

Re: MUR 1436

Dear Mr. Lazar:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on November 17, 1982, at 2:30 p.m., has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. You will be given a check at the time of your deposition.

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Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 after your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition

NBN 11/10/82

8404044317

Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 after your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition

8 4 0 4 0 4 4 3 4 1 8

WBT
11/10/82

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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RETURN RECEIPT REQUESTED

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44 Orchard Drive
Woodbury, New York 11797

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You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. You will be given a check at the time of your deposition.

8 4 0 1 0 4 4 3 4 1 5

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Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition

8 4 0 4 0 4 4 3 4 2 C

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JODY C. RANSOM

DATE: NOVEMBER 10, 1982

SUBJECT: SUPOENAS RE: MUR 1436

The attached subpoena, which was Commission approved on November 10, 1982 by a vote of 6-0, has been signed and sealed this date.

Attachment

8 4 0 4 0 4 4 3 4 2 1

November 5, 1982

MEMORANDUM TO: Marjorie W. Emmons

FROM: Phyllis A. Kayson

SUBJECT: MUR 1436

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

Attachment

cc: Nathan

8 4 0 4 0 4 4 3 4 2 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Stanley Lazar
44 Orchard Drive
Woodbury, New York 11797

Re: MUR 1436

Dear Mr. Lazar:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on November 17, 1982, at 2:30 p.m., has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. You will be given a check at the time of your deposition.

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Attachment 1-1of2

Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition

8 4 0 4 0 4 4 3 4 2 4

Attachment 1-2 of 2

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Stanley Lazar

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at Room 130, U.S. Courthouse, Brooklyn, New York, at 2:30 p.m. on November 17, 1982, and any and all dates adjourned to by the Commission.

8 4 0 1 0 4 4 3 4 2 5

Attachment 2 - 1 of 2

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this day of , 1982.

Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

8 4 0 0 4 4 3 4 2 6

Attachment 2-2 of 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 9, 1982

Anthony Falanga, Esq.
Dean, Falanga and Rose
1 Old Country Road
Carle Place, New York 11514

Re: MUR 1436

Dear Mr. Falanga:

This will confirm the arrangements made by telephone on November 5, 1982, to postpone the depositions of Walter Haskell and Maryann Benedetto in the above-referenced matter to November 17, 1982. The deposition of Mrs. Benedetto will begin at 10:30 a.m., and that of Mr. Haskell at 11:30 a.m. The location for both depositions remains the same.

Thank you.

Sincerely,

Scott E. Thomas
Assistant General Counsel

8 4 0 4 0 4 4 3 4 2 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 9, 1982

Anthony Falanga, Esq.
Dean, Falanga and Rose
1 Old Country Road
Carle Place, New York 11514

Re: MUR 1436

Dear Mr. Falanga:

This will confirm the arrangements made by telephone on November 5, 1982, to postpone the depositions of Walter Haskell and Maryann Benedetto in the above-referenced matter to November 17, 1982. The deposition of Mrs. Benedetto will begin at 10:30 a.m., and that of Mr. Haskell at 11:30 a.m. The location for both depositions remains the same.

Thank you.

Sincerely,

Scott E. Thomas
Assistant General Counsel

8 4 0 4 0 4 4 3 4 2 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 9, 1982

Dominick T. Aiello
9 Bernadetto Court
Hicksville, New York 11801

Re: MUR 1436

Dear Mr. Aiello:

This will confirm the arrangements made by telephone on November 5, 1982, to postpone your deposition in the above-referenced matter from November 8, 1982, to November 17, 1982, at 1:30 p.m. The location remains the same.

Thank you.

Sincerely,

Scott E. Thomas
Assistant General Counsel

9 4 0 4 0 4 4 3 4 2 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 9, 1982

Dominick T. Aiello
9 Bernadetto Court
Hicksville, New York 11801

Re: MUR 1436

Dear Mr. Aiello:

This will confirm the arrangements made by telephone on November 5, 1982, to postpone your deposition in the above-referenced matter from November 8, 1982, to November 17, 1982, at 1:30 p.m. The location remains the same.

Thank you.

Sincerely,

Scott E. Thomas
Assistant General Counsel

8404044343C

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 9, 1982

Stanley Geller, Esq.
Butler, Jablow and Geller
400 Madison Avenue
New York, New York 10017

Re: MUR 1436

Dear Mr. Geller:

This will confirm the arrangements made by telephone on November 5, 1982, to postpone the deposition of Jack DeSimone from November 9, 1982, to November 17, 1982, at 4 p.m. The location remains the same.

Thank you.

Sincerely,

Scott E. Thomas
Assistant General Counsel

8404044431

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 9, 1982

Stanley Geller, Esq.
Butler, Jablow and Geller
400 Madison Avenue
New York, New York 10017

Re: MUR 1436

Dear Mr. Geller:

This will confirm the arrangements made by telephone on November 5, 1982, to postpone the deposition of Jack DeSimone from November 9, 1982, to November 17, 1982, at 4 p.m. The location remains the same.

Thank you.

Sincerely,

Scott E. Thomas
Assistant General Counsel

8404044332

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1436
Stanley Lazar	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on November 10, 1982, the Commission approved by a vote of 6-0 the subpoena and letter to Stanley Lazar as submitted with the November 5, 1982, Memorandum to the Commission in this matter.

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

Attest:

11-10-82
Date

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

8 4 0 4 0 4 4 3 4 3 3

Received in Office of Commission Secretary: 11-5-82, 4:44
Circulated on 48 hour tally basis: 11-8-82, 11:00

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Stanley Lazar

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at Room 130, U.S. Courthouse, Brooklyn, New York, at 2:30 p.m. on November 17, 1982, and any and all dates adjourned to by the Commission.

8 4 0 4 0 4 4 3 4 3 4

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this Tenth day of November 1982.

Frank P. Reiche
Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

8404044435

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Stanley Lazar
44 Orchard Drive
Woodbury, New York 11797

Re: MUR 1436

Dear Mr. Lazar:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on November 17, 1982, at 2:30 p.m., has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. You will be given a check at the time of your deposition.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1436
Richmond Reelection Committee	)	
Walco National Corporation	)	
Coastal Dry Dock and Repair Corporation	)	
Charles Montanti	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 15, 1982, the Commission decided by a vote of 6-0 to take the following actions in MUR 1436:

1. Find reason to believe that Gerard Jansen violated 2 U.S.C. § 441f by making contributions to the 1978 Richmond campaign committee in the names of others.

2. Authorize the issuance of subpoenas to Maryann Benedetto, Dominick Aiello, Walter Haskell, and Frank Caffrey.

3. Approve the letters as attached to the General Counsel's Report signed October 12, 1982.

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

Attest:

10/15/82
Date

Jody C. Ransom
for Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary: 10-12-82, 2:36
Circulated on 48 hour tally basis: 10-13-82, 11:00

8404044337

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

82 OCT 12 P2: 38

In the Matter of)
)
Richmond Reelection Committee;) MUR 1436
Walco National Corporation;)
Coastal Dry Dock and Repair)
Corporation; Charles Montanti)

GENERAL COUNSEL'S REPORT

On April 20, 1982, the Commission found reason to believe that the above-referenced respondents had violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act").

As the General Counsel's July 23, 1982 Report to the Commission related, this Office sought to depose Gerard Jansen, a contributor to Mr. Richmond's 1978 campaign, because of evidence that he had made contributions in the names of others. Mr. Jansen, through his attorney, had declined to be deposed, and asked that this Office seek a grant of immunity for Jansen from federal criminal prosecution in any federal district. (The U.S. Attorney for the Eastern District of New York had given Mr. Jansen an assurance he would not be prosecuted in that district as a result of his grand jury testimony.) The Commission approved this Office's request to seek from the Justice Department an extension of the criminal immunity grant.

Contacts were made with Justice Department officials who advised us that we should seek a proffer of evidence (i.e., a statement of what Mr. Jansen would testify about) from Mr. Jansen's attorney. When contacted about this, however,

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Mr. Jansen's attorney said that, even if criminal immunity were to be assured in the manner he had suggested previously, Jansen still would not be deposed unless also assured that the Commission would not pursue him for possible civil violations. Our office advised Mr. Jansen's attorney that we would not recommend to our Commission that it grant any type of civil immunity to Mr. Jansen.

Because of the evidence that Gerard Jansen may have violated the Act by making contributions to the 1978 Richmond campaign in the names of others, this Office recommends that the Commission find reason to believe that such violations occurred. Those indications that Mr. Jansen may have violated 2 U.S.C. § 441f include the New York Times item that gave rise to this MUR (Attachment 1), and responses to interrogatories issued by the Commission on August 10, 1982, to other listed Richmond contributors who say Jansen reimbursed them for their contributions (Attachments 2 and 3).

In addition, in order to investigate the allegations of contributions made in names of others, depositions should be taken from the two individuals (Dominick Aiello and Maryann Benedetto) whose responses to interrogatories indicate their involvement (see Attachments 2 and 3), and from a third, Walter Haskell, who is employed by Jansen and has not yet responded to the interrogatories. We will seek to determine any link those

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individuals may have had with the Richmond campaign, Charles Montanti, or Coastal Dry Dock and Repair Corporation, as well as their knowledge of Mr. Jansen's connections with those respondents. To date, it is clear only that Jansen obtained those individuals' cooperation in making gifts in their names, but it is not known whether Jansen acted at the request of Richmond, Montanti or anyone else.

The fourth requested subpoena is for an individual, Frank Caffrey, implicated in an earlier deposition in this matter, who was said to have reimbursed Anne Nixon for her blank check later made payable to the Richmond Committee.

A response to the reason-to-believe finding against the Richmond Committees and Walco National Corporation was received September 12, 1982. The response comprises calculations used in preparing the Committee's amended reports for 1976-81 and the amounts paid by the Committee to Walco as reimbursement of its improper contributions of staff time and office facilities. We will proceed to prepare General Counsel's briefs as to the Committee and Walco on these issues, but plan to consolidate all allegations in single briefs after we have concluded the investigation as to the Committee's involvement with Coastal Dry Dock and Repair Corporation and Charles Montanti.

Recommendations

1. Find reason to believe that Gerard Jansen violated 2 U.S.C. § 441f by making contributions to the 1978 Richmond campaign

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committee in the names of others.

2. Authorize the issuance of subpoenas to Maryann Benedetto, Dominick Aiello, Walter Haskell, and Frank Caffrey.

3. Approve the attached letters.

Charles N. Steele
General Counsel

October 12, 1982 By: Kenneth A. Gross
Date

Kenneth A. Gross
Associate General Counsel

Attachments

1. New York Times article.
2-3. Responses to interrogatories from Maryann Benedetto and Dominick Aiello.
4. Proposed reason to believe notification to Gerard Jansen and General Counsel's Factual and Legal Analysis.
5. Proposed subpoenas and accompanying letters to Maryann Benedetto, Dominick Aiello, Walter Haskell and Frank Caffrey.

8404044341

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 19, 1982

Gerard Jansen
Gerard Packing and Belting Co.
97 Reade Street
New York, New York 10007

Re: MUR 1436

Dear Mr. Jansen:

On October 15, 1982, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the campaign committee of U.S. Rep. Frederick Richmond in the names of other persons. 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.

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 conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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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 Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Frank P. Reiche

Frank P. Reiche
Chairman for the
Federal Election Commission

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

8404044343

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No. 1436
STAFF MEMBER & TEL. NO.
Nancy B. Nathan
(202) 523-4073

RESPONDENT Gerard Jansen

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

The evidence available to the Office of General Counsel */ suggests that Gerard Jansen may have violated 2 U.S.C. § 441f in connection with certain contributions purportedly made in the names of others.

FACTUAL AND LEGAL ANALYSIS

Reports in The New York Times of January 18, 1982, describe evidence indicating that some contributions to the 1978 Richmond campaign committee may have been made by persons other than the persons listed as the contributors.

According to the Times article, the original work sheets of reports filed with the Commission bore obvious erasures of the original identification of contributors' places of business. Further, several individuals named in and interviewed for the article expressed surprise that they were listed as Richmond contributors, including Jean Pignataro, an employee of Gerard

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*/ Reports contained in The New York Times of January 18, 1982, are among the sources which have been consulted. In addition, statements made to the Commission by individuals who may have received reimbursement from Mr. Jansen for their contributions to the Richmond campaign committee formed a basis for the finding.

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Packing and Belting Corporation.

According to the Times article, Mr. Jansen reportedly did not deny seeking contributions from employees. Interrogatories submitted to some of those individuals (or members of their families) have yielded responses that appear to confirm Mr. Jansen's role in obtaining contributions from them and reimbursing them for those contributions. (See Attachments 1 and 2). The contributions were reported to the Commission by the Richmond campaign committee in the names of the reimbursed employees or family members.

It is recommended that the Commission find reason to believe that Gerard Jansen violated 2 U.S.C. § 441f by making contributions in the names of other persons to the 1978 Frederick Richmond campaign committee.

Attachments

8 4 0 4 0 4 4 3 4 4 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 22, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dominick T. Aiello
9 Bernadette Court
Hicksville, N.Y. 11801

Re: MUR 1436

Dear Mr. Aiello:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on November 8, 1982, at 1:30 p.m. , has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. You will be given a check at the time of your deposition.

8 4 0 4 0 4 4 3 4 4 6

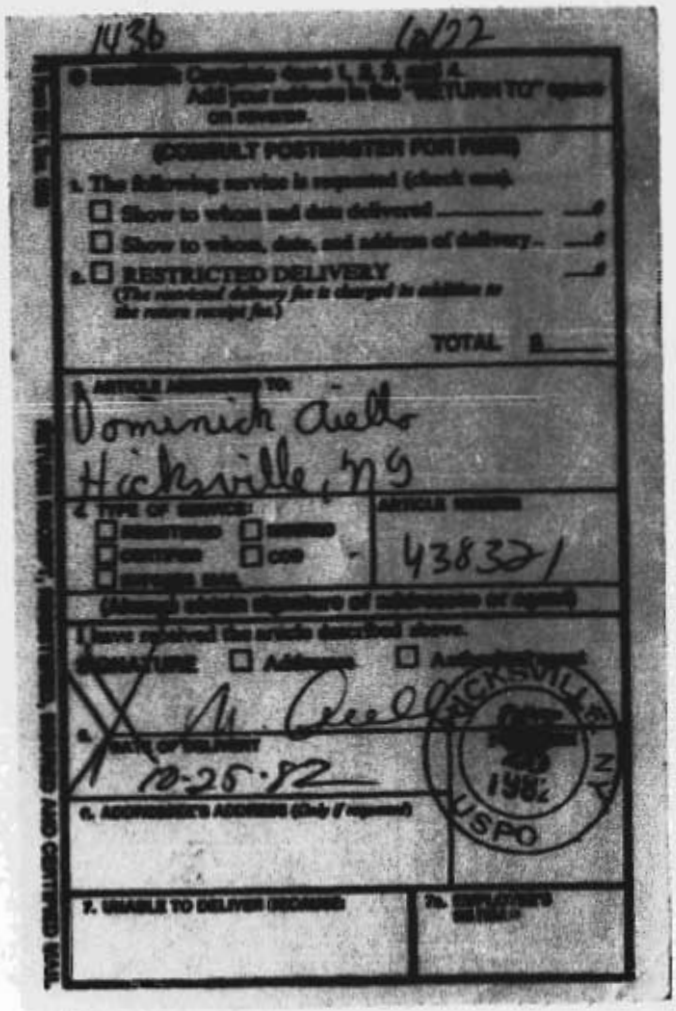
Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition


1436 10/22

(CONSULT POSTMASTER FOR FEES)

2. The following service is requested (check one)
☐ Show to whom and date delivered ____ ¢
☐ Show to whom, date, and address of delivery ____ ¢
3. ☐ RESTRICTED DELIVERY ____ ¢
(The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL $ ____

ARTICLE ADDRESSED TO:
Dominick Aiello
Hicksville, NY

4. TYPE OF SERVICE:
☐ REGISTERED ☐ INSURED
☐ CERTIFIED ☐ COD
☐ EXPRESS MAIL

ARTICLE NUMBER
438321

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

5. DATE OF DELIVERY
10-25-82

HICKSVILLE NY
OCT 25 1982
USPO

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:

8. EMPLOYEE'S INITIALS

TYPE OR BALLPOINT PEN PRESS HARD. THIS CARD WILL PASS THROUGH MACHINES.

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UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Dominick T. Aiello

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at Room 130, Federal Courthouse, 225 Cadman Plaza East, Brooklyn , New York, at 1:30 p.m. on November 8 , 1982, and any and all dates adjourned to by the Commission.

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WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this 21st day of October, 1982.

Frank P. Reiche
Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

8404044349

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 22, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Walter Haskell, Jr.
c/o Gerard Packing Co.
97 Reade Street
New York, New York 10007

Re: MUR 1436

Dear Mr. Haskell:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on November 8, 1982, at 3:00 p.m. , has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. You will be given a check at the time of your deposition.

8 4 0 4 0 4 4 3 4 3 6

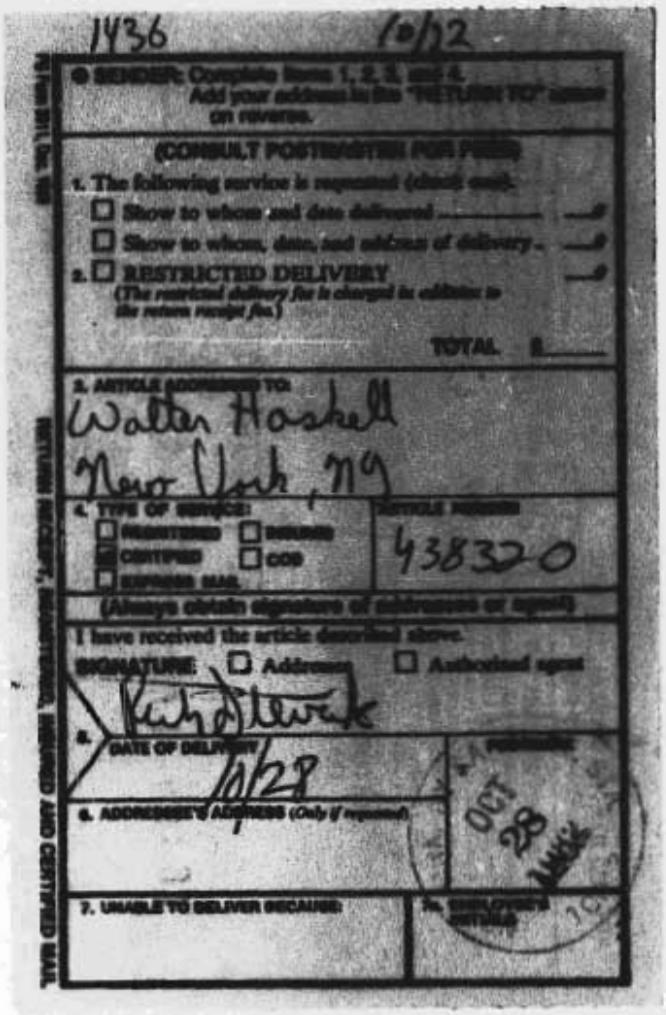
Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition


1436 10/2

SENDER: Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
☐ Show to whom and date delivered
☐ Show to whom, date, and address of delivery
2. ☐ RESTRICTED DELIVERY
(The restricted delivery fee is charged in addition to the return receipt fee.)
TOTAL $

3. ARTICLE ADDRESSED TO:
Walter Haskell
New York, NY

4. TYPE OF SERVICE:
☐ REGISTERED ☐ INSURED
☒ CERTIFIED ☐ COD
☐ EXPRESS MAIL
ARTICLE NUMBER
438320

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

5. DATE OF DELIVERY
10/28

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:

PS Form 3811, JUNE 1988 (DOMESTIC RETURN RECEIPT)

OCT 28 1992

8 4 0 4 0 4 4 3 4 5 1

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Walter Haskell, Jr.

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at Room 130, Federal Courthouse, 225 Cadman Plaza East, Brooklyn , New York, at 3:00 p.m. on November 8 , 1982, and any and all dates adjourned to by the Commission.

8 4 0 4 0 4 4 3 4 5 2

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this 21st day of October 1982.

Frank P. Reiche
Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

8404044345 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 22, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Frank Caffrey
12 Grance Park Road
Commack, New York 11755

Re: MUR 1436

Dear Mr. Caffrey:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on November 9, 1982, at 10:00 a.m., has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. You will be given a check at the time of your deposition.

8 4 0 4 0 4 4 3 4 5 4

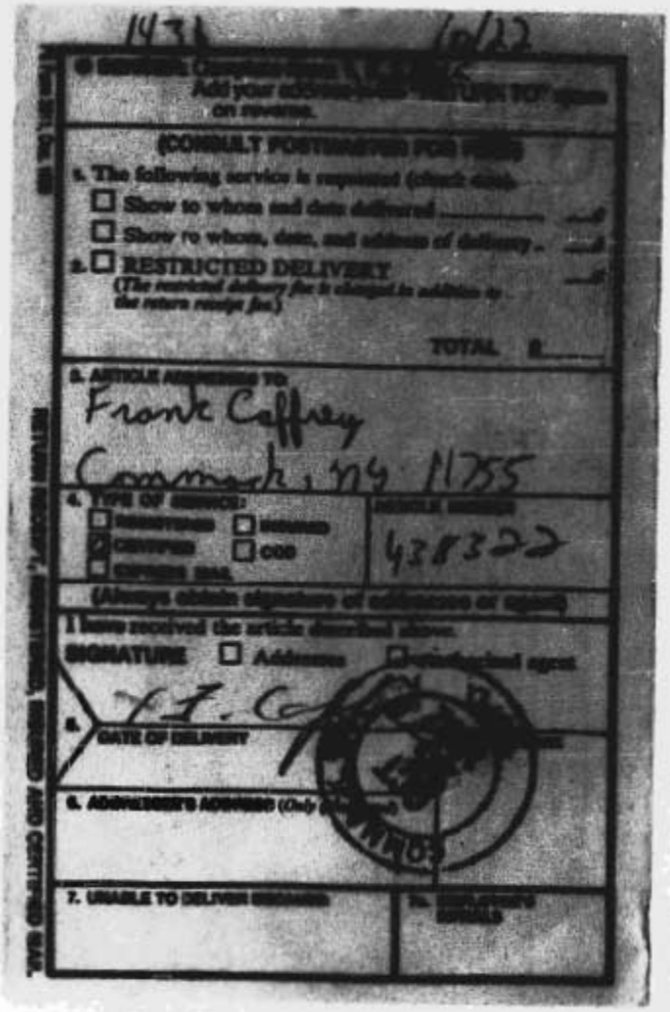
Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition


1431 10/22

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one)
☐ Show to whom and date delivered
☐ Show to whom, date, and address of delivery
2. ☐ RESTRICTED DELIVERY
(The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL $

5. ARTICLE ADDRESSED TO:
Frank Caffrey
Commack, NY 11755

4. TYPE OF SERVICE:
☐ REGISTERED ☐ INSURED
☑ CERTIFIED ☐ COD
☐ EXPRESS MAIL

ARTICLE NUMBER
438322

(Always obtain signature of addressee or agent)

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

8. DATE OF DELIVERY

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:

9. EMPLOYEE'S INITIALS

RETURN RECEIPT, PRODUCT, SERVICE, AND CHARGES

8 4 0 4 0 4 4 3 4 5 5

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Frank Caffrey

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at Room 130, Federal Courthouse, 225 Cadman Plaza East, Brooklyn , New York, at 10:00 a.m. on November 9 , 1982, and any and all dates adjourned to by the Commission.

8 4 0 4 0 4 4 3 4 3 6

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this 21st day of October, 1982.

Frank P. Reiche
Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

8404044337

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 22, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Maryann Benedetto
26 E. Oxford Street
Valley Stream, N.Y. 11580

Re: MUR 1436

Dear Ms. Benedetto:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on November 8, 1982, at 10:30 a.m., has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. You will be given a check at the time of your deposition.

8 4 0 4 0 4 4 3 4 5 8

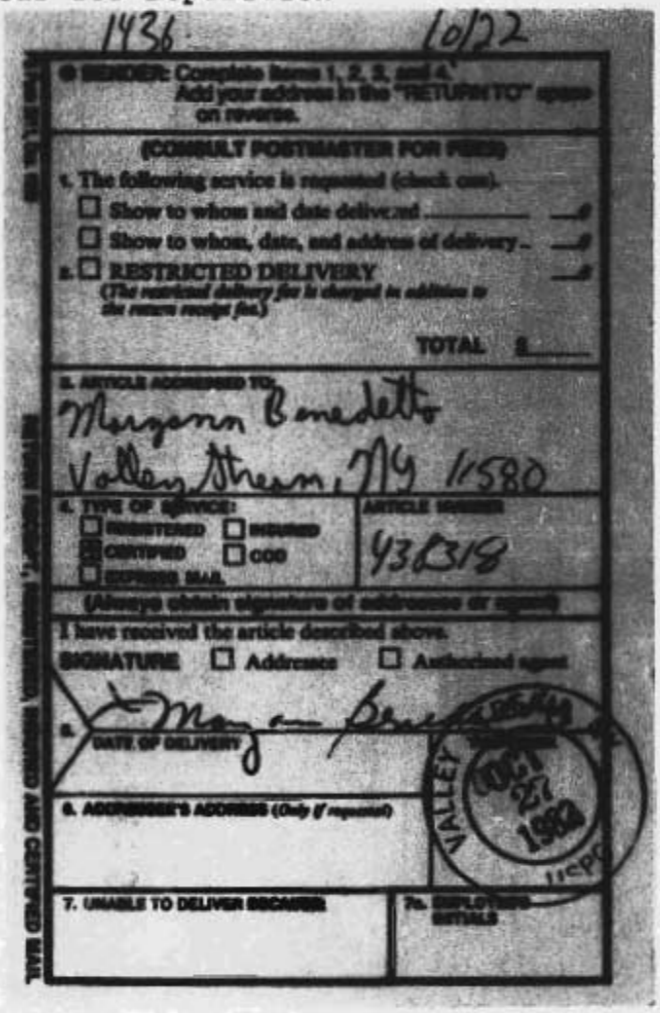
Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition


1436 10/22

SENDER: Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
☐ Show to whom and date delivered ___ ¢
☐ Show to whom, date, and address of delivery ___ ¢
2. ☐ RESTRICTED DELIVERY ___ ¢
(The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL $ ___

3. ARTICLE ADDRESSED TO:
Maryann Benedetto
Valley Stream, NY 11580

4. TYPE OF SERVICE:
☐ REGISTERED ☐ INSURED
☒ CERTIFIED ☐ COD
☐ EXPRESS MAIL

ARTICLE NUMBER
430318

(Always obtain signature of addressee or agent)

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

5. Maryann Benedetto
DATE OF DELIVERY

VALLEY STREAM
OCT 25 1984
NCPC

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:

7a. EMPLOYEE'S INITIALS

8 4 0 4 0 4 4 3 4 5 9

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Maryann Benedetto

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at Room 130, Federal Courthouse, 225 Cadman Plaza East, Brooklyn, New York, at 10:30 a.m. on November 8, 1982, and any and all dates adjourned to by the Commission.

8 4 0 4 0 4 4 3 4 5 0

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this 21st day of October, 1982.

Frank P. Reiche
Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

8404044351

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 22, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jack deSimone
205 West End Avenue
New York, New York 10023

Re: MUR 1436

Dear Mr. deSimone:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on November 9, 1982, at 1:00 p.m., has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. You will be given a check at the time of your deposition.

8 4 0 0 4 4 3 4 5 2

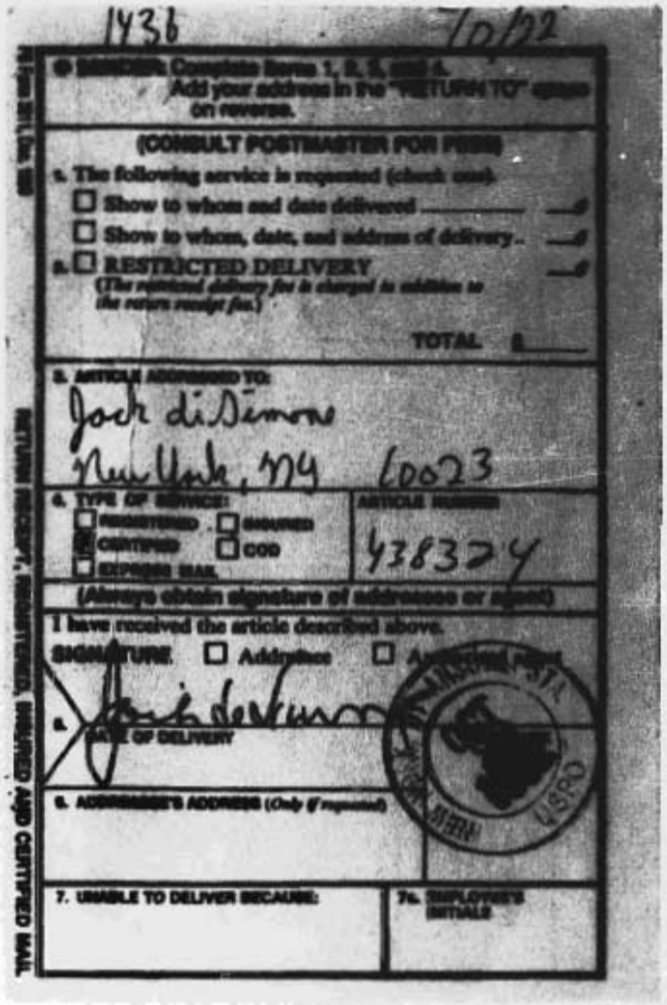
Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition


1436 10/22

SENDER: Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one)
☐ Show to whom and date delivered ___ ¢
☐ Show to whom, date, and address of delivery ___ ¢
2. ☐ RESTRICTED DELIVERY ___ ¢
(The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL $ ___

3. ARTICLE ADDRESSED TO:
Jack deSimone
New York, NY 10023

4. TYPE OF SERVICE:
☐ REGISTERED ☐ INSURED
☒ CERTIFIED ☐ COD
☐ EXPRESS MAIL

ARTICLE NUMBER
438324

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized Agent
Jack deSimone
5. DATE OF DELIVERY

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:

7a. EMPLOYEE'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED, AND CERTIFIED MAIL

8 4 0 4 0 4 4 3 4 3 3

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Jack deSimone

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at Room 130, Federal Courthouse, 225 Cadman Plaza East, Brooklyn , New York, at 1:00 p.m. on November 9 , 1982, and any and all dates adjourned to by the Commission.

8 4 0 4 0 4 4 3 4 5 4

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this 25th day of May, 1982.

Frank P. Reiche

Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

8 4 0 0 4 0 4 4 3 4 5 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JODY C. RANSOM JCR

DATE: OCTOBER 21, 1982

SUBJECT: SUBPOENAS RE: MUR 1436

The attached subpoenas, which were Commission approved on October 15, 1982 by a vote of 6-0, have been signed and sealed this date.

Attachment

8 4 0 4 0 4 4 3 4 5 6

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1436
Richmond Reelection Committee	)	
Walco National Corporation	)	
Coastal Dry Dock and Repair Corporation	)	
Charles Montanti	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 15, 1982, the Commission decided by a vote of 6-0 to take the following actions in MUR 1436:

1. Find reason to believe that Gerard Jansen violated 2 U.S.C. § 441f by making contributions to the 1978 Richmond campaign committee in the names of others.

2. Authorize the issuance of subpoenas to Maryann Benedetto, Dominick Aiello, Walter Haskell, and Frank Caffrey.

3. Approve the letters as attached to the General Counsel's Report signed October 12, 1982.

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

Attest:

10/15/82
Date

Jody C. Ransom
for Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary: 10-12-82, 2:36
Circulated on 48 hour tally basis: 10-13-82, 11:00

S 4 0 4 0 4 4 3 1 3 5 7

October 12, 1982

MEMORANDUM TO: Marjorie W. Emmons

FROM: Phyllis A. Kayson

SUBJECT: MUR 1436

Please have the attached General Counsel's Report distributed to the Commission on a 48 hour tally basis. Thank you.

Attachment

cc: Nathan

8 4 0 4 0 4 4 3 1 5 8

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Gerard Jansen
Gerard Packing and Belting Co.
97 Reade Street
New York, New York 10007

Re: MUR 1436

Dear Mr. Jansen:

On , 1982, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the campaign committee of U.S. Rep. Frederick Richmond in the names of other persons. 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.

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 conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

8 4 0 1 0 4 4 3 4 5 9

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 Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

NBN
10/19/82

8 4 0 0 4 4 3 4 7 0

RECEIVED AT THE FEC

BEFORE THE FEDERAL ELECTION COMMISSION

82 SEP 7 P5:18

82 SEP 9 A9:49

In the Matter of)
)
Richmond Reelection Committee) MUR 1436

ORDER TO SUBMIT WRITTEN ANSWERS

TO: Maryann Benedetto
26 E. Oxford Street
Valley Stream, N.Y. 11580

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within 15 days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 10th day of August, 1982.

Frank P. Reiche
Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Attachment

8404044371

Attachment 1- 1 of 2

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Gerard Jansen? If so, please explain how you know him. Yes - my husband is a former employee of Mr Jansen's Company.

2. Do you know Charles Montanti? If so, please explain how you know him. no

3. Have you ever been employed by Gerard Packing and Belting Company? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held. no

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts? Yes - I believe in 1978, in sum of $200.00

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you? Yes. a personal check from Mr Jansen - some time in 1978.

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? not applicable

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? not applicable

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check made out to Congressman Richmond's campaign committee, or given by that person in blank form? If so, to whom were the checks given, and what did those persons receive in return? no.

Attachment 1 - 2 of 2

8404043472

DOMINICK T. AIELLO
9 BERNADETTE COURT
HICKSVILLE, NEW YORK 11801

6cc4 8399
82 SEP 3 AM 11:51

1436

Federal Election Commission
Washington, D.C. 20463

August 31, 1982

82 SEP 3 P3:45

Reference: In the Matter of
Richmond Reelection Committee

1. Yes, I do know Gerard Jansen, I was employed by him.

2. Yes, I do know Charles Montanti. Customer of Gerard Packing & Belting Corp.

3. I was employed by Gerard Packing & Belting Corp. from 1961 to 1979 as General Manager and was directly responsible to Gerard Jansen.

4. Yes, I did contribute $200.00 to a campaign committee of Congressman Fred Richmond in June 1978.

5. Yes, I did receive a check as reimbursement for the check I made out to Congressman Richmond's Campaign committee from Gerard Jansen about a week later.

6. No.

7. No.

8. I heard that several people made contributions to Congressman Richmond's Campaign Committee and received reimbursement - mainly - Mr. Paul Benedetto and Mrs. Camelia Rodriguez by Mr. Gerard Jansen.

Dominick T. Aiello

8404043473

Attachment 2 - 1 of 2

82 SEP 3 A11:51

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Gerard Jansen? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Gerard Packing and Belting Company? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts?

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you?

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check made out to Congressman Richmond's campaign committee, or given by that person in blank form? If so, to whom were the checks given, and what did those persons receive in return?

8 4 0 1 0 4 4 3 4 7 4

Attachment 2 - 2 of 2

LAWMAKER'S FUNDS CLOUDED BY FLAWS

Discrepancies Found in Gifts to Rep. Richmond in 1978

By RALPH BLUMENTHAL

A pattern of discrepancies in the reporting of campaign contributions made to Representative Frederick W. Richmond of Brooklyn has emerged in an examination of official records and in interviews with listed givers and aides.

Some of the discrepancies concern thousands of dollars raised by a Brooklyn shipyard operator who got hundreds of millions of dollars in Navy repair contracts, often with Mr. Richmond's help.

In some cases the sources of contributions were said to have been disguised. One woman listed as a contributor said she was given $200 in cash in exchange for writing a check that was later reported by the campaign under her name. Other contributions were given in the names of wives, and erasures on campaign work sheets show the removal of some company affiliations.

Mr. Richmond, a 58-year-old four-term Democrat, turned down repeated requests for an interview. "There is nothing to respond to," said his spokesman, Michael Kahan.

The treasurer of Mr. Richmond's 1978 campaign for re-election said he had begun to suspect that contributions appearing to come from many small givers might really be from the shipyard operator, Charles Montanti, or several subcontractors — companies hired to share in the contract work. But the treasurer, Stephen E. Flyalco, said in an interview that when he tried to verify the sources of the contributions he was told by the campaign chairman to stop.

"The money was coming from people who were relatives of Mr. Montanti or associated with or doing business with him or doing work in the Brooklyn Navy Yard, and the Federal law says contractors can't give," Mr. Flyalco said.

He said his suspicions had also been aroused because many contributions seemed to come from employees of the same companies, associated with the shipyard operator, and because large contributions were listed as coming from people who were making meager livings.

Mr. Montanti, president of the Coastal Dry Dock and Repair Corporation in the former Brooklyn Navy Yard, denied any wrongdoing in connection with the campaign contributions.

To discourage improper influence of officeseekers by Government contractors, Federal election law prohibits anyone who does business with the Government from contributing "directly or indirectly" to political campaigns. However, individuals retain their constitutional right to support candidates and to urge others to do so. When complaints are filed, the Federal Election Commission decides whether the efforts were of a personal or business nature.

The election law also prohibits contributions from corporations and requires all contributions to be listed properly in the name of the giver. And it forbids any one person to give more than $1,000 in any one primary or general election.

Many of the shipyard subcontractors and others interviewed said they had given at the request of the shipyard operator because they believed it would help their businesses and create jobs. It is common for Congressmen to promote business and jobs in their districts.

$50,000 in Contributions

Mr. Montanti acknowledged that he had raised money for Mr. Richmond's races in 1978 and 1980. In all, executives of Coastal and shipyard subcontractors and members of the Montanti family are listed as contributing about $50,000 for Mr. Richmond's last two campaigns. Mr. Montanti credited the Congressman with helping him secure Navy repair contracts that have totaled more than $310 million since 1978.

He also acknowledged that he had raised money from subcontractors because, as he put it, "they got something out of it." In a later interview with his lawyer present, however, Mr. Montanti said he had approached the subcontractors on a "personal" basis as "friends."

The hard-fought 1978 primary campaign unfolded against a background of Mr. Richmond's admission in April that he had solicited a 16-year-old boy and an undercover policeman for sexual relations for pay in his Washington home. The misdemeanor morals charges were later dropped after Mr. Richmond agreed to undergo professional treatment.

Still, Mr. Richmond easily defeated his opponent, Bernard R. Gifford, a former deputy schools chancellor, outspending him nearly 4 to 1 through a $325,000 campaign chest principally financed out of Mr. Richmond's personal fortune, recently put at $4 million. The Representative's district includes the former Brooklyn Navy Yard, Brooklyn Heights and Williamsburg.

Second Case Investigated

In a different matter, Mr. Richmond is under investigation by the United States Attorney in Brooklyn in connection with recent findings by a Federal judge in St. Louis that he misused corporate and charitable funds for his political and personal benefit and filed false and misleading documents with the Securities and Exchange Commission. In that inquiry several executives of the Walco National Corporation, a timber machinery company long controlled by Mr. Richmond, have been called to appear before a grand jury, according to one person familiar with the proceedings. Mr. Richmond has denied any wrongdoing in the case.

The treasurer of Mr. Richmond's 1978 campaign, Mr. Flyalco, a 30-year-old former bookkeeper who worked for Mr. Richmond from 1974 until the end of 1979, was one of several campaign workers paid by Walco, in what the St. Louis judge called a transgression of the election law.

Since leaving Mr. Richmond's employ, Mr. Flyalco has been traveling on and off in Europe. He has not been called as a witness in the inquiry by the United States Attorney in Brooklyn.

In recounting his suspicions about the 1978 campaign contributions, Mr. Flyalco recalled that on several occasions he went to the Coastal shipyard offices to pick up checks that had been collected by Mr. Montanti.

To verify the sources, he said, he began telephoning some of the companies. He said he had found enough "inaccuracies" to warrant rechecks of some of the information.

Campaign Discussions Recalled

After he began telephoning companies for verification, Mr. Flyalco said he was told by Jack deSimone, chairman of the re-election committee and Walco's vice president for public affairs, to stop making the calls. Mr. deSimone said that account was untrue.

Mr. Flyalco also discussed his doubts with Mr. Richmond's Washington lawyer, Stanton D. Anderson. Mr. Flyalco said that Mr. Anderson had told him that since the treasurer had made good faith efforts to verify the source of the contributions, he could not be held responsible if any problem turned up later.

"I do recall the question of the bona fides of certain contributions," Mr. Anderson said, but he added, "It doesn't sound like the advice I would give in that context."

Mr. Flyalco never took his suspicions to anyone outside the campaign, he said, because he could not prove any wrongdoing. However, when approached by a reporter recently, he agreed to be interviewed about his role in the campaign.

Mr. Flyalco also said he had been disturbed by the mixing of fund-raising efforts and service to constituents. He said that on Sept. 4, 1979, Mr. deSimone asked him to provide the names of people he had assisted "in their dealings with the Federal Government" for the purpose of raising money for Fred politically." He said he had considered it unethical and had refused. Mr. deSimone also called this account untrue.

In interviews with about 100 contributors to Mr. Richmond's 1978 and 1980 campaigns, many discrepancies became apparent, some involving companies associated with the Coastal shipyard and others involving sources that remained unclear.

Switch in Funds Reported

One contributor was Anne J. Nixon Connack, L.I., housewife who listed on reporting forms filed with the Federal Election Commission as having given $200 on June 14, 1978 for a principal campaign fund-raising event. She said in response to questions that the money had not in fact been hers.

She said that a family friend, whom she declined to name, had asked her for personal reasons to write out a check for $200, leaving the name of the recipient blank, and that he had given her the cash in exchange.

It was only later, she said, when the canceled check came back that she was to her dismay that it had been made out to and cashed by the Citizens Committee for Fred Richmond.

"I'm a registered Republican," Mrs. Nixon said. "No way I would give that guy anything."

Asked the identity of the man who gave her the cash, she described him only as "a very good friend of mine who "works down on the docks."

In about 15 cases the identification of contributors' places of business were altered between the original work sheets — which still show the erasures — and the final versions filed with the Federal Election Commission. The original listings, which can still be discerned, show several companies associated with Coastal. Mr. Flyalco says he made the changes to make the reports more accurate, because his inquiries had

(MORE)

Attachment 1 — Page

Rep. Richmond's Campaign Funds Found Flawed

Cont'd.

The New York Times

Frederick W. Richmond

that the listed givers did not work for those companies. Interviews with the givers, however, show that some of the contributions did involve the companies originally noted.

Changes in Names on List

One $200 contributor, Victoria Nowicki, was at first listed as an employee of N.Y. Protective Covering Industries Inc. of Brooklyn. Mrs. Nowicki's husband, Anthony, said that although the $200 contribution had been listed in his wife's name, he had actually made it through their joint checking account.

He said that he worked as a supervisor at the insulation company, whose president is Thomas Montanti, a brother of the president of Coastal Dry Dock. Mr. Nowicki at first said he could not recall who had approached him to contribute, then he said "it just came out" in a conversation with Thomas Montanti.

Another listed contributor, Jean Pignatero, a housewife in Old Bethpage, L.I., who was also listed as having given $200 on June 14, 1978, said she did not recall having given. Asked whether she might have written a check in exchange for cash, she replied: "When you said something about a blank check and $200 in cash that rang a bell. I don't think we went for it, but somebody may have approached us."

The work sheet listing Mrs. Pignatero's contribution shows an erased entry in the category of principal place of business. At first it listed the Gerard Packing and Belting Corporation of Manhattan, a company that does business with Coastal. In the final version, Mrs. Pignatero was then identified as a housewife.

Gerard Jansen, the company president, was listed as having given his own contribution of $200. He initially denied that anyone from Coastal had solicited or discussed the contributions with him. Then he said: "They spoke to me, but I wasn't asked to do it. I chose to make a donation."

Asked whether he had asked his employees to give, he said, "I do not recall going to employees. If I did, what's the big deal?"

Two Refuse to Comment

Another altered notation involved Joseph A. Colandra, a $200 contributor. He is listed in the final campaign reports as the owner of the New Corner Restaurant; an original, erased notation listed his employer as the Shore Electric Company of Brooklyn, another subcontractor. Mr. Colandra and Stanley Lazar, president of Shore, both declined to comment.

Other contributors to Mr. Richmond's campaigns were business executives not associated with Coastal. Some said in interviews that Mr. Richmond had helped them in dealings with the Federal Government.

Howard Greenstein, president of the Carnivale Bag Company of Brooklyn, said Mr. Richmond had helped secure a $1 million Federal small-business loan for the company in 1978. "We contributed a certain amount ourself and tried to get a certain amount of suppliers to contribute," Mr. Greenstein recalled. "What we have been doing is asking our suppliers to help out. We feel if he gets elected, it's good for our business and gets some help for our area."

"It's an unwritten thing in the U.S. of A.," he said. "If a guy does you a favor, you've got to be stupid not to do what you can. The guy came through for the company."

In the 1980 campaign, too, filings show substantial contributions by subcontractors of Coastal Dry Dock.

Personal Checks Avoided

Harvey Van Zandt, president of C-O Two Sales and Service of Hoboken, N.J., a subcontractor, said that Mr. Montanti had asked him to contribute to the Richmond campaign and that in response Mr. Van Zandt had dropped off three Travelers Express checks in amounts of $250, $500 and $500 at Mr. Montanti's office last April. He said he had withdrawn the money from his personal account and had not used a personal check because his wife would have been displeased with the expenditure.

He was not pressured, Mr. Van Zandt said, but he added, "You'd be embarrassed if you didn't give."

"Supposedly he helps them get business," he said, referring to Mr. Richmond and Coastal. "That's the reason for the contribution."

Mr. Montanti said his fund-raising efforts for the Representative had been personal. But he acknowledged that his secretary at Coastal, Helen Carl, had been given the task of verifying the identities of some of the contributors he solicited. In an interview, she recalled that she would get calls from Mr. de Simone or Paulene Nunes, an executive secretary of Walco, to provide missing information.

Running lists of all contributions to the campaign were furnished to four Richmond advisers: Norman A. Levy, a former president of the New York City Tax Commission; Howard Hornstein, a member of the New York City Planning Commission; Carmine Parisi, now a cable television consultant, and Thomas G. Wyman, a wealthy investor and director of Walco.

Mr. Hornstein and Mr. Parisi denied knowing that Mr. Montanti had collected contributions. Mr. Levy and Mr. Wyman did not respond to calls.

Help From Richmond Recalled

Mr. Montanti was also said by a former senior staff member to have sent at least one check directly to Mr. Richmond in Washington, instead of to the campaign, in Brooklyn. Mr. Montanti denied that.

Former Richmond staff members said that Mr. Montanti had received personal assistance from the Congressman in preparing bids for Navy ship repair contracts. They said that his administrative assistants — first Carolyn Cheney and later her successor, Art Craig — had spoken to and had met often with a Navy procurement official, Robert M. Bates, who provided key information on upcoming ship repair contracts for bidding by Coastal Dry Dock.

Mr. Bates, executive assistant for private shipyard planning in the Naval Sea Systems Command, is a civilian Civil Service official with responsibilities for Navy repair contracts. He said in an interview that he had known Mr. Richmond for years, but he declined to say how they had met.

Officials of the Sea Systems Command said that it was normal procedure for such contacts to be reported to the command in writing but that no such notification had been received from Mr. Bates. Instead, according to a Navy statement, Mr. Bates reported orally to Rear Adm. John C. McArthur, deputy commander of the industrial and facilities management directorate of the Sea Systems Command.

The latest Navy ship awarded to Coastal is the Mira, an ammunition supply vessel budgeted for $20.8 million in repairs in fiscal 1982. A rival shipyard, Bethlehem in Hoboken, submitted a lower bid by several million dollars, but Navy spokesmen said that recent problems with some of Bethlehem's work had led them to award the job to the new higher bidder — not an uncommon occurrence, according to Navy officials and contractors.

Attachment 1 - 2

202-661

RECEIVED AT THE FEC

82 SEP 7 P5:18

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee) MUR 1436

ORDER TO SUBMIT WRITTEN ANSWERS

TO: Maryann Benedetto
26 E. Oxford Street
Valley Stream, N.Y. 11580

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within 15 days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 10th day of August, 1982.

Frank P. Reiche
Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Attachment

Attachment 2 - 1 of 2

8404043477

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Gerard Jansen? If so, please explain how you know him. Yes - my husband is a former employee of Mr Jansen's Company.

2. Do you know Charles Montanti? If so, please explain how you know him. no

3. Have you ever been employed by Gerard Packing and Belting Company? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held. no

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts? Yes - I believe in 1978, in sum of $200.00

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you? Yes. a personal check from Mr Jansen - some time in 1978.

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? not applicable

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? not applicable

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check made out to Congressman Richmond's campaign committee, or given by that person in blank form? If so, to whom were the checks given, and what did those persons receive in return? no.

8404043178

202631

RECEIVED AT THE FEC
6CCH8399
82 SEP 3 AM 11:51

DOMINICK T. AIELLO
9 BERNADETTE COURT
HICKSVILLE, NEW YORK 11801

1436

Federal Election Commission
Washington, D.C. 20463

August 31, 1982

82 SEP 3 P3:55

Reference: In the Matter of
Richmond Reelection Committee

1. Yes, I do know Gerard Jansen, I was employed by him.

2. Yes, I do know Charles Montanti. Customer of Gerard Packing & Belting Corp.

3. I was employed by Gerard Packing & Belting Corp. from 1961 to 1979 as General Manager and was directly responsible to Gerard Jansen.

4. Yes, I did contribute $200.00 to a campaign committee of Congressman Fred Richmond in June 1978.

5. Yes, I did receive a check as reimbursement for the check I made out to Congressman Richmond's Campaign committee from Gerard Jansen about a week later.

6. No.

7. No.

8. I heard that several people made contributions to Congressman Richmond's Campaign Committee and received reimbursement - mainly - Mr. Paul Benedetto and Mrs. Camelia Rodriguez by Mr. Gerard Jansen.

Dominick T. Aiello

8 4 0 0 4 4 3 4 7 9

Attachment 3 - 1 of 2

RECEIVED AT THE FEC

82 SEP 3 AM 11:51

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Gerard Jansen? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Gerard Packing and Belting Company? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts?

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you?

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check made out to Congressman Richmond's campaign committee, or given by that person in blank form? If so, to whom were the checks given, and what did those persons receive in return?

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Gerard Jansen
Gerard Packing and Belting Co.
97 Reade Street
New York, New York 10007

Re: MUR 1436

Dear Mr. Jansen:

On , 1982, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the campaign committee of U.S. Rep. Frederick Richmond in the names of other persons. 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.

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 conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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Attachment 4 - 1 of 8

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 Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

8 4 0 4 0 4 4 3 4 8 2

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No. 1436
STAFF MEMBER & TEL. NO.
Nancy B. Nathan
(202) 523-4073

RESPONDENT Gerard Jansen

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

The evidence available to the Office of General Counsel */ suggests that Gerard Jansen may have violated 2 U.S.C. § 441f in connection with certain contributions purportedly made in the names of others.

FACTUAL AND LEGAL ANALYSIS

Reports in The New York Times of January 18, 1982, describe evidence indicating that some contributions to the 1978 Richmond campaign committee may have been made by persons other than the persons listed as the contributors.

According to the Times article, the original work sheets of reports filed with the Commission bore obvious erasures of the original identification of contributors' places of business. Further, several individuals named in and interviewed for the article expressed surprise that they were listed as Richmond contributors, including Jean Pignataro, an employee of Gerard

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*/ Reports contained in The New York Times of January 18, 1982, are among the sources which have been consulted. In addition, statements made to the Commission by individuals who may have received reimbursement from Mr. Jansen for their contributions to the Richmond campaign committee formed a basis for the finding.

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Packing and Belting Corporation.

According to the Times article, Mr. Jansen reportedly did not deny seeking contributions from employees. Interrogatories submitted to some of those individuals (or members of their families) have yielded responses that appear to confirm Mr. Jansen's role in obtaining contributions from them and reimbursing them for those contributions. (See Attachments 1 and 2). The contributions were reported to the Commission by the Richmond campaign committee in the names of the reimbursed employees or family members.

It is recommended that the Commission find reason to believe that Gerard Jansen violated 2 U.S.C. § 441f by making contributions in the names of other persons to the 1978 Frederick Richmond campaign committee.

Attachments

9 4 0 4 0 4 4 3 4 9 4

202-661

RECEIVED AT THE FEC

82 SEP 7 P5:18

BEFORE THE FEDERAL ELECTION COMMISSION

82 SEP 8 A9:49

In the Matter of)
)
Richmond Reelection Committee) MUR 1436

ORDER TO SUBMIT WRITTEN ANSWERS

TO: Maryann Benedetto
26 E. Oxford Street
Valley Stream, N.Y. 11580

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within 15 days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 10th day of August, 1982.

Frank P. Reiche
Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Attachment

8404044349

Attachment 4 - 5 of 8

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Gerard Jansen? If so, please explain how you know him. Yes - my husband is a former employee of Mr Jansen's Company.

2. Do you know Charles Montanti? If so, please explain how you know him. no

3. Have you ever been employed by Gerard Packing and Belting Company? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held. no

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts? Yes - I believe in 1978, in sum of $200.00

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you? Yes. a personal check from Mr Jansen - some time in 1978.

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? not applicable

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? not applicable

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check made out to Congressman Richmond's campaign committee, or given by that person in blank form? If so, to whom were the checks given, and what did those persons receive in return? no.

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202631

RECEIVED AT THE FEC
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82 SEP 3 AM 11:51

DOMINICK T. AIELLO
9 BERNADETTE COURT
HICKSVILLE, NEW YORK 11801

1436

Federal Election Commission
Washington, D.C. 20463

August 31, 1982

82 SEP 3 P3:45

Reference: In the Matter of
Richmond Reelection Committee

1. Yes, I do know Gerard Jansen, I was employed by him.

2. Yes, I do know Charles Montanti. Customer of Gerard Packing & Belting Corp.

3. I was employed by Gerard Packing & Belting Corp. from 1961 to 1979 as General Manager and was directly responsible to Gerard Jansen.

4. Yes, I did contribute $200.00 to a campaign committee of Congressman Fred Richmond in June 1978.

5. Yes, I did receive a check as reimbursement for the check I made out to Congressman Richmond's Campaign committee from Gerard Jansen about a week later.

6. No.

7. No.

8. I heard that several people made contributions to Congressman Richmond's Campaign Committee and received reimbursement - mainly - Mr. Paul Benedetto and Mrs. Camelia Rodriguez by Mr. Gerard Jansen.

Dominick T. Aiello

8 4 0 0 4 4 3 4 3 7

Attachment 4- 7 of 8

RECEIVED AT THE FEC

82 SEP 3 A11:51

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Gerard Jansen? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Gerard Packing and Belting Company? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts?

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you?

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7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check made out to Congressman Richmond's campaign committee, or given by that person in blank form? If so, to whom were the checks given, and what did those persons receive in return?

8 4 0 4 0 4 4 3 4 3 8

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dominick T. Aiello
9 Bernadette Court
Hicksville, N.Y. 11801

Re: MUR 1436

Dear Mr. Aiello:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on , 1982, at , has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. You will be given a check at the time of your deposition.

8 4 0 4 0 4 4 3 4 3 9

Attachment 5 - 1 of 16

Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition

8 4 0 4 0 4 4 3 4 9 0

Attachment 5 - 20/16

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Dominick T. Aiello

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at , New York, at on , 1982, and any and all dates adjourned to by the Commission.

8 1 0 4 0 4 4 3 4 9 1

Attachment 5 - 3 of 6

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this day of , 1982.

Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Maryann Benedetto
26 E. Oxford Street
Valley Stream, N.Y. 11580

Re: MUR 1436

Dear Ms. Benedetto:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on , 1982, at , has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. You will be given a check at the time of your deposition.

8 4 0 4 0 4 4 3 4 9 3

Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition

3 4 0 4 0 4 4 3 4 9 4

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral
Examination and to Produce Documents

TO: Maryann Benedetto

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at

, New York, at

on , 1982, and any and all dates adjourned to by the Commission.

8 4 0 4 0 4 4 3 4 2 5

Attachment 5 - 7 of 16

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this day of , 1982.

Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

3 4 0 4 1 0 4 4 3 4 9 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Walter Haskell, Jr.
c/o Gerard Packing Co.
97 Reade Street
New York, New York 10007

Re: MUR 1436

Dear Mr. Haskell:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on , 1982, at , has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. You will be given a check at the time of your deposition.

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Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition

8 4 0 4 0 4 4 3 4 9 8

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Walter Haskell, Jr.

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at , New York, at on , 1982, and any and all dates adjourned to by the Commission.

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Attachment 5 - 11 of 16

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this day of , 1982.

Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Frank Caffrey
12 Grance Park Road
Commack, New York 11755

Re: MUR 1436

Dear Mr. Caffrey:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on , 1982, at , has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. You will be given a check at the time of your deposition.

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Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition

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UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Frank Caffrey

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at

, New York, at

on , 1982, and any and all dates adjourned to by the Commission.

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Attachment 5-150/16

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this day of , 1982.

Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

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Attachment 5 - 16 of 14

HAND DELIVERED

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RECEIVED AT THE FEC
Gcc# 8489
82 SEP 17 P1:46

ROBERT ALLAN MUIR JR.
ATTORNEY AT LAW
THE ST. GEORGE
PROFESSIONAL BUILDING
61 CENTRAL AVENUE
STATEN ISLAND, N.Y. 10301
AREA CODE 212 981-6800

82 SEP 17 P4:09

September 15, 1982

Nancy B. Nathan, Esq.
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: CALCULATION OF REIMBURSEMENTS
BY RICHMOND CAMPAIGN COMMITTEES
TO WALCO NATIONAL CORPORATION

Dear Ms. Nathan:

Enclosed herewith please find signed original of Calculation of reimbursements by Richmond Campaign Committees to Walco National Corporation.

Should you have any questions regarding the above captioned matter please do not hesitate to contact this office.

Thanking you in advance, I remain.

Very truly yours,

ROBERT ALLAN MUIR, JR.

RAM:bas
Enclosure

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HAND DELIVERED

RECEIVED AT THE FEC

82 SEP 17 P 1:46

August , 1982

Nancy B. Nathan, Esquire
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 1436 - Calculation of Reimbursements by Richmond Campaign Committees to Walco National Corporation

Dear Ms. Nathan:

At the meeting of May 19, 1982, you requested that Walco National Corporation ("Walco") and the Treasurer of the Richmond campaign committees jointly detail the underlying calculations for the amount of $12,625.49 reimbursed by the Richmond campaign committees to Walco on March 3, 1982 */ for the use of Walco employees and facilities during past years.

The methodology employed in the calculations is the one discussed in the meeting held in your offices on February 22, 1982. At that time the campaign committees had calculated the amount of reimbursement to Walco for use of facilities and employees during 1981. Since the campaign committees intended to reimburse Walco for the prior years as well, the meeting was requested to ascertain if the methodology utilized for 1981 was acceptable. Since at the meeting the F.E.C. had no objection to, and indeed seemed to approve of, the methodology used for 1981, calculations for the prior years were made in the same manner as that for 1981. Before addressing each of these five years, the following general points should be made about the methods of calculation employed for all years.

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*/ As the date indicates, the campaign committees reimbursed Walco prior to receipt of the letter dated April 22, 1982 from the Federal Election Commission indicating that an investigation had been commenced.

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First, each available Walco employee who had performed services for the Richmond campaign committees */ was asked to go back and calculate his/her time spent on campaign committee activities in the form of a minimum to maximum range. We discovered that the bulk of the time was spent at the time of the fundraisers. For purposes of calculating the amount the campaign committees had to reimburse Walco for employee time, the maximum estimate of time was used in all instances.

Three former Walco employees who performed services for the campaign committees, Paul Malloff, Leslie Peters, and Stephen Fiyalko, were unavailable to reconstruct their time spent on campaign committee activities. Therefore, their time was calculated by interviewing those individuals who worked closely with them. The services contributed by Mr. Malloff, an accountant who passed away in 1978, were limited to a few hours in the completion of the 1976 F.E.C. reports. 1978 was the only year that Leslie Peters performed campaign services while employed by Walco. Stephen Fiyalko left Walco's employ in November, 1979. You will note that to make certain that all of Mr. Fiyalko's campaign time was reimbursed we have used figures in the higher range of estimates in calculating his campaign service hours.

Once we had calculated the fundraising time for each Walco employee, we determined the amount to be reimbursed to Walco for the value of employees'time spent on campaign services. Pursuant to 11 C.F.R. § 114.1(a)(3)(i), an offsetting adjustment was made for each employee's "make-up" time. This is the only offsetting adjustment made. For example, we did not deduct the safe-harbor for incidental use of corporate facilities of one hour per week or four hours per month per employee, as provided in 11 C.F.R. § 114.9(a)(1)(iii). You will note that, in most cases, the individual's make-up time exceeds his/her time spent on campaign activities -- in which case no reimbursement was owed to Walco for the employee's services.

We did, however, reimburse Walco for the employees' use of its facilities in connection with campaign services, without regard to employee make-up time. Thus, even where employees'

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*/ Those employees include Jack deSimone, Pauline Nunen, Carmen Agnes, and Beatriz S. Mirich.

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make-up time exceeded the time spent on campaign services, Walco was reimbursed in full for use of its facilities.

If more than one Richmond campaign committee existed in a year, the amount to be reimbursed was divided between committees pro-rata to the amount of contributions received per committee relative to the total contributions received by both committees.

Finally, the calculations distinguish between "accounting services," for which the committees are not obligated to reimburse Walco, 11 C.F.R. § 114.1(a)(2), and all other "campaign services." Accounting services has been construed narrowly to include time for F.E.C. reports and maintenance of books and records necessary for reporting and accounting purposes only. Not included in "accounting services" is the maintenance of any records utilized for purposes in addition to F.E.C. reporting and accounting purposes. For example, maintenance of records concerning "contributors" used for fundraising purposes as well as for F.E.C. reports is not included in the category of accounting services. Thus time spent in the acquisition of a contributor's address or place of employment is included in the category of "campaign services" even though this information is acquired because it is required by the F.E.C. As you have indicated and as provided in 11 C.F.R. § 114.1(a)(2)(vii), we need not include as a reimbursable item the Walco employees' accounting services and that portion of the Walco facilities used for accounting services.

With these few points as background, the following 28 pages summarize the calculations for the amounts reimbursed to Walco by the campaign committees for years 1976-1981.

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CODE

JdS	=	Jack deSimone
PN	=	Pauline Nunen
CA	=	Carmen Agnes
BSM	=	Beatriz S. Mirich
SF	=	Stephen Fiyalko
LP	=	Leslie Peters
PM	=	Paul Malloff

CS	=	Non-accounting Campaign Services
AS	=	Accounting Services

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I. 1976

The following chart indicates the number of hours spent in 1976 by Walco employees rendering campaign and accounting services and the number of make-up hours worked per Walco employee:

	CS	AS	MAKE-UP HOURS
JdS	80	0	3 hrs./day
PN	160	30	5 hrs./wk.
CA	0	0	0
BSM	0	0	5 hrs./wk.
SF	100	125	3 hrs./wk.
LP	Not employed in 1976	Not employed in 1976	
PM	0	5	0
Total	340	160	

A. Reimbursement for 1976 Campaign Services Rendered by Walco Employees

As the above chart indicates, JdS, PN, and SF were the only Walco employees who rendered non-accounting, campaign services in 1976. However, since each of their make-up time exceeds their time spent on campaign activities, no reimbursement is owed to Walco for their 1976 campaign services.

B. Reimbursement for 1976 Use of Walco Facilities for Campaign Services

Even though the employees made up their time spent in 1976 on campaign services, the Richmond campaign committees have reimbursed Walco for the employees' use of the facilities for campaign services.

Where the use of facilities related directly to the number of campaign hours rendered by Walco employees, the amount reimbursed to Walco was calculated by multiplying the total cost of the facilities used by the three employees (JdS, PN, and SF) times the fraction of campaign hours over the three employees' total hours.

For 1976, the fraction of the three employees' campaign hours to their total hours was calculated as follows:

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	JdS	PN	SF	Total	
CS Hours:	80	160	100	340	
					= 6.6%
Total Hours:	1680*/	1750**/	1715***/	5145	

This fraction was used to determine the amount owed by the Richmond campaign committees to Walco for the use of Walco space, electricity, telephone, photocopying, equipment, and furniture.

1. Rent

The 1976 rent for the two and one-half floors of the Walco facilities located at 743 Fifth Avenue was $26,500. In 1976 JdS, PN and SF collectively occupied at most one-half of a floor, i.e. $5,300. To calculate the rental cost of the facilities used for campaign activities, this amount was multiplied by the fraction of campaign hours to total hours (6.6%):

	$5,300.00	
	x .066	
		$349.80

2. Electricity

Total 1976 cost of electricity for seventh floor:	$1,963.90	
Multiplied by the percentage of floor occupied by JdS, PN, and SF:	x .50	

*/ 48 weeks at 35 hours a week.

**/ 50 weeks at 35 hours a week.

***/ 49 weeks at 35 hours a week.

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Multiplied by the fraction of the employees' campaign hours to total hours:	x .066	$ 64.81

3. Telephone

Total 1976 cost of telephone:	$2,616.90	
Multiplied by the fraction of campaign hours to total hours:	x .066	$172.72

4. Photocopying

Total 1976 Walco photocopying costs:	$2,485.28	
Multiplied by the fraction of number of campaign employees using photocopying equipment (3) over the total number of Walco employees using the photocopying equipment (14):	x .214	
Multiplied by the fraction of the employees' campaign hours to total hours:	x .066	$ 35.10

5. Equipment/Furniture

Total 1976 equipment/furniture costs:	$5,000.00*/	
Multiplied by the fraction of the employees' campaign hours to total hours:	x .066	$330.00

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*/ $25,000 estimated value of equipment and furniture depreciated over five years.

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Where the cost was not dependent on the amount of time spent by the Walco employees, the actual costs were employed:

6. Stationery $200.00*/

7. Deliveries

20% of total cost of deliveries ($491.45): $ 98.29**/

TOTAL 1976 REIMBURSABLE COSTS FOR USE OF WALCO FACILITIES: $1,250.72

C. 1976 Accounting Services ("AS")

	AS Hrs.	Total Hrs.	AS Hrs./ Total Hrs.	Total Salary***/	Cost of AS
PN	30	1750	.017	$18,725.18	$ 321.00
SF	125	1715	.073	$13,113.08	$ 955.76
PM	5	1645	.003	$56,847.01	$ 169.18

*/ The Richmond campaign committees paid for their own pre-printed stationery and postage. Therefore, the $200.00 includes only miscellaneous use of Walco pens, pads, and paperclips.

**/ A review of the delivery records indicated that in no case did the total deliveries for campaign activities exceed 20%; therefore 20% was used in calculating the delivery amount for all years.

***/ The total salary figures include the following:

	PN	SF	PM
Gross Salary	$16,209.23	$11,340.00	$50,865.46
Employer Social Security Taxes	895.05	639.08	895.05
Benefits	1,620.90	1,134.00	5,086.50
Total	$18,725.18	$13,113.08	$56,847.01

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TOTAL 1976 COST OF ACCOUNTING SERVICES RENDERED: $1,445.94

The $1,445.94 in accounting services need not be reimbursed to Walco pursuant to 11 C.F.R. § 114.1(a)(2)(vii). Therefore, $1,250.72 is the total amount reimbursed to Walco for the 1976 use of Walco employees and facilities.

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II. 1977

In 1977, a non-election year, there were no campaign services rendered by Walco employees. Therefore, no reimbursement is owed to Walco for 1977.

SF rendered 10 accounting service hours to complete the F.E.C. reports, for a total of $91.06 in accounting services rendered, calculated as follows:

	AS Hrs.	Total Hrs.	AS Hrs./ Total Hrs.	Total Salary	Cost of AS
SF	10	1715 */	.0058	$15,616.48 **/	$91.06

*/ 49 weeks at 35 hours per week.

**/ SF's total salary figure includes the following:

Gross Salary	$13,510.00
Employer Social Security Taxes	755.48
Benefits	1,351.00
Total	$15,616.48

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III. 1978

The following chart indicates the number of hours spent in 1978 by Walco employees rendering campaign and accounting services and the number of make-up hours worked per Walco employee:

	CS	AS	MAKE-UP HOURS
JdS	80	0	3 hrs./day
PN	160	30	5 hrs./wk.
CA	0	0	0
BSM	0	0	5 hrs./wk.
SF	400	125	3 hrs./wk.
LP	60	0	0
Total	700	155	

A. Reimbursement for 1978 Campaign Services Rendered by Walco Employees

As the above chart indicates, JdS, PN, SF, and LP were the only Walco employees who rendered non-accounting, campaign services in 1978. However, because JdS's and PN's make-up time exceeds their time spent on campaign activities, no reimbursement is owed to Walco for their campaign services.

Since SF worked at most 400 hours and made up at least 150 of those hours, there are at most 250 SF campaign hours to be reimbursed to Walco in 1978:

$$\frac{\text{SF's excess CS hours}}{\text{SF's total Walco hours}} = \frac{250}{1722^{*/}} = 14.51\%$$

multiplied by SF's 1978 Walco salary of $19,960.60**/ = $2,896.28

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*/ 49.2 weeks at 35 hours a week.

**/ $19,960.60 includes: $17,200.00 gross salary, $1,040.60 employer's social security tax payments, and $1,720.00 in benefits.

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To our knowledge, LP had no Walco make-up time. Therefore, all LP time spent on campaign activities must be reimbursed to Walco:

$$\frac{\text{LP's CS hours}}{\text{LP's total Walco hours}} = \frac{60}{1296.75\text{*/}} = 4.6\%$$

multiplied by LP's 1978 Walco salary of $9,404.62**/ = $ 432.61

TOTAL 1978 REIMBURSEMENT FOR CAMPAIGN SERVICES RENDERED BY WALCO EMPLOYEES: $3,328.89

B. Reimbursement for 1978 Use of Walco Facilities for Campaign Services

For 1978, the fraction of the four employees' campaign hours to their total hours was calculated as follows:

	JdS	PN	SF	LP	Total	
CS Hours:	80	160	400	60	700	
Total Hours:	1715	1715	1722	1296.75	6448.75	= 10.9%

This fraction was used to determine the amount owed by the Richmond campaign committees to Walco for the 1978 use of Walco space, electricity, telephone, photocopying, equipment, and furniture.

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*/ In 1978, LP was only employed by Walco for 45 weeks (21 weeks at 21.75 hours per week, 24 weeks at 35 hours per week).

**/ $9,404.62 includes: $8,130 gross salary, $461.62 employer social security tax payments, and $813 in benefits.

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1. Rents

The 1978 rent for the entire seventh floor of the Walco facilities located at 743 Fifth Avenue was $11,833.37. JdS, PN, LP, and CA occupied one-third of the seventh floor. SF occupied an additional small room. Therefore, JdS, PN, LP, CA and SF collectively occupied at most 45% of a floor, i.e. $5,325.02. To calculate the rental cost of the facilities used for campaign activities, this amount was multiplied by the fraction of campaign hours to total hours (10.9%):

	$5,325.02	
	x .109	
		$580.43

2. Electricity

Total 1978 cost of electricty for seventh floor:	$1,963.90	
Multiplied by the percentage of floor occupied by JdS, PN, LP, CA, and SF:	x .45	
Multiplied by the fraction of the employees' campaign hours to total hours:	x .109	
		$ 96.33

3. Telephone

Total 1978 cost of telephone:	$2,429.18	
Multiplied by the fraction of campaign hours to total hours:	x .109	
		$264.78

4. Photocopying

Total 1978 Walco photocopying costs:	$3,124.30	
Multiplied by the fraction of the number of campaign employees using photocopying equipment		

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(5) over the total number of Walco employees using the photocopying equipment (16):	x .313	
Multiplied by the fraction of the employees' campaign hours to total hours:	x .109	$106.59

5. Equipment/Furniture

Total 1978 equipment/furniture costs:	$5,000.00*/	
Multiplied by the fraction of the employees' campaign hours to total hours:	x .109	$545.00

6. Stationery $200.00**/

7. Deliveries

20% of total cost of deliveries ($491.45): $ 98.29***/

TOTAL 1978 REIMBURSABLE COSTS FOR USE OF WALCO FACILITIES: $1,891.42

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*/ $25,000 estimated value of equipment and furniture depreciated over five years.

**/ The Richmond campaign committees paid for their own pre-printed stationery. Therefore, the $200.00 only includes miscellaneous use of Walco pens, pads, and paperclips.

***/ A review of the delivery records indicated that approximately 20% of the total deliveries were for campaign activities.

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C. 1978 Accounting Services ("AS")

	AS Hrs.	Total Hrs.	AS Hrs./ Total Hrs.	Total Salary*/	Cost of AS
PN	30	1715	.017	$22,476.85	$ 393.18
SF	125	1722	.072	$19,960.60	$1,448.94

TOTAL 1978 COST OF ACCOUNTING SERVICES RENDERED: $1,842.12

The $1,842.12 in accounting services need not be reimbursed to Walco pursuant to 11 C.F.R. § 114.1(a)(2)(vii). Therefore, the total amount reimbursed to Walco for the 1978 use of its employees and facilities is $5,220.31.

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*/ The total salary figures include the following:

	PN	SF
Gross Salary	$19,460.00	$17,200.00
Employer Social Security Taxes	1,070.85	1,040.60
Benefits	1,946.00	1,720.00
Total	$22,476.85	$19,960.60

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IV. 1979

The following chart indicates the number of hours spent in 1979 by Walco employees rendering campaign and accounting services and the number of make-up hours worked per Walco employee:

	CS	AS	MAKE-UP
JdS	80	0	3 hrs./day
PN	150	20	5 hrs./wk.
CA	40	0	2 hrs./wk.
BSM	0	0	5 hrs./wk.
SF	76.5	60	3 hrs./wk.
Total	346.50	80	

A. Reimbursement for 1979 Campaign Services Rendered by Walco Employees

As the above chart indicates, JdS, PN, CA, and SF rendered non-accounting, campaign services in 1979. However, since each of their make-up time exceeds their time spent on campaign activities, no reimbursement is owed to Walco for the 1979 campaign services. Given that 1979 was not an election year, the 1979 hour figures we used are probably higher than the actual hours spent by Walco employees on campaign activities.

B. Reimbursement for 1979 Use of Walco Facilities for Campaign Services

Even though the employees made up their time spent in 1979 on campaign services, the Richmond campaign committees have reimbursed Walco for the employees' use of the facilities for campaign services.

For 1979, the fraction of the four employees' campaign hours to their total hours was calculated as follows:

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	JdS	PN	CA	SF	Total
CS Hours:	80	150	40	76.5	346.5
Total Hours:	1750 */	1715 **/	770 ***/	1540 ****/	5775

= 6.0%

This fraction was used to determine the amount owed by the Richmond campaign committee to Walco for the 1979 use of Walco space, electricity, telephone, photocopying, equipment, and furniture.

1. Rent

The 1979 rent for the entire seventh floor of the Walco facilities located at 743 Fifth Avenue was $12,400.04. JdS, PN, and CA occupied one-third of the seventh floor. SF occupied an additional small room. Therefore, JdS, PN, CA and SF collectively occupied at most 45% of a floor, i.e. $5,580.02. To calculate the rental cost of the facilities used for campaign activities, this amount is multiplied by the fraction of campaign hours to total hours (6.0%):

$5,580.02
x .06
$334.80

---

*/ 50 weeks at 35 hours per week.

**/ 49 weeks at 35 hours per week.

***/ CA rejoined the Walco payroll on June 1, 1979 and took 4 weeks vacation. Therefore, in 1979 CA worked 26 weeks at 35 hours a week.

****/ In 1979, SF worked for Walco 11 months less 4 weeks vacation.

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2. Electricity

Total 1979 cost of electricty for seventh floor:	$1,523.54	
Multiplied by the percentage of floor occupied by JdS, PN, CA, and SF:	x .45	
Multiplied by the fraction of the employees' campaign hours to total hours:	x .06	$ 41.14

3. Telephone

Total 1979 cost of telephone:	$2,203.17	
Multiplied by the fraction of campaign hours to total hours:	x .06	$132.19

4. Photocopying

Total 1979 Walco photocopying costs:	$1,383.02	
Multiplied by the fraction of the number of campaign employees using the photocopying equipment (4) over the total number of Walco employees using the photocopying equipment (15):	x .267	
Multiplied by the fraction of the employees' campaign hours to total hours:	x .06	$ 22.16

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5. Equipment/Furniture

a.	Total 1979 equipment/furniture costs:	$5,000.00*/	
	Multiplied by the fraction of the employees' campaign hours to total hours:	x .06	$300.00
b.	Rental of electric typewriter:	$ 730.26	
	Multiplied by the fraction of employees' campaign hours to total hours:	x .06	$ 43.82
	6. Stationery		$200.00**/
	7. Deliveries		
	20% of total cost of deliveries ($163.65):		$ 32.73***/
	TOTAL 1979 REIMBURSABLE COSTS FOR USE OF WALCO FACILITIES:		$1,106.84

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*/ $25,000 estimated value of equipment and furniture depreciated over five years.

**/ The Richmond campaign committees paid for their own preprinted stationery. Therefore, the $200.00 only includes miscellaneous use of Walco pens, pads, and paperclips.

***/ A review of the delivery records indicated that approximately 20% of the total deliveries were for campaign activities.

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C. 1979 Accounting Services ("AS")

	AS Hrs.	Total Hrs.	AS Hrs./ Total Hrs.	Total Salary*/	Cost of AS
PN	20	1715	.012	$25,780.86	$ 300.65
SF	60	1540	.039	$21,271.39	$ 828.76

TOTAL 1979 COST OF ACCOUNTING SERVICES RENDERED: $1,129.41

The $1,129.41 in accounting services need not be reimbursed to Walco pursuant to 11 C.F.R. § 114.1(a)(2)(vii).Therefore, the total amount reimbursed to Walco for the 1979 use of its employees and facilities is $1,106.84.

---

*/ The total salary figures include the following:

	PN	SF
Gross Salary	$22,200.00	$18,316.67
Employer Social Security Taxes	1,360.86	1,123.05
Benefits	2,220.00	1,831.67
Total	$25,780.86	$21,271.39

V. 1980

The following chart indicates the number of hours spent in 1980 by Walco employees rendering campaign and accounting services and the number of make-up hours worked per Walco employee:

	CS	AS	MAKE-UP HOURS
JDS	95	0	3 hrs./day
PN	160	100	5 hrs./wk.
CA	175	0	2 hrs./wk.
Total	430	100	

A. Reimbursement for 1980 Campaign Services Rendered by Walco Employees

As the above chart indicates, JdS, PN, and CA were the only Walco employees who rendered non-accounting, campaign services in 1980. Since JdS's and PN's make-up time exceeds their time spent on campaign activities, no reimbursement is owed to Walco for their 1980 campaign services.

CA's hours spent on campaign activities exceed her make-up hours by 77 hours, for which Walco was reimbursed $940.23, calculated as follows:

$$\frac{\text{CA's excess CS hrs.}}{\text{CA's total Walco hrs.}} = \frac{77}{1750\ */} = 4.4\%$$

multiplied by CA's 1980 Walco salary of $20,689.78**/ = $ 910.35

TOTAL 1980 REIMBURSEMENT FOR CAMPAIGN SERVICES RENDERED BY WALCO EMPLOYEES: $ 910.35

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*/ 50 weeks at 35 hours per week.

**/ $20,689.78 includes: $17,816.00 gross salary, $1,092.18 employer's social security benefits, and $1,781.60 in benefits.

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B. Reimbursement for 1980 Use of Walco Facilities for Campaign Services

Even though most of the Walco employees made up their time spent in 1980 on campaign services, the Richmond campaign committees have reimbursed Walco for the employees' use of the facilities.

For 1980, the fraction of the employees' campaign hours to their total hours was calculated as follows:

	JdS	PN	CA	Total	
CS Hours:	95	160	175	430	
					= 8.2%
Total Hours:	1715 */	1750 **/	1750 **/	5215	

This fraction was used to determine the amount owed by the Richmond campaign committees to Walco for the 1980 use of Walco space, electricity, telephone, photocopying, equipment, and furniture.

1. Rent

The 1980 rent for the entire seventh floor of the Walco facilities located at 743 Fifth Avenue was $13,416.70. JdS, PN, and CA occupied one-third of the seventh floor, i.e. $4,472.23. To calculated the 1980 rental cost of the facilities used for campaign activities, this amount was multiplied by the fraction of campaign hours to total hours (8.2%):

*/ 49 weeks at 35 hours per week.

**/ 50 weeks at 35 hours per week.

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	$4,472.23	
	x .082	$366.72

2. Electricity

Total 1980 cost of electricity for seventh floor:	$1,408.23	
Multiplied by the percentage of floor occupied by JdS, PN, CA, and SF:	x .33	
Multiplied by the fraction of the employees' campaign hours to total hours:	x .082	$ 38.11

3. Telephone

Total 1980 cost of telephone:	$2,158.88	
Multiplied by the fraction of campaign hours to total hours:	x .082	$177.03

4. Photocopying

Total 1980 Walco photocopying costs:	$1,263.78	
Multiplied by the fraction of number of campaign employees using photocopying equipment (3) over the total number of Walco employees using the photocopying equipment (14):	x .214	
Multiplied by the fraction of the employees' campaign hours to total hours:	x .082	$ 22.18

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5. Equipment/Furniture

a.	Total 1980 equipment/furniture costs:	$5,000.00*/	
	Multiplied by the fraction of the employees' campaign hours to total hours:	x .082	$410.00
b.	Total 1980 equipment rental costs:	$4,416.84	
	Multiplied by the fraction of the employees' campaign hours to total hours:	x .082	$362.18

6. Stationery $200.00**/

7. Deliveries

20% of total cost of 1980 deliveries ($315.80): $ 63.16 ***/

TOTAL 1980 REIMBURSABLE COSTS FOR USE OF WALCO FACILITIES: $1,639.38

---

*/ $25,000 estimated value of equipment and furniture depreciated over five years.

**/ The Richmond campaign committees paid for their own pre-printed stationery. Therefore, the $200.00 only includes miscellaneous use of Walco pens, pads, and paperclips.

***/ A review of the delivery records indicated that approximately 20% of the total deliveries were for campaign activities.

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C. 1980 Accounting Services ("AS")

	AS Hrs.	Total Hrs.	AS Hrs./ Total Hrs.	Total Salary*/	Cost of AS
PN	100	1750 **/	.057	$31,155.67	$1,780.32

TOTAL 1980 COST OF ACCOUNTING SERVICES RENDERED: $1,780.32

The $1,780.32 in accounting services need not be reimbursed to Walco pursuant to 11 C.F.R. § 114.1(a)(2)(vii). Therefore, the total amount reimbursed to Walco for the 1980 use of employees and facilities is $2,549.73.

---

*/ PN's total salary figures includes the following:

Gross Salary	$26,880.00
Employer Social Security Taxes	1,587.67
Benefits	2,688.00
Total	$31,155.67

**/ 50 weeks at 35 hours per week.

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VI. 1981

The following chart indicates the number of hours spent in 1981 by Walco employees rendering campaign and accounting services and the number of make-up hours worked per Walco employee:

	CS	AS	MAKE-UP HOURS Jan. 1-Nov. 9	MAKE-UP HOURS Nov. 10-Dec. 31
JdS	95	0	3 hrs./day	6 hrs./day
PN	165	60	5 hrs./wk.	3 hrs./day
CA	175	0	2 hrs./wk.	1 hr./day
BSM	0	12	5 hrs./wk.	3 hrs./day
Total	435	72		

A. Reimbursement for 1981 Campaign Services Rendered by Walco Employees

As the above chart indicates, JdS, PN, and CA rendered non-accounting, campaign services in 1981 to the campaign committees. Of the three, only CA's make-up time is less than her time spent on campaign activities. CA worked 175 CS hours and made up 122 of these hours, i.e., an excess of 53 CS hours, totaling $691.86, calculated as follows:

$$\frac{\text{CA's excess CS hours}}{\text{CA's total Walco hours}} = \frac{53}{1715} = 3.09\%$$

multiplied by CA's 1981 Walco salary of $22,390.26*/ = $ 691.86

TOTAL 1981 REIMBURSEMENT FOR CAMPAIGN SERVICES RENDERED BY WALCO EMPLOYEES: $ 691.86

---

*/ $22,390.26 includes: $19,256.12 gross salary, $1,208.53 employer's social security tax payments, and $1,925.61 in benefits.

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B. Reimbursement for 1981 Use of Walco Facilities for Campaign Services

For 1981 the fraction of the three employees' campaign hours to their total hours was calculated as follows:

	JdS	PN	CA	Total	
CS Hours	95	165	175	435	
					= 8.34%
Total Hours	1820	1680	1715	5215	

This fraction was used to determine the amount owed by the Richmond campaign committees to Walco for the 1981 use of Walco space, electricity, telephone, photocopying, equipment, and furniture.

1. Rent

The 1981 rent for the entire seventh floor of the Walco facilities located at 743 Fifth Avenue was $18,000. JdS, PN, and CA occupied one-third of the seventh floor, i.e., $6,000. To calculate the rental cost of the facilities used for campaign activities, this amount was multiplied by the fraction of campaign hours to total hours (8.34%):

	$6,000.00	
	x .0834	
		$500.40

2. Electricity

Total 1981 cost of electricity for seventh floor:	$2,005.21	
Multiplied by the percentage of floor occupied by JdS, PN, and CA:	x .33	
Multiplied by the fraction of the employees' campaign hours to total hours:	x .0834	
		$ 55.19

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3. Telephone

Total 1981 cost of telephone:	$3,021.19	
Multiplied by the fraction of campaign hours to total hours:	x .0834	$251.97

4. Photocopying

Total 1981 Walco photocopying costs:	$5,977.08	
Multiplied by the fraction of the number of campaign employees using photocopying equipment (3) over the total number of Walco employees using the photocopying equipment (14):	x .214	
Multiplied by the fraction of the employees' campaign hours to total hours:	x .0834	$106.68

5. Equipment/Furniture

Total 1981 equipment/furniture costs:	$5,000.00*/	
Multiplied by the fraction of the employees' campaign hours to total hours:	x .0834	$417.00

---

*/ $25,000 estimated value of equipment and furniture depreciated over five years.

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6. Stationery $200.00*/

7. Deliveries

20% of total cost of deliveries: $107.60 **/

TOTAL 1981 REIMBURSABLE COSTS FOR USE OF WALCO FACILITIES: $1,638.84

C. 1981 Accounting Services ("AS")

	AS Hrs.	Total Hrs.	AS Hrs./ Total Hrs.	Total Salary***/	Cost of AS
PN	60	1680	.0357	$32,088.08	$1,145.54
BSM	12	1715	.0070	$45,583.10	$ 319.08

TOTAL 1981 COST OF ACCOUNTING SERVICES RENDERED: $1,464.62

The $1,464.62 in accounting services need not be reimbursed to Walco pursuant to 11 C.F.R. § 114.1(a)(2)(vii). Therefore,

---

*/ The Richmond campaign committees paid for their own preprinted stationery. Therefore, the $200.00 includes only miscellaneous use of Walco pens, pads, and paperclips.

**/ A review of the delivery records indicated that approximately 20% of the total deliveries were for campaign activities.

***/ The total salary figures include the following:

	PN	BSM
Gross Salary	$27,508.00	$39,643.68
Employer Social Security Taxes	1,829.28	1,975.05
Benefits	2,750.80	3,964.37
Total	$32,088.08	$45,583.10

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the total amount reimbursed to Walco for the 1981 use of employees and facilities is $2,330.70.

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SUMMARY OF AMOUNTS

REIMBURSABLE TO WALCO AND OF

ACCOUNTING SERVICES CONTRIBUTED BY

WALCO EMPLOYEES FOR YEARS 1976 - 1981

Year	Reimbursement for CS of Walco Employees	+	Reimbursement for Use of Facilities	=	Total Reimbursement For Use Of Employees And Facilities	Accounting Services
1976	0		$ 1,250.72		$ 1,250.72	$1,445.94
1977	0		0		0	$ 91.06
1978	$3,328.89		$1,891.42		$5,220.31	$1,842.12
1979	0		$1,106.84		$1,106.84	$1,129.41
1980	$ 910.35		$1,639.38		$2,549.73	$1,780.32
1981	$ 691.86		$1,638.84		$2,330.70	$1,464.62
	$4,931.10		$7,527.20		$12,458.30	$7,753.47

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You will note that the Richmond campaign committees have reimbursed Walco $167.19 in excess of the amount required. This overpayment was caused by a mathematical error, which we discovered in the process of reviewing the calculations for this memorandum.

Please let us know if we can be of further assistance in explaining these calculations.

Sincerely,

Robert A. Muir
Treasurer of the Richmond
Campaign Committees

Butler, Jablow & Geller
Counsel to Walco National Corporation
and authorized to act on its behalf
before the Federal Election Commission

9404443537

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Official Business
Penalty for Private Use $300

POSTAGE AND FEES PAID

ATTEMPTED NOT KNOWN

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Camelia Rodriquez
4314 Carpenter Avenue
Bronx, New York 10466

ROD 14 0717M4N1 08/17/82
RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Official Business
Penalty for Private Use $300

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RETURNED TO SENDER

UNDELIVERABLE AS ADDRESSED
NO FORWARDING ORDER ON FILE

POSTAGE AND FEES PAID

Diana Acierno
19 Royalston Lane
Centereach, New York 11720

RECEIVED

FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

TO: Steve B. DATE: 9/15/82

FROM: Nancy Nathan

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

REMARKS:

Please Resend the Haskell letter to him at:

Gerard Packing and Belting Co.
97 Reade St.
New York, N.Y.
10013

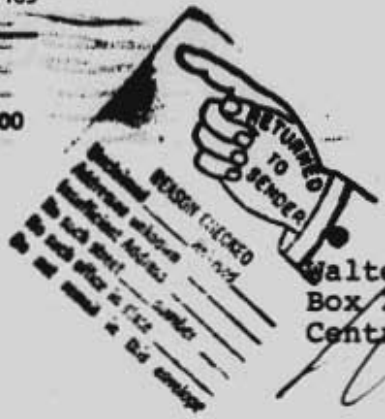
GPO 923-908

8404044354 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Official Business
Penalty for Private Use $300

POSTAGE AND FEES PAID



AUTHORIZED TIME FOR FORWARDING
HAS EXPIRED.

Walter Haskell, Jr.
Box 243
Central Valley, New York 10917

82 AUG 17 P1:15

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8404044354 2

Benedetto
26 E. Offord St.
Valley Stream, NY 11580

NEW YORK, NY 102
1 PM
1 SEP
1982

RECEIVED AT THE

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FMETER

AUG 31 '82
NY
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211235
FMETER

Federal Election Commission
Washington,
D. C. 20463

202661

RECEIVED AT THE FEC

82 SEP 7 P5:18

BEFORE THE FEDERAL ELECTION COMMISSION

82 SEP 8 A9:49

In the Matter of)
)
Richmond Reelection Committee) MUR 1436

ORDER TO SUBMIT WRITTEN ANSWERS

TO: Maryann Benedetto
26 E. Oxford Street
Valley Stream, N.Y. 11580

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within 15 days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 10th day of August, 1982.

Frank P. Reiche
Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Attachment

8404043543

DOMINICK T. AIELLO
9 BERNADETTE COURT
HICKSVILLE, NEW YORK 11801

RECEIVED AT THE

SEP

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

8 4 0 1 0 4 1 3 5 4

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Gerard Jansen? If so, please explain how you know him. Yes - my husband is a former employee of Mr Jansen's Company.

2. Do you know Charles Montanti? If so, please explain how you know him. no

3. Have you ever been employed by Gerard Packing and Belting Company? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held. no

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts? Yes - I believe in 1978, in sum of $200.00

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you? Yes. a personal check from Mr Jansen - some time in 1978.

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? not applicable

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? not applicable

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check made out to Congressman Richmond's campaign committee, or given by that person in blank form? If so, to whom were the checks given, and what did those persons receive in return? no.

8 4 0 1 0 4 4 3 5 4 5

202631

RECEIVED AT THE FEC
6cH 8399
82 SEP 8 AM 10:1

DOMINICK T. AIELLO
9 BERNADETTE COURT
HICKSVILLE, NEW YORK 11801

Federal Election Commission
Washington, D.C. 20463

August 31, 1982

82 SEP 3 P3:25

Reference: In the Matter of
Richmond Reelection Committee

1. Yes, I do know Gerard Jansen, I was employed by him.

2. Yes, I do know Charles Montanti. Customer of Gerard Packing & Belting Corp.

3. I was employed by Gerard Packing & Belting Corp. from 1961 to 1979 as General Manager and was directly responsible to Gerard Jansen.

4. Yes, I did contribute $200.00 to a campaign committee of Congressman Fred Richmond in June 1978.

5. Yes, I did receive a check as reimbursement for the check I made out to Congressman Richmond's Campaign committee from Gerard Jansen about a week later.

6. No.

7. No.

8. I heard that several people made contributions to Congressman Richmond's Campaign Committee and received reimbursement - mainly - Mr. Paul Benedetto and Mrs. Camelia Rodriguez by Mr. Gerard Jansen.

Dominick T. Aiello

8 4 0 4 0 4 4 3 3 4 6

RECEIVED AT THE FEC

82 SEP 8 A11:01

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Gerard Jansen? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Gerard Packing and Belting Company? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts?

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you?

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check made out to Congressman Richmond's campaign committee, or given by that person in blank form? If so, to whom were the checks given, and what did those persons receive in return?

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee) MUR 1436

ORDER TO SUBMIT WRITTEN ANSWERS

TO: Dominick Aiello
9 Bernadette Court
Hicksville, N.Y. 11801

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within 15 days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 10th day of August, 1982.

Frank P. Reiche
Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Attachment

8404043548

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1436
Richmond Reelection Committee	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 10, 1982, the Commission approved by a vote of 5-0 the Orders to Submit Written Answers for Diana Acierno, Camelia Rodriquez, Walter Haskell, Jr., Dominick Aiello and Maryann Benedetto as submitted with the Memorandum to the Commission dated August 6, 1982.

Commissioners Elliott, Harris, McGarry, McDonald and Reiche voted affirmatively; Commissioner Aikens did not cast a vote in this matter.

Attest:

8-10-82
Date

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

Received in Office of Commission Secretary: 8-6-82, 9:22
Circulated on 48 hour tally basis: 8-6-82, 2:00

8 1 0 4 0 4 4 3 5 4 9

a August 6, 1982

MEMORANDUM TO: Marjorie W. Emmons

FROM: Phyllis A. Kagson

SUBJECT: MUR 1436

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

Attachment

cc: Nathan

8 4 0 4 0 4 4 3 5 5 0

SENSITIVE

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY
82 AUG 6 A9:22

August 6, 1982

MEMORANDUM TO: The Commission

FROM: Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

RE: MUR 1436 - Orders to Submit Written Answers

The attached Orders to Submit Written Answers are directed to five individuals who appear as contributors on 1978 reports of the Citizens Committee for Congressman Fred Richmond. All five individuals are listed on the report as employees of Gerard Packing and Belting Company, the company owned by Gerard Jansen. Mr. Jansen is a subcontractor of Coastal Dry Dock Corporation (a respondent in MUR 1436) and was mentioned in the N.Y Times article which gave rise to the Commission's reason-to-believe findings involving Coastal. Moreover, Mr. Jansen is the individual who has insisted on a grant of criminal immunity before being deposed by this Office. (See General Counsel's Report to the Commission, transmitted July 26, 1982, dealing with the matter of criminal immunity for Mr. Jansen.)

It appears possible that Mr. Jansen made contributions to the 1978 Richmond committee in the names of others, and it is believed that the five individuals for whom Orders are attached would have been those whose names were used.

Recommendation

Approve the attached Orders to Submit Written Answers.

Attachments

Orders to Submit Written Answers (5) and Attachments

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(1)

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee) MUR 1436

ORDER TO SUBMIT WRITTEN ANSWERS

TO: Diana Acierno
19 Royalston Lane
Centereach, N.Y. 11720

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within 15 days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this day of , 1982.

Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment

8 4 0 4 0 4 4 3 5 5 5 2

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Gerard Jansen? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Gerard Packing and Belting Company? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts?

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you?

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check made out to Congressman Richmond's campaign committee, or given by that person in blank form? If so, to whom were the checks given, and what did those persons receive in return?

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(3)

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee) MUR 1436

ORDER TO SUBMIT WRITTEN ANSWERS

TO: Camelia Rodriquez
4314 Carpenter Avenue
Bronx, N.Y. 10466

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within 15 days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this day of , 1982.

Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment

8 4 0 4 0 4 4 3 5 5 4

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)--

Please submit answers to the following questions:

1. Do you know Gerard Jansen? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Gerard Packing and Belting Company? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts?

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you?

6. If your answer to question 5 is yes, did you receive any increase in your regular pay, or any bonus payment, after you gave the check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

7. If your answer to question 5 is yes, were you promised, or have you received, any employment benefits since giving a check made out to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee?

8. Do you know any (other) person who received money, or any employment benefit, in return for giving a check made out to Congressman Richmond's campaign committee, or given by that person in blank form? If so, to whom were the checks given, and what did those persons receive in return?

8 4 0 4 0 4 4 3 5 5

(5)

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee) MUR 1436

ORDER TO SUBMIT WRITTEN ANSWERS

TO: Walter Haskell, Jr.
Box 243
Central Valley, N.Y. 10917

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within 15 days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this day of , 1982.

Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment

8404044356

(6)

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Gerard Jansen? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Gerard Packing and Belting Company? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

4. Have you ever contributed money to a campaign committee of Congressman Fred Richmond? In what year(s)? and in what amounts?

5. Have you ever received reimbursement in return for a check made out by you to Congressman Richmond's campaign committee, or given by you in blank form and later made out to Congressman Richmond's campaign committee? If so, from whom did you receive reimbursement, when did you receive it, and in what form (i.e., cash or check) was it given to you?

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee) MUR 1436

ORDER TO SUBMIT WRITTEN ANSWERS

TO: Dominick Aiello
9 Bernadette Court
Hicksville, N.Y. 11801

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within 15 days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this day of , 1982.

Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment

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(8)

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)--

Please submit answers to the following questions:

1. Do you know Gerard Jansen? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Gerard Packing and Belting Company? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee) MUR 1436

ORDER TO SUBMIT WRITTEN ANSWERS

TO: Maryann Benedetto
26 E. Oxford Street
Valley Stream, N.Y. 11580

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

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WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this day of , 1982.

Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)--

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee) MUR 1436

ORDER TO SUBMIT WRITTEN ANSWERS

TO: Maryann Benedetto
26 E. Oxford Street
Valley Stream, N.Y. 11580

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WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 10th day of August, 1982.

Frank P. Reiche
Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Attachment

8404043562

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

1. Do you know Gerard Jansen? If so, please explain how you know him.

2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Gerard Packing and Belting Company? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee) MUR 1436

ORDER TO SUBMIT WRITTEN ANSWERS

TO: Dominick Aiello
9 Bernadette Court
Hicksville, N.Y. 11801

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

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WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 10th day of August, 1982.

Frank P. Reiche
Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Attachment

8404043564

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

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2. Do you know Charles Montanti? If so, please explain how you know him.

3. Have you ever been employed by Gerard Packing and Belting Company? If so, please list dates of employment, any positions or job titles held, and the names of your supervisors for each job held.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee) MUR 1436

ORDER TO SUBMIT WRITTEN ANSWERS

TO: Walter Haskell, Jr.
Box 243
Central Valley, N.Y. 10917

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within 15 days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 10th day of August, 1982.

Frank P. Reiche
Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Attachment

8 4 0 4 0 4 4 3 5 6

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

Please submit answers to the following questions:

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2. Do you know Charles Montanti? If so, please explain how you know him.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee) MUR 1436

ORDER TO SUBMIT WRITTEN ANSWERS

TO: Camelia Rodriquez
4314 Carpenter Avenue
Bronx, N.Y. 10466

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within 15 days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 10th day of August, 1982.

Frank P. Reiche
Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Attachment

8404043356

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee) MUR 1436

ORDER TO SUBMIT WRITTEN ANSWERS

TO: Diana Acierno
19 Royalston Lane
Centereach, N.Y. 11720

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

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WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 10th day of August, 1982.

Frank P. Reiche
Frank P. Reiche
Chairman

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Attachment

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Richmond Reelection Committee)

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Richmond Re-election Committee;	)	
Walco National Corporation;	)	MUR 1436
Coastal Dry Dock and Repair	)	
Corporation;	)	
Charles Montanti	)	

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission Executive Session on August 3, 1982, do hereby certify that the Commission decided by a vote of 4-2 to authorize the Office of General Counsel to seek the approval of the Attorney General, pursuant to 18 U.S.C. §6004, for issuance of an order requiring the testimony of Gerard Jansen in exchange for immunity from criminal prosecution.

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

Attest:

8-5-82
Date

Marjorie W. Emmons
Marjorie W. Emmons

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SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

[redacted]

In the Matter of	)	82 JUL 23 P2:21
Richmond Re-election Committee;	)	MUR 1436
Walco National Corporation;	)	
Coastal Dry Dock and Repair	)	
Corporation; Charles Montanti	)	

GENERAL COUNSEL'S REPORT

On April 20, 1982, the Commission found reason to believe that the above-referenced respondents had violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act").

The MUR involves two principal groups of respondents: (1) Rep. Richmond's committee and his corporation (Walco National), which made impermissible in-kind contributions to the committee, and (2) Coastal Dry Dock and Repair Corporation ("Coastal") and its president, Charles Montanti. The investigation thus far has focused on the second group of respondents. 1/

Charles Montanti, Coastal president, submitted voluntarily to deposition on May 6, 1982. On that date, OGC staff also examined Coastal and Montanti financial records for certain periods, and questioned Mr. Montanti about several items that it

---

1/ Counsel for Rep. Richmond's committee met with OGC staff to discuss the procedure for amending their reports to reflect the contributions received from Walco National Corp., and have said that a response to the RTB finding will be submitted within a week of this date. (That response had been delayed while the committee treasurer was out of the country.)

Counsel for Walco also plan to submit a response, which will be based on calculations made by counsel for the Richmond committees.

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was felt might have evidenced illegal activity. Following that deposition, it was decided that investigation of individuals whose names appeared in The New York Times item that implicated Coastal might help to clearly substantiate or refute the implications. 2/ By memo of May 20, 1982, this Office recommended that the Commission issue subpoenas to four such individuals, as well as the Richmond campaign chairman during the period at issue, and the Coastal secretary who handled contributions received from subcontractors. On June 30, 1982, two of the individuals whose names were alleged by The Times to have been used by others to make contributions to Richmond were deposed. Those depositions yielded some leads for investigation of other individuals who may have been involved in making contributions in names of others. We are attempting to make contact with those individuals to obtain their voluntary testimony.

2/ In a further effort to substantiate The Times allegations, a cable was sent to Stephen Fiyalco, the apparent source of the information developed in that article, who now lives in Austria. Mr. Fiyalco did not respond to the request that he contact this Office.

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Two others who were to be deposed the same day failed to appear. They were Gerard Jansen, a Coastal subcontractor, and Jean Pignataro, an employee of Jansen's. 3/ Jansen's attorney has said that his client will assert the Fifth Amendment privilege against self-incrimination unless the Department of Justice grants immunity from criminal prosecution in any federal jurisdiction based upon his testimony. See Attachment 1. Mr. Jansen has already been given immunity from prosecution by the U.S. Attorney for the Eastern District of New York, but Mr. Jansen's attorney wants assurance that his client's testimony to the FEC would not result in criminal prosecution in any other federal jurisdiction either. 4/

3/ We were advised on the day of the scheduled deposition that Ms. Pignataro had recently had extensive surgery and was unable to appear for questioning at the time.

4/ The immunity already given Mr. Jansen was not a formal grant of immunity pursuant to 18 U.S.C. §§ 6003, 6004, or 6005, which requires the approval of the Attorney General, the Deputy Attorney General, or any designated Assistant Attorney General and the issuance of an order to testify by the court, government agency, or congressional body seeking the testimony. Rather, the protection already given Mr. Jansen was only an agreement not to prosecute in the Eastern District of New York in exchange for his testimony before the grand jury investigating Congressman Richmond. Had a formal grant of criminal immunity regarding any future testimony been given to Mr. Jansen, he would have no basis for not testifying to the FEC. However, the limited immunity given him does necessitate that further assurance be given under the procedures set forth at 18 U.S.C. § 6001 et seq. in order to obtain his testimony.

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Under 18 U.S.C. § 6004, a government agency may issue an order requiring an individual to give testimony if it obtains the approval of the Attorney General and if in its judgement the testimony may be necessary to the public interest. 5/ The approval of the Attorney General under § 6004 operates as a grant of criminal immunity in all federal jurisdictions, and the witness must thereafter answer the questions propounded by the governmental agency. See 18 U.S.C. § 6002.

This Office recommends that such a grant of immunity be sought. The Jansen deposition would, it is believed, be a key to expediting our investigation, by directing our efforts to

---

5/ The full text of 18 U.S.C. § 6004 is as follows:

> (a) In the case of any individual who has been or who may be called to testify or provide other information at any proceeding before an agency of the United States, the agency may, with the approval of the Attorney General, issue, in accordance with subsection (b) of this section, an order requiring the individual to give testimony or provide other information which he refuses to give or provide on the basis of his privilege against self-incrimination, such order to become effective as provided in section 6002 of this part [18 USC § 6002].
>
> (b) An agency of the United States may issue an order under subsection (a) of this section only if in its judgment --
>
> (1) the testimony or other information from such individual may be necessary to the public interest; and
>
> (2) such individual has refused or is likely to refuse to testify or provide other information on the basis of his privilege against self-incrimination.

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individuals who may have received contribution reimbursements and helping to determine the involvement of Coastal and other subcontractors in the practice. The U.S. Attorney's Office in the Eastern District of New York has indicated it will assist us in obtaining the necessary approval of the Attorney General if we so desire. Because the U.S. Attorney's Office has already investigated these same allegations of contributions in the names of others, and has indicated orally that they have found no evidence that warrants criminal prosecution on that ground, there is no reason to believe that seeking formal immunity under § 6004 will cause any jurisdictional dispute with the Department of Justice. 6/

Recommendation

Authorize the Office of General Counsel to seek the approval of the Attorney General, pursuant to 18 U.S.C. § 6004, for issuance of an order requiring the testimony of Gerard Jansen in exchange for immunity from criminal prosecution.

July 23, 1982
Date

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Attachment
Letter from counsel for Gerard Jansen

6/ The U.S. Attorney's Office in the Eastern District of New York, which has been, and still is, conducting a grand jury investigation of several matters involving Congressman Richmond, has not been able to provide us with the evidence they have accumulated. Federal Rule of Criminal Procedure 6(e) requires the confidentiality of grand jury information and proceedings.

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GCC# 8028

82 JUN 29 PM 2:23

DAVID JOHN DEAN
ANTHONY J. FALANGA
JOSEPH COVELLO
NORMAN ROSE

JOSEPH M. REYNOLDS
MONROE FINK

Dean, Falanga & Rose

COUNSELLORS AT LAW

ONE OLD COUNTRY ROAD • CARLE PLACE, NEW YORK 11514

82 JUN 29 P4:17

June 25, 1982

Kenneth A. Gross, Esq.
Associate General Counsel
Federal Election Commission
Washington D.C. 20463

Re: MUR 1436

Dear Mr. Gross:

With respect to your letter of June 21, 1982, please be advised that we have informed Mr. Scott Thomas of your office and also Ms. Nancy Nathan of your office that our client will not testify under oath on June 30, 1982, or at any other time unless there is an appropriate grant of immunity extended to our client, Mr. Gerard Jansen, with regard to such testimony. Upon receipt of such immunity, our client will comply with your request for his testimony.

Thank you for your attention to the above. With professional respect, we remain

Very truly yours,

DEAN, FALANGA & ROSE

ANTHONY J. FALANGA

AJF:sj

8104043576

Attachment 1

Dean, Falanga & Rose
ONE OLD COUNTRY ROAD
CARLE PLACE, NEW YORK 11514

82 JUN 29 P12:23

Kenneth A. Gross, Esq.
Associate General Counsel
Federal Election Commission
Washington D.C. 20463

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RECEIVED
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82 JUN 29 P12:23

DAVID JOHN DEAN
ANTHONY J. FALANGA
JOSEPH COVELLO
NORMAN ROSE

JOSEPH M. REYNOLDS
MONROE FINK

Dean, Falanga & Rose
COUNSELLORS AT LAW
ONE OLD COUNTRY ROAD • CARLE PLACE, NEW YORK 11514
(516) 741-6411
(212) 343-4114

82 JUN 29 P4:17

June 25, 1982

Kenneth A. Gross, Esq.
Associate General Counsel
Federal Election Commission
Washington D.C. 20463

Re: MUR 1436

Dear Mr. Gross:

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Thank you for your attention to the above. With professional respect, we remain

Very truly yours,

DEAN, FALANGA & ROSE

ANTHONY J. FALANGA

AJF:sj

8 4 0 4 0 4 4 3 3 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 21, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Victoria Nowicki
1623 East 54th Street
Brooklyn, New York 11234

Re: MUR 1436

Dear Ms. Nowicki:

This is to notify you that the date on which your sworn testimony is to be given in the Commission's investigation in the above-referenced matter has been rescheduled for June 30, 1982, at 10 a.m. A check covering your fee as witness and a mileage allowance will be presented at that time.

Please confirm your scheduled appearance with Nancy B. Nathan at 202-523-5073 as soon as possible. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

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1450

PS Form 3811, Dec. 1985

● SENDER: Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
- ☐ Show to whom and date delivered ..... ___¢
- ☐ Show to whom, date, and address of delivery ___¢
- 2. ☐ RESTRICTED DELIVERY ___¢
  (The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL ___¢

3. ARTICLE ADDRESSED TO:
Victoria Nowicki
Brooklyn, N.Y. 11234

4. TYPE OF SERVICE:
☐ REGISTERED ☐ INSURED
☒ CERTIFIED ☐ COD
☐ EXPRESS MAIL

ARTICLE NUMBER
438014

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent
Victoria Nowicki

5. DATE OF DELIVERY

POSTMARK
BROOKLYN, NY RYDEN
JUN 26 1989

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:

7a. EMPLOYEE'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 21, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jean Pignataro
34 Foxwood Road
Old Bethpage, New York 11804

Re: MUR 1436

Dear Ms. Pignataro:

This is to notify you that the date on which your sworn testimony is to be given in the Commission's investigation in the above-referenced matter has been rescheduled for June 30, 1982, at 12 noon. A check covering your fee as witness and a mileage allowance will be presented at that time.

Please confirm your scheduled appearance with Nancy B. Nathan at 202-523-5073 as soon as possible. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

8404043382

1436 6/21

PS Form 3811, Dec. 1980

● SENDER: Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
   - ☐ Show to whom and date delivered ..... ___¢
   - ☐ Show to whom, date, and address of delivery.. ___¢
2. ☐ RESTRICTED DELIVERY ___¢
   (*The restricted delivery fee is charged in addition to the return receipt fee.*)

TOTAL $ ___

3. ARTICLE ADDRESSED TO:
Jean Pignatare
Old Bethpage, NY
FS

4. TYPE OF SERVICE:
☐ REGISTERED ☐ INSURED
☑ CERTIFIED ☐ COD
☐ EXPRESS MAIL

ARTICLE NUMBER
438015

(Always obtain signature of addressee or agent)

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

5. DATE OF DELIVERY

POSTMARK
JUN 29 1982

6. ADDRESSEE'S ADDRESS (*Only if requested*)

7. UNABLE TO DELIVER BECAUSE:

7a. EMPLOYEE'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

8 4 0 1 0 4 4 3 5 5 8

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 21, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Anne J. Nixon
3 Roberta Lane
Commack, New York 11725

Re: MUR 1436

Dear Ms. Nixon:

This is to notify you that the date on which your sworn testimony is to be given in the Commission's investigation in the above-referenced matter has been rescheduled for June 30, 1982, at 11 a.m. A check covering your fee as witness and a mileage allowance will be presented at that time.

Please confirm your scheduled appearance with Nancy B. Nathan at 202-523-5073 as soon as possible. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

8404043595

8 4 0 4 0 4 4 3 5 3 6

1436 6/21

PS Form 3811, Dec. 1985

● SENDER: Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
   - ☐ Show to whom and date delivered ..... —¢
   - ☐ Show to whom, date, and address of delivery.. —¢
2. ☐ RESTRICTED DELIVERY —¢
   (The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL $ ____

3. ARTICLE ADDRESSED TO:
Anne J. Nixon
Cranmoch, NY

4. TYPE OF SERVICE:
☐ REGISTERED ☐ INSURED
☐ CERTIFIED ☐ COD
☐ EXPRESS MAIL

ARTICLE NUMBER
E10852

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☒ Authorized agent
A.V. Nix

5. DATE OF DELIVERY

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:

7a. EMPLOYEE'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 21, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Anthony Falanga
Dean, Falanga, Sinrod and Rose
1 Old Country Road
Carle Place, New York 11514

Re: MUR 1436

Dear Mr. Falanga:

This will confirm your telephone conversation with staff attorney Nancy B. Nathan, resetting the deposition of Mr. Gerard Jansen for June 30, 1982, at 2:30 p.m. in Room G-80, U.S. Courthouse, 225 Cadman Plaza East, Brooklyn, New York.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

8 4 0 4 4 5 3 7

1436 6/21

● SENDER: Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
- ☐ Show to whom and date delivered ..... —¢
- ☐ Show to whom, date, and address of delivery.. —¢
- 2. ☐ RESTRICTED DELIVERY —¢
  (The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL $____

3. ARTICLE ADDRESSED TO:
Antony Falanga
Carle Place, NY

4. TYPE OF SERVICE:
☐ REGISTERED ☐ INSURED
☑ CERTIFIED ☐ COD
☐ EXPRESS MAIL

ARTICLE NUMBER
E108EH

(Always obtain signature of addressee or agent)

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

5. DATE OF DELIVERY
6/25/82

6. ADDRESSEE'S ADDRESS (Only if requested)

POSTMARK
CARLE PLACE
JUN 25 1982
USPO

7. UNABLE TO DELIVER BECAUSE:

7a. EMPLOYEE'S INITIALS
BR

PS Form 3811, Dec. 1980

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 2, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Anthony Falanga
Dean, Falanga, Sinrod and Rose
1 Old Country Road
Carle Place, New York 11514

Re: MUR 1436

Dear Mr. Falanga:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26 Internal Revenue Code of 1954. In accordance with an investigation being conducted by the Commission, the attached supboena which requires your client, Mr. Gerard Jansen, to produce copies of certain documents and to appear as a witness and give sworn testimony on June 16, 1982, at 2:30 p.m., has been issued.

Since the document copies and testimony are being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. A check will be presented to your client at the time of the deposition.

8 4 0 4 0 4 4 3 5 9 6

Please confirm Mr. Jansen's scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosures
Subpoena for Copies of Documents
Subpoena to Appear for Deposition

8404043590

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Gerard Jansen

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at U.S. Courthouse, 225 Cadman Plaza East, Brooklyn, New York, Room G-80, at 2:30 p.m. on June 16, 1982, and any and all dates adjourned to by the Commission.

9 4 0 4 4 3 5 9 1

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this 25th day of May, 1982.

Frank P. Reiche
Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

8404043592

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 2, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Anne J. Nixon
3 Roberta Lane
Commack, New York 11725

Re: MUR 1436

Dear Ms. Nixon:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on June 16, 1982, at 11 a.m., has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. You will be given a check at the time of your deposition.

8 4 0 4 0 4 4 3 5 9 3

Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition

8 4 0 4 0 4 4 3 5 9 4

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Anne J. Nixon

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at U.S. Courthouse, 225 Cadman Plaza East, Brooklyn, New York, Room G-80, at 11:00 a.m. on June 16, 1982, and any and all dates adjourned to by the Commission.

9 4 0 4 0 4 4 3 5 9 5

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this 25th day of May, 1982.

Frank P. Reiche
Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

9 4 0 4 0 4 4 3 3 9 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 2, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jean Pignataro
34 Foxwood Road
Old Bethpage, New York 11804

Re: MUR 1436

Dear Ms. Pignataro:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on June 16, 1982, at 12:00 p.m., has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. You will be given a check at the time of your deposition.

8 4 0 4 4 3 3 9 7

Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition

3 4 0 4 0 4 4 3 5 9 6

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Jean Pignataro

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at U.S. Courthouse, 225 Cadman Plaza East, Brooklyn, New York, Room G-80, at 12:00 p.m. on June 16, 1982, and any and all dates adjourned to by the Commission.

8 4 0 4 0 4 4 3 5 9 9

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this 25th day of May, 1982.

Frank P. Reiche
Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

8 4 0 0 4 0 4 4 3 6 0 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 2, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Victoria Nowicki
1623 East 54th Street
Brooklyn, New York 11234

Re: MUR 1436

Dear Ms. Nowicki:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on June 16, 1982, at 10 a.m., has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 20 cents per mile. You will be given a check at the time of your deposition.

8 4 0 4 0 4 4 3 6 0 1

Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition

8404044360 2

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Victoria Nowicki

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at U.S. Courthouse, 225 Cadman Plaza East, Brooklyn, New York, Room G-80, at 10:00 a.m. on June 16, 1982, and any and all dates adjourned to by the Commission.

8 4 0 4 4 3 6 0 3

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this 25th day of May, 1982.

Frank P. Reiche
Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

8404044360 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/JODY C. RANSOM

DATE: MAY 25, 1982

SUBJECT: SUBPOENAS REGARDING MUR 1436

The attached subpoenas regarding MUR 1436, which were Commission approved on May 24, 1982 by a vote of 6-0, have been signed and sealed this date.

Attachments: (6)

8 4 0 4 4 3 6 0 5

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1436
Anne J. Nixon	)	
Victoria Nowicki	)	
Jean Pignataro	)	
Gerard Jansen	)	
Helen Carl	)	
Jack deSimone	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 24, 1982, the Commission decided by a vote of 6-0 to take the following actions in MUR 1436:

1. Authorize the subpoenas to Anne Nixon, Victoria Nowicki, Jean Pignataro, Gerald Jansen, Helen Carl and Jack deSimone.

2. Approve the letters to accompany the subpoenas as submitted with the Memorandum to the Commission dated May 20, 1982.

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

Attest:

5/24/82
Date

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

Received in Office of Commission Secretary: 5-20-82, 1:13
circulated on 48 hour tally basis: 5-20-82, 4:00

8404443606

May 20, 1982

MEMORANDUM TO: Marjorie W. Emmons

FROM: Phyllis A. Kayson

SUBJECT: MUR 1436

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

Attachment

cc: Nathan

8 4 0 4 0 4 4 3 6 0 7

SENSITIVE

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

82 MAY 20 P1:13

May 20, 1982

MEMORANDUM TO: The Commission

FROM: Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

SUBJECT: Authorization to Issue Subpoenas in Connection with MUR 1436

On April 20, 1982, the Commission found reason to believe, inter alia, that the 1978 and/or 1980 campaign committees of Rep. Frederick W. Richmond violated 2 U.S.C. § 441f, by knowingly accepting contributions made in the names of others, and 2 U.S.C. § 441b(a), by knowingly accepting such contributions from corporations. Further, the Commission found reason to believe that Charles Montanti and Coastal Dry Dock and Repair Corporation ("Coastal") violated 2 U.S.C. § 441f, by making contributions to the Richmond committees in the names of others, and § 441b(a), by using corporate funds to do so. */

On April 28, 1982, Charles Montanti, President of Coastal, and his attorney, Herbert Burstein, met with OGC staff to respond to the notice of reason to believe received

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*/ On the same date, the Commission also found reason to believe the Richmond Committees had violated: 2 U.S.C. § 441b(a), by accepting contributions of staff time and office facilities from Walco National Corporation; 2 U.S.C. § 431(8)(B)(ix)(II) and § 434(b), by failing to report Walco's contribution of accounting services; 2 U.S.C. § 441c (a)(2), by knowingly soliciting contributions from a corporation holding federal government contracts; and 2 U.S.C. § 441a(f), by knowingly accepting contributions that exceeded an individual's contribution limit.

In addition, the Commission found reason to believe Walco violated 2 U.S.C. § 441b by contributing staff time and office facilities, and that Coastal violated 2 U.S.C. § 441c(a)(1) by contributing to Richmond as a corporation holding federal government contracts.

9 4 0 0 1 0 4 4 3 5 0 8

by Coastal. They stressed their interest in expediting the investigation, and offered any assistance needed toward that end. On May 6, 1982, Mr. Montanti voluntarily submitted to deposition on this matter, and provided all documents requested by this Office in connection with the deposition.

Mr. Montanti asserts that the reports contained in The New York Times which formed the basis for the Commission's reason to believe findings as to Montanti and Coastal, and as to the Richmond Committees with respect to possible violations of 2 U.S.C. §§ 441c(a)(2) and § 441(f), were erroneous. Conversations between this Office and the U.S. Attorney's Office for the Eastern District of New York, which is investigating Congressman Richmond's activities, indicate that the U.S. Attorney has found no evidence to date tying reports of contributions in names of others to either Montanti or Coastal. What is possible is that some of the many subcontractors that Montanti urged to contribute to Richmond by patronizing fundraisers may have given their friends or employees funds in exchange for checks made out to the Richmond committee.

In order to resolve the questions raised by The Times and our RTB finding, some further investigation is needed. A resolution of the reason to believe finding as to Coastal, on the subjects of contributions in names of others and contributions from a government contractor, and as to the Richmond committees on those issues, would simplify resolution of the remaining, unrelated issues in the MUR.

Attached are subpoenas and letters which we recommend sending to six individuals. The first three individuals, it appears from The Times reports, were among those whose names were used by at least one subcontractor supporting Richmond. A fourth person, Gerard Jansen, is one subcontractor who may have made contributions to Richmond using names of others, according to the U.S. Attorney's Office. The fifth person, Helen Carl, is the secretary employed by Coastal who received contributions raised by subcontractors and, in some cases, verified names and places of employment of contributors. Finally, Jack deSimone, former campaign chairman and a Walco vice president, is reported in The Times article to have had possible knowledge of the acceptance of contributions made in the names of others.

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The attached subpoenas require the appearance of each of the foregoing individuals for deposition and also request the production of checks or other documents that may relate to the matter.

The General Counsel recommends that the Commission approve the issuance of the attached subpoenas and accompanying letters.

Recommendations

1. Authorize the attached subpoenas to Anne Nixon, Victoria Nowicki, Jean Pignataro, Gerard Jensen, Helen Carl, and Jack deSimone.

2. Approve the attached letters to accompany the subpoenas.

Attachments
6 cover letters with 6 subpoenas

8 4 0 4 0 4 4 3 5 1 C

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Anne J. Nixon
3 Roberta Lane
Commack, New York 11725

Re: MUR 1436

Dear Ms. Nixon:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on , 1982, at , has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 22.5 cents per mile. You will be given a check at the time of your deposition.

8 4 0 4 0 4 4 3 6 1 1

Attachment 1-1014

Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition

8 4 0 4 0 4 4 3 6 1 2

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Anne J. Nixon

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at

, New York, at

on , 1982, and any and all dates adjourned to by the Commission.

8 4 0 4 0 4 4 3 6 1 3

Attachment 1- 3 of 4

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this day of , 1982.

Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

8 4 0 4 0 4 4 3 6 1 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Victoria Nowicki
1623 East 54th Street
Brooklyn, New York 11234

Re: MUR 1436

Dear Ms. Nowicki:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on , 1982, at , has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 22.5 cents per mile. You will be given a check at the time of your deposition.

8404043615

Attachment 2- 1 of 4

Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition

8404044361 6

Attachment 2 - 2 of 4

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Victoria Nowicki

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at

, New York, at

on , 1982, and any and all dates adjourned to by the Commission.

8404043617

Attachment 2 - 3 of 4

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this day of , 1982.

Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

3 4 0 4 0 4 4 3 5 1 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jean Pignataro
34 Foxwood Road
Old Bethpage, New York 11804

Re: MUR 1436

Dear Ms. Pignataro:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on , 1982, at , has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 22.5 cents per mile. You will be given a check at the time of your deposition.

8404044361

Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition

8 4 0 4 0 4 4 3 6 2 0

Attachment 3-2 of 4

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Jean Pignataro

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at

, New York, at

on , 1982, and any and all dates adjourned to by the Commission.

8 4 0 4 0 4 4 3 6 2 1

Attachment 3- 3of4

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this day of , 1982.

Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

8 4 0 4 0 4 4 3 6 2 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Anthony Falanga
Dean, Falanga, Sinrod and Rose
1 Old Country Road
Carle Place, New York 11514

Re: MUR 1436

Dear Mr. Falanga:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26 Internal Revenue Code of 1954. In accordance with an investigation being conducted by the Commission, the attached supboena which requires your client, Mr. Gerard Jansen, to produce copies of certain documents and to appear as a witness and give sworn testimony on
, 1982, at , has been issued.

Since the document copies and testimony are being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 22.5 cents per mile. A check will be presented to your client at the time of the deposition.

8 4 0 4 0 4 4 3 5 2 3

Attachment 4 - 1 of 4

Please confirm Mr. Jansen's scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

Enclosures
Subpoena for Copies of Documents
Subpoena to Appear for Deposition

8 4 0 4 0 4 4 3 6 2 4

Attachment 4- 2 of 4

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Gerard Jansen

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at

, New York, at

on , 1982, and any and all dates adjourned to by the Commission.

8 4 0 4 0 4 4 3 6 2 5

Attachment 4- 3 of 4

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this day of , 1982.

Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

9 4 0 4 0 4 4 3 6 2 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Helen Carl
c/o Coastal Dry Dock and Repair Corp.
Brooklyn Navy Yard
Building 131
Brooklyn, New York

Re: MUR 1436

Dear Ms. Carl:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on , 1982, at , has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 22.5 cents per mile. You will be given a check at the time of your deposition.

8404044362 7

Attachment 5 - 1 of 4

Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition

8 4 0 4 0 4 4 3 6 2 8

Attachment 5- 2014

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Helen Carl

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at

, New York, at

on , 1982, and any and all dates adjourned to by the Commission.

8 4 0 4 0 4 4 3 6 2 9

Attachment 5 - 3 of 4

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this day of , 1982.

Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

8 4 0 4 0 4 4 3 6 3 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jack deSimone
205 West End Avenue
New York, New York 10023

Re: MUR 1436

Dear Mr. deSimone:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended. In accordance with an investigation being conducted by the Commission, the attached subpoena which requires you to appear as a witness, give sworn testimony, and produce certain documents on , 1982, at , has been issued.

Since the testimony is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) will apply. This section of the Act prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made.

You may consult with an attorney who may assist you in submitting the documents and accompany you at the deposition. If you intend to be so represented, please advise us, in writing, of the name and address of your attorney prior to the date of deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid $30, plus mileage at the rate of 22.5 cents per mile. You will be given a check at the time of your deposition.

8 4 0 4 0 4 4 3 6 3 1

Attachment 6- 1 of 4

Please confirm your scheduled appearance with Nancy B. Nathan on our toll free line (800-424-9530) or at 202-523-4073 within ten days of your receipt of this notification. If you have any questions, please direct them to Mrs. Nathan, the attorney assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena to Appear for Deposition

8 4 0 4 0 4 4 3 6 3 2

Attachment 6-2of4

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

Subpoena to Appear for Deposition Upon Oral Examination and to Produce Documents

TO: Jack deSimone

RE: Matter Under Review 1436

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. § 437d(a)(3) and (4), you are hereby ordered to appear for deposition as a witness in connection with the Commission's investigation of possible violations of 2 U.S.C. §§ 441f and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, by the Citizens Committee for Fred Richmond.

Pursuant to 2 U.S.C. § 437d(a)(3) and (4) you are further subpoenaed to produce at the time of your deposition all checks and other documents in your custody or control relating to contributions made to the Citizens Committee for Fred Richmond.

Notice is hereby given that the deposition is to be taken at

, New York, at

on , 1982, and any and all dates adjourned to by the Commission.

8 4 0 4 0 4 4 3 6 3

Attachment 6-3044

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this day of , 1982.

Frank P. Reiche, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

8 4 0 4 0 4 4 3 6 3 4

Attachment 6-4014

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 226[illegible]

Mailgram

Ccc# 7752

1-018704A134 05/14/82 ICS IPMCXZB MTWN WSHA
00615 MGM TDMT WASHINGTON DC 05-12 1021A EST

FEDERAL ELECTION COMMISSION-N NATHAN
1325 K ST
WASHINGTON DC 20463

THIS MAILGRAM IS A CONFIRMATION COPY OF THE FOLLOWING CORRECTED MESSAGE:

TDMT WASHINGTON DC 20/19 05-12 1021A EST
INT STEPHEN FIYALCO
PENSION HERTZBERG III PETRUGASSE 14
VIENNA (AUSTRIA)
CALL FEDERAL ELECTION COMMISSION DURING DAY 202-523-4073 NANCY NATHAN
SCOTT THOMAS

13:58 EST

MGMCOMP

82 MAY 17 A10:46

6241 (R1/78)

TO REPLY BY MAILGRAM, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

636

Mailgram

THIS MAILGRAM WAS TRANSMITTED ELECTRONICALLY BY WESTERN UNION TO A POST OFFICE NEAR YOU FOR DELIVERY

06C

MAY 17 A10:07

84

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 2264

Mailgram

4-011228S132002 05/12/82 ICS IPMMTZZ CSP WSMB
1 2025234073 MGM TDMT WASHINGTON DC 05-12 1021A EST

Ccc# 7737

1485

FEDERAL ELECTION COMMISSION-N NATHAN
1325 K ST
WASHINGTON DC 20463

THIS MAILGRAM IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

TDMT WASHINGTON DC 20/19 05-12 1021A EST
INT STEVEN SIYALCO
PENSION HERTZBERG III PETRUGASSE 14
VIENNA (AUSTRIA)
CALL FEDERAL ELECTION COMMISSION DURING DAY 202-523-4073 NANCY NATHAN
SCOTT THOMAS

COL 14 202-523-4073

10:24 EST

MGMCOMP

MAY 13 P2:34

5241 (R1/78)

TO REPLY BY MAILGRAM, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

RECEIVED

82 MAY 13 P 1 : 00

western union Mailgram

THIS MAILGRAM WAS TRANSMITTED ELECTRONICALLY BY WESTERN UNION TO A POST OFFICE NEAR YOU FOR DELIVERY

RECEIVED 82 MAY 11 P1:08

ZELBY & BURSTEIN
COUNSELORS AT LAW

SUITE 2373
One World Trade Center, New York, N.Y. 10048
(212) 432-0940
CABLE "ZELBURLAW"

82 MAY 11 P2:01

May 7, 1982

Scott E. Thomas, Esq.
Office of the General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Re: Our File Number 1499-169R

Dear Mr. Thomas:

This will confirm my advice to you at the conclusion of the deposition at the offices of Coastal Dry Dock & Repair Corp. on Thursday, May 6, 1982 that we are prepared to submit whatever additional information you request and we do hope that your investigation will be speedily concluded.

I do appreciate the fact that you and Mr. Nathan gave this matter prompt attention.

I am sure you recognize that apart from the voluntary deposition, all of the documents and information you requested were freely furnished.

Unfortunately, we cannot deal with unreported slanders and libels. All we can do is give you the facts.

I look forward to hearing from you.

Very truly yours,

Herbert Burstein

HERBERT BURSTEIN

HB:ljm
cc:Coastal Dry Dock & Repair Corp.

8 1 0 0 4 4 3 6 3 9

LAW OFFICES OF
ZELBY & BURSTEIN
SUITE 2373
ONE WORLD TRADE CENTER
NEW YORK, N. Y. 10048

8 4 0 0 4 4 3 6 4 0

RECEIVED
NEW YORK N.Y. MAY 17 '82 P 12 08

Scott E. Thomas, Esq.
Office of the General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

RECEIVED

82 MAY 5 A10:41

ZELBY & BURSTEIN
COUNSELORS AT LAW

SUITE 2373
One World Trade Center, New York, N.Y. 10048
(212) 432-0940
CABLE "ZELBURLAW"

May 4, 1982

FEDERAL EXPRESS

Scott E. Thomas, Esq.
Office of the General Counsel
Federal Election Commission
1325 "K" Street, N.W.
Washington, D.C. 20463

Re: Coastal Dry Dock & Repair Corp. - MUR 1436
Our File No. 1499-166

Dear Mr. Thomas:

Enclosed are:

(1) The list of subcontractors (no letters were written).

(2) The Blumenthal (N.Y. Times) transcript.

The other data (statements and checks) will be available at Coastal on Thursday, May 6, 1982.

Very truly yours,

Bernard Burstein

HB:vc

cc: Coastal Dry Dock & Repair Corp.

9 4 0 0 4 4 3 6 4 1

RECEIVED
82 MAY 5 A10:41

8 4 0 4 0 4 4 3 6 4 2

LIST OF SUBCONTRACTORS

Shore Electric

CO_2

G & M

New York Protective Covering

Oil Tanic Cleaning

PAC-ORD

Reliance

Rock Lite

M.C.I.

Ocean Electronics

Otis Elevator

Arthur Tickle

Tomlinson

Standard Tank Cleaning

Maince Elevator

Crisinge Electronics

MVR Welding

American Identification

ZELBY & BURSTEIN
COUNSELORS AT LAW

SUITE 2373
One World Trade Center, New York, N.Y. 10048
(212) 432-0940
CABLE "ZELBURLAW"

20139

RECEIVED
Bcc# 7682
82 MAY 6 A9:22

May 4, 1982

82 MAY 6 A10:38

FEDERAL EXPRESS

Scott E. Thomas, Esq.
Office of the General Counsel
Federal Election Commission
1325 "K" Street, N.W.
Washington, D.C. 20463

Re: Coastal Dry Dock & Repair Corp. - MUR 1436
Our File No. 1499-166

Dear Mr. Thomas:

Enclosed are:

(1) The list of subcontractors (no letters were written).

(2) The Blumenthal (N.Y. Times) transcript.

The other data (statements and checks) will be available at Coastal on Thursday, May 6, 1982.

Very truly yours,

Bernard Burstein

HB:vc

cc: Coastal Dry Dock & Repair Corp.

8404044364 3

8 4 0 4 0 4 4 3 6 4 4

82 MAY 5 AM 10:41

LIST OF SUBCONTRACTORS

Shore Electric

CO_2

G & M

New York Protective Covering

Oil Tanic Cleaning

PAC-ORD

Reliance

Rock Lite

M.C.I.

Ocean Electronics

Otis Elevator

Arthur Tickle

Tomlinson

Standard Tank Cleaning

Maince Elevator

Crisinge Electronics

MVR Welding

American Identification

PTR SYSTEM 6 PRINTER 1 TAKE 232763 TIME 16:14 DATE 01-23-82

232763)BLUMENTHAL TAPE (SYSB 132618 01-22 094

(TRANSCRIBER'S NOTE: ..... represents subaudible or inaudible transmission.) B: BLUMENTHAL A = MONTANTI + ATTORNEY

B. I'm testing this to see if it's picking up in a normal conversation tone.

A. I'm counsel for ~~the~~ Coastal and I'm taking it there's no tape recorder.

B. I have a tape here.

A. I don't want it used.

A. Well, I want to feel free to do an interview without a tape recorder.

B. When I called you, yesterday, Mr. ------, I had a few questions. After I asked one or two, you said that I'd like to come and see you. And I said fine, I assume that we can continue the questions at the interview here.

A. When I spoke with you, when I spoke with you and I told you that Peter (?) called, I said that he was prepared to answer any questions you have, but _ and I know how you reporters work. I have great admiration for the thought of a reporter's life. I'm familiar with the .... New York Post.

B. Right.

A. And I don't want you to slaughter this guy because some of the comments that the bank or I particularly want and I can .... you've suggested that somebody is a bagperson carrying huge amounts of cash. .... that's not true. I want to tell you categorically that there hasn't been one penny of corporate contributions; that the amount of, the amount of individual's contributions have been minimal _ contrary to what you've been saying _ the subcontractors who made contributions were not our subcontractors. We work for a lot of other people.

B. Let me ask you since you made reference to that, did you ever give a check to Carol Montanti?

A. Who?

B. I mean Carolyn Cheney to take to Fred Richmond?

A. No sir.

B. You know Carolyn Cheney?

A. Yes I do.

B. You've ~~threatened~~ met her on a number of occasions?

A. Yes I did.

B. You never gave her a check?

A. Not that I know of.

A. Walter's (?) statement made known she was a bagwoman for _ bagwoman for ...

B. That's your phrase, by the way, I have never made that phrase.

A. I'm sorry, but that was the way _ I'm not saying you said it, I merely reported to you _ I'm a lawyer. I never believe anything until it's established.

B. Okay.

A. And I don't believe rumors or hearsay. I'm merely reporting to you in all fairness, what was said to us: that she was carrying also bundles of bids to Richmond.

Richmond _ and I don't know what you got from Bates (?) _ but Richmond has had as much to do with our operation as you have. He's a Congressman ..... I call him Congressman. I would not hesitate to speak to Moynihan, or to Amato _ D'Amato _ and I wouldn't ask for anything improper. I've practiced law for 40 years and I think respectably, according to ..... And I think there's nothing wrong with calling on Congress people. And The New York Times does too.

B. I'm not unaware of that. I know what the job of a Congressman is I know it's his job to help the district. But the reason I asked that question in that form is that it has come to my attention that she did carry a check she described as 'very large,' from you to Congressman Richmond. And you don't ...

A. Not a word of truth in it.

B. Not a word of truth in it.

A. No sir. I don't know of any check ...

A. A personal check? Corporate check?

A. Don't know a thing about it.

A. Can you fix the date? Because I'd be interested, you see. I'm a

lawyer and I've got some responsibility to see there's no violation of law. Can you fix the date of that check cause we'll go through every bloody voucher.

A. It's not true.

A. I want to ...

A. Not a word of truth.

A. I want to know who the hell said that. They're giving some bad information who said that.

B. And when you say, again, you're word, that Carolyn Cheney brought bundles of bids, it's never ...

A. Carolyn Cheney never did anything ....

B. Did she ever bring to you information that helped you formulate a bid?

A. No. Never. Never. How could she? She doesn't know enough about it.

A. What I'd like you to do is you ought to come down to Coastal, we'll show you. We're in the process of doing a bid, in the process of doing a bid.

A. It takes us months.

A. Every bid _ if you want to, if you want to know how they're done. Are you interested in the .....? Do you know anything about the ..... deal?

B. Some, yeah.

A. What do you know about it? Tell me what you know and then ...

A. Well I know that Bethlehem lost out by ~~$100~~ some million, meanwhile they were the low bidder, on the grounds that supposedly they had screwed up previous jobs.

A. That's correct. We lost, we lost two jobs. We also have three jobs in bids where we lost because it was going to Boston (?).

A. No, nobody knows ....

A. Well ...

A. They won't be going to Boston.

A. ..... you should know ....whatever.

B. Alright, let me get back to something that we started to talk about yesterday: Have you been able to find out how much you collected ... Congressman Richmond in '78 and '80?

A. No, I haven't been able to find that out but I did find out approximately how much I _ between myself and my wife we contributed.

B. Well I know that you _ there's also a limit on ...

A. No. No you don't. You don't know that. You don't know that. It was wrong. What'd you tell me, $12,000? I wasn't sure of what ...

B. $13,000.

A. It's not true. It's about $6,000.

B. Yourself and your wife you're talking about?

A. That's correct.

B. But the question I asked you was how much you'd collected from subcontractors and relatives?

A. What do you mean collect?

A. I don't know what the word collect means.

A. I did not collect anything. They (CHUCKLES) _ I haven't the slightest idea how much was collected.

A. That I'm sure you can get from Richmond's office.

B. Well, the reason I ask is that on the campaign reports they list obviously all the givers, including subcontractors.

A. Right.

B. And some of them have told me, in interviews, that they gave in response to urging and solicitation from you.

A. No, let me explain that. I'll explain this to you. Oh, three years ago, whatever the case may be, this fellow Richmond _ and I didn't know him from a hole in the ground, except he was a Congressman for the district. Is it okay if I go into that?

B. Sure. Sure.

A. A Congressman for the district. And the New York area was not able to get any work at all _ nothing. All the work was down South.

A. They got a lot of political weight there.

A. They've got a lot of clout there. And somehow they said, look, see Richmond, he's a Congressman .... Didn't know the guy from a hole in the wall. And I told him that he had the Brooklyn Navy Yard, we needed the work, we didn't have a Chinaman's chance. He asked me why and I told him that all these ships that the Navy had at that time, and even now. They're all in Portsmouth _ 10 in Norfolk _ and they're none being allotted to the New York area to be bid on. Even though they're in Norfolk, or Portsmouth, or on the Gulf Coast _ anywhere on the East

Coast, okay. These ships _ especially Charleston _ these people in these areas they had a monopoly on all these ships.

And I spoke to Richmond and he said 'I'll see what I can do.' So I believe that Richmond, as the secretary of the New York State delegation _ not only Richmond is involved here, all the Congressmen from New York and the New Jersey area, okay. What they did, they went to the Navy and they fought the Navy to have some of these ships that would just be bid in Norfolk, or in Portsmouth, or in Charleston, to allow the New York-New Jersey area to be bid on these ships.

That's all they ever done. That's all they ever did, okay.

A. You're aware of the fact that there are other shipyards that are bidding with us?

A. You got Bethleham Steel; you got Tars (?); you got Jacksonville; and you got a few others, anyway, let's say five or six okay. Now this was a combined effort of the New York State Congressional Delegation, headed by Richmond. And he went to the Navy and he did fight them. Believe me, the son of a bitch, he's a fighter.

I told you before what I thought about Richmond. I don't care about his morals and I don't care about anything, but the son of a bitch is a real fighter. And he went to the Navy ...

A. .....know anything about .... you're recording this?

B. Yes.

A. Oh, I'm sorry...

B. Yeah. I'm not going to use son of a bitch, you know I don't care.

A. No, not only for that, let's hold it for a minute. I'm not going

to do the recording till we find out what you're inquiring about. We're not going to do it. I'm going to make that perfectly clear to you.

B. Well my question was...

A. We'll turn it off and then we'll decide what (RECORDER IS APPARENTLY TURNED OFF ... RESUMES:)

B. ... Discuss the .... areas.

A. You can put any areas or anything you want to in ...

B. Alright, I want to discuss ...

A. Let me just put on the record, so you have a record, I was not aware that you were doing this. I suggested that you give us a list of the areas in which you ...

B. I wasn't aware you were coming. I wasn't aware _ I mean, let's face it, you called me and said you were coming up. And I want to keep everything on the up-and-up. I want an absolute record of this. There's no complaints about inaccuracies so there can't be any objection to that.

A. Except that I did speak with you and you said you would be in touch with me because you wanted to ask Mr. Montanti a number of questions. It having come to my attention that certain remarks were made _ whether true or not, and whether properly attributable to you or not _ I thought that I would accompany him. And that's the purpose. Now I've asked you not to record it. If you will indicate the areas that you want to inquire about, then we'll decide whether we're

prepared to do this.

B. Well, the areas in which we've already discussed once it seems to me are obvious: the contributions collected or solicited, or urged upon subcontractors and your family by you, Mr. Montanti.

A. Can I ask you a question: What does urged mean? He put an arm on somebody?

B. Well, that's what I'd like to discuss. What _ how these _ how it came about that these subcontractors gave.

A. What else?

B. I'd like to know a little bit about the situation with Coastal now, you know, whether it's down to some kind of a lull, or what the employment is _ you mentioned 1700 employees and a payroll of $25 million. I want to get some picture of what _ the size of the operation. I'd like to know about your relations with Bob Bates and Congressman Richmond's office. How the contributions were handled, the mechanics of how the contributions from subcontractors and your family were sent or delivered, or whatever, to Mr. Richmond. Possible inaccuracies in the listing of contributors solicited or connected in some way to you. I know you didn't prepare the campaign reports but Helen Carl had some role in establishing the identities of some of the givers. Those are basically the areas.

A. Okay, now let me ask you a question: With respect to your comment to Mr. Montanti about the impropriety _ whether he knows it's a criminal or civil offense to make contributions _ would you tell us what prompted that remark?

B. My understanding is that the Federal election law prohibits contributions by contractors, government contractors.

A. Have you checked the advisory opinion?

B. Yes.

A. Which advisory opinion?

B. Well, my understanding is that the _ well, the distinction really has to do with personal contributions or business contributions. Free speech obviously guarantees the _ or allows _ any individual to urge anyone else to do anything he may want. But when it trespasses into a business capacity, a business relationship, it comes under the purview of the law. That's my understanding of it _ as it was explained to me.

A. Are you familiar with the regulations issued by the Federal Election Commission? Are you familiar with Section 115.6?

B. Tell me what that is. I don't know the number.

A. Well, it's a regulation which says that nothing in this part, these regulations are issued under the authority of the act itself. Nothing in this part shall prohibit the stockholders, officers or employees of a corporation, the employees, officers or members of a non-incorporated association, cooperative membership organization, labor organization, or other groups or organizations which is a Federal contractor from making contributions or expenditures from their personal assets.

And there is an advisory ruling called AO1975-31, which you ought to

examine. You'll find a copy in the 1976 commerce clearing house for the .... statute and the interpretations. And particularly a discussion of the distinction between the sole proprietor and a corporation, even where the corporation is wholly owned by a single shareholder or by a shareholder and his family.

I know of no decisional precedents but there are some cases which are cited. Now we're disposed to give you information, although we [illegible] no obligation to do so. But I think it only fair for you to tell us what it is that you suspect was improper. And if you tell us, then we're prepared to respond to any question you have.

Obviously, in the course of your investigation of Congressman Richmond, and that's your prerogative you can investigate anybody you want, I'd be the first to defend your right to be wrong and your right to publish whatever you want to publish short of slander and libel — that's not privileged under the Sullivan case.

But you are apparently of the opinion that there have been some improprieties. Now, if you would tell us what you think was done improperly, then we would be in a position to respond to you. And I would hope that you would then fairly report whatever's being said.

B. Well, you obviously do not believe you've transgressed the Federal election law.

A. We believe that we have not transgressed the Federal Election Law.

B. In your view and your expertise on the election law, does the law prohibit contributions by government contractors someone.....

A. I don't purport to be an expert in this area. My association with the company has been purely that as an attorney and I was not consulted about these matters. I'm aware of the fact that contributions were made to political candidates _ and that it is perfectly proper to do so under the democratic process. I've made contributions and I guess you may have. I don't know whether you have but people have.

There is a provision in the statute which says that a government contractor under the circumstances described in the statute should not make political contributions.

You having suggested that at one point, we then began to research whatever law was available. And I assume that Mr. Montanti in making personal contributions, like any other citizen, secured some advice that these contributions were proper.

B. I want to ...

A. ..... fundamentally right, nobody knows what the answer is until the United States Supreme Court rules on it.

B. But I mean, isn't it ...

A. But the regulations and the advisory opinion appears to suggest that even if the corporation is a government contractor, there's no prohibition against an individual shareholder making contributions.

Then you asked about a relationship between Coastal and Bates.

B. Hold on, before we get to that, let me understand ...

A. And a lot of other _ you're implying certain improprieties which

B. Well, let me understand this, because _ just so we understand each other. Are you saying that as long as these contributions are personal contributions by shareholders or executives, they come under that exception, or whatever _ provision _ of the election law. The distinction seems to be between personal contributions and business contributions.

A. Well, let me say this: I know that The New York Times has a very distinguished group of lawyers and I don't think it's my function to advise you as to what I think the law means or how it should be interpreted. I think you ought to check with your lawyers because I'm going to be very candid and say to you that if you are misinformed about the law, and you should make any statement which would reflect on this company and the individuals and might conceivably lead to the destruction of the business because the mere suggestion or the taint of impropriety would have a terribly adverse effect not only on this company but thousands of employees, I would be constrained to sue you.

B. I understand you.

A. And I would sue your _ The New York Times.

B. Well, that doesn't _ I mean the threat of suit never stopped me from pursuing an investigation.

A. Well, I'm not threatening you.

B. Alright, alright.

A. Mr. Blumenthal, I didn't threaten.

B. Alright.

A. I merely said that I think that you ought to consult with the very able lawyers that The New York Times engages for their opinion. If you should be wrong and you should write a story .....

B. I'm aware of that. I know the consequences of being wrong.

A. I'm merely saying that before you _ you see the lawsuit is not an answer for us. We're not seeking to recover damages in a slander or libel suit, we're seeking to preserve a business and I think you have a responsibility _ and I'm sure you're a responsible reporter _ not to tell a story which will ultimately have to be retracted or may be the subject of suit, when all the damage is done.

I've had an experience like that. I was involved in a piece of litigation against The New York Times, the New York News and the Post and it was fine. Some of our clients were accused of some impropriety and there was a complete investigation and the police commissioner wrote a letter of apology, which we widely published. And The New York Times did a retraction _ I think it was somewhere in the classified ads under an advertisement for brassieres or something. And the New York Post stuck it into one of their ...

B. Well, I'm not familiar with any of this. But you said to me yesterday that these were personal contributions. I just want to understand is that your understanding of what they were? Personal?

A. Yes.

B But when you went in your capacity as president of Coastal, to one of your subcontractors and urged them to contribute to Richmond,

was that also in a personal capacity?

A. No. He's not going to answer that because that's what lawyers call to be a leading question. It assumes a state of facts not in evidence. You're assuming that he went somewhere in his capacity as president of Coastal to subcontractors. And we don't own the subcontractors. They work for other people.

Q. Alright. Let me ask it this way. Can you tell me how _ did you contact subcontractors and ask them to contribute to Richmond?

A. Before you answer that, I want to know what's wrong about that. Do you think that there's something wrong about that?

B. It doesn't matter what I think, whether it's wrong. I'm just asking did you go.

A. But it does matter.

B. I'm trying to understand ...

A. It does matter because I don't want you to put a gloss on this thing, which I would find to be very damaging because of a lack of understanding on your part as to the parameters of this law.

B. Well what gloss I put on it between now and the time I write my story is something that I may not even know myself. At this point I'm just trying to understand _ a very simple question _ what was your procedure in contacting subcontractors to make contributions?

A. But you have contacted some of our subcontractors, we understand. That's come to our attention too. And I think that you got a perception of this thing which is damaging. All I can tell you is that Mr. Montanti had counsel _ I wasn't counsel at the time. Mr. Montanti

has always had counsel and whatever he does has been checked with counsel.

Since I've been counsel, whatever's done is checked with me. And I could be wrong at times, and other lawyers are wrong, that's what makes lawsuits.

B. Yeah but you're not letting him answer the question.

A. Well, cause I don't know where you're going. And, you see, I'm very concerned Mr. Blumenthal, about some of the reports we're getting back. You're contacting competitors. You're contacting contractors. And you're creating a climate _ the very fact that a New York Times, the _ probably the most prestigious newspaper in the world and a very well-known reporter like you begins to inquire of people, creates an appearance of impropriety. And people are scared shitless over that.

It's as if you were to call ...

B. But this could help _ this could help resolve any misinterpretations. That's why it's a simple question.

A. I'm sure that if you called Mr. Montanti and a couple of my clients and said has Herbert Barstein ever done certain things _ which I never did _ merely because somebody suggested it to you, he'd be very nervous about it. And I might wind up losing him as a client. And I might also ...

B. I'm just asking him what he did, how he contected subcontractors. Is that a ...

A. You say subcontractors, he doesn't contact subcontractors, he may speak with individuals. You see, your question assumes something.

B. Okay.

A. It assumes that Mr. Montanti, in the capacity of a prime contractor on some jobs, as president of the organization _ in his capacity as president _ contacted ...

B. That's not true. Alright, in any capacity, in any capacity.

A. I'm a member of a law firm and I raise money for contributions. I've called people and said, Look I'd like you to contribute to something. I've called, I've called clients. And I daresay that lawyers all over the United States do the same.

B. Sir, you're telling me what you did and I'm not writing a story your..... I'm asking Mr. Montanti...

A. I know. Well, that's what he did. I'm trying to suggest to you that it's not in the capacity as president. He knows people. He's in business. Just like you know people in the newspaper business.

A. Mostly friends.

A. And therefore, and therefore, and having been in this business for more years than you've been alive because you're a young man, more years than you've been alive, he's gotten a whole host of friends. I've known him for 40 years. So he knows all kinds of people.

It was not a bit unusual, even when I wasn't representing the company, for him to call me and say, 'Herb, I want you to make a contribution to XYZ.

B. Right, all I'm trying to find out is, in your personal capacity to these friends who were officers of other corporations, did you talk to them on the phone? Did you meet them at parties and mention this to them? Did you talk, happen to talk to them at their places of business?

A. No, it was casual, either at my place of business or at parties, anyplace.

A. But not as officers of companies

A. No.

A. They were individuals.

A. Most of them were personal friends and they all wanted to do something to help Richmond because they knew that he did a helluva lot to try to help the area. And they wouldn't be in business today if it wasn't for him.

A. And I daresay they're probably making contributions to other, to other Congressmen.

B. When you say they wanted to make contributions to Richmond, did you urge them in any way? Did you solicit them to make contributions?

A. I don't know what the word urge means. You give me ...

B. Did you bring up the topic?

A. Contributions _ actually it was not a contribution. If there was an affair, for example a cocktail party or a dinner, that's how it came about. Not direct contributions. There was always something there. A cocktail party or a dinner.

A. .... Carroys had a dinner. Senator Moynihan had a dinner.

A. And ...

B. You took a number of tickets, then, to ...

A. No, I'd say listen, Congressman Richmond's going to have an affair, would you like to attend, or something like that. That's it. Or a cocktail party.

A. I daresay there were people who didn't buy tickets who are still subcontractors.

[illegible] I wouldn't ask everybody [illegible] your friends that's all.

A. If you ran down the list of all our subcontractors, I think you would find there're a number of them who never participated at all.

A. I wouldn't have ....

A. And it's not putting the arm on anybody. It's the way contributions are raised in all areas of business.

A. Mr. Blumenthal, believe you me, like I said before, if it wasn't for this man and his fighting, the Brooklyn Navy Yard would be closed today. There would be no Brooklyn Navy Yard. Just a ... ship repair. Most of these people in business today are only in business because of what he has done. Not that he went to the Navy to get the ships. He couldn't get the ships. Just the fact that he allowed us to bid these jobs, okay.

Now there are many people _ very, very many of these people that we're discussing about now _ who are very thankful. They don't know what the hell to do. I say you can't do a damned thing. They all know

it's Richmond, okay. If an affair does come up, I'll ask them, okay, you want to do something? Here's the way to do it. Buy a ticket, or two tickets and let's go to the dinner.

But it's a good dinner. You got a band. It's a good affair. It's ....

A. You take the Nitro (?), he had as much to do with it as you did.

A. He had nothing to do with it.

A. He had as much to do with it as you did?

A. And what you learned of the Nitro is not entirely complete. The fact that, you know, under government law you don't have to award to the lowest bidder. There's no ....

B. Anyway the Navy has .... good discretion. Obviously they wouldn't have awarded it to a ...

A. And there's some remedies for somebody who's a bidder who feels that he's been denied an opportunity. He can appeal. He can start a litigation. He can do a lot of other things. And there was a very clear reason why my client looked into it.

A. Can I give him an example on the Harlan County? The one that just happened?

A. Sure, tell him about it.

A. Here's an example: We bid two ships, the Recovery and the Harlan County. Jackson Engineering was the low bidder, from Staten Island.

The Navy went down there and just knocked them right out of the box. Knocked them out of the box.

A. When you say knocked them out of the box, they thought that they weren't ...

A. Weren't qualified.

A. Sufficiently qualified.

A. Did not have the organization. Did not feel they could do the work.

A. We're not making that charge, Ralph. Okay. That is merely saying

A. Is that an .....

B. Yeah, it is. But listen. I don't care about that. I mean I'm not _ that's the ...

A. All we're telling you is here's a situation where a _ where they were not terribly qualified, or thought not to be qualified. Pressure was placed through the Small Business Administration and although we were qualified, we could meet all the standards, we were the second one we didn't get the ships. That's the nature of this beast.

A. Well, they took one of the _ they took the two of them away, then they gave them back one, okay. The Recovery. They figured okay, the SBA come in and they might do that. And they gave it to them.

But the Harlan County, they took the Harlan County away and Norfolk Ship was second bidder. And they gave it to the second bidder. And we were the third bidder, okay. And we almost got the Harlan County but we have nothing to do with it.

That's all Navy. They send their engineers out. That's how they do it.

B. I understand. I think I know how ...

A. It's the same example as the Metro.

B. Let me ask you this in connection with your contacts with these executives who were executives and subcontractors, because I'm still puzzled about this. What role did Helen Carl play in ....?

A. Now let me _ just hold it a minute. You keep saying executives, I don't know that they're executives. The term executive is a term to ... for me. You say his contact with executives.

B. They're listed on the campaign reports as president of Tomlinson Refrigeration. Alright, I mean ...

A. They're all friends ... . :

A. You want me to explain Carl _ Helen Carl? Alright, Helen Carl is my secretary.

B. C-A_R_L? Right?

A. Yes. Lots of times these people when I say, okay, we'd like to go give me two tickets, or whatever the case may be. Who shall we send the money to, okay. Lots of times they sent the money direct, and so forth, and lots of times it's been wrong. They had no information where they worked, you know, and lots of times they sent cash and that's no good, so they'd come back and we'd send them back the cash and say look, this has got to be a personal check.

So in order to make things clearer and easier for everybody, I would tell them look, give it to Helen and make sure _ and Helen will get all

the information so when we do send it, everything is correct. There are no mistakes. There are laws that you have to go by, I understand. I was just _ and that's the way Helen Carl fit into the picture.

All she did was get the information and made sure that they had the place where they worked, okay, whether they were a housewife or an executive, or whatever the case may be. And that's all she did.

(NOTE: I THINK BLUMENTHAL SAYS SOMETHING HERE BUT HE AND SOMEONE ELSE WERE SPEAKING SIMULTANEOUSLY. OR IT MAY BE THAT BLUMENTHAL'S THE ONE WHO SAID THAT IT'S NOT AN UNUSUAL PROCEDURE. CAN'T BE SURE.)

A. It's not an unusual procedure.

A. I collected some funds on a political campaign. The funds came into my office and my secretary collated it with corporate checking and we sent it back.

A. I didn't want to get involved in anything like that.

A. Nobody would give us any ....

B. You're not saying that she did this on her own time, or weekends. She did this on regular business time?

A. Nah, well ...

A. Between 12 and one, anytime she could do it. Whenever she felt _ listen, there wasn't that much to it. I mean this doesn't happen every day, alright. Maybe they have an affair once a year.

A. The amount of time that would be spent in receiving a check is so miniscule. I mean, she wasn't working on government time. No.

B. Government time.

A. She wasn't working on government time.

B. No, I didn't think of that, but I meant Coastal time, I mean. The time that she ...

A. Well, you're assuming that everything that's _ ultimately gets charged to the government. Therefore it's bringing the implication that it's government time

A. That's not so.

A I suppose that if somebody receives a personal telephone call in the office who is then on a phone, that person's also ..... time. And I doubt if anybody believes that. I daresay that you receive an occasional personal call on The New York Times' time.

B. Yeah. .... a government contract.

A. Well I'm not too sure. I mean, you know, it reflects itself in prices which are charged to advertisers ...

B. (SUBAUDIBLE)

A. Aw, you're talking about a couple of minutes where it doesn't add a thing .....

B. Alright, the _ are you aware that some people received, or say they were offered, cash in exchange for their campaign contributions?

A. There's not a word of truth and I'm not aware of that. But it's not true. I don't know where you're getting your information _ it's all wrong. There's not a word of truth ....

A. .... is one of the, is one of your sources. They have a source there, I think ....

A. And then you have a dope fiend or an acoholic, so you're going to _ now you have both.

B. I don't know who you're referring to, if you tell me I'll ...

A. No, I won't tell you. We have an idea of who the source is.

B. Uh-huh. A dope fiend or an alcoholic. Okay. Did this dope fiend or alcoholic receive cash are you saying?

A. No, come on, you know better than that

B. Well I don't know who you're referring to.

A. Well, you, you know, your method if inquiry would suggest that maybe you are speaking to some of these people. I don't know. I'm just saying we suspect there might be a source of misinformation for you, reflected in some of the comments that you made ....

B. Alright, let me ask you about Bob Bates: How often have you met with him? How do you know him? Can you relate a little bit about him?

A. Yes, Bob Bates. I met Bob a couple of years ago. Bob has a job as liaison, I believe, between the Navy and Congress. And he also has a very responsible job here in Washington, as far as _ well, let's say he's an admiral's aide or a captain's aid.

And any time there's a problem, it seems that he is the trouble shooter. And one time we had four or five ships in a yard and we had a few problems on some of the ships. And he come down, I believe with an admiral...

A. As a trouble-shooter.

A. To find out what the hell's going on. Who was wrong. You know, what's wrong. Was it the ship that's wrong. Is it the contractor, or so on. That's how I met Bob.

And Bob has been down to the yard a couple of times, on business. I might see Bob maybe four times, five times a year. I go with bids to Washington, you know. And I take a bid in. I may see him there.

A. But these are all closed bids.

A. Nobody knows what the hell these bids are for two or three weeks, maybe a month, from the time these bids are submitted. That's my extent of Bob Bates.

B. The first time, when he came to the yard was four or five years ago?

A. No. A couple of years ago.

B. Two _ two ...

A. Oh, maybe two years ago, maybe three. I don't know. Not _ well I didn't know him anyway. It's just, you know, this guy was Bob Bates.

A. Didn't you get a statement from Dick -------- on this?

B. As a matter of fact, I did not. The Navy has taken that over now and I'm waiting for a statement from them.

A. But wasn't it read to you?

B. A statement that they thought would answer my questions was read to me but, as I pointed out to them, it left several of the questions unanswered. So they're researching it.

A. Well, I can't answer for the Navy.

B. Several _ four times a year, or so ...

A. Maybe four times a year.

B. You would go to Washington and meet with him? Or he would come here? Or ...

A. No, I would not go to meet _ go to meet him, okay. But I would go into the office where he may be at. I might say hiya Bob, and [illegible] it. (LAUGHS) I meet lots of people that [illegible].

B. When you say you came to an office, you mean his office? Where he may be ...

A. Not his office, no. It's the main office in Washington, the Navy office. I really don't where, to tell you the truth, what even the building is. But anyway, I would see him there and that's about it. Say hello Bob, how are you, and so forth and so on. That's it.

B. Did you ever meet him at parties by Congressman Richmond _ where Richmond was the host?

A. Not that I remember, no.

B. You never met him in a social capacity, at all?

A. Not really, no. I might have been at a cocktail party where he might have been there. But I don't know whose party it was.

B. And when was the last time you think you saw him?

A. Last time? Well, when's the last time I was at a conference? Maybe six months, seven months ago. I'm not sure. It could be more, it could be less.

B. A conference? You mean a Naval ..... conference?

A. Conference, yeah. Yeah, he came down with some captains _ about three or four, five, people on a _ he was just one of the group, that's all.

B. And this was in Brooklyn he came to ...

A. Yessir.

B. And there were ...

A. Well, what he does, he comes down. See, what I guess, he comes to see Scup (?) Ships (?), which would be the main office here in Brooklyn, okay. Then he comes down with the Navy people from there, and his people, and they all come down as a group.

See, we have a Navy office in our establishment also.

B. So the last time might have been six or seven months ago, when he came with a group of other Navy people ...

A. That is correct.

B. To the Navy Yard, to your office.

A. That is correct.

B. And were bids discussed, at that time?

A. No bids, no, no.

A. He would have nothing to do with that.

A. No, he has nothing to do with bids.

B. He has nothing to do with bids?

A. What would he have to do with the submission of bids?

A. No, as far as I'm concerned, he has nothing to do with bids. I mean, I never had any dealings with him on bids.

A. I mean we're talking about bids, we're talking about Coastal bids.

B. Did _ is Coastal at a low now, or something? ....

A. .... What does that mean, at a low?

B. Are you down to fewer people?

A. What's the significance of that, for the purpose of your investigation?

[illegible] I'm just trying to understand [illegible] at Coastal is.

A. I know, but why? What business is it of yours? You might just as well ask me what the Federal income tax return report is. And why is it your business whether we're low or high?

We've said that the company has had _ and the records are clear _ the company has had swings in employment. We can go anywhere from 900 to 2,000, or 1,700.

A. Depending on the flow of business.

A. And that's true of every shipyard. I represent another shipyard, so I know. You can't speak of low. Or high.

A. I can answer that question. We're about a thousand people right now.

A. Okay, I mean that's _ I don't know whether it's low or high.

A. I say top, you know, we run top _ we could run from 12 to 15, or 17, 18 _ but that's when you have five ships. Which is unusual. Right now we have three ships in the yard.

B. Three ships, okay. And would that have been the situation around

November, too?

A. I don't know.

B. You don't remember what it was?

A. No.

B. Is a thousand ...

A. November?

B. Yeah.

A. Oh, we were pretty busy in November. Pretty busy in November. In November, it was in excess of (SOMEBODY S CLICKING SOMETHING, DROWNING OUT REST OF SENTENCE)<BF> <LF>We were very busy in November.

A. We were in the middle of negotiations ... .

A. Yeah, we had ..... Since that time I think we might've _ two ships might have left the yard. Yeah. No, we were busy then.

Can you tell me what this has to do with Richmond?

B. I was just trying to think something out. Are you _ did you know that Bob Bates met with Congressman Richmond around November?

A. No.

B. You weren't aware of it?

A. No.

B. And the subject was getting more ships for Coastal.

A. I'm glad to hear it.

A. If he doesn't know that he met with him, how would he know what the subject would be?

A. I don't know, no.

A. If he doesn't know that there was a meeting, how would he know

the subject?

B. I thought that might jog his memory, that's all.

A. No.

B. Okay. As far as you understand Bob Bates's role, is he in possession of any information that is confidential, that he should not communicate to a contractor, like you.

A. You can't ask for ...

B. I can't know.

A. What does he know about that? How can speak upon that?

B. I said, as far as you understand ...

A. .... no understanding of what Bob Bates's obligations and duties are. He has ...

A. I don't even know what his .... job is.

A. He has no right even to comment on it.

B. I thought that he might say that Bob Bates's has told me, at certain times, that there are certain things he couldn't discuss with me.

A. No, we never discuss ..... no.

B. No.

A. If there was nothing to discuss, so why would he tell him there's nothing _ some things he couldn't discuss?

A. May I say something?

A. No, not unless I know what you want to say.

A. (LAUGHS) Okay. If you turn the machine off, we'll find out.

(BLUMENTHAL MUST INDICATE A NEGATIVE RESPONSE)

A. Then don't say it.

A. Why don't you turn it off.

B. Don't say anything that you don't want to have on the record.

A. I don't want anything on the record, but I expect that you'll make available to me, a transcript of what you've got on the record.

B. It's a long transcript, but _

A. I don't care. I'll pay for it.

B. Alright. And you never entertained Bob Bates, in any way?

A. No.

B. Gave him anything? Anything of value? Any trip? Or gifts?

A. No, never. Never. Never. No sir. There's no reason for it.

B. When you _ when subcontractors, and other people, sent in contributions, you said they sent them in to Helen Carl, at times, because they didn't know who to send them to, or whatever. What happened to the checks after that _ after they were sent into your office? How were they sent on to Richmond's campaign headquarters?

A. We never sent them down. I believe that someone would come down between 12 and 1 and pick them up.

B. Someone from Richmond's office you mean?

A. I don't know where they were from, really, okay.

A. It could've been ..... campaign committee.

A. Yeah, ... probably came. I don't know .....

B. I mean it was not one of your employees?

A. No sir, no sir. We never delivered anything. Never.

B. Okay. You don't remember any particular people? You don't know the names of anybody who came and picked up those checks?

A. No I don't. I don't even know when they came, alright. They wouldn't come to me.

B. Do you recall Steven ~~Bianco~~ Fyallo (?), who is a treasurer of Walco?

A. I don't know the name. Never heard of him.

B. You don't know the name. Is it _ have you ever heard that he had come, or the treasurer of Walco had come to pick up checks from ....

A. He said he didn't know, before, anybody.

B. The name?

A. No I don't.

A. He didn't know the name, even.

A. No I don't.

B. But he might have known that the treasurer of Walco had come to pick up ...

A. He said he didn't know who came.

A. No I don't know.

B. Okay.

A. I wouldn't even know when they came, to tell you the truth.

B. Okay.

A. I have more to do than that _ watch for checks.

B. Okay. Oh, and so once they left your office, you would have no way of knowing where they went, or ...

A. I presume they went to the committee _ whoever the committee was.

B. Okay. When Carolyn Cheney came up from Washington, people in the office say that she came up to meet with you.

A. Which people?

B. Staff members in the Richmond office _ said many staff members. This is not a matter of dispute, as far as I know.

A. Staff members said that she came up to see Montanti? What is it that you wanted to know about that? What is it you want to know about that?

B. Is it true, as far as that's concerned?

A. What's the difference if it is? what follows from that? Assuming, for the moment, that she did, what ...

B. Well, I would like to understand what Richmond's administrative assistant would do coming up to meet with Mr. Montanti:

A. I can explain that, okay? There's a good explanation. We would find out that there were ships being bid at an offer. And the New York area was not involved. The New York area was not invited to bid, okay.

I would call Richmond and say, Congressman, such-and-such a ship, or such-and-such ships _ Norfolk is loaded with ships and Charleston is loaded with ships. And here we are, the New York area, and there's no work around.

And he says, look, I'll send somebody down there. You give them all the information and we'll see what we can do about it.

So we would give him the names of the ships which would be bid in the very near future, okay. And he, as the secretary of the New York

State delegation, would get his people together, I guess, and knock on a Navy door and say, hey, how about letting the New York area bid on these ships. And that's what that was all about.

I would translate the information. Give her the names of the ships, What was involved, where they were at. Cause the Navy sends us the list. They send us the list of what ships are going to be bid.

And we can see, and they'll say these ships are bidding in the New York area and these ships are bidding in Charleston, the Gulf Coast and the West Coast. That's something we work all the time. And when we see these lists and we know that three months from now _ this is all long-range planning, you just don't bid a ship from one day to another.

You know you're busy now and you want to, you know, get set for the future also, so you have a steady employment. And I'd call up and say look, we can do these ships. Why don't we get a chance to bid on them? And then he would go to work and go to the Navy and say hey, these people are loaded up. Give us a chance to get some of this work.

And that's it. So then what the Navy would do, they'd send out a memorandum to us and say okay, these ships will bid in the New York area ...

A. But not ... .

A. No, the whole New York area I'm talking about.

A. ..... impression ....

A. No, no, no. It would go to Todd, Bethlehem Steel, Jacksonville, Union Engineering _ all the ships in the New York-New Jersey area, including Pennsylvania, okay. They were even excluded. So when they

included us, they would also include all the shipyards in Pennsylvania.

Now, the Norfolk area and the Jacksonville area, they got a monopoly on all these ships. I mean, they got _ their politicians out there, they really fight for these people, okay.

B. ....

A. Alright, and this is what the hell it's all about.

B. So what you're saying is that when you received the list of Navy ships that were coming up for bidding, and you wanted to encourage the Congressman to fight for a greater share for the New York area, you would transmit this information to Carolyn Cheney.

A. That is correct.

B. And that's the only thing she came up for to meet with you on?

A. That's the only thing that she came to see us about. Nothing else.

B. And how often would she see you? Meet with you?

A. Oh, very rare, I would say once or twice a year. If it was that much, okay. Maybe once or twice a year.

B. And this would _ these meetings would take place in your office? Coastal's office?

A. Yes.

B. Would she meet with you personally?

A. Oh no, there might be two or three people in the office. I don't remember. I mean ....

B. She told people she went out to dinner with you.

A. Well, if she come down, if she _ not to dinner, no. Never to dinner. (LAUGHS) Watch what you say, you'll get me in trouble with my wife now. I never went to dinner with her. If she come down say, 11 or 12 o'clock, the least I could do was take her to lunch, okay. Though not just the two of us _ it could be two or three.

A. .... he doesn't go to dinner with .... just his wife.

B. And never alone. I'm just trying to solve this ...

A. I say, but that's a _ no, these are core facts

B. So ...

A. And let me add something else, she's quite a girl. She's quite a fighter and she's a good worker. I'll tell you, seriously, she used to go to these admirals, okay. As a matter of fact, she did a lot of _ she'd go to these admirals and she was really on the ball.

B. You say once or twice a year, how many years are we talking about?

A. Oh, maybe two or three years, that's about all.

B. So four to six times ...

A. Something like that.

B. You met with her.

A. Yeah, about that.

B. I'm still puzzled by an inconsistency _ how she could've told somebody that she received a check from you for the Congressman ...

A. Who'd she tell?

B. And brought it up.

A. Who'd she tell?

B. I'm not going to say.

A. Well, then we're not going to answer it.

A. I don't know anything about it.

A. You're saying there's an inconsistency. Inconsistency, you know, if you have to face me with an inconsistency, you've got to say somebody said something to somebody. And then if you're fairly interested in getting an answer _ because whoever said that might not be telling the truth ....

A. It's not true.

B. That's what I wanted to ask.

(EVERYBODY SPEAKING AT ONCE)

A. ... . from you, you've got to tell us _ you've got to tell us who it was.

A. Mr. Blumenthal ....

A. .... Don't want to respond to that.

B. Well, you said already it's not true. And now you say you ...

A. ... . not to respond to it, because you don't have to respond to rumors. I mean, somebody said they beat you up last night, doesn't mean that you've got to go around showing you're unscarred. You aren't, obviously you're not beaten up.

B. She left about a year-and-a-half ago, I guess, or a year ago to join the subcommittee. Since then, have you talked to Art Craig? Is that the person you talk to now about problems involving the shipyards?

A. That is correct. He's _ took over the functions that Carol Cheney

used to do.

B. Is Staten Island Hardware a subcontractor?

A. No, they're a vendor.

B. They sell you _ if I understand, they sell you things to do ships with?

A. Staten Island Hardware _ I knew Monte Parish for, I'm going to be 64, I know him for about 55 years because we used to live in his mother's house, upstairs, in Staten Island. He's a personal friend of mine. Did you know him Herb?

A. Yeah.

A. I used to like to gas with him on the holidays, Jewish holidays. By the way, he just died, just a short time ago.

B. I heard, yeah. Did ... (VERY, VERY LONG PAUSE IN TAPE) Well, you've already said that your relations with subcontactors, with regard to contributions, were personal. And I suppose that would extend to your family, right? Relatives who've contributed. And what about their employees who contributed? How did ...

A. I don't know anything about their employees. This I don't about _ their employees. Don't know anything about their employees. Nothing.

B. So, if Thomas Montanti, or ~~Jean~~ Charles Montanti, your cousins, asked their employees to give, you say you don't know anything about it?

A. No. I wouldn't know anything about that. That would be their business. I don't know.

B. Okay, well, let me see if there was anything else I wanted. Did Mr. O'Donnel's the controller, I guess, at Coastal. Did he contact any

subcontractors, or anybody, with regard to campaign contributions for Congressman Richmond?

A. The only person he would have contact _ well not con- _ he was a banker (OR MAYBE BANKRUPT) himself, okay. The only person he would probably _ people he would talk to would be the banks that we deal with.

B. Did he?

A. Do you know? If you don't know, don't ...

A. I don't know, but he might've. I don't know. This I don't know. But when you talk about banks, that's his department.

A. .... he wasn't delegated to do that ....

B. Right. He might've talked to banks?

A. Yes.

A. You don't know. He might've talked to you, for that matter.

B. Did banks that you do business with give contributions to Congressman Richmond? Did they send them over to your office, for example?

A. I don't remember. You just asked me if, you know, if O'Donnell _ I said if there was, then he would be the one who would probably have contacted them.

B. But you don't remember any banks ...

A. No.

B. That you have dealings with sending contributions.

A. No, but that's very possible. I'm not sure.

A. No, it's not possible, because it's problems for a bank.

A. Well I don't know.

A. They have lawyers. They know what ... .

B. But you're saying that Mr. O'Donnell did not contact any _ any subcontractors of yours?

A. I really don't remember, honest. I really don't. I don't.

A. Anything's possible.

A. It's a long time ago.

[illegible] say it _ that he was instructed to do that. That is not his job. His job is to act as controller.

B. Okay. Have you been contacted by any investigative agency?

A. No.

B. The U.S. Attorney in Brooklyn is looking into Richmond _ he said he was.

A. You don't know anything about the U.S. Attorney's office.

A. I haven't the slightest idea.

A. The only investigation we know about is yours.

B. Okay. Alright, well that runs through my list of questions. And that should do it.

A. Okay, would you let me know when you have a transcript ready and I'll send a messenger.

B. Okay.

A. Thank you for the coffee.

B. Oh, simple enough.

A. Thank you for the coffee.

B. Okay.

(END OF TRANSMISSION/413p23/sb)

~~(ANOTHER LONG PAUSE~~

20 4579 RECEIVED
ECA 7668
82 MAY 5 A10:01

BUTLER, JABLOW & GELLER
ATTORNEYS AT LAW
400 MADISON AVENUE
NEW YORK, N. Y. 10017

WILLIAM J. BUTLER
RICHARD B. JABLOW (1886-1975)
STANLEY GELLER
MELVIN J. NELSON

WILLIAM R. CARLISLE
COUNSEL

PHONE: (212) 755-2040
CABLE: "WILLOWMAN" N. Y.

April 30, 1982

Nancy B. Nathan, Esq.
Federal Election Commission
Washington, D. C. 20463

Re: Walco National Corporation
MUR 1436

Dear Ms. Nathan:

Pursuant to our discussion today, enclosed is the form executed by Walco National Corporation appointing our firm as counsel in connection with the matter captioned above.

Our firm is authorized to receive any notifications and other communications from the Commission regarding this proceeding.

Very truly yours,

Michael D. Markman

MDM/lm
enclosure

82 MAY 5 A11:02
8404043697

STATEMENT OF DESIGNATION OF COUNSEL

NAME OF COUNSEL: Butler, Jablow & Geller

ADDRESS: 400 Madison Avenue, New York, N. Y. 10017

TELEPHONE: (212) 755-2040

Of Counsel: William J. Butler
Stanley Geller

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

April 30, 1982
Date

Signature Paul D. Schurgot, Jr.
President

NAME: Walco National Corporation

ADDRESS: 743 Fifth Avenue
New York, N. Y. 10022

HOME PHONE:

BUSINESS PHONE: (212) 688-4685

8404435

BUTLER, JABLOW & GELLER
400 MADISON AVENUE
NEW YORK, N. Y. 10017

Nancy B. Nathan, Esq.
Federal Election Commission
Washington, D. C. 20463

8404043539

20/306

RECEIVED
Gcc# 7629
82 APR 29 A11:47

ZELBY & BURSTEIN
COUNSELORS AT LAW

SUITE 2373
One World Trade Center, New York, N.Y. 10048
(212) 432-0940
CABLE "ZELBURLAW"

April 28, 1982

EXPRESS MAIL

Scott E. Thomas, Esq.
Office of the General Counsel
Federal Election Commission
1325 "K" Street, N. W.
Washington, D. C. 20463

Re: Coastal Dry Dock & Repair Corp. - MUR 1436
(Our File No. 1499-166)

Dear Mr. Thomas:

I want to thank you and Ms. Nathan for the courtesy extended to me and to Mr. Charles L. Montanti.

I am enclosing herewith the Statement of Designation of Counsel.

I also want to confirm to you the urgency for completing the investigation with the greatest possible expedition, consistent with your procedures.

As Mr. Montanti and I pointed out to you, subject to any restrictions which may be contained in Government agreements, Coastal Dry Dock & Repair Corp. ("Coastal") and Mr. Montanti will cooperate fully with the Federal Election Commission ("Commission") and will assert no privileges, Constitutional or otherwise. All of the records of Coastal and of Mr. Montanti relevant to your inquiry will be made available at your request.

In the meantime, if you will furnish to me a list of the items with respect to which you require information,

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we will begin to assemble these.

We would appreciate it if you or Ms. Nathan could arrange to meet with Mr. Montanti and with me during the week of May 3, 1982.

We have explained the importance of concluding this matter.

I would also deeply appreciate your making further inquiry to determine whether the confidentiality of this investigation has been breached in any way.

I look forward to hearing from you.

Very truly yours,

Herbert Burstein

Herbert Burstein

HB:me

cc: Coastal Dry Dock & Repair Corp.

Enclosure

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RECEIVED

82 APR 29 A11 : 47

STATEMENT OF DESIGNATION OF COUNSEL

NAME OF COUNSEL: Herbert Burstein, Esq., Zelby & Burstein

ADDRESS: 2373 One World Trade Center, New York, New York 10048

TELEPHONE: (212) 432-0940

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

COASTAL DRY DOCK & REPAIR CORP.

Date April 28, 1982 by Charles Montfort, Pres.
Signature

NAME:

ADDRESS:

HOME PHONE:

BUSINESS PHONE:

8404043592

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RECEIVED
82 APR 29 11:47
N.Y.

LAW OFFICES OF
ZELBY & BURSTEIN
SUITE 2373
ONE WORLD TRADE CENTER
NEW YORK, N. Y. 10048

EXPRESS MAIL NEXT DAY SERVICE

POST OFFICE TO ADDRESSEE

FROM: Herbert Burstein, Esq.
Zelby & Burstein
2373 One World Trade Center
New York, New York 10048

Customer Number, if any:

TO: Scott E. Thomas, Esq.
Office of the General Counsel
Federal Election Commission
1325 "K" Street, N.W.-7th Floor
Washington, D. C. 20463

ORIGIN

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SURREY & MORSE

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WASHINGTON, D. C. 20005
(202) 331-4000
CABLE: SURMON
TELEX: RCA 248446 SURM UR
WU 892626 SURMON WSH

485 MADISON AVENUE
NEW YORK, NEW YORK 10022
TELEPHONE: (212) 838-7700
CABLE: SURREYMAN, NEW YORK
TELEX: 237013 SKMS UR

53 AVENUE MONTAIGNE
75008 PARIS, FRANCE
TELEPHONE: 359-23-49
CABLE: SURGOE, PARIS
TELEX: 290158 SURGOE

38 DAVIES STREET
LONDON W1Y 1LG ENGLAND
TELEPHONE: 01-493-9361
CABLE: SURGOE LONDON W1
TELEX: 298116 SURMON G

P. O. BOX 7159
RIYADH, SAUDI ARABIA
TELEPHONE: 476-2995
TELEX: 203809 LAWYER SJ

WRITER'S DIRECT DIAL NUMBER
(202) 331-4040

April 27, 1982

MUR 1436

Ms. Nancy B. Nathan, Esquire
Office of the General Counsel
Federal Election Commission
Washington, D.C. 20463

APR 29 A11:47

Dear Ms. Nathan:

On behalf of my client, Congressman Frederick W. Richmond, I wish to acknowledge receipt of Chairman Frank P. Reiche's letter of April 22, 1982.

We are looking into the matters raised therein and will advise you of factual and legal materials relevant to the Commission's consideration of these matters.

Enclosed is a statement signed by Congressman Richmond designating me as counsel.

Very truly yours,

Walter Sterling Surrey

WSS/cac

Enclosure

8210044359

STATEMENT OF DESIGNATION OF COUNSEL

NAME OF COUNSEL: Walter Sterling Surrey, Esquire
SURREY & MORSE
ADDRESS: 1156 Fifteenth Street, N.W., Washington, D.C. 20005

TELEPHONE: (202) 331-4000

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

April 27, 1982
Date

Signature

NAME: Congressman Frederick W. Richmond

ADDRESS: 1707 Longworth House Office Building
Washington, D.C. 20515

HOME PHONE: (202) 483-2441

BUSINESS PHONE: (202) 225-5936

8 1 0 4 0 4 4 3 6 9 5

SURREY & MORSE
1156 15TH STREET, N. W.
WASHINGTON, D. C. 20005

WASHINGTON DC 20005
PM
28 APR
1982

Ms. Nancy B. Nathan, Esquire
Office of the General Counsel
Federal Election Commission
Washington, D.C. 20463

82 APR 29 A10:44

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 22, 1982

The Honorable Frederick W. Richmond
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Richmond:

On April 20 1982, the Federal Election Commission determined that there is reason to believe that the Richmond campaign committee violated 2 U.S.C. §§ 441b(a), by accepting contributions by Walco National Corporation in the form of employee time and office facilities, and also by accepting contributions made by certain corporations; 434(8)(B)(ix)(II), by accepting certain accounting services provided by Walco National Corporation and failing to report their receipt; § 441a(f), by accepting a contribution from Harvey Van Zandt that exceeded the contributor's limits under 2 U.S.C. §§ 441a; 441c(a)(2), by soliciting contributions made by Coastal Dry Dock and Repair Corporation, a corporation holding federal government contracts; and 441f, by knowingly accepting contributions made in the names of persons other than those listed as contributors. 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, the Committee has an opportunity to demonstrate that no action should be taken against it. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter.

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

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a finding of reason to believe. See 11 C.F.R. § 111.18(d).

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 Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Frank P. Reiche

Frank P. Reiche
Chairman for the
Federal Election Commission

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

9 4 0 4 0 4 4 3 6 9 8

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 22, 1982

Committee to Elect
Representative Frederick Richmond
Robert A. Muir, Treasurer
43 Pierrepont Street
Brooklyn, New York 11201

Re: MUR 1436

Dear Mr. Muir:

On April 20, 1982, the Federal Election Commission determined that there is reason to believe that your committee violated 2 U.S.C. §§ 441b(a), by accepting contributions by Walco National Corporation in the form of employee time and office facilities, and also by accepting contributions made by certain corporations; 434(8)(B)(ix)(II), by accepting certain accounting services provided by Walco National Corporation and failing to report their receipt; 441a(f), by accepting a contribution from Harvey Van Zandt that exceeded the contributor's limits under 2 U.S.C. § 441a; 441c(a)(2), by soliciting contributions made by Coastal Dry Dock and Repair Corporation, a corporation holding federal government contracts; and 441f, by knowingly accepting contributions made in the names of persons other than those listed as contributors. 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.

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 conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a

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finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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 Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Frank P. Reiche

Frank P. Reiche
Chairman for the
Federal Election Commission

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 22, 1982

President
Walco National Corporation
743 Fifth Avenue
New York, New York

Re: MUR 1436

Dear Sir:

On April 20 1982, the Federal Election Commission determined that there is reason to believe that your corporation violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by contributing staff time and office facilities to the 1978 and 1980 campaign committees of U.S. Representative Frederick W. Richmond. 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.

In the absence of any additional information which demonstrates that no further action should be taken against your corporation, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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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 Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Frank P. Reiche

Frank P. Reiche
Chairman for the
Federal Election Commission

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

8404043702

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 22, 1982

Charles Montanti, President
Coastal Dry Dock and Repair Corporation
Brooklyn Navy Yard Building 131
Brooklyn, New York

Re: MUR 1436

Dear Mr. Montanti:

On April 20, 1982, the Federal Election Commission determined that there is reason to believe that your corporation violated 2 U.S.C. §§ 441c(a)(1), by making contributions to the campaign committees of U.S. Rep. Frederick Richmond, and 441f and 441b, by using corporate funds to make contributions to the Richmond committees in the names of others, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). 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.

In the absence of any additional information which demonstrates that no further action should be taken against your corporation, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

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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 Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Frank P. Reiche

Frank P. Reiche
Chairman for the
Federal Election Commission

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 22, 1982

Charles Montanti, President
Coastal Dry Dock and Repair Corporation
Brooklyn Navy Yard Building 131
Brooklyn, New York

Re: MUR 1436

Dear Mr. Montanti:

On April 20, 1982, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. §§ 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the campaign committee of U.S. Rep. Frederick Richmond in the names of other persons, and 441b, by consenting to the use of corporate funds to do so. 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.

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 conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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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 Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Frank P. Reiche

Frank P. Reiche
Chairman for the
Federal Election Commission

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No. _____
STAFF MEMBER(S) & TEL. NO.
Nancy B. Nathan
(202) 523-4073

RESPONDENT 1978 and 1980 (Rep. Frederick) Richmond Re-election Committee

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

The evidence available to the Office of General Counsel 1/ suggests several possible violations: (1) Walco National Corporation and the Richmond committees may have violated 2 U.S.C. § 441b in connection with Walco's payment for staff time and use of facilities on behalf of the committees, (2) the Richmond committees may have violated 2 U.S.C. §§ 431(8)(B)(ix)(II) and 434(b) by failing to report the receipt of certain permissible accounting services from Walco, (3) Charles Montanti, Coastal Dry Dock and Repair Corporation (a firm doing business in Congressman Richmond's

1/ Reports contained in The New York Times of December 11 and 17, 1981, and January 18, 1982, are among the sources which have been consulted. Additionally, further details on some matters reported there were discussed in a meeting held at the Federal Election Commission on February 22, 1982 with attorneys representing the Committee, who sought direction in their efforts to set figures to be used in amending the Richmond committees' 1978 and 1980 reports.

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district), and the Richmond committees may have violated 2 U.S.C. § 441f and 2 U.S.C. § 441b in connection with certain contributions purportedly made in the names of others, (4) Coastal Dry Dock and Repair Corporation and the Richmond Committees may have violated 2 U.S.C. § 441c in connection with the use of government contractor funds, and (5) the Richmond Committees may have violated 2 U.S.C. § 441a in connection with an excessive contribution.

FACTUAL AND LEGAL ANALYSIS

I. Corporate employment of campaign workers

Several violations of 2 U.S.C. § 441b are apparent from the news accounts. It appears that the employees of the corporation Richmond controls, Walco, performed campaign work while on Walco time, in violation of 2 U.S.C. § 441b(a). Specifically, it was reported by The New York Times that papers in the Walco takeover suit disclosed that for the years 1979, 1980 and 1981, two Walco secretaries, Carmen Agnes and Pauline Nunen, worked on invitations for an annual fundraiser and regularly maintained campaign files. Their deposition in the case reportedly said that they worked under Jack DeSimone, Walco vice president for public affairs and chairman of Richmond's campaign committee.

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In papers submitted by Walco in the case, it is alleged that DeSimone himself worked more than forty hours weekly on Walco business and, they asserted, any committee duties he performed during the workday therefore were not carried on at Walco's expense. See 11 C.F.R. § 100.7(a)(3)(i); but see infra. However, the news reports indicate that, in response to deposition questioning, Nunen and Agnes both affirmed that at least some of their committee work was "worked into the [regular] day," although they said some was performed on their own time. Federal district court Judge H. Kenneth Wangelin found that (Richmond) used Walco employees "during regular working hours to further his political career," The Times reported.

Another newspaper report says that Judge Wangelin found that the committee treasurer, Stephen Fiyalco, was a long-time Walco employee and was paid by Walco while he served as committee treasurer. The article says the court found that Fiyalco was one of several campaign workers paid by Walco. It is not clear from the articles whether that reference is to the same Walco employees referred to supra, i.e., Nunen and Agnes.

Further, it is alleged in an article that Walco's assistant treasurer, Beatriz Mirich, and another employee kept the committee's financial records and issued committee checks, which,

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unless exempted under 11 C.F.R. § 100.7(a)(3)(i), also would result in a violation by Walco of 2 U.S.C. § 441b(a).

In the February 22 meeting with OGC staff requested by attorneys for the Committees and individual Walco employees who were campaign workers, it was confirmed that Nunen and Agnes both regularly performed campaign work on Walco time, principally on fund-raisers. It also was confirmed that Mirich served both Walco and the Committees as bookkeeper. However, while the newspaper reported that the court was told that DeSimone, a Walco employee who served as campaign chairman in 1978 and 1980, performed committee work only after also working his normal forty-hour Walco work week, his attorney indicated that the amendments in preparation will list DeSimone's campaign activities as a Walco contribution.

It is recommended that the Commission find reason to believe that Walco National Corporation made contributions in the form of payments for staff time to the 1978 and 1980 campaign committees of Representative Frederick Richmond, in violation of 2 U.S.C. § 441b(a), and that the Richmond committees violated that provision by accepting such contributions.

Some of the services performed by Walco employees Fiyalco, and/or Mirich, may be exempted from the prohibition of § 441b by 2 U.S.C. §§ 431(8)(B)(ix)(II), which provides that accounting

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services rendered to a candidate's committee are not contributions if they are performed solely to ensure compliance with the Act. Even if the services of the Walco employees working on Richmond campaign bookkeeping could be construed as being only those services necessary to complete FECA reports, however, the 1978 and 1980 Richmond committees' failure to report the services would constitute a violation of § 431(8)(B)(ix)(II) and § 434(b).[1a/] Therefore, it is recommended that the Commission find reason to believe the 1978 and 1980 Richmond campaign committees violated §§ 431(8)(B)(ix)(II) and 434(b).

II. Corporate Contribution of Office Facilities

It is apparent that Walco office space was used regularly, without reimbursement, by campaign staff. The FECA implications of that use of Walco facilities must be analyzed for two distinct categories of that use: the regular, daytime use of facilities by Walco staff assigned to perform campaign work (see supra), and the nighttime use of Walco space by campaign workers. It is the conclusion of OGC that, in both instances, the use of facilities appears to have exceeded the "occasional, isolated or incidential" test used to determine the level of reimbursement to the donor corporation required by the Act. See 11 C.F.R. § 114.9(a). Further, that regulation's second test -- that the work conducted be "individual volunteer activity" -- also was not

1a/ Memo entries were made in the two Richmond committees' January 31, 1982 year-end reports, reporting accounting services the committees say were performed pursuant to 11 C.F.R. § 100.7(b)(14) by Walco employees Nunen and Mirich during 1981.

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met with regard to the daytime services performed by Walco employees.

According to the evidence available in the news accounts, as outlined supra in the analysis of Walco's contribution of staff salaries, it is apparent that the daytime use of office space and other facilities was quite regular, and certainly occurred frequently enough to go beyond the "occassional, isolated or incidental" level. The reports indicate that the Walco employees named to date were charged with bookkeeping and scheduling chores, particularly with annual fund-raisers, that occupied substantial portions of their work days during certain periods.

As noted supra, the reports indicate that the services performed by the Walco staff members were not "individual volunteer activity," as further required by § 114.9(a). As the General Counsel's Office reasoned in MUR 1314, where the corporate officers are aware of the campaign work being conducted during work hours and consent to the payment of regular corporate salaries to those employees, and where there is evidence the impetus for the work was not the employees' own, it does not seem that the work is "individual volunteer activity."

For those reasons, it is the General Counsel's view that, in order to avoid an impermissible in-kind contribution, Walco should have billed the 1978 and 1980 Richmond campaign committees in an amount equal to the cost of renting, in the commercial market, comparable facilities (office space, utilities,

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telephones, and other office machines.) 2/ Because the exemption under 11 C.F.R. § 114.9(a) is unavailable, its more relaxed standard requiring reimbursement only in an amount equal to any increase in overhead resulting from the use of corporate facilities is inapplicable.

As to the nighttime use of facilities, the news reports give fewer details. What is possible, but must be confirmed by investigation, is that the campaign workers who did make use of Walco space were not Walco employees nor shareholders. While it does not appear likely, from the face of the articles, that the nighttime use was "occasional, isolated or incidental," that too would be a subject for investigation following a reason-to-believe finding. If it is found that, in fact, the use was more frequent than the § 114.9(a) exemption contemplates, reimbursement should have been made by the Richmond committees equal to the cost the committees would have incurred to rent comparable facilities, for a comparable period, in the commercial market.

Therefore, it is recommended that the Commission find reason to believe that Walco and the 1978 and 1980 Richmond campaign committees violated 2 U.S.C. § 441b(a) in connection with the

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2/ At the February 22 meeting, committee attorneys appeared to confirm that the report amendments they will file will list substantial amounts for contribution of office space, services and equipment by Walco.

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failure to reimburse Walco National Corporation in an amount equal to the cost of obtaining comparable facilities in the commercial market.

III. Contributions Made in the Names of Others

The newspaper reports describe, in substantial detail, evidence indicating that some contributions to the 1978 Richmond campaign committee may have been accepted by the Committee with the knowledge that the contributions were made by persons other than the persons listed as the contributors. Interviewed was the 1978 campaign treasurer, Stephen Fiyalco, who said that he made some attempts at the time to verify names of donors, but then was told by campaign chairman DeSimone to cease the verification attempts.

According to The Times articles, it appears likely that the contributions in fact were made by Charles Montanti, and listed as having been given by employees of his firm, Coastal Dry Dock and Repair Corporation, and by other companies who were subcontractors to Coastal. The articles note that the original work sheets of reports filed with the Commission, apparently made available to The Times by Fiyalco, bore obvious erasures of the original identification of contributors' places of business. The articles indicate that the places of business first listed have some relationship to Coastal and/or its president, Montanti. Further, several individuals named in and interviewed for the articles expressed surprise that they were listed as Richmond

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contributors. Additionally, the articles note that the individuals appear to hold relatively low-paying positions, another indication that they may not actually have contributed the amounts the reports list them as having contributed. The articles refer only to the 1978 campaign, but our investigation would seek to learn whether similar violations occurred in 1980. For the reasons set out above, it is recommended that the Commission find reason to believe that the 1978 and 1980 Richmond Re-election Committees violated 2 U.S.C. § 441f by knowingly accepting contributions made in the names of others.

While it is not clear from the face of the news reports that the individuals whose names incorrectly were listed as contributors were aware of those listings, it is suggested that Charles Montanti, President of Coastal, caused the contributions and purposefully used others' names in contributing. It is recommended that the Commission find reason to believe that both Charles Montanti, and Coastal Dry Dock and Repair Corporation, violated 2 U.S.C. § 441f, by making contributions in the names of other persons to the 1978 and 1980 Richmond campaign committees. Because there is a strong possibility that corporate funds were in fact used, we also recommend a § 441b(a) finding against Montanti, Coastal, and the Richmond committees arising from these allegations.

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V. Contributions by Government Contractors

The news reports, noted supra, suggest that substantial contributions were made to Richmond committees by Coastal, and/or by its president, Charles Montanti. Coastal apparently is a government contractor. The Times reported that Coastal executives, shipyard subcontractors, and members of the Montanti family are listed on Commission reports as having contributed about $50,000 to the 1978 and 1980 campaigns.

Under 11 C.F.R. § 115.1(d), subcontractors are not subject to the contraints of § 441c. See also, AO 1980-26. Therefore, the news reports' allegations that contributions were made by subcontractors, if substantiated, would not be actionable under § 441c. If the subcontractors made contributions, there may be violations by the subcontractors and the Committee of § 441b (if corporations are involved) and of § 441f. At this time, we have no evidence of any specific subcontractor having committed such violations.

Under 11 C.F.R. § 115.6, contributions made personally by officials of firms holding government contracts are permissible. Because of the strong possibility that Coastal's funds were used, it is recommended that the Commission find reason to believe that Coastal Dry Dock and Repair Corporation violated 2 U.S.C. § 441c(a)(1).

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VI. Solicitation of Contributions from Government Contractor

Interviewed by The Times, Coastal President Montanti said Representative Richmond had helped him obtain Navy repair contracts totalling more than $310 million since 1976. It also was reported that a former member of Richmond's congressional staff said Montanti had received personal assistance from Richmond in preparing bids for the contracts, and that staff members often had dealt with a Navy procurement official (in Montanti's behalf), who provided information on upcoming contracts. The Times reported that that Navy official had departed from customary practice by failing to make written reports of his regular contacts with Richmond and his staff. It is recommended that the Commmission find reason to believe that the 1978 and 1980 Richmond campaign committees violated 2 U.S.C. § 441c(a)(2), by knowingly soliciting contributions from government contractors.

VII. Acceptance of Contribution Violative of § 441a

The news stories indicate the Committee accepted a contribution that exceeded the individual contributor's § 441a limits. That individual, Harvey Van Zandt, appears to have made an excessive contribution because, while the committee's reports attribute a total $2,000 contribution to Mr. Van Zandt and his

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wife, the news articles reveal that, in fact, the wife was not a contributor. 3/ There are no further details in the articles on other instances of Committee acceptance of contributions violative of § 441a; the investigation will seek to determine whether there are others. It is recommended that the Commission find reason to believe the 1978 and/or 1980 Richmond campaign committees violated 2 U.S.C. § 441a(f).

RECOMMENDATIONS:

It is recommended that the Commission:

1. Find reason to believe the 1978 and 1980 campaign committees of U.S. Rep. Frederick W. Richmond violated 2 U.S.C. § 441b(a) by accepting contributions of staff time and office facilities by Walco National Corporation.

2. Find reason to believe the 1978 and 1980 campaign committees of Rep. Frederick Richmond violated 2 U.S.C. §§ 431(8)(B)(ix)(II) and 434(b) by failing to report the contribution by Walco National Corporation of certain accounting services to the 1978 and/or 1980 Richmond campaign committees.

3. Find reason to believe the 1978 and/or 1980 Richmond campaign committees violated 2 U.S.C. § 441f, by knowingly accepting contributions made in the names of others, and 2 U.S.C. § 441b(a) by knowingly accepting such contributions from corporations.

3/ According to The Times, the Van Zandt contribution was $1,250, not $2,000.

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4. Find reason to believe that the 1978 and 1980 Richmond campaign committees violated 2 U.S.C. § 441c(a)(2) by knowingly soliciting contributions from a corporation holding federal government contracts.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

The Honorable Frederick W. Richmond
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Richmond:

On , 1982, the Federal Election Commission determined that there is reason to believe that the Richmond campaign committee violated 2 U.S.C. §§ 441b(a), by accepting contributions by Walco National Corporation in the form of employee time and office facilities, and also by accepting contributions made by certain corporations; 434(8)(B)(ix)(II), by accepting certain accounting services provided by Walco National Corporation and failing to report their receipt; § 441a(f), by accepting a contribution from Harvey Van Zandt that exceeded the contributor's limits under 2 U.S.C. §§ 441a; 441c(a)(2), by soliciting contributions made by Coastal Dry Dock and Repair Corporation, a corporation holding federal government contracts; and 441f, by knowingly accepting contributions made in the names of persons other than those listed as contributors. 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, the Committee has an opportunity to demonstrate that no action should be taken against it. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter.

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

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a finding of reason to believe. See 11 C.F.R. § 111.18(d).

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 Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

NBN
4/22/82

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Committee to Elect
Representative Frederick Richmond
Robert A. Muir, Treasurer
43 Pierrepont Street
Brooklyn, New York 11201

Re: MUR

Dear Mr. Muir:

On , 1982, the Federal Election Commission determined that there is reason to believe that your committee violated 2 U.S.C. §§ 441b(a), by accepting contributions by Walco National Corporation in the form of employee time and office facilities, and also by accepting contributions made by certain corporations; 434(8)(B)(ix)(II), by accepting certain accounting services provided by Walco National Corporation and failing to report their receipt; 441a(f), by accepting a contribution from Harvey Van Zandt that exceeded the contributor's limits under 2 U.S.C. § 441a; 441c(a)(2), by soliciting contributions made by Coastal Dry Dock and Repair Corporation, a corporation holding federal government contracts; and 441f, by knowingly accepting contributions made in the names of persons other than those listed as contributors. 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.

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finding of probable cause to believe if you so desire. **See** 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

President
Walco National Corporation
743 Fifth Avenue
New York, New York

Re: MUR

Dear Sir:

On , 1982, the Federal Election Commission determined that there is reason to believe that your corporation violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by contributing staff time and office facilities to the 1978 and 1980 campaign committees of U.S. Representative Frederick W. Richmond. 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.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Charles Montanti, President
Coastal Dry Dock and Repair Corporation
Brooklyn Navy Yard Building 131
Brooklyn, New York

Re: MUR

Dear Mr. Montanti:

On , 1982, the Federal Election Commission determined that there is reason to believe that your corporation violated 2 U.S.C. §§ 441c(a)(1), by making contributions to the campaign committees of U.S. Rep. Frederick Richmond, and 441f and 441b, by using corporate funds to make contributions to the Richmond committees in the names of others, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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NBN
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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Charles Montanti, President
Coastal Dry Dock and Repair Corporation
Brooklyn Navy Yard Building 131
Brooklyn, New York

Re: MUR

Dear Mr. Montanti:

On , 1982, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. §§ 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the campaign committee of U.S. Rep. Frederick Richmond in the names of other persons, and 441b, by consenting to the use of corporate funds to do so. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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4/22/82

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
1978 and 1980 (Rep. Frederick)	)	Pre-MUR 83
Richmond Re-election Committees,	)	
et al.	)	

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission Executive Session on April 20, 1982, do hereby certify that the Commission decided by votes of 6-0 to take the following actions in the above-captioned matter:

1. Open a Matter Under Review (MUR).

2. Find reason to believe Walco National Corporation violated 2 U.S.C. §441b(a) by contributing staff time to the 1978 and 1980 campaign committees of U.S. Representative Frederick Richmond.

3. Find reason to believe Walco National Corporation violated 2 U.S.C. §441b(a) by contributing office space and materials to the 1978 and 1980 Richmond campaign committees, without reimbursement.

4. Find reason to believe the 1978 and 1980 campaign committees of U.S.C. Rep. Frederick W. Richmond violated 2 U.S.C. §441b(a) by accepting contributions of staff time and office facilities by Walco National Corporation.

5. Find reason to believe the 1978 and 1980 campaign committees of Rep. Frederick Richmond violated 2 U.S.C. §§431(8)(B)(ix)(II) and 434(b) by failing to report the contribution by Walco National Corporation of certain accounting services to the 1978 and/or 1980 Richmond campaign committees.

6. Find reason to believe the 1978 and/or 1980 Richmond campaign committees violated 2 U.S.C. §441f, by knowingly accepting contributions made in the names of others, and 2 U.S.C. §441b(a) by knowingly accepting such contributions from corporations.

Continued

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7. Find reason to believe that Charles Montanti violated 2 U.S.C. §441f by making contributions to the 1978 and/or 1980 Richmond campaign committees in the names of other persons and 2 U.S.C. §441b(a) by consenting to the use of corporate funds to do so.

8. Find reason to believe that Coastal Dry Dock and Repair Corporation violated 2 U.S.C. §441f by making contributions to the 1978 and/or 1980 Richmond campaign committees in the names of other persons and 2 U.S.C. §441b(a) by using corporate funds to do so.

9. Find reason to believe that the 1978 and 1980 Richmond campaign committees violated 2 U.S.C. §441c(a)(2) by knowingly soliciting contributions from a corporation holding federal government contracts.

10. Find reason to believe that Coastal Dry Dock and Repair Corporation violated 2 U.S.C. §441c(a)(1) by making contributions to the 1978 and/or 1980 Richmond campaign committees.

11. Find reason to believe that the 1978 and/or 1980 Richmond campaign committees violated 2 U.S.C. §441a(f) by knowingly accepting contributions in excess of $1,000 from Harvey Van Zandt.

12. Approve and send the letters attached to the General Counsel's Report signed April 1, 1982.

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

Attest:

4-21-82
Date

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

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April 2, 1982

MEMORANDUM TO: Marjorie W. Emmons

FROM: Phyllis A. Kayson

SUBJECT: MUR 83

Please have the attached First General Counsel's Report distributed to the Commission on a 48 hour tally basis. Thank you.

Attachment

cc: Nathan

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SENSITIVE

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20463

82 APR 2 A10: 48

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL BY OGC TO THE COMMISSION 4-2-82

MUR # Pre-MUR 83
STAFF MEMBER(S) Nancy B. Nathan

SOURCE OF MUR: INTERNALLY GENERATED

RESPONDENTS' NAMES: 1978 and 1980 (Rep. Frederick) Richmond Re-election Committees; Walco National Corporation; Coastal Dry Dock and Repair Corporation; Charles Montanti

RELEVANT STATUTES: 2 U.S.C. §§ 431(8)(B)(ix)(II), 434(b), 441a(f), 441b(a), 441c(a)(1), 441c(a)(2), 441f; 11 C.F.R. §§ 100.7(a)(3)(i), 114.9

INTERNAL REPORTS CHECKED: Richmond Re-election Committee 1978, 1980 reports

FEDERAL AGENCIES CHECKED: None

GENERATION OF MATTER

In accordance with the provisions of Commission Directive #6, the Office of General Counsel has evaluated published news reports of possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act") by Rep. Frederick Richmond's 1978 and 1980 campaign committees, by the corporation he controls (Walco National Corporation, "Walco") and by another corporation receiving government contracts (Coastal Dry Dock and Repair Corporation, "Coastal"), and its president, Charles Montanti. That inquiry was prompted by a January 25, 1982 memorandum by

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Commissioner Thomas Harris (Attachment 1). As Directive No. 6 provides, the OGC inquiry to this point primarily has been based upon The New York Times reports, and a check of appropriate Commission records. Much of the information contained in those newspaper accounts was revealed in recent litigation in the federal district court for the Eastern District of Missouri, in which another corporation sought to prevent an alleged corporate takeover by Walco. 1/ In addition, some details concerning contributions by Walco appear to have been confirmed in a February 22 meeting between members of the Office of General Counsel and attorneys for the Richmond committees and the Walco employees, held at their request to discuss their methods used to calculate contributed amounts in amending reports.1a/

SUMMARY OF ALLEGATIONS

The evidence available suggests several possible violations: (1) Walco National Corporation and the Richmond committees may have violated 2 U.S.C. § 441b in connection with Walco's payment for staff time and use of facilities on behalf of the committees, (2) the Richmond committees may have violated 2 U.S.C. §§ 431(8)(B)(ix)(II) and 434(b) by failing to report the receipt

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1/ Pleadings and discovery in the case have been requested.

1a/ The amendments to the Richmond committees' 1978 and 1980 reports had not been filed as of April 1, 1982.

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of certain permissible accounting services from Walco, (3) Charles Montanti, Coastal Dry Dock and Repair Corporation (a firm doing business in Congressman Richmond's district), and the Richmond committees may have violated 2 U.S.C. § 441f and 2 U.S.C. § 441b in connection with certain contributions purportedly made in the names of others, (4) Coastal Dry Dock and Repair Corporation and the Richmond Committees may have violated 2 U.S.C. § 441c in connection with the use of government contractor funds, and (5) the Richmond Committees may have violated 2 U.S.C. § 441a by accepting an excessive contribution.

FACTUAL AND LEGAL ANALYSIS

I. Corporate employment of campaign workers

Several violations of 2 U.S.C. § 441b are apparent from the news accounts. It appears that the employees of the corporation Richmond controls, Walco, performed campaign work while on Walco time, in violation of 2 U.S.C. § 441b(a). Specifically, it was reported by The New York Times that papers in the Walco takeover suit disclosed that for the years 1979, 1980 and 1981, two Walco secretaries, Carmen Agnes and Pauline Nunen, worked on invitations for an annual fundraiser and regularly maintained campaign files. Their deposition in the case reportedly said that they worked under Jack DeSimone, Walco vice president for public affairs and chairman of Richmond's campaign committee.

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In papers submitted by Walco in the case, it is alleged that DeSimone himself worked more than forty hours weekly on Walco business and, they asserted, any committee duties he performed during the workday therefore were not carried on at Walco's expense. See 11 C.F.R. § 100.7(a)(3)(i); but see p. 5, infra. However, the news reports indicate that, in response to deposition questioning, Nunen and Agnes both affirmed that at least some of their committee work was "worked into the [regular] day," although they said some was performed on their own time. (See Attachment 2). Federal district court Judge H. Kenneth Wangelin found that (Richmond) used Walco employees "during regular working hours to further his political career," The Times reported.

Another newspaper report (Attachment 4) says that Judge Wangelin found that the committee treasurer, Stephen Fiyalco, was a long-time Walco employee and was paid by Walco while he served as committee treasurer. The article says the court found that Fiyalco was one of several campaign workers paid by Walco. It is not clear from the articles whether that reference is to the same Walco employees referred to supra, i.e., Nunen and Agnes. The requested documents in that case may clarify that point.

Further, it is alleged in an article that Walco's assistant treasurer, Beatriz Mirich, and another employee kept the committee's financial records and issued committee checks, which,

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unless exempted under 11 C.F.R. § 100.7(a)(3)(i), also would result in a violation by Walco of 2 U.S.C. § 441b(a). (See Attachment 3).

In the February 22 meeting with OGC staff requested by attorneys for the Committees and individual Walco employees who were campaign workers, it was confirmed that Nunen and Agnes both regularly performed campaign work on Walco time, principally on fund-raisers. It also was confirmed that Mirich served both Walco and the Committees as bookkeeper. However, while the newspaper reported that the court was told that DeSimone, a Walco employee who served as campaign chairman in 1978 and 1980, performed committee work only after also working his normal forty-hour Walco work week, his attorney indicated that the amendments in preparation will list DeSimone's campaign activities as a Walco contribution.

It is recommended that the Commission find reason to believe that Walco National Corporation made contributions in the form of payments for staff time to the 1978 and 1980 campaign committees of Representative Frederick Richmond, in violation of 2 U.S.C. § 441b(a), and that the Richmond committees violated that provision by accepting such contributions.

Some of the services performed by Walco employees Fiyalco, and/or Mirich, may be exempted from the prohibition of § 441b by 2 U.S.C. §§ 431(8)(B)(ix)(II), which provides that accounting

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services rendered to a candidate's committee are not contributions if they are performed solely to ensure compliance with the Act. Even if the services of the Walco employees working on Richmond campaign bookkeeping could be construed as being only those services necessary to complete FECA reports, however, the 1978 and 1980 Richmond committees' failure to report the services would constitute a violation of § 431(8)(B)(ix)(II) and § 434(b). 1b/ Therefore, it is recommended that the Commission find reason to believe the 1978 and 1980 Richmond campaign committees violated §§ 431(8)(B)(ix)(II) and 434(b).

II. Corporate Contribution of Office Facilities

As is indicated in Attachment 2, it is apparent that Walco office space was used regularly, without reimbursement, by campaign staff. The FECA implications of that use of Walco facilities must be analyzed for two distinct categories of that use: the regular, daytime use of facilities by Walco staff assigned to perform campaign work (see supra), and the nighttime use of Walco space by campaign workers. It is the conclusion of OGC that, in both instances, the use of facilities appears to have exceeded the "occasional, isolated or incidential" test used to determine the level of reimbursement to the donor corporation required by the Act. See 11 C.F.R. § 114.9(a). Further, that regulation's second test -- that the work conducted be

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1b/ Memo entries were made in the two Richmond committees' January 31, 1982 year-end reports, reporting accounting services the committes say were performed pursuant to 11 C.F.R. § 100.7(b)(14) by Walco employees Nunen and Mirich during 1981.

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"individual volunteer activity" -- also was not met with regard to the daytime services performed by Walco employees.

According to the evidence available in the news accounts, as outlined supra in the analysis of Walco's contribution of staff salaries, it is apparent that the daytime use of office space and other facilities was quite regular, and certainly occurred frequently enough to go beyond the "occassional, isolated or incidental" level. The reports indicate that the Walco employees named to date were charged with bookkeeping and scheduling chores, particularly with annual fund-raisers, that occupied substantial portions of their work days during certain periods.

As noted supra, the reports indicate that the services performed by the Walco staff members were not "individual volunteer activity," as further required by § 114.9(a). As the General Counsel's Office reasoned in MUR 1314, where the corporate officers are aware of the campaign work being conducted during work hours and consent to the payment of regular corporate salaries to those employees, and where there is evidence the impetus for the work was not the employees' own, it does not seem that the work is "individual volunteer activity."

For those reasons, it is the General Counsel's view that, in order to avoid an impermissible in-kind contribution, Walco should have billed the 1978 and 1980 Richmond campaign committees in an amount equal to the cost of renting, in the commercial market, comparable facilities (office space, utilities,

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telephones, and other office machines.) 2/ Because the exemption under 11 C.F.R. § 114.9(a) is unavailable, its more relaxed standard requiring reimbursement only in an amount equal to any increase in overhead resulting from the use of corporate facilities is inapplicable.

As to the nighttime use of facilities, the news reports give fewer details. What is possible, but must be confirmed by investigation, is that the campaign workers who did make use of Walco space were not Walco employees nor shareholders. While it does not appear likely, from the face of the articles, that the nighttime use was "occasional, isolated or incidental," that too would be a subject for investigation following a reason-to-believe finding. If it is found that, in fact, the use was more frequent than the § 114.9(a) exemption contemplates, reimbursement should have been made by the Richmond committees equal to the cost the committees would have incurred to rent comparable facilities, for a comparable period, in the commercial market.

Therefore, it is recommended that the Commission find reason to believe that Walco and the 1978 and 1980 Richmond campaign committees violated 2 U.S.C. § 441b(a) in connection with the

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2/ At the February 22 meeting, committee attorneys appeared to confirm that the report amendments they will file will list substantial amounts for contribution of office space, services and equipment by Walco.

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failure to reimburse Walco National Corporation in an amount equal to the cost of obtaining comparable facilities in the commercial market.

III. Contributions Made in the Names of Others

The newspaper reports describe, in substantial detail, evidence indicating that some contributions to the 1978 Richmond campaign committee may have been accepted by the Committee with the knowledge that the contributions were made by persons other than the persons listed as the contributors. (See Attachment 4). Interviewed was the 1978 campaign treasurer, Stephen Fiyalco, who said that he made some attempts at the time to verify names of donors, but then was told by campaign chairman DeSimone to cease the verification attempts.

According to The Times articles, it appears likely that the contributions in fact were made by Charles Montanti, and listed as having been given by employees of his firm, Coastal Dry Dock and Repair Corporation, and by other companies who were subcontractors to Coastal. The articles note that the original work sheets of reports filed with the Commission, apparently made available to The Times by Fiyalco, bore obvious erasures of the original identification of contributors' places of business. The articles indicate that the places of business first listed have some relationship to Coastal and/or its president, Montanti. Further, several individuals named in and interviewed for the articles expressed surprise that they were listed as Richmond

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contributors. Additionally, the articles note that the individuals appear to hold relatively low-paying positions, another indication that they may not actually have contributed the amounts the reports list them as having contributed. The articles refer only to the 1978 campaign, but our investigation would seek to learn whether similar violations occurred in 1980. For the reasons set out above, it is recommended that the Commission find reason to believe that the 1978 and 1980 Richmond Re-election Committees violated 2 U.S.C. § 441f by knowingly accepting contributions made in the names of others.

While it is not clear from the face of the news reports that the individuals whose names incorrectly were listed as contributors were aware of those listings, it is suggested that Charles Montanti, President of Coastal, caused the contributions and purposefully used others' names in contributing. (See Attachment 4). It is not known whether any Coastal funds were contributed to the Committee in the names of others (and therefore whether Coastal violated §§ 441b and 441f) or whether Montanti's personal funds were used. It is recommended, however, that the Commission find reason to believe that both Charles Montanti, and Coastal Dry Dock and Repair Corporation, violated 2 U.S.C. § 441f, by making contributions in the names of other

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persons to the 1978 and 1980 Richmond campaign committees. Because there is a strong possibility that corporate funds were in fact used, we also recommend a § 441b(a) finding against Montanti, Coastal, and the Richmond committees arising from these allegations.

V. Contributions by Government Contractors

The news reports, noted supra, suggest that substantial contributions were made to Richmond committees by Coastal, and/or by its president, Charles Montanti. Coastal apparently is a government contractor. The Times reported that Coastal executives, shipyard subcontractors, and members of the Montanti family are listed on Commission reports as having contributed about $50,000 to the 1978 and 1980 campaigns. (See Attachment 4).

Under 11 C.F.R. § 115.1(d), subcontractors are not subject to the contraints of § 441c. See also, AO 1980-26. Therefore, the news reports' allegations that contributions were made by subcontractors, if substantiated, would not be actionable under § 441c. If the subcontractors made contributions, there may be violations by the subcontractors and the Committee of § 441b (if corporations are involved) and of § 441f. See supra at p. 10. At this time, we have no evidence of any specific subcontractor having committed such violations.

Under 11 C.F.R. § 115.6, contributions made personally by officials of firms holding government contracts are permissible.

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As noted above, it is not known whether the contributions in question were made by Montanti individually or were made with Coastal funds. Because of the strong possibility that Coastal's funds were used, it is recommended that the Commission find reason to believe that Coastal Dry Dock and Repair Corporation violated 2 U.S.C. § 441c(a)(1).

VI. Solicitation of Contributions from Government Contractor

Interviewed by The Times, Coastal President Montanti said Representative Richmond had helped him obtain Navy repair contracts totalling more than $310 million since 1976. It also was reported that a former member of Richmond's congressional staff said Montanti had received personal assistance from Richmond in preparing bids for the contracts, and that staff members often had dealt with a Navy procurement official (in Montanti's behalf), who provided information on upcoming contracts. The Times reported that that Navy official had departed from customary practice by failing to make written reports of his regular contacts with Richmond and his staff. (See Attachment 4).

It is not clear from the face of the news reports whether the contributions by Coastal, and Montanti, were in fact solicited by the Richmond committees. However, because there appears to have been contact between committee officials and Montanti, it is recommended that the Commission find reason to

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believe that the 1978 and 1980 Richmond campaign committees violated 2 U.S.C. § 441c(a)(2), by knowingly soliciting contributions from government contractors.

VII. Acceptance of Contribution Violative of § 441a

The news stories indicate the Committee accepted a contribution that exceeded the individual contributor's § 441a limits. (See Attachment 4). That individual, Harvey Van Zandt, appears to have made an excessive contribution because, while the committee's reports attribute a total $2,000 contribution to Mr. Van Zandt and his wife, the news articles reveal that, in fact, the wife was not a contributor. 3/ There are no further details in the articles on other instances of Committee acceptance of contributions violative of § 441a; the investigation will seek to determine whether there are others. It is recommended that the Commission find reason to believe the 1978 and/or 1980 Richmond campaign committees violated 2 U.S.C. § 441a(f).

The Office of General Counsel does not recommend a reason to believe finding that Harvey Van Zandt violated 2 U.S.C. § 441a; in the course of investigating the Committee's acceptance of the Van Zandt contribution, it may be determined whether a pattern of acceptance of excessive contributions existed or whether the Van Zandt instance was an isolated one.

3/ According to The Times, the Van Zandt contribution was $1,250, not $2,000.

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RECOMMENDATIONS:

It is recommended that the Commission:

1. Find reason to believe Walco National Corporation violated 2 U.S.C. § 441b(a) by contributing staff time to the 1978 and 1980 campaign committees of U.S. Representative Frederick Richmond.

2. Find reason to believe Walco National Corporation violated 2 U.S.C. § 441b(a) by contributing office space and materials to the 1978 and 1980 Richmond campaign committees, without reimbursement.

3. Find reason to believe the 1978 and 1980 campaign committees of U.S. Rep. Frederick W. Richmond violated 2 U.S.C. § 441b(a) by accepting contributions of staff time and office facilities by Walco National Corporation.

4. Find reason to believe the 1978 and 1980 campaign committees of Rep. Frederick Richmond violated 2 U.S.C. §§ 431(8)(B)(ix)(II) and 434(b) by failing to report the contribution by Walco National Corporation of certain accounting services to the 1978 and/or 1980 Richmond campaign committees.

5. Find reason to believe the 1978 and/or 1980 Richmond campaign committees violated 2 U.S.C. § 441f, by knowingly accepting contributions made in the names of others, and 2 U.S.C. § 441b(a) by knowingly accepting such contributions from corporations.

6. Find reason to believe that Charles Montanti violated 2 U.S.C. § 441f, by making contributions to the 1978 and/or 1980 Richmond campaign committees in the names of other persons and

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2 U.S.C. § 441b(a) by consenting to the use of corporate funds to do so.

7. Find reason to believe that Coastal Dry Dock and Repair Corporation violated 2 U.S.C. § 441f, by making contributions to the 1978 and/or 1980 Richmond campaign committees in the names of other persons and 2 U.S.C. § 441b(a) by using corporate funds to do so.

8. Find reason to believe that the 1978 and 1980 Richmond campaign committees violated 2 U.S.C. § 441c(a)(2) by knowingly soliciting contributions from a corporation holding federal government contracts.

9. Find reason to believe that Coastal Dry Dock and Repair Corporation violated 2 U.S.C. § 441c(a)(1), by making contributions to the 1978 and/or 1980 Richmond campaign committees.

10. Find reason to believe that the 1978 and/or 1980 Richmond campaign committees violated 2 U.S.C. § 441a(f) by knowingly accepting contributions in excess of $1,000 from Harvey Van Zandt.

11. Approve and send the attached letters.

April 1, 1982
Date

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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Attachments

1. Memorandum of Commissioner Harris
2. The New York Times, December 11, 1981.
3. The New York Times, December 17, 1981.
4. The New York Times, January 18, 1982.
5-9. Letters

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New York Times
12-11-81

Rep. Richmond Is Contradicted On Political Aid

Two at Walco Cite Work on Campaign Events

By JOSH BARBANEL

Court records show that two employees of a public corporation founded and controlled by Representative Frederick W. Richmond of Brooklyn acknowleged arranging annual political fund-raising events on his behalf during their regular working day on company time.

The sworn statements of the employees were made during a civil trial in Federal Court in St. Louis last year. The statements contradict assertions by Mr. Richmond, a Democrat in his fourth term, and his campaign committee chairman, that employees of the company, Walco National Corporation of New York, assisted him "on their own time."

Under Federal law, corporations are prohibited from contributing money or manpower directly to a political campaign.

Fred Eiland, a spokesman for the Federal Election Commission, said that the use of corporation employees during their regular working day in a campaign "could possibly be a violation," but he said only the commission could make that determination.

No Donations Listed

Records reported by the Richmond Re-election Committee show no listing of contributions from, or payments to Walco, which manufactures timber-cutting machinery and other forestry equipment. In an interview last Saturday, Mr. Richmond said: "Walco employees do not work in my political campaign except on their own time."

Asked about the apparent contradiction, Mr. Richmond's press secretary, Michael Kahan, said: "He cannot comment on anything to do with that on the advice of his lawyers. There are papers before the court and he cannot comment on them. There probably will come a time when he can comment on it."

The employees, Pauline Nunen, an executive secretary, and her assistant, Carmen Agnes, both said in their statements that in each year for the last three years they sent out invitations to a June fund-raising event, kept track of reservation cards and maintained files, all during working hours.

They said the contributions were sent to the Walco assistant treasurer for deposit in accounts of either the 1980 Richmond Re-election committee or the Citizens Committee for Fred Richmond, set up for an earlier campaign.

Fund-Raising Work

Asked if their fund-raising work was carried out on company time, Miss Nunen and Miss Agnes separately answered "sometimes."

"Well we did our Walco work and then we do part of that — you know we fit it into the work day," Miss Agnes said. "We just do it. I don't know. I came to the office, we did it, and I never knew why."

After describing her work on the fund-raising event, Miss Nunen was asked: "Do you do that in your capacity as a Walco employee?" She said: "Sometimes, yes," and added that at other times "it is my time."

The court papers also disclosed that paid campaign workers used the Walco offices at night, and that at least one

Continued on Page B2

Rep. Richmond Contradicted On Political Aid From Walco

Continued From Page B1

worker in the assistant treasurer's office regularly worked on campaign committee records.

Judge Cites Conflict

Sworn statments by the two secretaries were part of the evidence on which Judge H. Kenneth Wangelin of Federal District Court concluded that Mr. Richmond used the employees "during regular working hours to further his political career."

As part of his decision to temporarily block a takeover by Walco of General Steel Industries Inc., Judge Wangelin ruled that Mr. Richmond, as Walco's controlling stockholder, had "improperly and unethically" diverted company funds for his personal and political benefit. The judge said Mr. Richmond had "feigned" his retirement as chairman of the company to collect a $100,000 pension, which is not counted in computations of permissible outside income under House ethics rules.

The depositions were taken in November in the Third Avenue offices of Skadden, Arps, Slate, Meagher & Flom, counsel to General Steel in November.

Miss Nunen, a former office manager in Mr. Richmond's 1974 campaign, and Miss Agnes, work for Jack DeSimone, the Walco vice president for public affairs who served as chairman of the Richmond Re-election Committee.

Political Organizing

Mr. DeSimone said in a deposition that he directed Miss Agnes and Miss Nunen to type lists of contributors on file cards, organized a series of parties for the Congressman at his Brooklyn home and regualrly received documents from Mr. Richmond's Congressional offices.

He said he met Mr. Richmond at a cocktail party at Gracie Mansion in 1955 and described himself as a former paid political and public relations worker for Mr. Richmond on Democratic Party events. In court papers, attorneys for Walco said that Mr. DeSimone works more than 40 hours a week and is entitled to do campaign work for Mr. Richmond on his own time.

Mr. DeSimone declined to comment, saying the matter is in litigation. "This is a very confusing and complex situation," he said. "That's the company position up and down."

In a court brief, attorneys representing Walco, acknowledged that temporary workers, paid by the Richmond Re-election Committee, "sit at Walco desks and use Walco pens when addressing envelopes at night."

Mr. Eiland, the election commission spokesman, said that campaigns can use corporate offices and equipment as long as the campaign reimburses the corporation at rates "that would be comparable under commercial-type use." He said that "the key" for such legal arrangements is that they must be "worked out in a businesslike arrangement."

Richmond Re-election Committee campaign records show no such payment.

Attachment 2 - 1 of 1

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Attachment 3-1 of 1

THE NEW YORK TIMES, THURSDAY, DECEMBER 17, 1981

Court Depicts Rep. Richmond in Potential Conflicts

By JOSH BARBANEL

Records and testimony in a civil suit in Federal Court in St. Louis provide examples of how Frederick W. Richmond's roles as businessman and United States Representative from Brooklyn have overlapped and come to p[illegible]al conflict.

As a member of Congress, Mr. Richmond must abide by special reporting requirements, income limitations and federal political campaign rules. As a businessman, he founded and controls the Walco National Corporation, with 17 manufacturing plants, 3,500 employees and assets of $128 million.

The court papers lay out potential difficulties in the proper reporting of income, gifts and reimbursement on Congressional financial disclosure forms; limits on Representatives' outside income; prohibitions against corporate contributions to political campaigns, and restrictions on tax-exempt foundations.

Fiscal Ties to Corporation

Th[illegible]scribe Mr. Richmond's per[illegible] of corporate automobiles, the se[illegible]orate employees in his politi[illegible]al [illegible]aign, corporate payments of $43,590 for maintenance of his Beekman Place apartment, a $100,000-a-year pension payment to him and donations by his tax-exempt foundation to groups in his Congressional district.

When asked for comment from Mr. Richmond, his press secretary, Michael Kahan, said yesterday that "we don't care to comment on the facts or on the possible implication of these facts" as depicted in news accounts.

The United States Attorney in Brooklyn began a review of the case. The House Ethics Committee, the Federal Election Committee and the Internal Revenue Service have refused to disclose if they have received any complaints in the matter or are investigating the Congressman.

The records and testimony were disclosed in a court case in which Judge H. Kenneth Wangelin ruled Nov. 24 that Mr. Richmond, a four-term Democratic Representative, had used his corporate position "improperly and unethically to appropriate Walco resources for his own personal financial and political benefit."

In the case, General Steel Industries of St. Louis tried to block a takeover by Walco, charging that it had not properly disclosed Mr. Richmond's controlling interest in the company. On Monday, Walco announced in an out-of-court settlement that it was abandoning its takeover attempt.

Federal Laws Restrict Funds

Under the Federal Election Campaign Act of 1971 and earlier laws dating from 1907, corporations are prohibited from contributing or spending money to influence the outcome of a Federal election.

The court papers disclose that two secretaries at the Walco headquarters, Carmen Agnes and Pauline Nunen, addressed and mailed invitations to political fund-raisers for Mr. Richmond and maintained campaign files during company working hours as part of the their jobs.

According to sworn statements, campaign workers used the office at night, and the Walco assistant treasurer, Beatriz Mirich, and an aide regularly maintained campaign committee financial records and prepared campaign committee checks in the Walco office.

Fred Eiland, a spokesman for the six-member Federal Election Commission, said that while employees could work on their own time for candidates, companies could not donate the services of their employees. Campaigns can use corporate equipment if they reimburse the corporation, but there is no record of such payment in Mr. Richmond's 1980 re-election committee records.

An exception in the law allows corporations to give limited accounting services to political campaign committees, but it requires the committees to report the value of the service. A check of Mr. Richmond's 1980 relection committee documents shows no such disclosure.

Two Kinds of Penalties

The law provides for civil penalties up to $5,000 and, in the case of willful violations of $2,000 or more, criminal penalties of a year in prison and a fine of $25,000 or 300 percent of the money involved. The commission does not investigate possible violations unless it receives a complaint, either from an individual or governmental agency.

The 1978 Ethics in Government Act requires members of Congress to disclose annual personal financial information by the following May 15. They must list and name the source of "any gifts of transportation, lodging, food or entertainment aggregating $250 or more in value", received from anyone except relatives.

A revised stock purchase offer issued by Walco after Judge Wangelin's ruling shows that Mr. Richmond used a Walco-chauffeured automobile for "nonbusiness purposes." The statement said that Walco was unable to determine the precise "personal benefit to Richmond" but that it believed "the amount is considerably less than $15,000 annually."

Mr. Richmond properly filed disclosure forms for 1979 and 1980, but the section where he is required to list gifts of transportation says "None."

A key issue in the case is a $100,000-a-year pension awarded to Mr. Richmond on Dec. 31, 1978, the day before a House rule limiting outside earned income to 15 percent of a Representative's Federal salary, or about $9,600, went into effect.

The limitation excludes pensions, but it includes "wages, salaries, professional fees, honorariums and other amounts (other than copyright royalties) received or to be received as compensation for personal services actually rendered."

Judge Wangelin ruled that Mr. Richmond had "feigned" his retirement as the $187,000-a-year chairman of the Walco board. According to depositions by the Congressman and Walco directors, he continued to act as chairman at board meetings and to play a major role in corporate decisions.

Though the agreement says the pension is "for past services," William J. Butler, a Walco board member and general counsel, testified that the agreement was designed, to give Walco "the exclusive services of Richmond" to "the fullest extent possible."

Mr. Butler testified that in a discussion with a counsel to the House Ethics Committee about the pension agreement, he did not mention that the purpose was to assure Mr. Richmond's continued service with the company. When asked if he thought the matter was important, he said: "No. It was just an incidental matter. I had much more important things to do."

Apartment Expenses Covered

Documents and depositions in the court case also showed that Walco had listed expenses of $347,590 over a four-year period for maintenance of a $2 million apartment owned by Mr. Richmond at 25 Sutton Place.

Walco officals said they paid 90 percent of all expenses on the apartment because it was available for corporate use, but Judge Wangelin ruled that "Richmond regularly receives from Walco secret and substantial subsidies for his use" of the apartment.

Mr. Richmond said he stayed in the apartment about one day of each weekend he was in New York City, had a telephone there and received personal mail there. He said he held at least one fund-raising party there for another member of Congress, as well as a party for Joseph Wright, the Deputy Secretary of Commerce. The apartment also houses the Congressman's collection of French impressionist paintings and furnishings, appraised at $1.66 million.

The New York Times

Frederick W. Richmond

James Lynam, the Walco treasurer, acknowledged in his testimony that the reimbursement had been based on an oral agreement. He said he did not have a key to the apartment, did not know of any executives aside from Mr. Richmond who had a key and did not know how to arrange to have Walco employees or officer stay in the apartment.

Company Deducted Expenses

Mr. Lynam said Walco had deducted the apartment expenses as an ordinary business expense, while during the last five years Mr. Richmond did not list the payments as income on his tax return. In its brief, General Steel said that Mr. Richmond had "falsely testified" that Paul Schurgot, the Walco chairman, had a key to the apartment.

Under the Federal Election Campaign Act, reimbursements of $250 or more received by a Representative must also be reported on the annual financial disclosure statements. Mr. Richmond listed "none" on his 1979 and 1980 disclosure forms.

Court testimony also focused on the Frederick W. Richmond Foundation, a tax-exempt organization founded by the Congressman that operates rent-free in Walco's offices. Judge Wangelin ruled that it had been designed to further Mr. Richmond's career "to the extent that Richmond's political aides have advised foundation officials to keep money within the district."

In one memo, William C. Thompson, a foundation director who runs Mr. Richmond's Brooklyn Congressional office, opposed a $3,000 grant to In Touch Networks because the service to the visually handicapped was based in Manhattan. The memo was addressed to Jack DeSimone, the foundation's executive director, as well as Walco's vice president for public affairs and chairman of the 1980 Richmond Re-election Committee.

"Let's turn them down," the memo said. "I'd prefer to direct the money within the district."

LAWMAKER'S FUNDS CLOUDED BY FLAWS

Discrepancies Found in Gifts to Rep. Richmond in 1978

By RALPH BLUMENTHAL

A pattern of discrepancies in the reporting of campaign contributions made to Representative Frederick W. Richmond of Brooklyn has emerged in an examination of official records and in interviews with listed givers and aides.

Some of the discrepancies concern thousands of dollars raised by a Brooklyn shipyard operator who got hundreds of millions of dollars in Navy repair contracts, often with Mr. Richmond's help.

In some cases the sources of contributions were said to have been disguised. One woman listed as a contributor said she was given $200 in cash in exchange for writing a check that was later reported by the campaign under her name. Other contributions were given in the names of wives, and erasures on campaign work sheets show the removal of some company affiliations.

Mr. Richmond, a 58-year-old four-term Democrat, turned down repeated requests for an interview. "There is nothing to respond to," said his spokesman, Michael Kahan.

The treasurer of Mr. Richmond's 1978 campaign for re-election said he had begun to suspect that contributions appearing to come from many small givers might really be from the shipyard operator, Charles Montanti, or several subcontractors — companies hired to share in the contract work. But the treasurer, Stephen E. Flyalco, said in an interview that when he tried to verify the sources of the contributions he was told by the campaign chairman to stop.

"The money was coming from people who were relatives of Mr. Montanti or associated with or doing business with him or doing work in the Brooklyn Navy Yard, and the Federal law says contractors can't give," Mr. Flyalco said.

He said his suspicions had also been aroused because many contributions seemed to come from employees of the same companies, associated with the shipyard operator, and because large contributions were listed as coming from people who were making meager livings.

Mr. Montanti, president of the Coastal Dry Dock and Repair Corporation in the former Brooklyn Navy Yard, denied any wrongdoing in connection with the campaign contributions.

To discourage improper influence on officeseekers by Government contractors, Federal election law prohibits anyone who does business with the Government from contributing "directly or indirectly" to political campaigns. However, individuals retain their constitutional right to support candidates and to urge others to do so. When complaints are filed, the Federal Election Commission decides whether the efforts were of a personal or business nature.

The election law also prohibits contributions from corporations and requires all contributions to be listed properly in the name of the giver. And it forbids anyone person to give more than $1,000 in any one primary or general election.

Many of the shipyard subcontractors and others interviewed said they had given at the request of the shipyard operator because they believed it would help their businesses and create jobs. It is common for Congressmen to promote business and jobs in their districts.

$56,000 in Contributions

Mr. Montanti acknowledged that he had raised money for Mr. Richmond's races in 1978 and 1980. In all, executives of Coastal and shipyard subcontractors and members of the Montanti family are listed as contributing about $50,000 for Mr. Richmond's last two campaigns. Mr. Montanti credited the Congressman with helping him secure Navy repair contracts that have totaled more than $310 million since 1978.

He also acknowledged that he had raised money from subcontractors because, as he put it, "they got something out of it." In a later interview with his lawyer present, however, Mr. Montanti said he had approached the subcontractors on a "personal" basis as "friends."

The hard-fought 1978 primary campaign unfolded against a background of Mr. Richmond's admission in April that he had solicited a 16-year-old boy and an undercover policeman for sexual relations for pay in his Washington home. The misdemeanor morals charges were later dropped after Mr. Richmond agreed to undergo professional treatment.

Still, Mr. Richmond easily defeated his opponent, Bernard R. Gifford, a former deputy schools chancellor, outspending him nearly 4 to 1 through a $225,000 campaign chest principally financed out of Mr. Richmond's personal fortune, recently put at $34 million. The Representative's district includes the former Brooklyn Navy Yard, Brooklyn Heights and Williamsburg.

Second Case Investigated

In a different matter, Mr. Richmond is under investigation by the United States Attorney in Brooklyn in connection with recent findings by a Federal judge in St. Louis that he misused corporate and charitable funds for his political and personal benefit and filed false and misleading documents with the Securities and Exchange Commission. In that inquiry several executives of the Walco National Corporation, a timber machinery company long controlled by Mr. Richmond, have been called to appear before a grand jury, according to one person familiar with the proceedings. Mr. Richmond has denied any wrongdoing in the case.

The treasurer of Mr. Richmond's 1978 campaign, Mr. Flyalco, a 30-year-old former bookkeeper who worked for Mr. Richmond from 1974 until the end of 1979, was one of several campaign workers paid by Walco, in what the St. Louis judge called a transgression of the election law.

Since leaving Mr. Richmond's employ, Mr. Flyalco has been traveling on and off in Europe. He has not been called as a witness in the inquiry by the United States Attorney in Brooklyn.

In recounting his suspicions about the 1978 campaign contributions, Mr. Flyalco recalled that on several occasions he went to the Coastal shipyard office to pick up checks that had been collected by Mr. Montanti.

To verify the sources, he said, he began telephoning some of the companies. He said he had found enough "inaccuracies" to warrant rechecks of some of the information.

Campaign Discussions Recalled

After he began telephoning companies for verification, Mr. Flyalco said he was told by Jack deSimone, chairman of the re-election committee and Walco's vice president for public affairs, to stop making the calls. Mr. deSimone said that account was untrue.

Mr. Flyalco also discussed his doubts with Mr. Richmond's Washington lawyer, Stanton D. Anderson. Mr. Flyalco said that Mr. Anderson had told him that since the treasurer had made good faith efforts to verify the source of the contributions, he could not be held responsible if any problem turned up later.

"I do recall the question of the bona fides of certain contributions," Mr. Anderson said, but he added, "It doesn't sound like the advice I would give in that context."

Mr. Flyalco never took his suspicions to anyone outside the campaign, he said because he could not prove any wrongdoing. However, when approached by a reporter recently, he agreed to be interviewed about his role in the campaign.

Mr. Flyalco also said he had been disturbed by the mixing of fund-raising efforts and service to constituents. He said that on Sept. 4, 1979, Mr. deSimone asked him to provide the names of people he had assisted "in their dealings with the Federal Government" for "the purpose of raising money for Fred politically." He said he had considered this unethical and had refused. Mr. deSimone also called this account untrue.

In interviews with about 100 contributors to Mr. Richmond's 1978 and 1980 campaigns, many discrepancies became apparent, some involving companies associated with the Coastal shipyard and others involving sources that remained unclear.

Switch in Funds Reported

One contributor was Anne J. Nixon, of Commack, L.I., housewife who was listed on reporting forms filed with the Federal Election Commission as having given $200 on June 14, 1978 for a primary campaign fund-raising event. She said in response to questions that the money had not in fact been hers.

She said that a family friend, whom she declined to name, had asked her for personal reasons to write out a check for $200, leaving the name of the recipient blank, and that he had given her $200 cash in exchange.

It was only later, she said, when the canceled check came back that she saw to her dismay that it had been made out to and cashed by the Citizens Committee for Fred Richmond.

"I'm a registered Republican," Mrs. Nixon said. "No way I would give that guy anything."

Asked the identity of the man who gave her the cash, she described him only as "a very good friend of mine" who "works down on the docks."

In about 15 cases the identifications of contributors' places of business were altered between the original work sheets — which still show the erasures — and the final versions filed with the Federal Election Commission. The original listings, which can still be discerned, show several companies associated with Coastal. Mr. Flyalco says he made the changes to make the reports more accurate, because his inquiries had shown

(MORE)

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Rep. Richmond's Campaign Funds Found Flawed

Cont'd.

The New York Times

Frederick W. Richmond

that the listed givers did not work for those companies. Interviews with the givers, however, show that some of the contributions did involve the companies originally noted.

Changes in Names on List

One $200 contributor, Victoria Nowicki, was at first listed as an employee of N.Y. Protective Covering Industries Inc. of Brooklyn. Mrs. Nowicki's husband, Anthony, said that although the $200 contribution had been listed in his wife's name, he had actually made it through their joint checking account.

He said that he worked as a supervisor at the insulation company, whose president is Thomas Montanti, a brother of the president of Coastal Dry Dock. Mr. Nowicki at first said he could not recall who had approached him to contribute, then he said "it just came out" in a conversation with Thomas Montanti.

Another listed contributor, Jean Pignatero, a housewife in Old Bethpage, L.I., who was also listed as having given $200 on June 14, 1978, said she did not recall having given. Asked whether she might have written a check in exchange for cash, she replied: "When you said something about a blank check and $200 in cash that rang a bell. I don't think we went for it, but somebody may have approached us."

The work sheet listing Mrs. Pignatero's contribution shows an erased entry in the category of principal place of business. At first it listed the Gerard Packing and Belting Corporation of Manhattan, a company that does business with Coastal. In the final version, Mrs. Pignatero was then identified as a housewife.

Gerard Jansen, the company president, was listed as having given his own contribution of $200. He initially denied that anyone from Coastal had solicited or discussed the contributions with him. Then he said: "They spoke to me, but I wasn't asked to do it. I chose to make a donation."

Asked whether he had asked his employees to give, he said, "I do not recall going to employees. If I did, what's the big deal?"

Two Refuse to Comment

Another altered notation involved Joseph A. Colandra, a $200 contributor. He is listed in the final campaign reports as the owner of the New Corner Restaurant; an original, erased notation listed his employer as the Shore Electric Company of Brooklyn, another subcontractor. Mr. Colandra and Stanley Lazar, president of Shore, both declined to comment.

Other contributors to Mr. Richmond's campaigns were business executives not associated with Coastal. Some said in interviews that Mr. Richmond had helped them in dealings with the Federal Government.

Howard Greenstein, president of the Carnivale Bag Company of Brooklyn, said Mr. Richmond had helped secure a $1 million Federal small-business loan for the company in 1978. "We contributed a certain amount ourself and tried to get a certain amount of suppliers to contribute," Mr. Greenstein recalled. "What we have been doing is asking our suppliers to help out. We feel if he gets elected, it's good for our business and gets some help for our area."

"It's an unwritten thing in the U.S. of A.," he said. "If a guy does you a favor, you've got to be stupid not to do what you can. The guy came through for the company."

In the 1980 campaign, too, filings show substantial contributions by subcontractors of Coastal Dry Dock.

Personal Checks Avoided

Harvey Van Zandt, president of C-O Two Sales and Service of Hoboken, N.J., a subcontractor, said that Mr. Montanti had asked him to contribute to the Richmond campaign and that in response Mr. Van Zandt had dropped off three Travelers Express checks in amounts of $250, $300 and $500 at Mr. Montanti's office last April. He said he had withdrawn the money from his personal account and had not used a personal check because his wife would have been displeased with the expenditure.

He was not pressured, Mr. Van Zandt said, but he added, "You'd be embarrassed if you didn't give."

"Supposedly he helps them get business," he said, referring to Mr. Richmond and Coastal. "That's the reason for the contribution."

Mr. Montanti said his fund-raising efforts for the Representative had been personal. But he acknowledged that his secretary at Coastal, Helen Carl, had been given the task of verifying the identities of some of the contributors he solicited. In an interview, she recalled that she would get calls from Mr. de Simone or Paulene Nunes, an executive secretary of Walco, to provide missing information.

Running lists of all contributions to the campaign were furnished to four Richmond advisers: Norman A. Levy, a former president of the New York City Tax Commission; Howard Hornstein, a member of the New York City Planning Commission; Carmine Parisi, now a cable television consultant, and Thomas G. Wyman, a wealthy investor and director of Walco.

Mr. Hornstein and Mr. Parisi denied knowing that Mr. Montanti had collected contributions. Mr. Levy and Mr. Wyman did not repond to calls.

Help From Richmond Recalled

Mr. Montanti was also said by a former senior staff member to have sent at least one check directly to Mr. Richmond in Washington, instead of to the campaign, in Brooklyn. Mr. Montanti denied that.

Former Richmond staff members said that Mr. Montanti had received personal assistance from the Congressman in preparing bids for Navy ship repair contracts. They said that his administrative assistants — first Carolyn Cheney and later her successor, Art Craig — had spoken to and had met often with a Navy procurement official, Robert M. Bates, who provided key information on upcoming ship repair contracts for bidding by Coastal Dry Dock.

Mr. Bates, executive assistant for private shipyard planning in the Naval Sea Systems Command, is a civilian Civil Service official with responsibilities for Navy repair contracts. He said in an interview that he had known Mr. Richmond for years, but he declined to say how they had met.

Officials of the Sea Systems Command said that it was normal procedure for such contacts to be reported to the command in writing but that no such notification had been received from Mr. Bates. Instead, according to a Navy statement, Mr. Bates reported orally to Rear Adm. John C. McArthur, deputy commander of the industrial and facilities management directorate of the Sea Systems Command.

The latest Navy ship awarded to Coastal is the Nitro, an ammunition supply vessel budgeted for $20.8 million in repairs in fiscal 1982. A rival shipyard, Bethlehem in Hoboken, submitted a lower bid by several million dollars, but Navy spokesman said that recent problems with some of Bethlehem's work had led them to award the job to the next higher bidder — not an unusual occurrence, according to Navy officials and contractors.

Attachment 4:- 2 of 2

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Committee to Elect
Representative Frederick Richmond
Robert A. Muir, Treasurer
43 Pierrepont Street
Brooklyn, New York 11201

Re: MUR

Dear Mr. Muir:

On , 1982, the Federal Election Commission determined that there is reason to believe that your committee violated 2 U.S.C. §§ 441b(a), by accepting contributions by Walco National Corporation in the form of employee time and office facilities, and also by accepting contributions made by certain corporations; 434(8)(B)(ix)(II), by accepting certain accounting services provided by Walco National Corporation and failing to report their receipt; 441a(f), by accepting a contribution from Harvey Van Zandt that exceeded the contributor's limits under 2 U.S.C. § 441a; 441c(a)(2), by soliciting contributions made by Coastal Dry Dock and Repair Corporation, a corporation holding federal government contracts; and 441f, by knowingly accepting contributions made in the names of persons other than those listed as contributors. 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.

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 conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a

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Attachment 5-10/15

finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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 Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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Attachment 5 - 20/15

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No.
STAFF MEMBER(S) & TEL. NO.
Nancy B. Nathan
(202) 523-4073

RESPONDENT 1978 and 1980 (Rep. Frederick) Richmond Re-election Committee

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

The evidence available to the Office of General Counsel 1/ suggests several possible violations: (1) Walco National Corporation and the Richmond committees may have violated 2 U.S.C. § 441b in connection with Walco's payment for staff time and use of facilities on behalf of the committees, (2) the Richmond committees may have violated 2 U.S.C. §§ 431(8)(B)(ix)(II) and 434(b) by failing to report the receipt of certain permissible accounting services from Walco, (3) Charles Montanti, Coastal Dry Dock and Repair Corporation (a firm doing business in Congressman Richmond's

1/ Reports contained in The New York Times of December 11 and 17, 1981, and January 18, 1982, are among the sources which have been consulted. Additionally, further details on some matters reported there were discussed in a meeting held at the Federal Election Commission on February 22, 1982 with attorneys representing the Committee, who sought direction in their efforts to set figures to be used in amending the Richmond committees' 1978 and 1980 reports.

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district), and the Richmond committees may have violated 2 U.S.C. § 441f and 2 U.S.C. § 441b in connection with certain contributions purportedly made in the names of others, (4) Coastal Dry Dock and Repair Corporation and the Richmond Committees may have violated 2 U.S.C. § 441c in connection with the use of government contractor funds, and (5) the Richmond Committees may have violated 2 U.S.C. § 441a in connection with an excessive contribution.

FACTUAL AND LEGAL ANALYSIS

I. Corporate employment of campaign workers

Several violations of 2 U.S.C. § 441b are apparent from the news accounts. It appears that the employees of the corporation Richmond controls, Walco, performed campaign work while on Walco time, in violation of 2 U.S.C. § 441b(a). Specifically, it was reported by The New York Times that papers in the Walco takeover suit disclosed that for the years 1979, 1980 and 1981, two Walco secretaries, Carmen Agnes and Pauline Nunen, worked on invitations for an annual fundraiser and regularly maintained campaign files. Their deposition in the case reportedly said that they worked under Jack DeSimone, Walco vice president for public affairs and chairman of Richmond's campaign committee.

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In papers submitted by Walco in the case, it is alleged that DeSimone himself worked more than forty hours weekly on Walco business and, they asserted, any committee duties he performed during the workday therefore were not carried on at Walco's expense. See 11 C.F.R. § 100.7(a)(3)(i); but see infra. However, the news reports indicate that, in response to deposition questioning, Nunen and Agnes both affirmed that at least some of their committee work was "worked into the [regular] day," although they said some was performed on their own time. Federal district court Judge H. Kenneth Wangelin found that (Richmond) used Walco employees "during regular working hours to further his political career," The Times reported.

Another newspaper report says that Judge Wangelin found that the committee treasurer, Stephen Fiyalco, was a long-time Walco employee and was paid by Walco while he served as committee treasurer. The article says the court found that Fiyalco was one of several campaign workers paid by Walco. It is not clear from the articles whether that reference is to the same Walco employees referred to supra, i.e., Nunen and Agnes.

Further, it is alleged in an article that Walco's assistant treasurer, Beatriz Mirich, and another employee kept the committee's financial records and issued committee checks, which,

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unless exempted under 11 C.F.R. § 100.7(a)(3)(i), also would result in a violation by Walco of 2 U.S.C. § 441b(a).

In the February 22 meeting with OGC staff requested by attorneys for the Committees and individual Walco employees who were campaign workers, it was confirmed that Nunen and Agnes both regularly performed campaign work on Walco time, principally on fund-raisers. It also was confirmed that Mirich served both Walco and the Committees as bookkeeper. However, while the newspaper reported that the court was told that DeSimone, a Walco employee who served as campaign chairman in 1978 and 1980, performed committee work only after also working his normal forty-hour Walco work week, his attorney indicated that the amendments in preparation will list DeSimone's campaign activities as a Walco contribution.

It is recommended that the Commission find reason to believe that Walco National Corporation made contributions in the form of payments for staff time to the 1978 and 1980 campaign committees of Representative Frederick Richmond, in violation of 2 U.S.C. § 441b(a), and that the Richmond committees violated that provision by accepting such contributions.

Some of the services performed by Walco employees Fiyalco, and/or Mirich, may be exempted from the prohibition of § 441b by 2 U.S.C. §§ 431(8)(B)(ix)(II), which provides that accounting

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services rendered to a candidate's committee are not contributions if they are performed solely to ensure compliance with the Act. Even if the services of the Walco employees working on Richmond campaign bookkeeping could be construed as being only those services necessary to complete FECA reports, however, the 1978 and 1980 Richmond committees' failure to report the services would constitute a violation of § 431(8)(B)(ix)(II) and § 434(b).1a/ Therefore, it is recommended that the Commission find reason to believe the 1978 and 1980 Richmond campaign committees violated §§ 431(8)(B)(ix)(II) and 434(b).

II. Corporate Contribution of Office Facilities

It is apparent that Walco office space was used regularly, without reimbursement, by campaign staff. The FECA implications of that use of Walco facilities must be analyzed for two distinct categories of that use: the regular, daytime use of facilities by Walco staff assigned to perform campaign work (see supra), and the nighttime use of Walco space by campaign workers. It is the conclusion of OGC that, in both instances, the use of facilities appears to have exceeded the "occasional, isolated or incidential" test used to determine the level of reimbursement to the donor corporation required by the Act. See 11 C.F.R. § 114.9(a). Further, that regulation's second test -- that the work conducted be "individual volunteer activity" -- also was not

1a/ Memo entries were made in the two Richmond committees' January 31, 1982 year-end reports, reporting accounting services the committees say were performed pursuant to 11 C.F.R. § 100.7(b)(14) by Walco employees Nunen and Mirich during 1981.

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met with regard to the daytime services performed by Walco employees.

According to the evidence available in the news accounts, as outlined supra in the analysis of Walco's contribution of staff salaries, it is apparent that the daytime use of office space and other facilities was quite regular, and certainly occurred frequently enough to go beyond the "occassional, isolated or incidental" level. The reports indicate that the Walco employees named to date were charged with bookkeeping and scheduling chores, particularly with annual fund-raisers, that occupied substantial portions of their work days during certain periods.

As noted supra, the reports indicate that the services performed by the Walco staff members were not "individual volunteer activity," as further required by § 114.9(a). As the General Counsel's Office reasoned in MUR 1314, where the corporate officers are aware of the campaign work being conducted during work hours and consent to the payment of regular corporate salaries to those employees, and where there is evidence the impetus for the work was not the employees' own, it does not seem that the work is "individual volunteer activity."

For those reasons, it is the General Counsel's view that, in order to avoid an impermissible in-kind contribution, Walco should have billed the 1978 and 1980 Richmond campaign committees in an amount equal to the cost of renting, in the commercial market, comparable facilities (office space, utilities,

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telephones, and other office machines.) 2/ Because the exemption under 11 C.F.R. § 114.9(a) is unavailable, its more relaxed standard requiring reimbursement only in an amount equal to any increase in overhead resulting from the use of corporate facilities is inapplicable.

As to the nighttime use of facilities, the news reports give fewer details. What is possible, but must be confirmed by investigation, is that the campaign workers who did make use of Walco space were not Walco employees nor shareholders. While it does not appear likely, from the face of the articles, that the nighttime use was "occasional, isolated or incidental," that too would be a subject for investigation following a reason-to-believe finding. If it is found that, in fact, the use was more frequent than the § 114.9(a) exemption contemplates, reimbursement should have been made by the Richmond committees equal to the cost the committees would have incurred to rent comparable facilities, for a comparable period, in the commercial market.

Therefore, it is recommended that the Commission find reason to believe that Walco and the 1978 and 1980 Richmond campaign committees violated 2 U.S.C. § 441b(a) in connection with the

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2/ At the February 22 meeting, committee attorneys appeared to confirm that the report amendments they will file will list substantial amounts for contribution of office space, services and equipment by Walco.

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failure to reimburse Walco National Corporation in an amount equal to the cost of obtaining comparable facilities in the commercial market.

III. Contributions Made in the Names of Others

The newspaper reports describe, in substantial detail, evidence indicating that some contributions to the 1978 Richmond campaign committee may have been accepted by the Committee with the knowledge that the contributions were made by persons other than the persons listed as the contributors. Interviewed was the 1978 campaign treasurer, Stephen Fiyalco, who said that he made some attempts at the time to verify names of donors, but then was told by campaign chairman DeSimone to cease the verification attempts.

According to The Times articles, it appears likely that the contributions in fact were made by Charles Montanti, and listed as having been given by employees of his firm, Coastal Dry Dock and Repair Corporation, and by other companies who were subcontractors to Coastal. The articles note that the original work sheets of reports filed with the Commission, apparently made available to The Times by Fiyalco, bore obvious erasures of the original identification of contributors' places of business. The articles indicate that the places of business first listed have some relationship to Coastal and/or its president, Montanti. Further, several individuals named in and interviewed for the articles expressed surprise that they were listed as Richmond

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contributors. Additionally, the articles note that the individuals appear to hold relatively low-paying positions, another indication that they may not actually have contributed the amounts the reports list them as having contributed. The articles refer only to the 1978 campaign, but our investigation would seek to learn whether similar violations occurred in 1980. For the reasons set out above, it is recommended that the Commission find reason to believe that the 1978 and 1980 Richmond Re-election Committees violated 2 U.S.C. § 441f by knowingly accepting contributions made in the names of others.

While it is not clear from the face of the news reports that the individuals whose names incorrectly were listed as contributors were aware of those listings, it is suggested that Charles Montanti, President of Coastal, caused the contributions and purposefully used others' names in contributing. It is recommended that the Commission find reason to believe that both Charles Montanti, and Coastal Dry Dock and Repair Corporation, violated 2 U.S.C. § 441f, by making contributions in the names of other persons to the 1978 and 1980 Richmond campaign committees. Because there is a strong possibility that corporate funds were in fact used, we also recommend a § 441b(a) finding against Montanti, Coastal, and the Richmond committees arising from these allegations.

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V. Contributions by Government Contractors

The news reports, noted supra, suggest that substantial contributions were made to Richmond committees by Coastal, and/or by its president, Charles Montanti. Coastal apparently is a government contractor. The Times reported that Coastal executives, shipyard subcontractors, and members of the Montanti family are listed on Commission reports as having contributed about $50,000 to the 1978 and 1980 campaigns.

Under 11 C.F.R. § 115.1(d), subcontractors are not subject to the contraints of § 441c. See also, AO 1980-26. Therefore, the news reports' allegations that contributions were made by subcontractors, if substantiated, would not be actionable under § 441c. If the subcontractors made contributions, there may be violations by the subcontractors and the Committee of § 441b (if corporations are involved) and of § 441f. At this time, we have no evidence of any specific subcontractor having committed such violations.

Under 11 C.F.R. § 115.6, contributions made personally by officials of firms holding government contracts are permissible. Because of the strong possibility that Coastal's funds were used, it is recommended that the Commission find reason to believe that Coastal Dry Dock and Repair Corporation violated 2 U.S.C. § 441c(a)(1).

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VI. Solicitation of Contributions from Government Contractor

Interviewed by The Times, Coastal President Montanti said Representative Richmond had helped him obtain Navy repair contracts totalling more than $310 million since 1976. It also was reported that a former member of Richmond's congressional staff said Montanti had received personal assistance from Richmond in preparing bids for the contracts, and that staff members often had dealt with a Navy procurement official (in Montanti's behalf), who provided information on upcoming contracts. The Times reported that that Navy official had departed from customary practice by failing to make written reports of his regular contacts with Richmond and his staff. It is recommended that the Commmission find reason to believe that the 1978 and 1980 Richmond campaign committees violated 2 U.S.C. § 441c(a)(2), by knowingly soliciting contributions from government contractors.

VII. Acceptance of Contribution Violative of § 441a

The news stories indicate the Committee accepted a contribution that exceeded the individual contributor's § 441a limits. That individual, Harvey Van Zandt, appears to have made an excessive contribution because, while the committee's reports attribute a total $2,000 contribution to Mr. Van Zandt and his

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wife, the news articles reveal that, in fact, the wife was not a contributor. 3/ There are no further details in the articles on other instances of Committee acceptance of contributions violative of § 441a; the investigation will seek to determine whether there are others. It is recommended that the Commission find reason to believe the 1978 and/or 1980 Richmond campaign committees violated 2 U.S.C. § 441a(f).

RECOMMENDATIONS:

It is recommended that the Commission:

1. Find reason to believe the 1978 and 1980 campaign committees of U.S. Rep. Frederick W. Richmond violated 2 U.S.C. § 441b(a) by accepting contributions of staff time and office facilities by Walco National Corporation.

2. Find reason to believe the 1978 and 1980 campaign committees of Rep. Frederick Richmond violated 2 U.S.C. §§ 431(8)(B)(ix)(II) and 434(b) by failing to report the contribution by Walco National Corporation of certain accounting services to the 1978 and/or 1980 Richmond campaign committees.

3. Find reason to believe the 1978 and/or 1980 Richmond campaign committees violated 2 U.S.C. § 441f, by knowingly accepting contributions made in the names of others, and 2 U.S.C. § 441b(a) by knowingly accepting such contributions from corporations.

3/ According to The Times, the Van Zandt contribution was $1,250, not $2,000.

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4. Find reason to believe that the 1978 and 1980 Richmond campaign committees violated 2 U.S.C. § 441c(a)(2) by knowingly soliciting contributions from a corporation holding federal government contracts.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

President
Walco National Corporation
743 Fifth Avenue
New York, New York

Re: MUR

Dear Sir:

On , 1982, the Federal Election Commission determined that there is reason to believe that your corporation violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by contributing staff time and office facilities to the 1978 and 1980 campaign committees of U.S. Representative Frederick W. Richmond. 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.

In the absence of any additional information which demonstrates that no further action should be taken against your corporation, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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Attachment 6 - 1 of 9

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 Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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Attachment 6 - 2 of 9

(23)

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No.
STAFF MEMBER(S) & TEL. NO.
Nancy B. Nathan
(202) 523-4073

RESPONDENT Walco National Corporation

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

The evidence available to the Office of General Counsel 1/ suggests that Walco National Corporation may have violated 2 U.S.C. § 441b in connection with Walco's payment for staff time and use of facilities on behalf of the 1978 and 1980 campaign committees of Rep. Frederick Richmond.

FACTUAL AND LEGAL ANALYSIS

I. Corporate employment of campaign workers

It appears that the employees of the corporation Richmond controls, Walco, performed campaign work while on Walco time, in violation of 2 U.S.C. § 441b(a). Specifically, it was reported by The New York Times that papers in the Walco takeover suit

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1/ Reports contained on The New York Times of December 11 and 17, 1981, and January 18, 1982, are among the sources which have been consulted. Additionally, further details on some matters reported there were discussed in a meeting held at the Federal Election Commission on February 22, 1982 with attorneys representing the Committee, who sought direction in their efforts to set figures to be used in amending the Richmond committees' 1978 and 1980 reports.

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Attachment 6-3 of 9

disclosed that for the years 1979, 1980 and 1981, two Walco secretaries, Carmen Agnes and Pauline Nunen, worked on invitations for an annual fundraiser and regularly maintained campaign files. Their deposition in the case reportedly said that they worked under Jack DeSimone, Walco vice president for public affairs and chairman of Richmond's campaign committee. In papers submitted by Walco in the case, it is alleged that DeSimone himself worked more than forty hours weekly on Walco business and, they asserted, any committee duties he performed during the workday therefore were not carried on at Walco's expense. See 11 C.F.R. § 100.7(a)(3)(i); but see infra. However, the news reports indicate that, in response to deposition questioning, Nunen and Agnes both affirmed that at least some of their committee work was "worked into the [regular] day," although they said some was performed on their own time. Federal district court Judge H. Kenneth Wangelin found that (Richmond) used Walco employees "during regular working hours to further his political career," The Times reported.

Another newspaper report says that Judge Wangelin found that the committee treasurer, Stephen Fiyalco, was a long-time Walco employee and was paid by Walco while he served as committee treasurer. The article says the court found that Fiyalco was one of several campaign workers paid by Walco. It is not clear from the articles whether that reference is to the same Walco

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employees referred to supra, i.e., Nunen and Agnes. The requested documents in that case may clarify that point.

Further, it is alleged in an article that Walco's assistant treasurer, Beatriz Mirich, and another employee kept the committee's financial records and issued committee checks, which, unless exempted under 11 C.F.R. § 100.7(a)(3)(i), also would result in a violation by Walco of 2 U.S.C. § 441b(a).

In the February 22 meeting with OGC staff requested by attorneys for the Committees and individual Walco employees who were campaign workers, it was confirmed that Nunen and Agnes both regularly performed campaign work on Walco time, principally on fund-raisers. It also was confirmed that Mirich served both Walco and the Committees as bookkeeper. However, while the newspaper reported that the court was told that DeSimone, a Walco employee who served as campaign chairman in 1978 and 1980, performed committee work only after also working his normal forty-hour Walco work week, his attorney indicated that the amendments in preparation will list DeSimone's campaign activities as a Walco contribution.

It is recommended that the Commission find reason to believe that Walco National Corporation made contributions in the form of payments for staff time to the 1978 and 1980 campaign committees of Representative Frederick Richmond, in violation of 2 U.S.C. § 441b(a).

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II. Corporate Contribution of Office Facilities

It is apparent that Walco office space was used regularly, without reimbursement, by campaign staff. The FECA implications of that use of Walco facilities must be analyzed for two distinct categories of that use: the regular, daytime use of facilities by Walco staff assigned to perform campaign work (see supra), and the nighttime use of Walco space by campaign workers. It is the conclusion of OGC that, in both instances, the use of facilities appears to have exceeded the "occasional, isolated or incidential" test used to determine the level of reimbursement to the donor corporation required by the Act. See 11 C.F.R. § 114.9(a). Further, that regulation's second test -- that the work conducted be "individual volunteer activity" -- also was not met with regard to the daytime services performed by Walco employees.

According to the evidence available in the news accounts, as outlined supra in the analysis of Walco's contribution of staff salaries, it is apparent that the daytime use of office space and other facilities was quite regular, and certainly occurred frequently enough to go beyond the "occassional, isolated or incidental" level. The reports indicate that the Walco employees named to date were charged with bookkeeping and scheduling

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chores, particularly with annual fund-raisers, that occupied substantial portions of their work days during certain periods.

As noted supra, the reports indicate that the services performed by the Walco staff members were not "individual volunteer activity," as further required by § 114.9(a). As the General Counsel's Office reasoned in MUR 1314, where the corporate officers are aware of the campaign work being conducted during work hours and consent to the payment of regular corporate salaries to those employees, and where there is evidence the impetus for the work was not the employees' own, it does not seem that the work is "individual volunteer activity."

For those reasons, it is the General Counsel's view that, in order to avoid an impermissible in-kind contribution, Walco should have billed the 1978 and 1980 Richmond campaign committees in an amount equal to the cost of renting, in the commercial market, comparable facilities (office space, utilities, telephones, and other office machines.) 2/ Because the exemption under 11 C.F.R. § 114.9(a) is unavailable, its more relaxed standard requiring reimbursement only in an amount equal to any increase in overhead resulting from the use of corporate

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2/ At the February 22 meeting, committee attorneys appeared to confirm that the report amendments they will file will list substantial amounts for contribution of office space, services and equipment by Walco.

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facilities is inapplicable.

As to the nighttime use of facilities, the news reports give fewer details. What is possible, but must be confirmed by investigation, is that the campaign workers who did make use of Walco space were not Walco employees nor shareholders. While it does not appear likely, from the face of the articles, that the nighttime use was "occasional, isolated or incidental," that too would be a subject for investigation following a reason-to-believe finding. If it is found that, in fact, the use was more frequent than the § 114.9(a) exemption contemplates, reimbursement should have been made by the Richmond committees equal to the cost the committees would have incurred to rent comparable facilities, for a comparable period, in the commercial market.

Therefore, it is recommended that the Commission find reason to believe that Walco violated 2 U.S.C. § 441b(a) in connection with the failure to reimburse Walco National Corporation in an amount equal to the cost of obtaining comparable facilities in the commercial market.

RECOMMENDATIONS:

It is recommended that the Commission:

1. Find reason to believe Walco National Corporation violated 2 U.S.C. § 441b(a) by contributing staff time to the 1978 and 1980 campaign committees of U.S. Representative Frederick Richmond.

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2. Find reason to believe Walco National Corporation violated 2 U.S.C. § 441b(a) by contributing office space and materials to the 1978 and 1980 Richmond campaign committees, without reimbursement.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Charles Montanti, President
Coastal Dry Dock and Repair Corporation
Brooklyn Navy Yard Building 131
Brooklyn, New York

Re: MUR

Dear Mr. Montanti:

On , 1982, the Federal Election Commission determined that there is reason to believe that your corporation violated 2 U.S.C. §§ 441c(a)(1), by making contributions to the campaign committees of U.S. Rep. Frederick Richmond, and 441f and 441b, by using corporate funds to make contributions to the Richmond committees in the names of others, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). 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.

In the absence of any additional information which demonstrates that no further action should be taken against your corporation, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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Attachment 7 - 1 of 6

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 Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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(32)

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No. _____
STAFF MEMBER(S) & TEL. NO.
Nancy B. Nathan
(202) 523-4073

RESPONDENT Coastal Dry Dock and Repair Corporation

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

The evidence available to the Office of General Counsel 1/ suggests: (1) Charles Montanti, Coastal Dry Dock and Repair Corporation (a firm doing business in Congressman Richmond's district), and the Richmond committees may have violated 2 U.S.C. § 441f and 2 U.S.C. § 441b in connection with certain contributions purportedly made in the names of others, and (2) Coastal Dry Dock and Repair Corporation and the Richmond Committees may have violated 2 U.S.C. § 441c in connection with the use of government contractor funds.

FACTUAL AND LEGAL ANALYSIS

I. Contributions Made in the Names of Others

The newspaper reports describe, in substantial detail, evidence indicating that some contributions to the 1978 Richmond campaign committee may have been accepted by the Committee with the knowledge that the contributions were made by persons other than the persons listed as the contributors. Interviewed was the

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1/ Reports contained in The New York Times of December 11 and 17, 1981, and January 18, 1982, are among the sources which have been consulted.

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Attachment 7 - 3 of 6

1978 campaign treasurer, Stephen Fiyalco, who said that he made some attempts at the time to verify names of donors, but then was told by campaign chairman DeSimone to cease the verification attempts.

According to The Times articles, it appears likely that the contributions in fact were made by Charles Montanti, and listed as having been given by employees of his firm, Coastal Dry Dock and Repair Corporation, and by other companies who were subcontractors to Coastal. The articles note that the original work sheets of reports filed with the Commission, apparently made available to The Times by Fiyalco, bore obvious erasures of the original identification of contributors' places of business. The articles indicate that the places of business first listed have some relationship to Coastal and/or its president, Montanti. Further, several individuals named in and interviewed for the articles expressed surprise that they were listed as Richmond contributors. Additionally, the articles note that the individuals appear to hold relatively low-paying positions, another indication that they may not actually have contributed the amounts the reports list them as having contributed. The articles refer only to the 1978 campaign, but our investigation would seek to learn whether similar violations occurred in 1980.

While it is not clear from the face of the news reports that the individuals whose names incorrectly were listed as

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contributors were aware of those listings, it is suggested that Charles Montanti, President of Coastal, caused the contributions and purposefully used others' names in contributing. It is recommended that the Commission find reason to believe that both Charles Montanti, and Coastal Dry Dock and Repair Corporation, violated 2 U.S.C. § 441f, by making contributions in the names of other persons to the 1978 and 1980 Richmond campaign committees. Because there is a strong possibility that corporate funds were in fact used, we also recommend a § 441b(a) finding against Montanti, Coastal, and the Richmond committees arising from these allegations.

II. Contributions by Government Contractors

The news reports, noted supra, suggest that substantial contributions were made to Richmond committees by Coastal, and/or by its president, Charles Montanti. Coastal apparently is a government contractor. The Times reported that Coastal executives, shipyard subcontractors, and members of the Montanti family are listed on Commission reports as having contributed about $50,000 to the 1978 and 1980 campaigns.

Under 11 C.F.R. § 115.1(d), subcontractors are not subject to the contraints of § 441c. See also, AO 1980-26. Therefore, the news reports' allegations that contributions were made by subcontractors, if substantiated, would not be actionable under § 441c. If the subcontractors made contributions, there may be

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violations by the subcontractors and the Committee of § 441b (if corporations are involved) and of § 441f. At this time, we have no evidence of any specific subcontractor having committed such violations.

Under 11 C.F.R. § 115.6, contributions made personally by officials of firms holding government contracts are permissible. Because of the strong possibility that Coastal's funds were used, it is recommended that the Commission find reason to believe that Coastal Dry Dock and Repair Corporation violated 2 U.S.C. § 441c(a)(1).

RECOMMENDATIONS:

It is recommended that the Commission:

1. Find reason to believe that Coastal Dry Dock and Repair Corporation violated 2 U.S.C. § 441f, by making contributions to the 1978 and/or 1980 Richmond campaign committees in the names of other persons and 2 U.S.C. § 441b(a) by using corporate funds to do so.

2. Find reason to believe that Coastal Dry Dock and Repair Corporation violated 2 U.S.C. § 441c(a)(1), by making contributions to the 1978 and/or 1980 Richmond campaign committees.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Charles Montanti, President
Coastal Dry Dock and Repair Corporation
Brooklyn Navy Yard Building 131
Brooklyn, New York

Re: MUR

Dear Mr. Montanti:

On , 1982, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. §§ 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the campaign committee of U.S. Rep. Frederick Richmond in the names of other persons, and 441b, by consenting to the use of corporate funds to do so. 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.

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 conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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Attachment 8 - 10pg

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 Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No. _____
STAFF MEMBER(S) & TEL. NO.
Nancy B. Nathan
(202) 523-4073

RESPONDENT Charles Montanti

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

The evidence available to the Office of General Counsel 1/ suggests that Charles Montanti, Coastal Dry Dock and Repair Corporation (a firm doing business in Congressman Frederick Richmond's district), and the Richmond committees may have violated 2 U.S.C. § 441f and 2 U.S.C. § 441b in connection with certain contributions purportedly made in the names of others.

FACTUAL AND LEGAL ANALYSIS

I. Contributions Made in the Names of Others

The newspaper reports describe, in substantial detail, evidence indicating that some contributions to the 1978 Richmond campaign committee may have been accepted by the Committee with the knowledge that the contributions were made by persons other than the persons listed as the contributors. Interviewed was the 1978 campaign treasurer, Stephen Fiyalco, who said that he made some attempts at the time to verify names of donors, but then

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1/ Reports contained in The New York Times of December 11 and 17, 1981, and January 18, 1982, are among the sources which have been consulted.

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Attachment 8- 3 of 5

was told by campaign chairman DeSimone to cease the verification attempts.

According to The Times articles, it appears likely that the contributions in fact were made by Charles Montanti, and listed as having been given by employees of his firm, Coastal Dry Dock and Repair Corporation, and by other companies who were subcontractors to Coastal. The articles note that the original work sheets of reports filed with the Commission, apparently made available to The Times by Fiyalco, bore obvious erasures of the original identification of contributors' places of business. The articles indicate that the places of business first listed have some relationship to Coastal and/or its president, Montanti. Further, several individuals named in and interviewed for the articles expressed surprise that they were listed as Richmond contributors. Additionally, the articles note that the individuals appear to hold relatively low-paying positions, another indication that they may not actually have contributed the amounts the reports list them as having contributed. The articles refer only to the 1978 campaign, but our investigation would seek to learn whether similar violations occurred in 1980.

While it is not clear from the face of the news reports that the individuals whose names incorrectly were listed as contributors were aware of those listings, it is suggested that Charles Montanti, President of Coastal, caused the contributions and purposefully used others' names in contributing. It is recommended that the Commission find reason to believe that both

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Charles Montanti, and Coastal Dry Dock and Repair Corporation, violated 2 U.S.C. § 441f, by making contributions in the names of other persons to the 1978 and 1980 Richmond campaign committees. Because there is a strong possibility that corporate funds were in fact used, we also recommend a § 441b(a) finding against Montanti, Coastal, and the Richmond committees arising from these allegations.

RECOMMENDATION:

It is recommended that the Commission:

1. Find reason to believe that Charles Montanti violated 2 U.S.C. § 441f, by making contributions to the 1978 and/or 1980 Richmond campaign committees in the names of other persons and 2 U.S.C. § 441b(a) by consenting to the use of corporate funds to do so.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

The Honorable Frederick W. Richmond
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Richmond:

On , 1982, the Federal Election Commission determined that there is reason to believe that the Richmond campaign committee violated 2 U.S.C. §§ 441b(a), by accepting contributions by Walco National Corporation in the form of employee time and office facilities, and also by accepting contributions made by certain corporations; 434(8)(B)(ix)(II), by accepting certain accounting services provided by Walco National Corporation and failing to report their receipt; § 441a(f), by accepting a contribution from Harvey Van Zandt that exceeded the contributor's limits under 2 U.S.C. §§ 441a; 441c(a)(2), by soliciting contributions made by Coastal Dry Dock and Repair Corporation, a corporation holding federal government contracts; and 441f, by knowingly accepting contributions made in the names of persons other than those listed as contributors. 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, the Committee has an opportunity to demonstrate that no action should be taken against it. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter.

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

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a finding of reason to believe. See 11 C.F.R. § 111.18(d).

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 Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No.
STAFF MEMBER(S) & TEL. NO.
Nancy B. Nathan
(202) 523-4073

RESPONDENT 1978 and 1980 (Rep. Frederick) Richmond Re-election Committee

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

The evidence available to the Office of General Counsel 1/ suggests several possible violations: (1) Walco National Corporation and the Richmond committees may have violated 2 U.S.C. § 441b in connection with Walco's payment for staff time and use of facilities on behalf of the committees, (2) the Richmond committees may have violated 2 U.S.C. §§ 431(8)(B)(ix)(II) and 434(b) by failing to report the receipt of certain permissible accounting services from Walco, (3) Charles Montanti, Coastal Dry Dock and Repair Corporation (a firm doing business in Congressman Richmond's

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1/ Reports contained in The New York Times of December 11 and 17, 1981, and January 18, 1982, are among the sources which have been consulted. Additionally, further details on some matters reported there were discussed in a meeting held at the Federal Election Commission on February 22, 1982 with attorneys representing the Committee, who sought direction in their efforts to set figures to be used in amending the Richmond committees' 1978 and 1980 reports.

district), and the Richmond committees may have violated 2 U.S.C. § 441f and 2 U.S.C. § 441b in connection with certain contributions purportedly made in the names of others, (4) Coastal Dry Dock and Repair Corporation and the Richmond Committees may have violated 2 U.S.C. § 441c in connection with the use of government contractor funds, and (5) the Richmond Committees may have violated 2 U.S.C. § 441a in connection with an excessive contribution.

FACTUAL AND LEGAL ANALYSIS

I. Corporate employment of campaign workers

Several violations of 2 U.S.C. § 441b are apparent from the news accounts. It appears that the employees of the corporation Richmond controls, Walco, performed campaign work while on Walco time, in violation of 2 U.S.C. § 441b(a). Specifically, it was reported by The New York Times that papers in the Walco takeover suit disclosed that for the years 1979, 1980 and 1981, two Walco secretaries, Carmen Agnes and Pauline Nunen, worked on invitations for an annual fundraiser and regularly maintained campaign files. Their deposition in the case reportedly said that they worked under Jack DeSimone, Walco vice president for public affairs and chairman of Richmond's campaign committee.

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In papers submitted by Walco in the case, it is alleged that DeSimone himself worked more than forty hours weekly on Walco business and, they asserted, any committee duties he performed during the workday therefore were not carried on at Walco's expense. See 11 C.F.R. § 100.7(a)(3)(i); but see infra. However, the news reports indicate that, in response to deposition questioning, Nunen and Agnes both affirmed that at least some of their committee work was "worked into the [regular] day," although they said some was performed on their own time. Federal district court Judge H. Kenneth Wangelin found that (Richmond) used Walco employees "during regular working hours to further his political career," The Times reported.

Another newspaper report says that Judge Wangelin found that the committee treasurer, Stephen Fiyalco, was a long-time Walco employee and was paid by Walco while he served as committee treasurer. The article says the court found that Fiyalco was one of several campaign workers paid by Walco. It is not clear from the articles whether that reference is to the same Walco employees referred to supra, i.e., Nunen and Agnes.

Further, it is alleged in an article that Walco's assistant treasurer, Beatriz Mirich, and another employee kept the committee's financial records and issued committee checks, which,

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unless exempted under 11 C.F.R. § 100.7(a)(3)(i), also would result in a violation by Walco of 2 U.S.C. § 441b(a).

In the February 22 meeting with OGC staff requested by attorneys for the Committees and individual Walco employees who were campaign workers, it was confirmed that Nunen and Agnes both regularly performed campaign work on Walco time, principally on fund-raisers. It also was confirmed that Mirich served both Walco and the Committees as bookkeeper. However, while the newspaper reported that the court was told that DeSimone, a Walco employee who served as campaign chairman in 1978 and 1980, performed committee work only after also working his normal forty-hour Walco work week, his attorney indicated that the amendments in preparation will list DeSimone's campaign activities as a Walco contribution.

It is recommended that the Commission find reason to believe that Walco National Corporation made contributions in the form of payments for staff time to the 1978 and 1980 campaign committees of Representative Frederick Richmond, in violation of 2 U.S.C. § 441b(a), and that the Richmond committees violated that provision by accepting such contributions.

Some of the services performed by Walco employees Fiyalco, and/or Mirich, may be exempted from the prohibition of § 441b by 2 U.S.C. §§ 431(8)(B)(ix)(II), which provides that accounting

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services rendered to a candidate's committee are not contributions if they are performed solely to ensure compliance with the Act. Even if the services of the Walco employees working on Richmond campaign bookkeeping could be construed as being only those services necessary to complete FECA reports, however, the 1978 and 1980 Richmond committees' failure to report the services would constitute a violation of § 431(8)(B)(ix)(II) and § 434(b).1a/ Therefore, it is recommended that the Commission find reason to believe the 1978 and 1980 Richmond campaign committees violated §§ 431(8)(B)(ix)(II) and 434(b).

II. Corporate Contribution of Office Facilities

It is apparent that Walco office space was used regularly, without reimbursement, by campaign staff. The FECA implications of that use of Walco facilities must be analyzed for two distinct categories of that use: the regular, daytime use of facilities by Walco staff assigned to perform campaign work (see supra), and the nighttime use of Walco space by campaign workers. It is the conclusion of OGC that, in both instances, the use of facilities appears to have exceeded the "occasional, isolated or incidential" test used to determine the level of reimbursement to the donor corporation required by the Act. See 11 C.F.R. § 114.9(a). Further, that regulation's second test -- that the work conducted be "individual volunteer activity" -- also was not

1a/ Memo entries were made in the two Richmond committees' January 31, 1982 year-end reports, reporting accounting services the committees say were performed pursuant to 11 C.F.R. § 100.7(b)(14) by Walco employees Nunen and Mirich during 1981.

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met with regard to the daytime services performed by Walco employees.

According to the evidence available in the news accounts, as outlined supra in the analysis of Walco's contribution of staff salaries, it is apparent that the daytime use of office space and other facilities was quite regular, and certainly occurred frequently enough to go beyond the "occassional, isolated or incidental" level. The reports indicate that the Walco employees named to date were charged with bookkeeping and scheduling chores, particularly with annual fund-raisers, that occupied substantial portions of their work days during certain periods.

As noted supra, the reports indicate that the services performed by the Walco staff members were not "individual volunteer activity," as further required by § 114.9(a). As the General Counsel's Office reasoned in MUR 1314, where the corporate officers are aware of the campaign work being conducted during work hours and consent to the payment of regular corporate salaries to those employees, and where there is evidence the impetus for the work was not the employees' own, it does not seem that the work is "individual volunteer activity."

For those reasons, it is the General Counsel's view that, in order to avoid an impermissible in-kind contribution, Walco should have billed the 1978 and 1980 Richmond campaign committees in an amount equal to the cost of renting, in the commercial market, comparable facilities (office space, utilities,

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telephones, and other office machines.) 2/ Because the exemption under 11 C.F.R. § 114.9(a) is unavailable, its more relaxed standard requiring reimbursement only in an amount equal to any increase in overhead resulting from the use of corporate facilities is inapplicable.

As to the nighttime use of facilities, the news reports give fewer details. What is possible, but must be confirmed by investigation, is that the campaign workers who did make use of Walco space were not Walco employees nor shareholders. While it does not appear likely, from the face of the articles, that the nighttime use was "occasional, isolated or incidental," that too would be a subject for investigation following a reason-to-believe finding. If it is found that, in fact, the use was more frequent than the § 114.9(a) exemption contemplates, reimbursement should have been made by the Richmond committees equal to the cost the committees would have incurred to rent comparable facilities, for a comparable period, in the commercial market.

Therefore, it is recommended that the Commission find reason to believe that Walco and the 1978 and 1980 Richmond campaign committees violated 2 U.S.C. § 441b(a) in connection with the

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2/ At the February 22 meeting, committee attorneys appeared to confirm that the report amendments they will file will list substantial amounts for contribution of office space, services and equipment by Walco.

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failure to reimburse Walco National Corporation in an amount equal to the cost of obtaining comparable facilities in the commercial market.

III. Contributions Made in the Names of Others

The newspaper reports describe, in substantial detail, evidence indicating that some contributions to the 1978 Richmond campaign committee may have been accepted by the Committee with the knowledge that the contributions were made by persons other than the persons listed as the contributors. Interviewed was the 1978 campaign treasurer, Stephen Fiyalco, who said that he made some attempts at the time to verify names of donors, but then was told by campaign chairman DeSimone to cease the verification attempts.

According to The Times articles, it appears likely that the contributions in fact were made by Charles Montanti, and listed as having been given by employees of his firm, Coastal Dry Dock and Repair Corporation, and by other companies who were subcontractors to Coastal. The articles note that the original work sheets of reports filed with the Commission, apparently made available to The Times by Fiyalco, bore obvious erasures of the original identification of contributors' places of business. The articles indicate that the places of business first listed have some relationship to Coastal and/or its president, Montanti. Further, several individuals named in and interviewed for the articles expressed surprise that they were listed as Richmond

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contributors. Additionally, the articles note that the individuals appear to hold relatively low-paying positions, another indication that they may not actually have contributed the amounts the reports list them as having contributed. The articles refer only to the 1978 campaign, but our investigation would seek to learn whether similar violations occurred in 1980. For the reasons set out above, it is recommended that the Commission find reason to believe that the 1978 and 1980 Richmond Re-election Committees violated 2 U.S.C. § 441f by knowingly accepting contributions made in the names of others.

While it is not clear from the face of the news reports that the individuals whose names incorrectly were listed as contributors were aware of those listings, it is suggested that Charles Montanti, President of Coastal, caused the contributions and purposefully used others' names in contributing. It is recommended that the Commission find reason to believe that both Charles Montanti, and Coastal Dry Dock and Repair Corporation, violated 2 U.S.C. § 441f, by making contributions in the names of other persons to the 1978 and 1980 Richmond campaign committees. Because there is a strong possibility that corporate funds were in fact used, we also recommend a § 441b(a) finding against Montanti, Coastal, and the Richmond committees arising from these allegations.

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V. Contributions by Government Contractors

The news reports, noted supra, suggest that substantial contributions were made to Richmond committees by Coastal, and/or by its president, Charles Montanti. Coastal apparently is a government contractor. The Times reported that Coastal executives, shipyard subcontractors, and members of the Montanti family are listed on Commission reports as having contributed about $50,000 to the 1978 and 1980 campaigns.

Under 11 C.F.R. § 115.1(d), subcontractors are not subject to the contraints of § 441c. See also, AO 1980-26. Therefore, the news reports' allegations that contributions were made by subcontractors, if substantiated, would not be actionable under § 441c. If the subcontractors made contributions, there may be violations by the subcontractors and the Committee of § 441b (if corporations are involved) and of § 441f. At this time, we have no evidence of any specific subcontractor having committed such violations.

Under 11 C.F.R. § 115.6, contributions made personally by officials of firms holding government contracts are permissible. Because of the strong possibility that Coastal's funds were used, it is recommended that the Commission find reason to believe that Coastal Dry Dock and Repair Corporation violated 2 U.S.C. § 441c(a)(1).

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VI. Solicitation of Contributions from Government Contractor

Interviewed by The Times, Coastal President Montanti said Representative Richmond had helped him obtain Navy repair contracts totalling more than $310 million since 1976. It also was reported that a former member of Richmond's congressional staff said Montanti had received personal assistance from Richmond in preparing bids for the contracts, and that staff members often had dealt with a Navy procurement official (in Montanti's behalf), who provided information on upcoming contracts. The Times reported that that Navy official had departed from customary practice by failing to make written reports of his regular contacts with Richmond and his staff. It is recommended that the Commmission find reason to believe that the 1978 and 1980 Richmond campaign committees violated 2 U.S.C. § 441c(a)(2), by knowingly soliciting contributions from government contractors.

VII. Acceptance of Contribution Violative of § 441a

The news stories indicate the Committee accepted a contribution that exceeded the individual contributor's § 441a limits. That individual, Harvey Van Zandt, appears to have made an excessive contribution because, while the committee's reports attribute a total $2,000 contribution to Mr. Van Zandt and his

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wife, the news articles reveal that, in fact, the wife was not a contributor. 3/ There are no further details in the articles on other instances of Committee acceptance of contributions violative of § 441a; the investigation will seek to determine whether there are others. It is recommended that the Commission find reason to believe the 1978 and/or 1980 Richmond campaign committees violated 2 U.S.C. § 441a(f).

RECOMMENDATIONS:

It is recommended that the Commission:

1. Find reason to believe the 1978 and 1980 campaign committees of U.S. Rep. Frederick W. Richmond violated 2 U.S.C. § 441b(a) by accepting contributions of staff time and office facilities by Walco National Corporation.

2. Find reason to believe the 1978 and 1980 campaign committees of Rep. Frederick Richmond violated 2 U.S.C. §§ 431(8)(B)(ix)(II) and 434(b) by failing to report the contribution by Walco National Corporation of certain accounting services to the 1978 and/or 1980 Richmond campaign committees.

3. Find reason to believe the 1978 and/or 1980 Richmond campaign committees violated 2 U.S.C. § 441f, by knowingly accepting contributions made in the names of others, and 2 U.S.C. § 441b(a) by knowingly accepting such contributions from corporations.

3/ According to The Times, the Van Zandt contribution was $1,250, not $2,000.

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4. Find reason to believe that the 1978 and 1980 Richmond campaign committees violated 2 U.S.C. § 441c(a)(2) by knowingly soliciting contributions from a corporation holding federal government contracts.

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FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 1436

Date Filmed 2/28/84 Camera No. --- 2

Cameraman JRL

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FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 1436
Depositions

Date Filmed 2/28/84 Camera No. --- 2

Cameraman JRL

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Doc # 770

IN THE MATTER

OF

FEDERAL ELECTION COMMISSION

MUR 1436

DEPOSITION of ROBERT LAWRENCE MASSA, taken by PHYLLIS M. HARRIS, a Shorthand Reporter and Notary Public, held at the UNITED STATES DISTRICT COURT BUILDING, 225 Cadman Plaza East, Brooklyn, New York, on Thursday, July 21, 1983, commencing at 11:00 a.m.

EASTERN DISTRICT COURT REPORTERS
UNITED STATES DISTRICT COURT
225 Cadman Plaza East
Brooklyn, New York 11201

1 A P P E A R A N C E S:

2 FEDERAL ELECTION COMMISSION
OFFICE OF THE GENERAL COMMISSION
3 1325 K Street
Washington, D.C. 20463
4
BY: NANCY NATHAN, ESQ.
5 and
LOIS G. LERNER, ESQ.
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I N D E X

WITNESS	EXAMINATION
ROBERT LAWRENCE MASSA	
By Ms. Nathan	2

E X H I B I T S

NUMBER	DESCRIPTION	MARKED
1	Photocopy of New York Times article from Monday, January 18, 1982 consisting of two pages	32

ROBERT LAWRENCE MASSA, 736 Salem Avenue, Elizabeth, New Jersey, 07208, sworn.

EXAMINATION BY MS. NATHAN:

Q Mr. Massa, will you state your name, please, for the record?

A Robert Lawrence Massa.

Q And your address?

A 736 Salem Avenue, Elizabeth, New Jersey.

Q Can you tell us your occupation?

A Ship repair vice president, Costal Dry Dock.

Q Your title is vice president?

A Yes.

Q How long have you been vice president?

A Since 1965.

Q And where do you rank in relation to Charles Montanti?

A Under him.

Q Is there anyone in between you and Mr. Montanti?

A Quite a few now, uh-hum.

Q In 1978, how many people were between you and Mr. Montanti?

A Charles Montanti, Vincent Montanti, Charley O'Donnell, Louie Montanti and me.

Q And would you tell us, do you report directly to Mr. Montanti, Charles Montanti?

A In 1978 I reported directly to Charles Montanti.

Q What kinds of things did you do for him?

A That's hard to say. At that time I was responsible for -- I've been responsible for every job in there one way or another. Back then I was doing buildings, public works buildings.

Q Did you represent him at meetings?

A On occasions, tenants' association meetings, Shipbuilders Council of America, Washington scene.

Q You represented him in Washington?

A Uh-hum.

Q Did you do any political activity for him?

A Explain "political activity."

Q If Mr. Montanti were asked to raise political contributions, would he call on you for help with that?

A Yes.

Q Do you know Congressman Fred Richmond?

A Yes.

Q In 1978, what was the nature of your relationship with Congressman Richmond?

A Only to meet him at a function, say hello.

Q Back in '78, did Mr. Montanti raise money for Congressman Richmond's campaigns?

A Yes.

Q Did he ask you to help him in raising money?

A Yes.

Q Do you recall that there was a fund raiser for Congressman Richmond in June of 1978?

A There were fund raisers -- I recall fund raisers. Pinning me down to dates would be difficult. This is only a small part of what I was doing.

Q Small part of what you did for Mr. Montanti?

A Yeah.

Q Assuming for the moment there was at least one fund raiser in 1978 --

A There were two I remember that were called Citizens' Committee for Fred Richmond.

Q Do you remember when they were?

A No. I'm not sure there were two in '78. There were two I remember.

Q That you worked on.

A Whatever year that was, I don't know.

Q And when you were involved in working on those, was it you and Mr. Montanti working on them or did you deal with committee -- committee people?

A No, I never dealt with Richmond's people. Me personally, I never dealt with Richmond's people.

Q Did Mr. Montanti?

A I have no idea.

Q What did Mr. Montanti ask you to do the first time that you worked on a fund raiser?

A Speak to people who were affiliated with us in any way.

All right. The personal people, not the corporation, but the people who owned the corporations or people we knew and apprise them of the fact that Richmond, who was our congressman, was running and raising money and ask them to help.

Q Those people that you talked with were subcontractors of Costal?

A Some.

Q And what other categories of people?

A People -- well, subcontractor -- explain what your interpretation of "subcontractor" is.

Q When we talked with Mr. Montanti last year, he gave us a list of subcontracting firms of Costal,

Rocklite, for example, Gerard Packing & Belting, Stanley Lazar's company.

A Ocean Electronics, right. Okay.

Q Do you recall you went down a similar list? I don't mean necessarily a written list, but did you contact subcontractors?

A Yes. Um-hum.

Q And what would be the sort of thing you would say to them?

A I contacted Jerry, Gerard Packing. I know him for many years. I said, "Jerry, Richmond is raising money. You can't give a corporation check. Can you give a personal check?" Whatever the amount was at the time --

Q You knew, because the committee told you or Mr. Montanti?

A Yeah. We had rules and regulations to follow.

Q And Mr. Montanti told you to ask each subcontractor?

A He told me how much was legal. They could not give more than what was legally allowed, whatever that was. But he didn't ask -- they could have given $10.

Q When you called the subs, did they -- and you told -- did they ask how much was expected of them to raise?

A Well, maybe they did. I don't know. We never -- it seems -- the people I deal with for the most part knew about these things. There wasn't very much to say in that respect, you know. They're corporation people. They're owners of companies. They're -- I'm sure their accountants and bookkeepers and what have you told them what to do in these particular cases.

Q Had they contributed to Richmond committees before you called them or this was the first experience they had?

A I don't know.

Q So you called. They knew and you knew what the legal maximum was.

A Uh-hum.

Q What was the function that you were asking for?

A Just a request. If they feel that he's important to them, to help him out.

Q What was the fund raising function that you were asking them to contribute to?

A Citizens' Committee for Fred Richmond.

Q Was there a dinner?

A No, no parties. The funds had nothing to do with a party.

Q Were you asking them to buy tickets to a table or event?

A No, a check.

Q You were asking for a check for the legal maximum?

A Uh-hum.

Q And take Mr. Jansen for a moment, for example. What other conversation did you have with him about how that would be raised?

A I don't remember what I had said to him. I remember distinctly asking people to assist in his fund raising. The words that I used, you know, really, I can't remember yesterday, let alone that. I don't believe that I ever asked them to do anything other than to write a check to the Citizens' Committee for Fred Richmond. My reason being, that he was our congressman and he represented us in Washington and he was interested in us and he fought for us and it was good for the shipyard, Costal Dry Dock, and what's good for us is good for them.

Q Did you personally receive the checks when they came in?

A Very rarely. Once or twice I did.

Q Who received them?

A I gave them to Helen.

Q Helen Carl.

A Uh-hum.

Q Did you get any calls from Jansen or anybody else before the checks came in asking any questions about it or where they should be delivered, what form they should take?

A No. I believe I told them all those things when I first spoke to them, either mail it directly to his office or bring it here and give it to Helen.

Q "His office," you mean Richmond's?

A Richmond's.

Q And if they came to you, Helen would get them?

A Helen got them and kept the records, as far as I know.

Q Of the ones you personally received, do you remember, say the first fund raiser you worked on in 1978, what did Mr. Jansen give you, how many checks?

A I don't know. I don't remember that.

Q Do you remember seeing checks from Mr. Jansen that were made out to the Citizens' Committee for Fred Richmond signed by eight or ten people -- by eight or ten individuals?

A Not specifically. Do I remember the check or do

I remember what it looked like? No. But I know he did contribute, that's all I remember.

MS. LERNER: Do you know whether or not he contributed the maximum?

THE WITNESS: Not really. I don't think I even looked at them, to tell you the truth.

Q When you say "them" --

A I thought it was rather rude to look at them. I said, "Thank you," and handed them to Helen.

Q It came in an envelope?

A I don't know whether they came in an envelope. I don't remember that.

Q The check or checks that you got back then, do you recall knowing at the time or do you recall now how many checks you got from Mr. Jansen?

A Not really, no. I don't recall getting any but one. I don't know.

Yeah, one is all I remember getting from him, one or maybe two. Sometimes these checks came in and they were written and their wife gave a check and they gave a check, so there would be two.

Q When you called him to ask for the contribution, did you talk to him about his wife giving

some maybe in her name?

A No.

Q That was legal, but you didn't talk about it.

A No. I didn't tell them what to do or how much to contribute, any of those things.

Q Did he say, "Bob" -- is that what you're called?

A Uh-hum.

Q -- "I don't really have $2,000 to give"?

A I never asked anybody for $2,000. Personally, I never asked anybody. I never named a number. I wouldn't name a number. I know myself. I told them what was legally allowed.

Q Did you ever say, "Charley would like you to come up with what is legally allowed"?

A No. Most of the people I spoke to was because I knew them better than Charley maybe, see. And me, knowing me myself personally, I didn't name a number. And if they asked me, I would answer any questions they asked.

Most of them didn't ask questions, because they seemed to know the law without asking questions. I don't recall. One or two people did ask me: What is this all about? What are you allowed to do? How does it have to

be made out? Why can't I use a corporation check? You know, questions of that nature. I couldn't tell you who asked me that. Some people did.

Q Did any of those people ask whether they could get some of their employees to write checks?

A No. But I know people did, but I never said -- that was not my innovation, no.

Q Are you aware that Mr. Jansen had employees and friends give checks?

A No, I don't think so. I'm not aware of that, no.

Q Going back --

A I might have collected them. Those checks might have come right in my hand. I'm telling you the way I am. I didn't even read them. I took them and handed them to Helen.

Q When you had your conversation with them initially, did you tell them what the legal maximum was?

A Some people I did. I don't remember what it is myself now. Seems to me it was $250 a person or something like that.

Q No, it was a thousand dollars.

A A thousand dollars a person?

Q And with wives --

A Whatever.

Q But you don't recall talking to them about $250 a person?

A Some people asked that question and I answered it. Others didn't. Who specifically asked and who didn't, I don't remember that.

Q But you think you may have told some people that $250 was the maximum?

A Or a thousand. If that was the max, I would have said a thousand.

Q When you got checks from Mr. Jansen, for instance, and say from Mr. Lazar, were they in envelopes, a single envelope, several envelopes?

A I'd say some were and some weren't. I remember seeing, collecting checks that weren't in an envelope and -- you know, I don't remember collecting a check that was in an envelope, to be honest about it. I don't recall a check being in an envelope.

Q So you may have actually seen the checks at the time that you were getting them.

A Yeah. I remember green, blue and yellow.

Q So you were getting -- say you called Jerry Jansen. You asked him for a contribution. What you got was eight or ten checks.

A No, I don't recall ever getting eight or ten checks

from Jerry Jansen. If I did, I didn't realize they were from Jerry Jansen. There were people's names on there, individuals. I was not aware that they were checks that Jerry Jansen made, you know.

Q What did you and Jerry talk about when he gave you the checks? You asked him, "How much total are you contributing?"

A No, I don't recall -- I never asked anyone that, no. I never spelled out a number nor asked a number.

Q But you were receiving from him --

A Checks.

Q More checks than you -- than phone calls.

A I might not have seen Jerry's checks personally. They might have been handed to Helen directly or they might have been handed to Charley or Richmond's offices.

I don't recall whose checks I personally had in my hands.

Q Well, for other subs, for instance, Lazar or anybody else --

A I doubt I ever personally pciked up Lazar's checks personally. Mr. Lazar and Mr. Montanti are -- go back much further than that. I would think he might have given his to Helen direct or Charley direct. I believe I might have gotten Jerry's and others. Lazar's I don't believe I got.

Q In 1978 for the first fund raiser, how many people did you call to get money from?

A Jerry, Tomlinson, Ricky Learo (phonetic). I'm not even sure this is correct. I would have probably spoken to Jerry and Stanley and Ricky and Joe Cena (phonetic).

Q Whose Joe Cena, what company?

A SPC, I believe. SPC.

Who else? Maybe -- '78, I don't know. If Staten Island Hardware, if what's his name was still alive, he's dead now, but I would have spoken to him. Staten Island Hardware. Monty Parrish, I would have spoken to him. People I knew for many years I would have spoken to.

Q When Mr. Montanti first asked you to make the calls, he said, "The Richmond Committee wants us to raise some money." Did he tell you how much he wanted you to try to get?

A No.

Q Did he say what the contact from the committee had asked him to raise?

A No. If he had a number, he didn't tell me about it. I never had a goal to meet, no.

Q Your goal though was to suggest that each person come up with what they could legally give.

A Uh-hum. Did somebody say: You raise 30,000 or

something. No, no one ever told me to do that.

Q When you called these people, did you have to explain Mr. Montanti's reasons for wanting to support Congressman Richmond?

A Uh-uh. I didn't need Montanti's reasons. I had my own.

Q You had your own.

A Mr. Richmond was on a shipyard caucus with Lindy Barges with 45 and 50 other congressmen.

Q During that period when you were working in Washington for Costal, did you often call on the Washington offices of Congressman Richmond?

A Very rarely. I think maybe twice. I used to go to anyone who was involved in a bill that the Shipbuilders Council decided, you know, had to be worked on, and I was president of the Dry Dock Association, New York, New Jersey Dry Dock Association to be down there for that reason.

Q Did you know Carol Cheney in that office?

A Uh-hum.

Q Did you talk to her about fund raising?

A No, I never spoke to her about fund raising.

Q Did you ever talk to anyone in the offices, either Washington or Brooklyn?

A No. In fact, I didn't talk to her about fund

raising. I talked to her about something else.

Q Did you know Steven Fiyalko?

A I know the name. I think I met Steven. Was he thin?

Q I haven't met him myself.

A I think I met someone named Steven once.

Q He was a treasurer for Richmond back during that period.

Did you ever present the checks to the Richmond Committee?

A No.

Q Did Helen Carl present all the checks to the Richmond Committee?

A I presented them to Helen. What happened to them after that, I don't know. Did she personally bring them over or something? I don't know.

Q Do you know Jack DeSimone?

A No. I know the name, but I don't know him.

Q But did you ever talk to him about fund raising?

A No.

Q Did you ever give him any checks?

A No.

Q Did you talk to Mr. Montanti after you

made the calls for the fund raisers?

A Sure. I'd say yeah, they indicated they're going to help.

Q Do you remember talking to him about questions that particular people had about maximums?

A Yes, I did. But could I recite particulars to you? No.

Q Was there any case in which Mr. Montanti told you what to tell them and call them back and tell them this?

A No. No. I knew what to tell them without him telling me. I didn't need him to tell me.

Q Did you talk to him about any of the people that you talked to having employees or friends making contributions?

A No. Never got involved in that.

Q Did Mr. Montanti leave it up to you which subcontractors to call?

A Yeah, pretty much. There wasn't that many that I could call that I knew. I wouldn't call anyone I wouldn't know, because I don't feel like I should. Most people won't contribute to anything unless they know somebody that they know is interested, you know.

Q Did you ever talk to Gerard Jansen then

or since then about his reimbursing employees or friends for their contributions?

A No. Explain that to me.

Q Okay. He gets a check --

A I think what you just said is he paid people back for the contributions. No, I never spoke about things like that.

Q When did you become aware that that was done?

A You're just saying it now.

Q This is the first time you knew of that.

A (The witness nods his head.)

Q When Mr. Jansen came to you, assuming he came to you or Mr. Lazar with his contributions for that first fund raiser, for instance, and you raised eight or ten checks, what did you ask him about all of those names that were on those checks?

A I don't think I questioned it. Never even questioned it. It was contributions, personal contributions. I'm sure every time I got a check, I said, "Is this a personal check?" That's all. I made sure no check that I was aware of ever had a corporation's name on it.

Q Did you ever have any conversations with

Stanley Lazar about corporate checks?

A No. I didn't handle Stanley much in that respect.

Q That was Mr. Montanti exclusively?

A Yeah.

Q Did Mr. Montanti ever talk to you about his conversations with Stanley Lazar and use of Shore, S-h-o-r-e, funds?

A No.

Q Was there ever any instance when one of the people you contacted called you back and said, "I don't know whether this is legal. Tell me if it's all right for me to get people who work for me to write a check"?

A No one ever asked me about getting -- about the source of their checks, can I get it from this person or that person or the next person or whatever.

Q Did they ask anybody else at Costal?

A Oh, I don't know. I didn't know there was that many people involved. I thought Charley and me were practically the only ones that were doing this anyway, and Helen, whatever Helen was doing other than collecting checks.

Q And none of the other Montantis?

A Not to my knowledge, no. The sons are just getting more involved now. But they weren't as involved as they are now back in those days in Costal Dry Dock.

Q You said that you can remember at least two times when you were asked to make some calls and raise money for Richmond. Were those both in 1978?

A It could be one and the same thing. I don't recall. There were two times -- no, there was two occasions of the Citizens' Committee for Fred Richmond. I don't recall that they were both in the same year, could have been one year apart, I don't know.

What was he running for? He was running for Congress one time and I don't know what the other one would have been. It couldn't have been that close in time for Congress.

Q It could have been a primary perhaps. Is it possible one was in June of '78 and one was in December of '78?

A If I said yes, I would be guessing. I don't know.

Q Have you ever talked to Stanley Lazar directly, you personally?

A Many times.

Q No. About this, either back at that time or since then?

A No. I did not know what Stanley Lazar did with respect to this contribution business.

Q Do you know whether he has talked to

Mr. Montanti about it recently, in the last two years?

A Not in front of me.

Q But do you know whether they've had talks?

A They talk every day.

Q But has Mr. Montanti come back to you and talked to you about what he and Stanley have talked about?

A No.

Q When Helen Carl processed checks, sometimes she would have a call after the fact from the Richmond people asking for more information. They needed to know contributors' addresses or contributors' occupations for FEC reports.

A I remember that.

Q Did she ever come to you to ask for some more information?

A That's right. Uh-hum. Yes.

Q Did you ever have to call the subs back to find out?

A Who was this person, yeah. Uh-hum. That's right.

Q Could that have been around that time, 1978?

A Well, whatever those two places -- those two times

were, yes.

Q Do you remember who you had to call back?

A Not really, but I had to call people back and say you have a check here, Mrs. So and So or Mr. So and So. Who is that and where do they work and where do they live?

Q Does the name Camelia Rodriguez ring a bell?

A No.

Q How about Dominick Aiello?

A Uh-hum.

Q Do you remember seeing him with Jansen?

A Yeah.

Q Paul Benedetto?

A No.

Q Do you remember when Helen came back, did you call Jerry Jansen?

A I only remember the situation. The specifics, no. We have checks, we want to know who they are, where they live and who are they.

Q What did you say to --

A I called back to say who is so and so and where do they live and why are they contributing?

Q You asked why they're contributing.

A Yeah. Right.

Q And what did they tell you?

A They said because we asked them to.

Q Did you say why?

A No.

Q At that time what did you talk about about reimbursement of those people by whoever you were talking to?

A I never spoke about reimbursing anybody.

Q I don't mean to say you were suggesting reimbursement, but was there any conversation you had from Jansen, for instance, about his reimbursing people?

A No. I wouldn't touch a line like that with a ten-foot pole. I knew better than something like that.

Q But you did talk to him or somebody else, some other sub about the fact they had this list of eight or ten people that had contributed and you asked at that time -- when you got the check, you didn't necessarily ask --

A No, didn't ask until it came back again and somebody said, "Who is that?" And I called up, "Who is that?" That's all.

Q What did he say?

A "Neighbors." Seems to me the name "neighbors" was

used once, "employees."

Q And you didn't say, "Who's this Camelia Rodriguez? Why is she giving Fred Richmond $200?"

A No, I didn't. As long as it was her and not incorporated.

Q Did you ever have any conversation with Jerry Jansen about using corporate funds, about using Gerard funds?

A Would tell him not to, I guess. No. Specifically, no.

He wouldn't. I mean, these people knew they couldn't do that. They know the laws. To the best of my knowledge, they do anyway.

Wasn't there a form that had to filled out by everyone or something that they said, you know, they understand what this is and that and so forth? It seems to me there was some kind of a form that people filled out, wasn't there?

A questionnaire or report.

Q The form, the FEC report is why Helen was getting calls back from the committee, because they needed to know if --

A Okay. I know somebody was asking.

Q If you give over a certain amount, your name, address and occupation has to be put down, and that's

why Helen would be getting calls, who is this person and where do they live and what do they do?

A I never gave a check myself to Richmond. To the best of my memory, I don't think I gave one myself.

Q When Mr. Montanti called you in and asked you to make these calls for him, what did you and he talk about about legal maximums?

A Whatever -- it seems to me he had a directive, some sort of directive and he handed me the directive. And on there it told you what you could do and could not do and that's what I followed. It seems to me I had that directive with me and I called on the phone, we're raising money for so and so and this is what you're allowed to do and what you're not allowed to do, and this is the maximum you're allowed to give and it has to be from an individual or whatever it said on there. I quoted, if they asked. Most people didn't ask; they already knew.

Q Why do you suppose they knew that?

A Well, it's common knowledge, isn't it? It's in the newspapers, it's on the radio, it's everywhere. You're allowed to do this. You're not allowed to do that, the new election laws, you know.

There was a wild time there when the television and everything was just full of that sort of stuff, what

you're allowed to do in public campaigns, and debates going on, should the government pay for the public campaigns and this stuff, and everybody was getting it until it came out of their ears.

Q But there were times when the people you called did specifically ask you how much they were allowed to give.

A I think so, yeah. I think so. I don't know.

Q And what did you use to refer to when you answered --

A Whatever was handed to me at the time we were going to raise money, what was allowed and what was not allowed.

Q The thing handed to you was given to Mr. Montanti?

A Uh-hum.

Q And he got it from the Richmond people.

A I assume he did.

Q It was not on Costal stationery. It was something he had been given?

A Uh-hum. It might have been on a piece of scrap paper, you know. I don't know. It might have been something written out on a piece of paper. I don't really remember.

Q When Mr. Montanti talked to you about

what the Richmond people wanted you to do or help him to do, did he talk about wanting to have a lot of names? Did he have any interest in having many people contribute more?

A Never gave me a goal, no. No one gave me a goal.

Q But in addition to a monetary goal, I'm interested in a names goal. Did he want to get as many people as possible to contribute?

A Never used people. Wanted as much money as possible; that would require more people.

Q For the first time you were asked to make calls, it's my recollection that it may have been for a dinner, a fund raising party of some kind.

Have you ever, that time or some other time, been to a Richmond occasion?

A Uh-hum. I went to the River Cafe.

Q Was it in 1978? Do you remember if it was warm or cold then?

A I'll tell you how I remember it. I don't remember when it was, but anyway, I didn't have black shoes. And I went to one; with the tux I wore brown shoes and I got the hell ribbed out of me.

Q Formal?

A Uh-hum.

Richmond was there and I shook his hand. He was

saying hello to everybody and so forth.

Q Was there a Costal delegation for this? Were there a lot of people from Costal?

A There was a few of us, not a lot. Charley.

Q Is that one of the things that -- was that around the same time you were calling Jerry Jansen and other people?

A I guess so. I don't think it was for raising money for that dinner. It was raising money and then someone threw a dinner. I don't know who threw the dinner.

Q Did Jansen go to the dinner?

A Jerry Jansen? I don't remember seeing Jerry Jansen at that dinner, no.

Q How about Stanley Lazar?

A No, I don't remember seeing him either.

Q Were there any other subs there that you remember?

A There were subs there. I can't specifically name them, but they were there.

Q Were they people you had called?

A Probably.

Q Was that the only time you went to a Richmond function, party?

A I think there was two of them there, two functions

at the River Cafe.

Q Did you go to two?

A Yeah. One I went with the brown shoes. I don't remember what the other one was, but I went to two.

Q At the second one --

A The reason I went to the one -- come to think of it, it wasn't formal. I had to go somewhere else formal and I went there first and I had to go somewhere else. That wasn't a formal. I was formal because I had to go somewhere else.

MS. LERNER: Do you remember where you had to go, the formal thing?

THE WITNESS: Not really, but I had to go somewhere else.

Q Either that time or the other time, was Jerry Jansen there either time, do you know?

A You know, I don't know. Seems to me that he was around at these things, but, you know, specifically to say under oath was he there? I don't think I'd say that. He might have been.

Q When you got calls though from Helen -- Helen Carl got calls and you and Helen had to go figure out who these people were and what they did --

A There wasn't much of that.

Q Did you ask Jerry Jansen why is Camelia Rodriguez buying a ticket to a River Cafe function?

A No, I didn't ask.

Q I have a copy, a rather beat-up copy of an article that ran in the New York Times in January, 1982.

A I want to be very specific -- all right.

I went to two Richmond functions; one was at the River Cafe and one was in New York, not -- I don't think two were at the River Cafe. One was at the River Cafe.

Q And one was at a hotel in New York?

A Uh-hum. In fact, there was demonstrators outside and calling us names. I remember that.

Q Demonstrators against Richmond?

A Uh-hum.

Q Do you remember seeing Stanley Lazar at either of those?

A No.

See, it's starting to come back to me now. One of these functions was before his problems and one was after his problems.

Q Did you make any calls to people after his problems first came out?

A No, never again, once it was public.

Q Charles Montanti said don't call them?

A I did not support --

Q Excuse me.

MS. LERNER: Excuse me a minute.

(A brief pause is taken.)

A In fact, that's not true, because I went to the hotel and it was already public then. I don't believe I had anything to do with raising money at that one. I believe I only raised money once.

Q Did you ever have any conversation with Mr. Montanti about raising money though -- about Mr. Montanti making calls or after you stopped making calls? Was he doing any fund raising for the second one?

A I don't know.

Q You never talked about it?

A No. We didn't discuss it. Whatever he does, I would have no knowledge of, no control over. He doesn't have to talk to me about things like that.

Q And he doesn't talk to you about it?

A No.

Q I have an article from the New York Times from January of '82 and I'd like the reporter to mark it as Exhibit 1.

(Photocopy of New York Times article from Monday, January 18, 1982 consisting of two pages is

marked Exhibit 1.)

Q It's a long article, but I'll just call your attention to parts of it, perhaps. This article -- first of all, let me show it to you and ask you if you generally recall seeing it?

A Yeah, I think I remember this.

Q Okay. In referring to that article generally, not any specific part of it, the article makes some allegations about Mr. Montanti and his relationship to some of these people who were contributors through Stanley Lazar and through Jerry Jansen.

My question is: When this thing appeared in the New York Times, what did you and Mr. Montanti talk about about the article?

A Never. Never talked about it.

Q You never talked about it.

A No.

Q Did you see it when it appeared?

A I think I saw it. There was a lot of them. I know I -- you know.

Q There was a lot on Mr. Richmond, but this was one about your boss.

A Yeah. Never asked him about it, no. Never discussed it with him.

Q Why would you not have discussed it with him?

A Too sensitive. I wouldn't ask.

Q Did Mr. Montanti ever come to you about this?

A No.

Q What went on at Costal right after that appeared? Did anybody talk about it?

A Nothing different, no.

Q Were there any phone calls from reporters around that time just before this appeared that you remember?

A Not to me.

Q Ralph Blumenthal never called you?

A No, I don't believe so.

Q Did any other reporter ever call you either before or since?

A No, no one called me.

Q After this appeared, the next time you spoke to Stanley Lazar, for instance, what did you talk about about this going public?

A I don't think I ever talked about that -- oh, the whole situation going public?

Q Yes. Not the situation with Richmond's

problems; I mean, this particular situation with Mr. Montanti in the newspapers.

A I would say we deliberately avoided discussing that situation at all. I am in a position, you know, which would not -- would not be favorable to me to be discussing my boss' problems in public with anybody, if he has problems. I wouldn't be discussing them with anybody. I would avoid that.

Q Did anybody ever bring them up and you said, "I don't want to talk about it"?

A No. People that know me wouldn't ask me. They know better.

Q They know because you wouldn't want to talk about your boss' problems.

A I wouldn't discuss it.

First of all, I wouldn't know enough to discuss it, because he would not confide his problems in me. I'm not a family member. I'm a working -- I work for a living there, you know.

Q Were you aware of any particular commotion at the office around that time?

A Yeah, there was all sorts of talk. Are people in trouble? Aren't people in trouble? Did they do something wrong? Didn't they do anything wrong? All kinds of

speculation.

Q Other people that work with you say, "Hey" --

A "Are we going to get closed up? Is the place in trouble?" Sure, all kinds of things like that.

Q Did Mr. Montanti tell them anything to assure them?

A Not to my knowledge. Never had a public meeting about it or nothing, no.

Q About a year ago, we first contacted Mr. Montanti and talked to him. Did he talk to you around then about us -- about our investigation?

A No. First time I spoke to him about this investigation is when I got this letter. I said, "Guess what? I'm subpoenaed."

Q You talked to Mr. Montanti.

A Uh-hum.

Q And what did he say?

A "If you're subpoenaed, you have to go answer the questions."

Q Did he tell you about talking to us, about him having talked to us?

A Never. Never said a word. Never mentioned anything. Never mentioned it.

Q Did he ask you how you were going to conduct yourself or suggest anything to you?

A No. He looked to me and said, "You didn't contribute any money anyway, did you?" I said, "No, I didn't."

Q Did he ask you what you thought we might want to talk to you about?

A No. Charley wouldn't ask me that. Charley knows that when I get here, I'm going to say it the way it is, naturally. He'd know better than to do that.

Q Did you talk to Jerry Jansen about it?

A No.

Q Have you ever talked to Jerry Jansen about Mr. Montanti's problems?

A Oh, yeah, the speculation. Jerry said, "What's going on? Is Coastal in trouble?" All that stuff, you know. "Did we do something wrong? All that stuff.

Q And when he said, "Did we do something wrong?", what do you think he meant?

A Himself, I suppose.

Q And what did you answer him, "Well, what have you got to worry about?"

A Nothing that I know of.

Q Did you ask him, Mr. Jansen, any ques-

tions about what he did?

A No. I know what he did, so it doesn't occur to me that he did anything wrong. I know they contributed personal checks and solicited personal checks from other people, and there's nothing wrong with it, to the best of my knowledge. So I wouldn't get involved in that conversation. Mr. Richmond is our representative and we raised money for him.

Q When did you first know that Mr. Jansen paid back some of the people whose personal checks he got?

A I don't know that. You said that. No one ever told me they got paid back for doing anything.

Q No one told you they had paid back people.

A No. Either way, paid back or got paid back. I know nothing of that. Somebody did that within their organization, you know, I wouldn't know. What would I know about it? I don't believe anybody did that.

We're adults in this room here. That's pretty stupid and I don't think they did that.

Q Are you in a position to know at Costal where the money goes, income and outgo?

A No. I'm not financial in any way, shape or form back in those days either. I'm a vice president, but I had

nothing to do with the funds, payables, receivables or any of that sort of thing. I was strictly production.

Q Who would be the person who would know, besides Charles Montanti, who would know --

A The controller at that time.

Q Who was?

A Charley O'Donnell.

Q Is he still living?

A Charley O'Donnell?

Q Yes.

A Oh, sure. I haven't heard he is otherwise. I spoke to him maybe a few months ago.

Q Would you excuse us for a minute so we can go over our notes to see what I might have forgotten?

A Are we going to do more?

Q It shouldn't be more than a few more minutes.

A I'll let it go like that and leave him wait.

Q We just want to go over to see what we might have forgotten.

(A brief pause is taken.)

Q I want to clarify a couple of things about the fund raising occasions, the parties.

Were Stanley Lazar or Gerard Jansen at either one

of those?

A It's very possible they were. I don't really recall that.

Q Do you recall seeing any of their employees at either one?

A No. Uh-uh. If they were there, they weren't talking to me. They could be there and not have spoken to me. I might not have bumped into them.

As a matter of fact, I went in pretty fast, said hello, made sure everybody saw me and would leave, most things like that.

Q You said you had a sheet that Mr. Montanti had given you to use as a guide when making your calls. Do you still have that?

A No.

Q Do you remember what you did with it?

A Not really. Probably threw it in the basket. It was just a -- the rules and regulations of whatever he was told. Someone told him, "This is what you're allowed to do and this is what you're not allowed to do," and he told me, on a piece of paper. "This is what they're allowed to do and this is what they're not allowed to do."

Q So it was something that Mr. Montanti had written out?

A I doubt it. He usually didn't write things out.

Q Was it handwritten?

A No, it was typewritten. It was typewritten. It seemed to me it was sort of like a questionnaire type of thing.

Q Printed maybe?

A Um. Typewritten. It was a typewritten piece of paper that said: Make checks payable to the Citizens' Committee for Fred Richmond. Check must be personal, cannot exceed so many dollars.

Q What did the not exceed line say?

A I don't recall. I said 250. You said a thousand.

Q Where did you get the 250?

A Two fifty seems to stick in my head. It seems to me at one time a personal check wasn't allowed to be over $250.

MS. LERNER: But you never looked at any of the checks that you received to see if they were over the amount that you told people they could contribute?

THE WITNESS: No, not really. No.

Q Did Helen Carl do that?

A Probably.

Q Did Helen Carl ever give you any back and say, "Return this. It doesn't look right"?

A No. Only thing Helen ever did with me was to get information about the people when she had a form to fill out. It seems to me she was filling out a form: Where do they live? What district are they in? What is their occupation? I don't recall everything, but it seems to me that's what it was.

Q How many people do you think you had to ask Jerry Jansen about for information like that?

A I don't specifically remember asking Jerry Jansen information like that, but I did ask.

Q Or Stanley Lazar?

A I don't know. But I did ask people that information, but who and how many, I don't know.

Dominick Aiello, you mentioned him. He used to work for Jerry. I don't recall him contributing money though. He used to work for Jerry.

Q Did you ever talk to Jerry Jansen about this article?

A No. You know, I never read that article all the way through.

Q Did you ever talk to the guy at Tomlinson about it?

A No, not specifically about it. No.

MS. LERNER: For the record, "This article"

is Exhibit 1.

Q Did you get calls though? Did you get calls from Jerry Jansen after that appeared?

A Well, you used Jerry Jansen. I got calls from people. Specifically Jerry Jansen, I don't recall. But I got calls, "Holy mackerel. You made the newspaper. What is that all about? Did we do something wrong? Did he do something wrong? What do you make of this guy Richmond?"

Q You said earlier you had a conversation with Jerry Jansen where he said, "What did I do wrong?" or "What did we do wrong?"

A You say Jerry Jansen. I say maybe other people. I don't recall who it was I was speaking to. There was dozens of people who called up, "What happened? What's this all about?" Very possible he was one of them.

Q If it were Jansen or whoever it was, and they said, "What did we do wrong?", what did you say?

A I don't know what I said. I probably said, "You didn't do anything wrong that I know of."

Q Did you say anything to them about how Mr. Montanti was taking this news?

A No, because I don't know how Mr. Montanti took the news. He never discussed it with me. You know, forget

it. I'm not in that inner circle where this may have been discussed, if it were discussed by anyone; not by me or to me.

I'm with Costal many years. I was a vice president before he owned it, you know. Since then, sort of, you know, not in the limelight. I'm still a vice president, but I'm not up in that area, not up in that financial or-- what's the right word? Confidential discussion. Strictly business.

MS. NATHAN: Do you have anything else?

MS. LERNER: No.

MS. NATHAN: I guess that's it, and we appreciate your coming. Thank you very much.

THE WITNESS: Thank you.

(Proceedings conclude at 12:05 p.m.)

Subscribed and sworn
to before me this
____ day of _____, 1983.

C E R T I F I C A T E

I, PHYLLIS M. HARRIS, a Shorthand Reporter and Notary Public do hereby certify that prior to the commencement of the examination ROBERT LAWRENCE MASSA was duly sworn by me to testify the truth, the whole truth and nothing but the truth.

I DO FURTHER CERTIFY that the foregoing is a true and accurate transcript of the testimony as taken stenographically by and before me at the time, place and on the date hereinbefore set forth.

I DO FURTHER CERTIFY that I am neither a relative nor employee nor attorney nor counsel of any of the parties to this action, and that I am neither a relative nor employee of such attorney or counsel, and that I am not financially interested in the action.

Phyllis M. Harris
Notary Public

My Commission expires 6/12/88

Dated: August 12, 1985

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83 JAN 27 P12:33

GCC#9628

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF NEW YORK

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IN THE MATTER :

OF :

FEDERAL ELECTION COMMISSION :
MUR 1436

:

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83 MAR 7 P2:58

DEPOSITION of DOMINICK AIELLO,

held at the Federal Building, 26 Federal Plaza,

New York, New York, on November 17, 1982

at 2:00 p.m., taken by Howard Goodman

a Notary Public for the State of New York

83 MAR 7 P1:17

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RECEIVED AT THE FEC

1 A P P E A R A N C E S:

2

3 FEDERAL ELECTION COMMISSION
OFFICE OF THE GENERAL COMMISSION
1325 K Street
4 Washington D. C. 20463

5 BY: NANCY NATHAN, ESQ.
and
6 SCOTT E. THOMAS, ESQ.

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IT IS HEREBY STIPULATED AND AGREED by and between the attorneys for the respective parties hereto that filing and sealing be and the same are hereby waived.

IT IS FURTHER STIPULATED AND AGREED that any objections, except as to the form of the question, shall be reserved to the time of the trial.

IT IS FURTHER STIPULATED AND AGREED that the within deposition may be signed before any Notary Public with the same force and effect as if signed and sworn to before the Court.

* * *

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1 D O M I N I C K A I E L L O, having been
2 first duly sworn by Howard Goodman, a Notary Public
3 for the State of New York was examined and testified
4 as follows:
5 BY MS. NATHAN:
6 Q Would you state your name and address for
7 the record, please?
8 A Dominick Aiello. 9 Bernadette Court,
9 Hicksville, New York, 11801.
10 Q Mr. Aiello, can you tell us what your
11 present occupation is?
12 A I own my own business.
13 Q Have you at any time worked for Gerard
14 Packing and Belting?
15 A Yes. '61 to '79.
16 Q What was your job title in 1978?
17 A I was the general manager.
18 Q As general manager, would you have occasion
19 to keep track of the books and accounts of the company?
20 A No. That was done by the controller.
21 Q What types of things did you do as general
22 manager?
23 A I was in charge of operations. Anything
24 that applied to the company. If we ran short of finances
25 that was done by controller. In fact, one of the reasons

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I left was because of the finances. I didn't know what was going on until late. That they had some problems and we couldn't buy anything.

Q And they had problems with regard to what?

A As far as their finances. I don't know.

Q Several weeks ago you responded in writing to some questions that we issued and one of the things you said in the responses was in 1978 you made a contribution, that you gave a check to Mr. Jansen at Gerard, that you made a contribution to the Richmond Campaign Committe; is that correct?

A Yes.

Q And under what circumstances did Mr. Jansen ask you to contribute?

A Okay. We weren't privy to too much at that time. What happened was he requested me to make a contribution. Okay. And I believe it was sizable. And the conversation that went on I wasn't privy to. He had come out and asked a few of the people around, the employees, okay, if they would mind making a $200 donation to Fred Richmond. I said, "If we have to." I wasn't really interested. When he requested it, that it's not a request. It is one of those deals but you know he said, "Don't worry. You will be taken care of." Jerry

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Jansen who was the president of Gerard is the type of person, he's the type of person who is a very able guy. He said we didn't have anything to worry about.

Q And when he said that it would be taken care of, what did you understand that to mean?

A I didn't understand what it meant at the time. I understood eventually that we would get a check back from him.

Q And you mentioned that you were aware that he talked to others at the same time?

A He talked to other people that I was aware of, oh, yes.

Q Were you present when he talked to anybody else about it?

A No. I know from those people that they also made contributions.

Q Did they talk to you about it in '78 or has it been since then?

A At the time.

Q Can you name some of those people?

A One was Paul Benedetto and another was Carmela Rodriguez. That's the only two that I know about. Of course there was Jansen and I think his sister-in-law. Then there was the controller. They were a few people.

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Q And do you know a Jan Acierno?

A That's his niece.

Q Who is his sister-in-law?

A Pignataro.

Q Now, we have Acierno and Pignataro and you mentioned Rodriguez and yourself and Benedetto, would that be all?

A There were two Benedettos. One of them was my brother-in-law. He wasn't working there -- yes, he worked there and he was in shipping and receiving. Now his check was made out by my sister. He's married to my sister. They received the same notice.

Q And Mrs. Benedetto is your sister?

A Yes.

Q And Tony Benedetto was an employee of Gerard?

A Yes.

Q And who is Paul?

A Paul is also my brother-in-law. He didn't work there. He was an outside truckman. He was asked to contribute and do a favor and he wrote a check also.

Q And what was the controller's name?

A Richard Tulley.

Q Now, do you know that he may have also given a check?

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A Well, Acierno I don't know for a fact but if I gave Richard gave. It was that type of deal. If he went to Diana and his sister-in-law he certainly asked Richard. I would assume he did. I don't know it for a fact.

Q Did he tell you at that time how he came up with the $200 figure?

A No.

Q You mentioned that he said that he needed to make a sizable contribution, did he tell you what amount it was?

A Two thousand dollars.

Q What did he tell you about how this came about; who asked him to give the $2,000?

A I believe it was Costal Dry Dock.

Q By that do you mean Mr. Montanti?

A I don't believe it was Mr. Montanti himself. It was an employee of Mr. Montanti.

Q Do you know the employee's name?

A Mr. Robert Maser. He was the vice president.

Q This information that you are telling me about Mr. Maser, was that told to you by Mr. Jansen back in 1978?

A Exactly.

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Q When he came to you to help him out?

A Well, I was in the room when he got the call, Nancy.

Q You heard the telephone conversation?

A I was in the room when he got the call. He got off the phone and he said, "Jeez --"

Q That's how you heard about it?

A As far as what he was going to do.

Q And what time was that?

A He said that it was a hell of an idea and that they had some nerve.

Q What exactly did they tell him to do?

A They had asked him to make a contribution or contributions to Mr. Fred Richmond's campaign. There was no, as far as I know, no arm pulling or anything like that.

Q When he got the phone call, was the phone call to Mr. Jansen something along the line where we expect or we hope you will contribute?

A We would like you to.

Q And was it your understanding that Mr. Jansen approached you to give him part of this?

A Nancy, I believe that he got some outside advice on that. Obviously he couldn't corporately. I

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don't know if he was advised by his attorney which was Mr. Fink at the time to do it this way or how or how this came up. They got ten people to give $200 and in turn Jerry Jansen sent in $200 and I am sure he gave everybody else back the money.

Q In what form did he give it in; was it a check?

A By check.

Q Was it a company check or a personal check?

A I don't remember but it was a check from him. I don't know if it was a company check.

Q And you gave him your check?

A We gave it to him.

Q Do you know what he did with them?

A It was given to Tulley. The checks were given to Tulley.

Q You physically gave it to Tulley, not to Jansen?

A I had it in an envelope and gave to to Dick and that was it.

Q And when this call came in and you were there and he hung up the phone, did he say how he was going to raise the money?

A He didn't no. He didn't say how he was going

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to do it. He would have like to have gotten out of it. Being they were a sizable account he didn't have a choice. They were an active account at that time and they were sizable as an account.

In fact they were indebted to Mr. Jansen for a quite a bit of money, Nancy. As in business, when you are talking about those kinds of things you don't want to make bad blood. I would imagine, I would say that Costal probably at that time was '78, maybe $125,000 in receivables that they had on the books and we are going back a while. He was a very good supplier of them. That's exactly what it came down to.

Q And did he mention whether the caller had said that they were going to be asking other subcontractors to do the same?

A No.

Q What conversations did you have after that time that you were in the room when the call came in?

A Well, my advice to Jerry at the time was, when they did this is, I think that he was very foolish. I wouldn't have entertained it. He said that he doesn't think he will but on second thought he doesn't know if he has any choice. That was the end of it and we dropped the conversation.

Q He must have gotten outside advice?

A I don't know.

Q And you said that to him at the time when you were in the room?

A Yes.

Q And what was there about it that you thought was a bad idea?

A Well, I didn't like the idea that we had to contribute to something that concerned a customer. We weren't contributing to anything that concerned Costal. We were contributing to outside sources --

Q When you say "we" you mean the employees?

A When I say "we" I'm talking about the company. They were asking for contributions from the company. It was only how they went about it. He obviously broke it down.

Q Now, when you said that you were reimbursed, you said you don't remember whether you got a check from Mr. Jansen, whether it was a personal check or whether it was a check from the company?

A I don't remember Nancy if it was a personal check or a company check but it was in check form.

Q Do you know where the money came from to be used to write those checks?

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A I don't know.

Q Did Mr. Jansen when you had that first conversation, when he got the phone call, did he talk about where he was going to get the money?

A No.

Q Just to clear it up a little bit, when you were in the room and the phone call came in, could you tell from your end of the conversation that you were hearing, from what he said after he hung up, whether he had already at that time knew that he was going to ask you and others to help him?

A No, I didn't.

Q When did you first learn of it?

A Oh, it must have been three, two to three days later.

Q You said that he probably talked to his attorney or something?

A I would have to think knowing Jerry, I would have to think that he got outside advice. I don't know if it was from the corner bar keeper.

Q And what was the advice; how did you come up with the money or how to split it up?

A I don't know, Nancy. Two thousand dollars is $2,000. I don't know how he was going to cut the mustard.

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Q And when you were in the room, the $2,000 figure you heard, you heard about it then?

A Oh, yes.

Q That's exactly what was requested?

A Yes.

Q Did Mr. Jansen mention to you that or did you hear him talk about whether he and his wife would contribute that?

A Nancy, you have to understand something. This is all on the record or can we take it off the record?

Q This is on the record.

A I will tell you what was on my mind. It is something that I would like to say off the record.

MS. NATHAN: Off the record.

(Whereupon, an off the record discussion was held.)

BY MS. NATHAN:

Q When he first started talking about the $2,000, did he give you any indication that he was considering using his personal money just to contribute himself?

A He didn't say a word.

Q And there was never any question though in your mind then or later that he was going to try to make

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up the money for the contribution from his own money?

A From the inception. From that phone call. Well, you see then he didn't even know what he was going to do, Nancy. He didn't know whether he should or he shouldn't. He didn't want to but he was saying something to the effect like where is he going to get the money. But that was it. There was no talk of the money. There was no talk about how much. How it was going to be done. Well, I guess it was a couple of days later Nancy, at the time they knew exactly what they wanted to do. Yes, I would have to think that he did get outside advice.

Q So the question in his mind initially I think I ought to contribute because these are business contacts but really the company can't spare the money and I can't spare the money?

A He was furious and he was thinking whether he should or shouldn't. It was a matter that I ought to but where am I going to get the money. The implication that I got was that the company didn't have it. Where he got the money from I would have to think it came from home but I don't know it for a fact.

Q During the time that you worked there, were you asked to give political contributions?

A That was the only time.

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Q Did you get any other job benefits as a result of cooperating?

A Not one. Just a heart attack.

Q Have you talked to Mr. Jansen about your appearance here?

A We don't speak. We haven't spoken since I resigned.

Q You mentioned that you resigned over frustration --

A I had taken a heart attack on November 6 of '78. I was out on disability for five months and when I went back nothing changed. I couldn't take the pressure. I wasn't going to get my second heart attack. I just resigned.

Q Now, were you aware of the controversey involving Mr. Jansen in the Richmond thing before you received our questions in the mail?

A Oh, yes. I think it came out sometime before I got your notification. I have it at home.

Q So you were aware of it?

A Yes.

Q Did you talk to Mr. Jansen --

A I haven't talked to Mr. Jansen about it. We don't speak.

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Q Have you talked to anybody who still works at Gerard about this?

A I have mentioned it to Mr. Benedetto. To Paul and he said that he hasn't heard a word.

Q Paul Benedetto is the one who makes the deliveries?

A He is the one who is doing some trucking for them.

Q And when you talked to him, did he mention whether Tony Benedetto had talked to him about all of this?

A Tony Benedetto talked to Paul -- I don't know, Nancy. I don't know at all.

Q And did you bring today with you any documents or cancelled checks?

A I got the cancelled check. Do you want to see it?

Q Yes.

A It's the only document I got.

Q Mr. Aiello, Exhibit 1 is a copy of the front and the back appears to be a copy of the front and the back of the check is signed by you and is dated June 6, 1978 and it is made out to Congressman Richmond's Campaign Committee, do you want to take a look at this check and confirm what it is?

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A Yes.

Q Is that your check?

A Sure is.

Q And that's the check that you say you gave to Mr. Tulley for Mr. Jansen?

A For Mr. Jansen, right.

Q And when you gave it to Mr. Tulley, did he say anything about the other people, the others that we have mentioned?

A No.

Q And you said you thought that there were 10 contributors of $200 each, ten checks of $200 each?

A I believe so. I don't know the names that you mentioned and it's more likely like seven, six or seven.

Q Do you have any other way of knowing who the others might have been?

A He said Mrs. Rodriguez. You had Paul Benedetto and you had Mary Ann Benedetto and you had Diana and you had Mrs. Pignataro.

Q That's six. What about Tulley?

A I believe he had Tulley. You probably had Mrs. Jansen and Mr. Jansen. I just don't know, Nancy.

Q Do you know if Mr. Tulley is still employed?

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A Yes, he is secretary treasurer.

Q I know that you said Mr. Jansen and your weren't speaking. Now, when this occurred, say within the last six months, has he tried to contact you?

A Not at all.

Q Has anybody close to him tried to contact you for him?

A No.

Q Do you know if Mrs. Pignataro still works at Gerard?

A Mrs. Pignataro never worked at Gerard. She's just the sister-in-law.

Q And Diana --

A She worked part time. She now resides in Florida.

Q Do you know where Ms. Rodriguez is now?

A Mrs. Rodriguez is living in Long Island City, I believe. She is still in New York.

Q Do you know if she still works for Jansen?

A She doesn't work for him at all. In fact, here husband works for me.

Q I just want to read a couple of other names and see if any of them refresh your recollection. Helen Carl?

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A I don't know the name.

Q Jack DeSimone?

A Jack DeSimone -- Helen Carl is an employee of Costal Dry Dock. So is Jack DeSimone. Helen Carl was in the bookkeeping or accounting department.

Q And did you ever have any dealings with her?

A Never at all. Just the name rang a bell.

Q And Mr. Tulley would have normally had dealings with her?

A Jerry Jansen would have dealt with her. He was always out there fighting for his money. He was the guy that went out there.

Q Do you know Charles Montanti?

A I have met Mr. Montanti.

Q Would you recognize him if you saw him?

A Yes.

Q And would he come around your offices?

A He never came to the offices of Gerard, never. That I know for a fact. He was a tough man to get out to go to lunch. He was that type of individual.

Q Did you say earlier that this Robert Maser was the one that Mr. Tulley would have given the money over to?

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A If anyone gave the money over to whoever it was supposed to be that got it, it would be Mr. Jansen. Mr. Tulley would have probably collected it for the company but it was done by Mr. Jansen. He gave it to Robert. I don't know what he did with it, Nancy. That I don't know.

Q And did he say Robert Maser?

A He requested it. He was the one on the phone call.

Q Mr. Jansentold you that when he hung up that it was Maser on the phone?

A Yes.

Q Did he say who asked Maser to call?

A No.

Q Who do you think would have asked him that?

A I don't know.

Q Did he mention whether Mr. Maser said that he was going to call other subcontractors?

A He didn't say anything like that.

Q Would it be your assumption that Mr. Jansen would have been asked to come up with the $2,000?

A You mean as a sole contributor and not other vendors?

Q Yes.

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A No, I don't believe so. I am sure that he was asked and must have asked others. We are nothing compared to some of the suppliers.

Q Do you know Stanley Lazar?

A No.

Q Do you know anybody at Shore Electonics?

A No.

Q Did you ever talk with anybody there about this?

A I know the name from the industry.

Q Have you ever met Congressman Richmond?

A No. In fact the night he had the dinner I had something else to do. We were invited.

Q The money that was raised was for the tickets for the dinner?

A It was a big table and I don't think anyone went to it from our company. I think it was a table of ten or whatever. But I missed it.

Q Have you ever heard of Steven Fiyalko?

A No.

Q What about Carol Channie?

A No.

Q Did a reporter ever call you in preparation for this or after this, after the story appeared in the

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New York Times?

A No. Somebody called me and said have you got the Times this morning? I said, "Yes, I did" and that was the first I seen it. I was surprised, Then I knew there would be problems.

Q Did you call anybody to talk about it, other people?

A In the industry it's the biggest joke going around. A couple of my associates, I mentioned it to them. It's a big joke, Nancy. That is Montanti's involvement and Jansen's involvement.

Q Why?

A He said that he has enough trouble trying to pay his bills. What was he making contributions for. That was it in a nutshell. Most of the people I spoke with are suppliers of ours. They are associates and when this came about they were shaking their heads as it being a big joke.

Q Now, is it you impression that Gerard still does a fair amount of business with Costal?

A No. I don't know. They do some.

Q And you said there was 125,000 outstanding--

A At least.

Q And they were having trouble collecting that?

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A I would say that they were having problems back maybe six, seven months on that. Costal was a company where you had to go over and holler to get a little bit and that's the way it went on. That was the normal practice. I don't think he does as much now as he did then. Now, I don't believe he does it. I believe he was made to understand that the company just couldn't afford that type of account and carry that type of account. That they couldn't carry that type of account that long and it was a burden on the company. In plain English it was a large burden and a drain on the company.

Q Carrying Costal?

A Carrying their receivables. That's exactly what he was doing and it was tough.

Q So he was interested in keeping them happy by contributing and at the same time getting future business even though he wouldn't be able to --

A Well, they would give him a little order and they never wiped him out. They would give him a little bit. I don't know what the situation is now. I have no idea.

Q You said that after the article appeared, it was some kind of a joke; did you talk to other people about it, other people in the industry.

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A No. With relation to this situation at all, just associates in the business.

Q Did they say they talked to Mr. Jansen or did any of those other people say that they talked to Mr. Jansen?

A They didn't talk about that.

Q You said that Mrs. Rodriguez's husband is an employee of yours?

A Yes.

Q Have you ever talked to him about her involvement in this?

A Not at all.

Q Even when you were coming today?

A I didn't talk to her about it, no.

Q Who at Jansen would know whether the checks issued for reimbursement in '78 were personal or corporate checks?

A Only Mr. and Mrs. Jansen.

Q And Dick Tulley, would he know?

A Without a doubt. He is really a personal confident of theirs.

Q And the ticket, that money that everybody helped raise for the dinner tickets for the fund raiser in June; is that correct?

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A It was for the Richmond campaign. What they did with it I don't know.

Q And you mentioned this dinner --

A Yes .

Q And was it at the same time roughly?

A Yes. It was up at Pier 96.

Q Who bought the dinner tickets --

A That I don't know. I had never seen the tickets because I couldn't make it.

Q And was there talk about you not going or that you couldn't go to the dinner after everybody was asked for the contribution?

A Yes. At least, I was. I don't know about anybody else, Nancy. I was asked are you going? I said no, I am going to be out of town. I would have liked to have gone .

Q Now, when you said that he said that he had to come up with $2,000 and I would like $200 from you in a check, did he mention the dinner tickets?

A No, not at all.

Q When you were in the room when Mr. Massa called, did they talk about the dinner?

A No, they just talked about the contribution.

Q And you weren't thinking about the dinner

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when you were asked to make the contribution, that was an afterthought?

A Yes. In fact, I got a thank you letter. I guess everybody did from Fred Richmond. I think for the longest time I had it in my files. I think when I changed the offices, I think we threw it out but there was a thank you note that came.

Q Do you remember anything else about the conversation that you overheard that day when Mr. Massa called?

A Well, it was very abrupt. It wasn't a long drawn out deal. He got to the point. He said what they had to do and that was it. Jerry must have been besides himself. He did not know what to do. When he asked me I said, "I don't think we should get involved."

Q Now, I just want to clarify one other thing. You said in answer that we shouldn't get involved at this point. Did you already know that he was asking you and others for the contributions?

A No.

Q When you said, "Shouldn't get involved" it was because your feeling was that there was not $2,000 to spare?

A Well, when I heard initially I had envisioned

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it as a corporate payout. I knew it wasn't there.

Q Why did you envision it that way?

A Because I guess I don't have a legal mind, Nancy. I never figured he would ask ten people. That he would ask them for $200 each. I figured the company is going to have to go for it.

Q And did you think that they were thinking about it because of Massa's phone call to Jansen?

A Noboday came down and said that we would like you to do it. That was it. Jerry knew that he was between a rock and a hard place. That they owe me close to a hundred some odd thousand dollars and can I say no. Business will stop. They may take three years from now to pay.

Q On that subject, do you know whether corporate money was going to be used --

A Not a word. In fact, I didn't know what he was going to do until three days later when he asked me to write the check. I guess it was maybe a week or so later that I was reimbursed. I didn't ask where it came from. It was just a check and I wish I could but I can't remember whether it was a personal or corporate check. I don't remember.

Q When the call first came in you happened to

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be there and you said that we ought to really not get involved. Now, when he came back to you and he said that he needed help, your help, did he say anything else?

A It just shocked me. You know, you don't argue with the boss, with his money.

Q Now, did you mention the financial problems, you didn't say at that point where are you going to get the money?

A No, I didn't.

Q Had the controller made an insinuation along those lines to you?

A Not to me. I worked it where I didn't want to hear it. It was baloney.

Q Do you remember what he said?

A No, I don't. The inference was where was the money coming from and they got off to the side. They started to talk and I could have stayed if I wanted. I didn't want to hear it. We were trying to pay for the supplies and I couldn't pay the vendors. It just didn't make any sense to me anymore and that was about it.

Q What is your business now?

A I am in industrial supplies, mechanical packing and gas service. I am in a competitive line with Mr. Jansen.

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Q What is the name of your firm?

A My company is DBN Industries.

Q And do you contribute to any political campaigns?

A We don't contribute to anybody's campaign.

Q And do you do any work with Costal?

A I wish I did. I can't afford the account. There is a lot of work there but we can't handle it.

Q Have you talked to anybody in Congressman Richmond's organization since '78?

A I don't know anybody in Richmond's organization. I don't even know Fred Richmond except from the pictures I have seen in the papers lately. The answer is no. I haven't talked to anybody.

Q Thank you very much. You have the right to, under the federal rules to examine the transcript of the deposition and sign or if you assume that the reporter has accurately transcribed it --

A If you don't mind I would like to read it.

Q Sure.

Subscribed and sworn to before me

this _____day of_____1982.

8404043831

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

I, HOWARD A. GOODMAN a Shorthand Reporter and Notary Public for the State of New York, do hereby certify:

That DOMINICK AIELLO the witness whose deposition is hereinbefore set forth, was duly sworn by me and that such deposition is a true record of the testimony given by such witness.

I further certify that I am not related to any of the parties to this action by blood or marriage; and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of January 1983.

_____

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UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF NEW YORK

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IN THE MATTER :

OF :

FEDERAL ELECTION COMMISSION :
MUR 1436

:

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DEPOSITION of WALTER R. HASKELL, held at the Federal Building, 26 Federal Plaza, New York, New York, on November 17, 1982, at 12:10 p.m., taken by Howard Goodman a Notary Public for the State of New York.

A P P E A R A N C E S :

FEDERAL ELECTION COMMISSION
OFFICE OF THE GENERAL COMMISSION
1325 K Street
Washington D. C. 20463

BY: NANCY NATHAN, ESQ.
and
SCOTT E. THOMAS, ESQ.

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IT IS HEREBY STIPULATED AND AGREED by and between the attorneys for the respective parties hereto that filing and sealing be and the same are hereby waived.

IT IS FURTHER STIPULATED AND AGREED that any objections, except as to the form of the question, shall be reserved to the time of the trial.

IT IS FURTHER STIPULATED AND AGREED that the within deposition may be signed before any Notary Public with the same force and effect as if signed and sworn to before the Court.

* * *

1 W A L T E R H A S K E L L, having been first
2 duly sworn by Howard Goodman, a Notary Public
3 for the State of New York was examined and
4 testified as follows:
5 EXAMINATION BY
6 MS. NATHAN:
7 Q Would you state your name and address for
8 the record, please?
9 A Walter R. Haskell, 9 Mary Street, Tappan,
10 New York, 10983.
11 Q And what is your occupation, sir?
12 A Sales manager for Gerard Packing and Belting.
13 Q How long have you been there?
14 A Since March of 1976 , I believe.
15 Q And you say you are the sales manager?
16 A Yes.
17 Q As sales manager are you familiar with the
18 bookkeeping and accounts?
19 A No, just the accounting and handling. Not
20 with the bookkeeping or anything. Just strictly handling
21 the accounts.
22 Q Are you married?
23 A Yes, I am.
24 Q Is your wife employed?
25 A No, she is not working.

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Q And your wife's name is Linda?

A Yes.

Q How long have you known Gerard Jansen?

A I would say about, since I am about 18 years old. I would say close to 15 years.

Q How did you first meet him?

A Well, I have known him about 15, ten years.

Q How did you get to know him?

A Through Dominick Aiello is the fellow that hired me at Gerard.

Q And did you say that you see Mr. Jansen outside of the office?

A Yes, I do.

Q You have a social relationship with him?

A Yes.

Q How often do you see him?

A Occasionally, once or twice in a year.

Q About three months ago you received some questions from us asking you about your employment and political contributions and we didn't receive a response, can you tell me why?

A I didn't receive anything in the mail.

Q You didn't get it?

A No.

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Q Have you ever made a political contribution to Congressman Richmond?

A Yes, I did.

Q And what year was that?

A 1978.

Q Can you tell us why you did it?

A Mr. Jansen came to me and asked me to do him a favor. That is what I did.

Q And when did he ask you; did he explain why he was asking you?

A Not really other than he asked me to do him a favor and I said "Yes."

Q He didn't tell you why it was important that you do the favor?

A No. He just mentioned that if I would do him a favor and I said, "Yes."

Q And when he asked you, at that time, did he tell you that you be receiving reimbursement?

A Yes, he did.

Q And you didn't ask him at that time why he needed your name on it?

A No. I just didn't ask him.

Q Why didn't you ask him?

A I felt that I knew Jerry for quite a long

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time. He's a friend and I didn't think there was anything wrong to be honest with you and that was it.

Q And in form did you get reimbursement?

A I believe it was a check.

Q And do you remember what it was, in what form the check was?

A I believe it was a personal check. His own personal check.

Q Are you certain?

A I am pretty positive.

Q In the course of your work, would you have occasion to see the company's checks, the cancelled checks coming through?

A No. Other than the accounts payable and some of the invoices that I get in that prove with the material I buy and sell, that's the only one I would say.

Q When Mr. Jansen asked you for the contribution, did you discuss the amount that he was asking for?

A He asked me for $200.

Q You didn't ask him why $200?

A No.

Q Did you ask anybody at Gerard what he was going to be doing with this?

A Yes.

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Q Who is that?

A Dominick Aiello.

Q What did he say?

A He told me Dominick Aiello, he told me that Tony Benedetto had contributed and myself, I believe that was it.

Q And do you know someone by the name of Jan Acierno?

A Yes.

Q Is she still employed at Gerard?

A She is no longer employed at Gerard.

Q Was she there in 1978?

A I believe so.

Q Do you remember, did he mention that she was also contributing?

A Not to my knowledge.

Q Do you know a Carmela Rodriguez?

A Yes.

Q Was she there in 1978?

A Yes.

Q And did he mention her name in connection with this?

A No.

Q Do you know a Jean Pignataro?

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A No.

Q Did you receive any benefit at the job as a result of cooperating with Mr. Jansen's request?

A No, not that I know of.

Q What conversations have you had with Mr. Jansen in '78 or since then about Congressman Richmond?

A He just felt bad that he even asked us to do something like that being the result of what is happening now.

Q Before all of this came about in '78, did he tell you why he was supporting Congressman Richmond?

A No.

Q Did he mention why, whether someone else had asked him to raise the money?

A No.

Q And do you know whether he was shooting for a particular goal?

A I don't really think so. I don't really know.

Q Back in '78, what kind of business would Gerard have been doing with Costal?

A I am sorry.

Q Are you familiar with Costal Dry Dock and Repair Company?

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A Yes.

Q Are you familiar with Charles Montanti?

A I have heard of the name. I never met the man but I heard the name.

Q And Gerard has a contract with Costal Dry Dock?

A I don't think it is a contract but it does get purchase orders from them. But I don't know if it is a contract.

Q Did Mr. Jansen ever suggest that he was trying to get more business from Costal?

A No.

Q In 1978, at that time that this was going on, did you talk with Mr. Jansen?

A Not other than general business. I was then in shipping and receiving. I had nothing to do with sales at that point. There was nothing in sales that had to do with me.

Q Other than shipping to Costal, you mentioned Mr. Aiello and Mr. Benedetto were also mentioned as also participating in this, did you talk to them?

A I did. I would have because I am related to them.

Q You would have at that time, back in '78?

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A Yes.

Q Can you tell me what you said and what they said?

A Well, basically, Dominick Aiello said we'll do this because Jerry asked for it. There was really nothing to worry about. I'm just assuming that would be the conversation and I said, "No problem."

Q Did you bring with you any documents or any cancelled checks?

A My original. I gave it to Mr. Jansen. I didn't get it back yet. I believe his lawyer has it.

Q And can you say, do you recall when he asked you for that?

A I would say a good couple of months ago.

Q Did he tell you why he needed it?

A No, he didn't.

Q Did you ask him why?

A He did basically. He needed it, that he has to go to the lawyer. He told me at that time that there was a problem with the Richmond case and that was all that was discussed.

Q When you gave him your check for $200 where were you?

A In the office.

Q Was anyone else around?

A Not that I recall.

Q Did you have any discussion then about it?

A No. He thanked me and he says, "I will get the check back to you" and he says, "No problem."

Q Did he tell you or do you know who he gave it to; who he gave your check to?

A I assume it was to his lawyer. I don't know his name.

Q Back then when he was getting the money, who would he have given the checks to; would you know?

A No, I wouldn't know.

Q And what you were just talking about a minute ago, was you were saying that more recently you gave him the cancelled check?

A Yes, when he asked for it.

Q Did you back in '78, when he asked you for the check, you don't know what he did with it?

A No. I just assumed that it went to Fred Richmond. I wouldn't know.

Q Do you know the name Helen Carl?

A No.

Q Jack DeSimone?

A No.

Q Steven Fiyalko?

A No.

Q And do you know any of the Montanti's, either Charles Montanti or his brother?

A No.

Q Are you familiar with other subcontracting companies that do work for Costal Dry Dock?

A I knew a few suppliers that also sell them.

Q And do you have any dealings with Shore Electronics?

A No.

Q And have the subcontractors that you are aware of Costal talked to any employees there about contributions to Congressman Richmond's campaign?

A No.

Q Have you ever met Congressman Richmond?

A No.

Q Since 1978 has Mr. Jansen asked you to contribute again?

A No.

Q To Congressman Richmond's campaign or to any other campaign?

A No.

Q Since the whole matter became public this

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year, what kind of conversations have you had around the office about this?

A Just generally. How this ever happened. How we ever donated to something like that because of what the outcome was. At the time we didn't realize that we were doing anything wrong if we were. That's basically the general conversation.

Q And have you talked with Mr. Jansen about it specifically recently?

A I guess under like short term conversations. He just apologized for getting us involved.

Q When you say "us" who specifically do you think he had in mind?

A Tony, Mrs. Benedetto and myself.

Q And are there any others, inaddition to Mr. Aiello, are there any other past employees for Gerard or present employees that you think may have contributed through Mr. Jansen other than the names mentioned before?

A No, nobody at all.

Q And have you talked to a newspaper reporter about this?

A I believe somebody called in the early spring on the phone. I don't know whether it was a news reporter who wanted to ask me questions. I don't

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recall what the questions were. It was done so fast.

Q You don't know who it was that called you?

A I don't know.

Q Do you know whether it was a Government official or a reporter?

A I really don't remember but somebody did call.

Q Was it someone in the New York Office --

A I really don't know.

Q And you met Mr. Jansen's lawyer yesterday?

A Yes.

Q Who was there?

A Mary Ann Benedetto and Mr. Jansen. He was concerned -- he thought that we wanted to go out and meet with the lawyer. He told us that we should have counsel. He advised us that he could not represent us because of a conflict in interest and that basically was it. That we should have lawyers and basically that was it.

Q What did Mr. Jansen talk to you about in the last three months with regard to his own involvement with this whole matter?

A That he is sorry that he ever got involved with him. That he wouldn't do anything like this again.

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Q Has Mr. Jansen mentioned Carl Montanti in that regard, not in a businesswise relation but in relation to these contributions?

A Nothing at all.

Q I want to show you a New York Times article from January of this year that mentioned Gerard and Mr. Jansen, do you recall ever seeing that?

A I don't read the paper to be honest with you.

Q Do you recall Mr. Jansen talking to you about that at the office at all?

A No. He never discussed this with me.

Q Have you talked to anybody else at the office about Mr. Jansen's involvement in the last seven months?

A Other than Tony Benedetto I might have discussed it with him. That's about it.

Q And in talking with Mr. Jansen, did he tell you, did he express concern as to what you might have to tell us about other individuals?

A He just felt bad. He felt bad that we were coming down without counsel. I can say that he was concerned about it that way. Just repeatedly he said that he was sorry that he got us into this.

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Q Did he tell you what to say or what not to say?

A Nothing at all.

Q And has he talked to you about his own relationship to our investigation?

A No.

Q What was the first time this year roughly that you became aware of the fact that we were looking into this matter?

A When he asked me for the cancelled check. It might have been May or June. I am not sure. It was months back.

Q And did he talk to you about why the Commission was looking into this whole thing?

A No, and I didn't really ask him that.

Q Well, did he volunteer the information?

A Well, he said that his letter stated that he had to produce documents. Whatever he needed he asked me if I could give him a copy of the cancelled check. I said, "Sure. No problem."

Q Now, he wanted to satisfy the request that we had made?

A You or by his lawyer. I woldn't know who made that request.

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Q And has he told you about his reluctance to talk to us?

A No, he did not.

Q Now, you have the right to examine the transcript of this deposition. If you have any questions as to the accuracy of it or if you expect that the reporter probably transcribed it accurately you may waive signature; do you want to waive signature?

A There is nothing that I said that was inaccurate.

Q You would like to forego the right to examine the deposition as you think it's probably being transcribed accurately?

A I believe so, yes.

MS. NATHAN: Well, we thank you for coming. We will adjourn this deposition. Thank you, Mr. Haskell.

(Whereupon, at 11:55 a.m. this deposition concluded.)

_____

Subscribed and sworn to before me

this _____day of _____, 1979.

_____

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STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

I, HOWARD A. GOODMAN a Shorthand Reporter and Notary Public for the State of New York, do hereby certify:

That WALTER HASKELL, the witness whose deposition is hereinbefore set forth, was duly sworn by me and that such deposition is a true record of the testimony given by such witness.

I further certify that I am not related to any of the parties to this action by blood or marriage; and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of Janaury 1983.

Howard A. Goodman

GCC#9414
03 JAN 27 PM 2:33

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF NEW YORK

----------x

IN THE MATTER :

OF :

FEDERAL ELECTION COMMISSION :
MUR 1436

:

----------x

9404439022

DEPOSITION of ANTHONY BENEDETTO,

held at the Federal Building,

26 Federal Plaza, New York, New York, on

November 17, 1982, taken by Howard Goodman,

a Notary Public for the State of New York.

A P P E A R A N C E S :

FEDERAL ELECTION COMMISSION
OFFICE OF THE GENERAL COUNSEL
1325 K Street
Washington D. C. 20463

BY: NANCY NATHAN, ESQ.
and
SCOTT E. THOMAS, ESQ.

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IT IS HEREBY STIPULATED AND AGREED by and between the attorneys for the respective parties hereto that filing and sealing be and the same are hereby waived.

IT IS FURTHER STIPULATED AND AGREED that any objections, except as to the form of the question, shall be reserved to the time of the trial.

IT IS FURTHER STIPULATED AND AGREED that the within deposition may be signed before any Notary Public with the same force and effect as if signed and sworn to before the Court.

* * *

1 A N T H O N Y B E N E D E T T O, having been first
2 duly sworn by Howard Goodman a Notary Public
3 for the State of New York was examined and
4 testified as follows:
5 EXAMINATION BY
6 MS. NATHAN:
7 Q Would you state your name and address?
8 A Anthony Benedetto, 26 East Oxford Street,
9 Valley Stream, New York, 11580.
10 Q Where are you employed now, Mr. Benedetto?
11 A I am self employed.
12 Q Have you ever worked for Gerard Packing
13 and Belting?
14 A No.
15 Q Have you ever worked for Gerard Jansen?
16 A Yes.
17 Q Can you explain the difference?
18 A There was, he has a few companies, Gerard
19 Packing and Belting and Gerard Industrial. I was in
20 the industrial part of the business.
21 Q And were you there in 1978?
22 A Yes, I believe so.
23 Q What year did you leave there?
24 A I think '80.
25 Q In 1978, did Mr. Jansen approach you for

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a contribution to Congressman Richmond's campaign?

A Yes.

Q Were you at the office when he did that?

A Yes.

Q Was anyone else present?

A That I couldn't remember.

Q Can you tell me exactly what he might have said to you?

A I know that he spoke to me. He said that you could do me a favor and make a contribution to this Richmond and for $200 and he would reimburse me. To do him a favor. I never asked why because he's a gentleman as far as I am concerned.

Q And did he tell you why he said $200 as the figure?

A No, sir.

Q Did he tell you whether he would be asking other employees to do the same?

A That I don't remember.

Q Did it seem out of the ordinary to be asked to make political contributions through him?

A I thought it had something to do with business. He was trying to help somebody. That's all I can really say to that.

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Q At the time did you talk with anybody else, anybody at Gerard about it?

A No.

Q Are you familiar with Costal Dry Dock and Repair Corporation?

A It used to be one of the accounts.

Q In 1978, did Gerard have a contract with Costal?

A I don't know about a contract. I know we did work for them. I used to be a foreman downstairs and make up the packing jobs and ship them out.

Q Did Mr. Jansen tell you whether there was any particular bid that he was working on at that time in 19, around 1978?

A He never confided in me anything like that.

Q When he asked you to contribute to Congressman Richmond's campaign, did he tell you why he was interested in supporting Congressman Richmond?

A No.

Q Do you know Charles Montanti?

A I think I have heard of the name but I don't know him.

Q And would you remember having seen him around, with Mr. Jansen in 1978?

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A He could have been there. You see, we just do the work of the drivers. If he was there I did not know him. Nobody introduced me to him. It was just walking in and out of the office. The work went upstairs.

Q Why did you decide to ask your wife to write the check?

A I wasn't home to write out the check for $200 and because she was handling the checking account at that time. That was the only reason.

Q And did Mr. Jansen suggest that your wife do it?

A No.

Q When you gave it to him, was that at work also?

A She wrote the check out and I brought it back the next day or whatever day that I brought it down and presented it to him.

Q And what did he give you back?

A I don't know when he gave it to me back or who or how he gave it to me. I do know that I received the $200.

Q Do you remember whether it was in cash?

A No.

Q You don't remember?

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A Honestly, I don't remember. I don't remember if it was in cash or a check. I do know that I was reimbursed. That's all I remember.

Q When he reimbursed you, did you talk about that with anybody at the office?

A No.

Q And were there any other job benefits that you received at the time?

A None whatsoever.

Q And when he thanked you for the check, did he mention that was part of the money that he was raising for Richmond, did you discuss that?

A Nothing was said.

Q When Mr. Jansen asked you to give him a copy of the check, back to him, within the last six months or so, did he tell you why he wanted it?

A He was having a problem.

Q He didn't say more than that?

A I didn't know about this Richmond. He was having a problem. That's all I know. And then later on it came out in the papers.

Q Do you remember having seen it in the paper?

A Yes.

Q Do you remember having seen this?

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A This was in the Times, right?

Q No.

A No.

Q When the thing became current in the last year or so, did anyone know any longer?

A Only in this past month. The last four or five weeks. This was known since it came about. This is a man that he donated $200 and we were reimbursed. That's all I remember about that.

Q And can you remember within say, what month of the year Mr. Jansen had asked you to return the check?

A I would say six, seven months ago. I think that it's this year.

Q When Mrs. Benedetto got our questions in the mail, did you call Mr. Jansen?

A Yes.

Q And could you tell us what he said?

A Word for word I don't know. I told him that I received some papers in the mail. And that I think, I can't remember if I brought them down. I can't remember. I just said that I got some papers in the mail. I think he just told me to fill them out.

Q Fill them out?

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A Yes.

Q And you can't say whether you brought them down for him to see or to talk with him about it?

A Give me a minute. I don't know if I brought them down to him or I mentioned them to him. Then I called him up and I think he said just to fill them out and mail them in.

Q And did he discuss the questions, did he ask you what the questions were?

A No.

Q Did he mention his lawyer?

A Yes. Did I talk with the lawyer?

Q Yes.

A Once.

Q And what did the lawyer say?

A The lawyer said fill them out and mail it in.

Q So Mr. Jansen made a call to the lawyer and the lawyer called you back and said fill it in?

A Right.

Q Now, you called him and then consulted the lawyer and then you had another conversation with Mr. Jansen after he talked with the lawyer; is that right?

A I had no conversation with him.

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Q With Mr. Jansen I mean?

A None.

Q You said that Mr. Jansen told you to go ahead and fill it out?

A Yes. She filled them out and she sent them in. That was it. And then two weeks ago I made a delivery to him. He said something about going to Court. I said, "You have got to be kidding. My wife will have my head." That's it.

Q You meant that she was going to have to go to Court?

A Because the check is made under her name.

Q And you mentioned that she will have my head because her name is on it?

A Yes.

Q And are you familiar with Diana Acierno?

A What is that last name?

Q A-c-i-e-r-n-o.

A She's related to the family, to the Jansen family.

Q Did she work at the job?

A Part time.

Q What about Carmela Rodriguez?

A She was an employee.

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Q What about Jean Pignataro?

A There is a Gene there. I don't know his last name.

Q This is a woman, I am sorry.

A No.

Q What about Joseph Collandra?

A No.

Q Did Mr. Jansen tell you or discuss with you, did he tell you who he was going to give Mrs. Benedetto's check to back in 1978?

A I believe to this Richmond.

Q But in terms of physically delivery the check, do you know who he handed it to?

A That I don't know.

Q Did you ever see any representatives of Mr. Richmond's campaign in the office?

A No.

Q Do you know Helen Carl?

A No.

Q Jack DeSimone?

A No.

Q Steven Fiyalko?

A No.

Q Do you know Stanley Lizar?

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A No.

Q Are you familiar with Shore Electronics Corporation?

A Never heard of it.

Q Did Mr. Jansen ever mention whether any subcontracters, that would be in a similar relation h to Costal as Gerard was, might have been contributing to Richmond's campaign?

A Not that I know of. I didn't hear nothing.

Q Now, do you remember in 1978, whether there was business that Gerard was trying to get with Costal?

A I was downstairs. I was the foreman downstairs. As far as I can remember we were doing business with Costal. They didn't confide in me any of that. My job was packing material and getting it out and that's all I did.

Q After 1978, did Mr. Jansen ask you for any political contributions for Richmond or any other candidate?

A That's the first time in my life that we ever did anything like this here.

Q And were you present yesterday at the lawyer's office?

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A No.

Q Have you talked with Mr. Haskell or Mr. Jansen in the last couple of days?

A Yes.

Q You talked with who?

A Haskell and Jansen. Haskell happens to be my nephew.

Q You talked with him either in the last couple of days or in the last few months?

A Yes.

Q Did you ask Mr. Haskell about whether other people at Gerard were involved with this?

A All I asked is what the heck is this about?

Q What did he say?

A It was about a donation to this here Richmond fellow. That he was convicted on embezzlement and that they are checking up on all the people who donated.

Q What else did Mr. Haskell say to you yesterday; was there anything else?

A That Mr. Jansen and Mr. Walter Haskell apologized for all the problems we were going through.

Q Did he tell you yesterday why in 1978 he felt that it was that important to get other people

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involved?

A No.

Q Did he indicate yesterday how many people were involved?

A No.

Q And did he tell you, what did Mr. Jansen tell you; did he tell you what dealings he had since all of this came up with the Richmond people?

A None whatsoever.

Q Did he mention Mr. Montanti?

A No.

Q Or Costal Dry Dock?

A Not a word was said. We were just talking, Jansen, Walter Haskell and myself about this here. What's going on. Just small talk.

Q And you said that you and your wife and Mr. Haskell and Mr. Jansen were at the lawyer's office for part of that?

A I didn't say that but they were.

Q And would you repeat that again. Where did you see Mr. Jansen yesterday?

A At the office.

Q At his office?

A Yes.

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Q So you were not at the lawyer's office but you were talking at Gerard?

A This was in the A.M.

Q And did Mr. Jansen ask you what Mrs. Benedetto intended to say?

A We spoke about what we were supposed to say. That we were supposed to tell the truth.

Q Did he offer any suggestions or what you might say?

A No.

Q Do you expect to talk with him about this at any future time?

A When this is over he's going to get a shot in the nose.

Q You said that you can't remember when he did reimburse you; you can't recall in what form he reimbursed Mrs. Benedetto and she thinks it was by check, can you try to recall?

A I did try to think about it before and I can't remember and I am being honest. I don't know if we got cash or a check.

Q Now, apart from your payroll check, would you have received a corporate check drawn on Gerard Industrial often, would that have happened often?

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A I received a check from them because I do trucking work for them but pertaining to this here, nothing at all.

Q You wouldn't have gotten a check for a loan from him or anything like that?

A A loan, no.

Q It would have been more unusual then for you to receive a personal check from Mr. Jansen?

A All I could get is a check for the trucking. That's all I could get.

Q We're trying to find out in what form the reimbursement came.

A You're talking about three years ago now. Honest to God, I would more or less say a check but I can't swear to it.

Q You have the right to reexamine the transcript and to be sure that it's accurately transcribed or waive the signature.

A I would like to see it.

MS. NATHAN: Mr. Benedetto did not come by subpoena from the Commission. He appeared voluntarily.

A Yes.

Q And agreed to be deposed on the record voluntarily --

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A To help my wife along here on this.

Q And you were advised of your rights to have counsel and declined?

A Yes.

MS. NATHAN: I have nothing further.

(Whereupon, at 11:30 a.m. this deposition concluded.)

_____

Sworn to before me this

_____day of _____, 1982.

_____

STATE OF NEW YORK)
) ss.: 19
COUNTY OF NEW YORK)

I, HOWARD A. GOODMAN a Shorthand Reporter and Notary Public for the State of New York, do hereby certify:

That ANTHONY BENNEDETTO the witness whose deposition is hereinbefore set forth, was duly sworn by me and that such deposition is a true record of the testimony given by such witness.

I further certify that I am not related to any of the parties to this action by blood or marriage; and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of January 1983.

Howard A. Goodman

RECEIVED
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83 JAN 27 P12:32

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF NEW YORK

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IN THE MATTER :

OF :

FEDERAL ELECTION COMMISSION :

MUR 1436 :

----------x

DEPOSITION of JACK de SIMONE,

held at the Federal Building, 26 Federal Plaza,

New York, New York, on November 17, 1982

at 3:45 p.m., taken by Howard Goodman,

a Notary Public for the State of New York

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A P P E A R A N C E S :

FEDERAL ELECTION COMMISSION
OFFICE OF THE GENERAL COMMISSION
1325 K Street
Washington D. C. 10263

BY: NANCY NATHAN, ESQ.
and
SCOTT E. THOMAS, ESQ.

STANLEY GELLER, ESQ.
400 Madison Avenue
New York, N. Y. 10017
Attorney for witness

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IT IS HEREBY STIPULATED AND AGREED by and between the attorneys for the respective parties hereto that filing and sealing be and the same are hereby waived.

IT IS FURTHER STIPULATED AND AGREED that any objections, except as to the form of the question, shall be reserved to the time of the trial.

IT IS FURTHER STIPULATED AND AGREED that the within deposition may be signed before any Notary Public with the same force and effect as if signed and sworn to before the Court.

* * *

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1 J A C K d e S I M O N E, having been
2 first duly sworn by Howard Goodman a Notary Public
3 of the State of New York was examined and
4 testified as follows:
5 (Time noted 3:45 p.m.)
6 BY MR. THOMAS:
7 Q Would you state your name for the record,
8 please?
9 A Jack de Simone.
10 Q Mr. de Simone, have you presented or brought
11 with you today any documents pursuant to the subpoena that
12 we issued to you?
13 A No, I did not.
14 Q Do you have any documents in your possession
15 which falls within the scope of the subpoena?
16 A No, I do not.
17 Q Have you given any such document to the
18 U.S. Attorney?
19 A Would you clarify the question? Which
20 document are you talking about?
21 Q In the subpoena that we issued to you, we
22 asked essentially for any documents that you had relating
23 to any contributions to the Richmond campaign that may
24 have involved contributions in the names of others?
25 A No, I do not have any in my possession.

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MR. GELLER: Then the last question were any turned over to the U.S. Attorney's Office, did you turn any over to the U.S. Attorney's Office?

THE WITNESS: I really do not recall. I did not, no. The attorneys that were handling all of this at the time, to recollect precisely, what documents of that nature were turned over, I do not recall or know.

MR. GELLER: Just not to be confusing, you understand, Mr. de Simone is not the chairman of what was called the Richmond Reelection Committee. There is another person, and that fellow signed the letter that I signed relating to the activities of the local employees and it's my understanding that either he or his attorneys have the campaign committee records and the papers. Therefore, I don't know what the proper word is, turned over or taken or what but they have them all. I don't know what it is. Mr. Muir who signed this and I think it's Surrey and Moss who are the attorneys for Mr. Muir who I think have all the papers.

MR. THOMAS: Fine.

BY MR. THOMAS:

Q Mr. de Simone, by whom are you presently

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employed?

A I am presently employed with Walco National Corporation.

Q What is the address?

A 743 Fifth Avenue, New York, N. Y. 10022.

Q How long have you been employed there?

A I have been employed there since 19, well, let me clarify that. Are we speaking of Walco National Corporation? Then it was 1970. Since 1970.

Q Was there another corporation?

A Yes.

Q And what is the corporate name that you were employed under?

A That was Long Island Walco National which was the surviving corporation. It was preceded by Walco American.

Q And what is your current occupation?

A I am vice president.

Q How long have you held that position?

A Since it's inception.

Q What are your general responsibilites as vice president?

A As vice president I am in charge of any public matters concerning the corporation including

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stockholder relations, trade publicity for the various subsidiaries and contact with newspapers and media. The preparation of the annual report and interim reports.

Q Is there any executive director of the company?

A No.

Q Do you essentially perform as the chief executive operating officer?

A No, I am not the chief executive officer.

Q Who is the chief executive officer?

A Paul Schurgot.

Q Are you familiar with an entity called the Frederick W. Richmond Foundation?

A Yes, I am.

Q What is that organization?

A Well, the foundation is a tax deductible entity that makes contributions to various other tax deductible entities.

Q And do you have any position in that organization?

A No, I do not.

Q And who is responsible for running the day to day operations of Walco?

A Paul Schurgot.

Q How long have you known Fred Richmond?

A I have known Mr. Richmond since 1955.

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Q Say since the beginning of 1975, have you known him in a business capacity?

A Yes.

Q And what is his business capacity with respect to Walco, what was it say from the period of 1975 to the present?

A In 1975 he was a director and he was a director of Walco International in June of 1982.

MR. GELLER: He was more than that, was he not? He was also --

THE WITNESS: I am sorry. He was the chairman of the board until 1978. He was the president and he resigned as president in '75. He resigned as president but as the chairman of the board he was the chief officer. He was chairman of the board until 1978, I believe.

Q Mr. de Simone, when did you first begin helping with any of Mr. Richmond's reelection campaigns?

A I would say 1975.

Q So the first campaign effort that you were involved in was really the election campaign for 1976?

A Yes.

Q Now, what positions have you held if any with the Richmond campaign efforts?

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A As a fund raiser.

Q Have you held any offical positions or titles in the latter years?

A I was named chairman of the fund raising of the committee.

Q Do you remember which election that pertained to?

A I believed it pertained to the 1978 campaign and the 1980 campaign.

Q Were you ever treasurer of the Richmond Reelection Campaign?

A I was never treasurer.

Q And what were your general responsibilities as the chairman of the campaign committee?

A To direct the fund raising activities.

Q And did you have responsibility for the hiring of the staff for the campaigns?

A No, I did not have that responsibility.

Q And do you know who had the responsibility?

A It wasn't my responsibility.

MR. GELLER: I don't know whether it is so or not that there were persons hired in connection with the committee or in connection with the fund raising.

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BY MR. THOMAS:

Q In connection with the committee activities I was referring to generally to what I would assume would cover both the particular fund raising events or paid staff who would have been on loan during the course of a campaign?

A Well, you are aware of the fact that raising funds is one thing but conducting a political campaign for the purposes of getting votes is something else.

MR. GELLER: I think there was only one question and that was whether there were. The question that I posed which was assumed in the question that was asked was were there other persons hired by the committee.

Q Maybe we should step back. To your knowledge, were there any persons hired by the committee to be paid as campaign workers?

A Yes, there were.

Q Do you recall for example, for 1978, for the 1978 campaign who such persons were?

A No, I do not recall.

Q Are you talking about an officer for example, an treasurer who was hired or are you talking about a volunteer who was hired for perhaps to help for just a single event, or does your recollection?

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A I am talking about both.

Q Both happened but you don't recall specifically the names?

A Specific names, right. For specific years.

Q And who was responsible for preparing the Federal Election Committee reports?

A Pauline Noonan.

Q Was that both in '78 and '80 campaigns?

A Both campaigns. It was both the '78 and '80 campaigns.

Q What position if any did she hold with Walco?

A She's my assistant at work for Walco.

Q Did anyone assist in preparing the FEC reports?

A Certain parts of it, yes.

Q Who was that?

A Carmen Agnes.

Q And did you yourself ever review the reports that were filed before they were filed?

A Yes, I would review them.

Q Did you have authority with regard to approving expenditures of the committee?

A Yes.

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Q Did you have to go and get anyone's authorization before the disbursements could be made?

A Very often, yes.

Q Who was that?

A The candidate himself Mr. Richmond.

Q Did you have authority to sign checks?

A Yes, I did.

Q Did you have any requirement that the committee checks be signed by more than one person; was more than one signature required on the checks?

A Yes, we did.

Q Who were the persons authorized to sign checks?

A Beatrice Mirch was the other person that was required to sign checks.

Q Anyone else that you recall?

A I do not recall whether Mr. Richmond had the power to sign checks. If there was another signature I am not sure.

Q Other than yourself as chairman, who were the officers of the campaign committees for 1978 and 1980?

A The treasurers would be the only other persons that I would consider an officer and I believe that was Michael Markman was the treasurer of the '78 and '80

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committees.

Q And what was his general responsibilities as treasurer?

A To review the FEC reports very carefully and to sign them.

Q And to sign them?

A Yes. I think he had to sign them. I think as treasurer he would have to sign the FEC reports.

Q Did he hold any position with Walco?

A No.

Q Do you recall if he was paid for his work as the treasurer?

A I do not know. I don't recall. I don't know.

Q And were there other officers that you recall from your committees during the period involved?

A I don't know.

Q Do you know an individual named Steven Fiyalko?

A Yes.

Q How is it that you know him?

A He was also treasurer for a period of time. I am trying to recall whether Steven Fiyalko was there in '78 or not. Certainly he was there in '76. There was a period of transition in which I don't recall the break

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occurred. Then Mr. Markman became the treasurer.

Q Did Steven Fiyalko hold any position with Walco?

A Not to my knowledge, no.

Q Were you responsible for supervising the planning of the major fund raising events for the committee?

A Yes.

Q Were you responsible personally for soliciting campaign contributions?

A Soliciting, yes.

Q And on occasions, for example, you yourself, if you met someone who might make contributions, would you orally ask them to make a contribution?

A Yes. On occasions.

Q Was there anyone else at the committee who was more responsible for doing the actual face to face solicitations?

A There may have been but I certainly would not be able to identify them.

Q Do you recall ever yourself having received any contribution checks from individuals?

A Yes.

Q And what would you do with those?

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A They would be turned over to Pauline Noonan who would make a record of them and prepare and keep the records for the FEC.

Q Did Pauline Noonan give you periodic reports on how the campaign fund raising was going?

A Yes, she would.

Q Did you in turn report to Congressman Richmond about the progress of the campaign fund raising?

A Yes.

Q Was that part of your general responsibility, would you say?

A Yes.

Q Who was actually responsible for collecting the checks and physically depositing them at the bank?

MR. GELLER: There are two questions there. You said collecting and depositing them. I am just --

MR. THOMAS: If it is more than one person.

MR. GELLER: Somebody may have collected the checks and somebody may have deposited the checks.

A Collecting them was both myself and Pauline Noonan and depositing them was Beatrice Mirch.

Q And do you recall which banks the committee -used for their 1978 and 1980 campaigns?

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A Yes, I believe it was Manufacturer' Hanover Trust.

Q Can you give me a description of what the system was that was used for recording the checks, that is who made the contributions and their addresses; for example, were there occupations listed and how much they contributed?

A We had a three by five card system on each individual who would make a contribution. The card would contain an address and the amount that they contributed.

Q And who was responsible for actually maintaining that card file?

A A combination of Pauline Noonan and Carmen Agnes.

Q And do you recall instances when checks came in and there was no information concerning what the person's occupation was or address was; do you recall, was there a general standard operating proceedure, how was that handled?

A Yes.

Q How was that handled?

A To begin with we had a reservation form for whatever event might be needed. If information was requested on the form wherever the person did not fill out the form

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completely, the person would be called to complete the form with regard to occupation and business.

Q Now you referred to the contribution form, are you referring to for example, forms that accompany a ticket to a particular event, is that what you are describing?

A The form that accompanied the invitation to an event.

Q And was it the primary method that the committee used to raise funds, to hold events for which tickets were prepared, is that what you are saying?

A That's what I am saying.

Q And was that in both cases, in 1978 and 1980?

A Yes, it was.

Q How was it decided how to distribute those tickets, the invitations?

A Well, there was a list of potential contributors and the contributors would receive the invitations.

Q And how would they receive them?

A In the mail.

Q And was that the exclusive way, the method that the committe was using; was it the exclusive method for the committee to mail it's invitations?

A Not the exclusive method, no.

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Q And on occasions were individuals given invitations and asked to distribute them or asked to have their acquaintances make contributions, to see if they would make contributions?

A Yes. That was another method.

Q Both in 1978 and 1980?

A Yes.

Q Do you know an individual named Paul Mallolle?

A I do know. He passed away some years ago, in 1978 or 1980.

Q Was he involved at all in any campaign activities?

A I'm trying to remember when Paul died.

Q Do you recall?

A I do believe that he was in the '78 or '80 campaign.

Q Do you recall what position if any he held with Walco?

A Yes.

Q What was that?

A I think he was the treasurer of Walco.

Q Do you know Leslie Peters?

A I know Leslie Peters as a person and a name.

Q Does she work for Walco now?

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A No.

Q Did she work for Walco in 1978 or 1980?

A I do not recall if she did work then. I know she did work at one time. The years I could not confirm that.

Q Now, you indicated that the committee primarily raised funds through fund raising events, do you recall the specific events that the committee arranged, either in 1978 or 1980 for the campaigns?

A Yes, I do.

Q Can you state for the record which event you recall in terms of location and approximate date?

A Two events were held. One at the River Cafe in June of '78 and of '80. Is it possible to refer to my notes to refresh my memory?

Q Sure.

MR. GELLER: I don't what that date is.

THE WITNESS: Well, it's data -- I would like to correct the date. We are talking about fund raises on June 6, 1979 at the River Cafe and we are also talking about an event on June 12, 1980. Both events were held at the River Cafe in Brooklyn.

Q And you limited yourself to '78, between '78

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and '80? For the '78 campaign or for the 1980 campaign to, if there were any events that pertained to either of those two events, pertaining to those, if you can recall where they were?

A The '78 campaign, those related to campaigns, political campaigns. The '78 campaign, we also had an event. It was right after the incident. We also had an event at the Rainbow Room in New York City.

Q In 1978?

A That was in '78, I believe.

Q Do you recall approximately when?

A Well, if I would have known I would have tried to refresh my memory on a lot of this stuff. Well, I think it was, I am not sure but it was in October of 1978.

Q Other than those three events that you have described, do you recall any major fund raising events, other events?

A There were also two private fund raising parties that were held at the Palace Restaurant.

Q Do you recall when that was?

A That was in April of 1981. Then there was another one at, I don't recall the name of the hotel on Madison Avenue. If you like I can put it in a chronological

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order. In a detailed chronological order. I can't remember the hotels and the places and the dates.

Q Now, the last hotel that you just mentioned, that you couldn't remember the name, was that pertaining to the '80 campaign or the '78 campaign?

A I think it was for the '80 campaign.

Q Now, for each of those events and let's begin with '78, the '78 event at the Rainbow Room, do you recall if there were invitations that were printed and were mailed out?

A Yes, there were.

Q Do you recall if any of the invitations were given to volunteers so that they can get people to contribute?

A Yes, they were.

Q Who was in charge of figuring out which volunteers would be given those invitations to try to ask others to contribute?

A Well, the commission of myself and Mr. Richmond.

Q And was that the same general procedure used with regard to the events that you described?

A Yes. And all volunteers asking to help by requesting ten invitations.

Q Mr. de Simone, do you know an individual

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named Charles Montanti?

A Yes, I do.

Q How is it that you know him?

A He is one of the individuals who solicited contributions for the committee.

Q Do you know if in fact he did solicit contributions for both the '78 and 1980 campaigns?

A I am sure he did.

Q Do you recall if he solicited contributions for the 1976 campaign?

A I do not recall.

Q Did he receive any invitations to your knowledge?

A Yes.

Q Do you recall who gave those to him?

A I supplied the invitations to him.

Q Do you recall any discussion that you had with him regarding what he would do with those invitation forms?

A No, not specifically. He said that he would distribute them to his friends, to raise funds.

Q And do you recall at any point ever advising him of any restrictions of the Federal Election Laws?

A No, I do not.

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Q Do you recall him ever asking any questions about that?

A I advised him on the restrictions of the amount of money that he as an individual could make to the committee. So that he knew the limitations.

Q Was there ever any sort of list of rules that a person soliciting contributions should follow if they were going to try to sell these tickets or invitations?

A No, because each of the invitations, along with the reservations form had the instructions on it. That is, who to make the check payable to and the limitations on the amount that could be given. That they could also write it to I think, it's the FEC to receive a list of contributors if they wanted to. I think it was a poor regulation that was necessary on the reservation form.

Q Do you recall approximately how many invitations you gave to Mr. Montanti in 1978?

A I would guess at that point about 50.

Q Do you recall how many of those he was actually able to use in obtaining contributions?

A No, I do not. I cannot recall.

Q And can you tell us whether he was fairly

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successful?

A I would say moderately successful at raising funds, yes.

Q Do you know Mr. Montanti socially?

A No, I do not.

Q When is the last time you recall communicating with him?

A Perhaps about two years ago.

Q Do you recall what that was in connection with?

A No, I really cannot. I don't remember in what connection it was but I remember talking to him.

Q And where did you talk to him?

A On the telephone.

Q Did you call him?

A He called me in connection with some information that he wanted.

Q Do you recall if it had anything to do with campaign contributions to Congressman Richmond?

A No, I don't think it had anything to do with that. I am trying to remember what it was about. I cannot recall.

Q Now, I believe I asked you about the 1978 campaign. Do you recall whether you ever gave him any

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invitation cards for the 1980 campaign?

A Yes, I did.

Q Do you recall how many you gave him that time?

A Yes, approximately the same number.

Q Again, do you recall if he was successful in raising funds for the 1980 campaign?

A Yes, he was moderately successful.

Q In your discussions with Mr. Montanti about fund raising, do you recall if you ever discussed with him whether any of the subcontractors of his company might be willing to help raise funds?

A I think he did have some subcontractors who took tickets, yes.

Q Did you suggest that he ask such subcontractors?

A No, I did not.

Q He just volunteered that he might be able to get them to contribute?

A Right.

Q Was there any discussion with him at that point as to what method he might use to get them to make contributions?

A No, not at that time.

Q Do you recall him ever actually giving you

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campaign contribution checks?

A Yes, I do.

Q Do you recall that at the fund raises --

A If checks would come in he would hand them to me or hand them to the committee tables.

Q Just a minute. You recall that happening in the 1978 campaign for example?

A Yes.

Q Did you have any discussion with him at that time as to how he raised those monies?

A No.

Q He just handed them to you, the payment for the tickets that had been sold. How about 1980, were there any discussions that you recall?

A I do not recall any discussions.

MR. GELLER: The question in 1980 related to discussions or tickets?

BY MR. THOMAS:

Q Any discussions about he raised the money?

A No.

Q And do you recall in 1980 that he turned over, actually handed over to you campaign contributions checks?

A Yes.

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Q Do you recall approximately how much?

A No, I really cannot recall.

Q Do you recall any of the individuals who made contributions?

A No, I cannot recall the people involved.

Q Do you recall if they were people or individuals who were associated with his company?

A No, I do not recall.

Q And did he make any reference as to where the contributions that he was giving you were coming from?

A No.

Q Did Mr. Montanti ever tell that he had lent any employees or had given any employees monies so that they would be able to make contributions?

A No, sir.

Q Did he ever ask you if that was a permissible way to do it?

A No, sir.

Q Did you ever suggest to him that was a permissible way to do things?

A No, sir.

Q Did Mr. Montanti ever tell you that any subcontractors of his firm may have lent or given monies to employees so that they can contribute?

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A No, sir.

Q Did he ever ask you whether they might be able to do anything like that?

A No, sir.

Q Now, did you ever become aware of a series of allegations that possibly Mr. Montanti and any of the subcontractors, might have lent or given monies to employees so that they can contribute?

A No, sir.

Q I am talking about subseqently, even reading about it in the newspapers?

A Yes, as you refer to that but on a direct basis certainly not. I remember reading about it in the newspapers. Something to that effect, yes.

Q Prior to that, do you recall anybody ever raising the issue with you?

A No.

Q Do you recall ever having given any invitations or tickets to any subcontractors of Mr. Montanti, of his firm?

A No, sir.

Q Now, let just list several firms and ask you if you recall ever giving them any invitations --

A I remember that I did give invitations.

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Q Did you give any invitations to any of these firms, Shore Electronic, do you recall?

A No.

Q A company called CO 2?

A No.

Q And GM?

A No.

MR. GELLER: The question in each of these cases, does he recall because he doesn't have the records of the committee before him.

MR. THOMAS: The question is do you recall.

A No.

Q How about New York Deck Covering?

A No.

Q How about Tanic?

A No.

Q Reliance?

A That sounds like a familiar name, yes.

MR. GELLER: There is a case called Reliance Emerson. You are not talking about that Reliance case?

THE WITNESS: No.

MR. GELLER: We have a securities case involving Walco in which there was a famous United States

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Supreme Court decision which referred to the case as Reliance time and again. It struck me that Jack may have heard that name a few times in that connection.

BY MR. THOMAS:

Q Rock Lite?

A No.

Q What about MCI?

A No.

Q Ocean Electronics?

A No.

Q Otis Elevator?

A No.

Q Arthur Tickle?

A That's a familiar name.

Q Do you recall having received any contributions from person associated with that firm?

A I think vaguely, yes.

Q Well, what persons?

A Well, I only recall the name as being a contributor to the committee.

Q And do you know any persons who were employed there?

A Most likely the persons who were employed

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there -- I think it was known as Arthur Tickle and Company.

Q Do you know any officials of that company?

A No, I do not.

Q And you indicated that the firm Reliance may have had, strikes a familiar tone but you are not too specific on it?

A Yes.

Q And do you know a firm called Tomlinson?

A No.

Q Do you know a firm called Standard Tank Cleaning?

A No.

Q Do you know a firm Maince Elevator?

A No.

Q Do you know a firm Crisinge Electronics?

A No.

Q What about MVR Welding?

A No.

Q American Identification?

A No.

Q With regard to any of these firms, do you recall whether any officials connected with any of them, other than what you referred to, may have made some contributions to the Richmond campaign?

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A I do not recall. If I had a fund raising list in front of me it would be a different story. There were quite a number of contributors as you well know and I tried to recall them but I don't recall any of those.

Q Now, are you familiar with the New York Times article that came out in December of last year, maybe, do you recall that article?

A There were a number of articles since then, I would say.

Q One of the initial articles that came out indicated that an individual named Steven Fiyalko advised you at one point that there appeared to be some discrepancies on the campaign records, do you recall what that was all about?

A I have no idea what discrepancies he is talking about.

Q Do you recall him coming to you and raising the issue with you?

A I vaguely remember Mr. Fiyalko coming to me and raising the issue about discrepancies to the rules themselves. I cannot recall what they were at the time. I have no recollection of the discrepancies that he was talking about.

Q More specifically, let me hand you a copy of

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the Times article.

Let me have the reporter mark as FEC Exhibit 1 the Times Article, please.

(So marked.)

BY MR. THOMAS:

Q I am showing this to the witness and to his counsel. I direct your attention to the third column on the first page, the far right column beginning with the third full paragraph. Now, I ask you to read that.

A Yes.

Q Have you read it?

A Yes. As I said before, I just don't recall that whole incident.

Q And there is further reference in the article that indicates that the reporter called several listed contributors and was receiving word from them that they contributed?

A I remember the article.

MR. GELLER: I didn't hear the question.

MR. THOMAS: I was just explaining the reference in the article that it makes reference to the reporter having called these individuals and asked them whether in fact they made contributions or whether they had given money to other individuals.

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Those are references in connection with what I have asked you to read. Does that refresh your recollection as to whether Mr. Fiyalko raised those issues with you?

A No, it does not.

Q Do you recall if he was saying it appears that some of the people are reported or listed as having one place or occupation when in fact they don't appear to have that occupation?

A No, I don't recall that. I really do not.

Q And do you know whether Mr. Fiyalko was involved with preparing the FEC reports?

A Yes. He was involved in preparing the FEC reports.

Q Was it his responsibility to try and obtain the occupations and address information?

A Yes, it was. That was one of his responsibilities. He was assisted by others but that was one of his responsibilities.

Q Do you recall if in fact, as the article says at one point, you told him to quit trying to call people to find out that kind of information?

A I couldn't say that because that would have violated the law. To begin with, he had to find out because

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the FEC report required that information.

Q Did you at that point actually have some awareness that perhaps some of these individuals might not have reported the information properly?

A No, I did not.

Q In your discussions with Mr. Montanti, did he ever say to you that some of this information that you put on your report may be inaccurate?

A No, sir.

Q Do you recall ever having any discussions with Mr. Montanti or say with his secretary Helen Carl about getting information as to certain contributors?

A Well, I did that. I am trying to remember whether this is '78 or '80 that Pauline Noonan or Steven Fiyalko would call Helen Carl to get information of that nature or at least, to get leads for that information so that the FEC report would be filled in properly.

Q And how is it that you know that?

A They knew enough to do that because the information was necessary.

Q And you do not recall that you actually asked them to do that on occasion with regard to these contributors?

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A No, because the Modus Operandi was that the information was necessary for the FEC reports.

Q Do you recall perhaps other than Mr. Fiyalko, Mrs. Noonan bringing that issue to your attention about the contributors from Mr. Montanti's firm?

A No.

Q Did you yourself ever speak with Helen Carl to get that information?

A Would you repeat that?

Q You never spoke to Helen Carl to try to get that kind of information?

MR. GELLER: What do you mean by "that kind of information?"

Q Occupation or addresses.

MR. GELLER: Of the contributors?

A I do not recall having talked with Helen Carl with regard to getting that information.

Q Now, how is it that you know her?

A Because at times I would call Mr. Montanti at his office. If he was not in, then I would talk to Helen Carl.

Q And you indicated many times that you would call Mr. Montanti; did you communicate with him on a fairly regular basis?

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A Not a regular basis, no.

Q Earlier I was asking you about your most recent conversation that you had with him during the '78 campaign. Or the '80 campaign, do you recall what kind of communication you had with Mr. Montanti?

A Yes. There would be communications regarding perhaps an additional ten invitations that he might have wanted or that he said that he had some checks in his office which would then be picked up and returned, brought to our offices. Conversations of that nature.

Q Do you recall any conversations with him about his business; whether his business was able to get Government contracts?

A No.

Q In your discussions with him, were they always confined to the campaign aspect?

A Yes, they were. The campaign fund raising aspect.

Q Now, you have indicated that you don't recall whether Mr. Fiyalko brough to your attention what is referred to in the newspaper article. Now, does it refresh your recollection if I tell you that someone named Ann Nixon was a person whose occupation was initially listed incorrectly; does that ring a bell to you?

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A No.

Q Does the name Victoria Norwicki mean anything to you?

A No, it does not.

Q How about a contribution by Jean Pignataro?

A No.

Q How about a contribution by Joseph Collandra?

A No, it does not.

Q How about a contribution by Harvey Zandt?

A No.

Q Do you know any of those individuals?

A I do not.

Q Does Pauline Noonan work for Walco?

A I believed that she worked part time for Walco, yes.

Q Other than Pauline Noonan and Steven Fiyalko, do you know anyone else who worked for Richmond's campaign committee who may have made phone calls to Mr. Montanti's firm or to any subcontracting firms to gather contributor's information?

A I do not other than those two.

Q Did Mr. Montanti ever come to the Richmond campaign offices and deliver any checks that he collected?

A No, he did not. Not to my knowledge.

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Q Do you recall ever going to his office or ever picking up contributions at his office?

A No, I do not.

Q Do you know if anyone else from the committee went to his office?

A Yes, I do.

Q Who was that?

A Steven Fiyalko certainly went. So would Mr. Richmond's chauffer.

Q And do you remember specific instances when they did that?

A Yes, I do but I can't give you the specific dates but I do recall instances when they did go.

Q Do you recall instances about any contributions that were collected?

A No. Their job was to pick up an envelope with the contributions in it.

Q Had you actually requested them to do that on specific occasions?

A Yes.

Q Would you say that you received a phone call from Mr. Montanti saying that we have some contributions here and come on in and pick them up?

A Yes, sir.

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Q In conversations like that, do you recall whether there were any discussions that you had about the contributions which were raised?

A No, sir.

Q Other than Steven Fiyalko, do you recall anyone raising with potential problems with the contributor information that was put on the campaign committee reports?

A No, sir.

Q Do you recall anyone else at the campaign committe or working for the campaign committe ever bringing to your attention potential problems about some employees, that they have perhaps have been reimbursed for contributions that they made?

A No, sir.

Q Do you recall anyone on the committe ever becoming aware of such a situation having happened, perhaps not even relating to the Costal firm or it's subcontractors, whereby the committe collected contributions and returned the monies?

MR. GELLER: Returned the monies because there was incorrect information about who had given them?

MR. THOMAS: Either incorrect information but I was referring more specifically to possible employees

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being reimbursed.

BY MR. THOMAS:

Q Do you recall at any time that happening during the campaign?

A I don't recall. When you say employees being reimbursed --

Q Employees of companies being reimbursed by a company offical so that they could make a contribution?

A Did that kind of problem ever come up?

Q Did it ever come to your attention --

A I don't recall.

Q You don't recall any specific instances?

A No, I don't recall.

Q After the New York Times article came out, do you recall having discussed those matters with anyone?

A I really do not.

Q Did you consult an attorney about them?

MR. GELLER: You mean other than with an attorney or with an attorney?

MR. THOMAS: Well, first of all with an attorney.

MR. GELLER: I don't claim any privilege but we discussed the subject matter of this examination and that fact that this subpoena itself says that

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you are going to be asked questions under a section of the Federal Election Law and Regulations and one of the sections is the section that relates to it being a violation of the law to report that someone was a contributor when someone was in fact the person who gave them the money. I would have to tell you that I would be remissed in my duty if I didn't tell Mr. de Simone that was going to be part of the subject matter that would come up here. So to that extent, we discussed it.

BY MR. THOMAS:

Q Other than with your attorney, did you ever discuss any allegations in the newspaper article that you recall?

MR. GELLER: Of the kind that Mr. Fiyalko appears to have reported to the Times?

Q I mean any apparent discrepancies on the contributor records or any people having given money so that people can be reimbursed for contributions?

MR. GELLER: Well, there is a whole series of other matters that come up here.

MR. THOMAS: I am confining it to these matters.

A I believe a day after or shortly after, a

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couple of days after seeing the article in the New York Times I might have discussed it with Pauline Noonan.

Q Now, do you recall anything that you discussed with her; did she try to clarify the situation?

A It was really an effort for further elaboration or concerning the details of the article in the Times.

Q Now, the article refers to Mr. Fiyalko having identified certain worksheets at the committee that contained erasures of contributor information such as occupation, do you recall whether actually the worksheets were retained by the committee for the purposes of preparing the FEC reports?

A The worksheets that perhaps he is referring to were the forms that the FEC provides the committee. Where they had done it in rough first and then completed in final form after. And it may be that some of the occupations might have been erroneously listed and then they were either erased or whited out in order that it be done correctly. But there might have been erroneous occupations. That's quite possible. That's about the only thing that I can recall on that score.

Q Do you recall ever having seen those kinds of worksheets?

A I do not recall having seen those work sheets,

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no.

Q Other than Pauline Noonan, do you recall discussing these allegations with anyone else?

A No, I do not.

Q Do you recall ever raising them with Mr. Montanti?

A No, I certainly did not.

Q Do you know an individual named Stantan Anderson?

A Yes.

Q Who is he?

A He's an attorney in Washington with the Surrie firm. He was there then. I don't know whether Mr. Anderson is still with them or not.

Q Do you recall if you had any conversations with him about these allegations?

A No, I did not.

MR. GELLER: When you say allegations, you are talking about the allegations in connection with the contributions and their occupations, am I correct?

MR. THOMAS: Yes.

MR. GELLER: I just want to be sure about that.

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BY MR. THOMAS:

Q I didn't qualify the question but again, the whole scope of our questions are pertaining to the contributions and the reporting of the contributions.

MR. GELLER: It's not the wrongful occupations that have to do with the fact that the money for the contributions may have come from some other person than the person named on the report or the reported contributor that is named on the report to the FEC.

MR. THOMAS: It is a two fold inquiry. We are trying to find out about any reporting problem and about basically the reports received by the Commission that had inaccurate information. Secondly, was there money coming into the committee that was being reported in the wrong name or was there money that people contributed on behalf of other people.

A I see what you mean.

Q Now, you say that you don't recall discussing the newspaper article with anybody other than Pauline Noonan after the newspaper article came out?

A To the best of my recollection, no.

MR. GELLER: And me?

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BY MR. THOMAS:

Q And was it ever discussed with the attorney who represented you before the Grand Jury, did that come up in particular?

A Yes. I know what you are saying. I do recall coming in with my attorney that was representing me before the Grand Jury. I do not remember any discussion of that nature with Mr. Anderson.

MR. GELLER: I just mentioned that because it's possible that there is a tendency of a lay witness to think in terms of what happened in the lay world than any discussion with attorneys. Then you mentioned Mr. Anderson and that reminded me of Peter Shlam who represented Mr. de Simone at the Grand Jury. But he says he doesn't recall such a conversation with Peter Schlam.

BY MR. THOMAS:

Q Do you recall, were you ever asked questions about your knowledge of possible discrepancies on the campaign records before the Grand Jury?

MR. GELLER: Discrepancies of that nature?

MR. THOMAS: And of the occupation information.

A No, I do not recall. I do not recall that I

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was asked about any of that information.

Q And were you asked about your knowledge of the committee's acceptance of any contributions that have been made in the name of others?

A No, I do not recall any questions along that line.

Q Were you asked about your relationship with Mr. Montanti?

A Yes, I was.

Q Was that in connection with the campaign fund raising?

A Yes, it was.

Q And do you know what became of Steven Fiyalko?

A No. The last I heard Pauline Noonan got a card from him from Greece. That's the last I heard.

Q How long ago was that?

A I guess six, seven months ago.

Q Was he discharged from Walco?

A I am not sure if he was discharged. I don't know if that is accurate. My feeling is that he left.

Q Do you know why he left?

A There was not enough for him to do there.

Q Was he asked to leave?

A He may have been asked to leave. I am not

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certain.

Q You yourself didn't ask him to leave?

A No, I did not.

Q Do you know if Walco would have any records of what his address was when he left?

A They probably do. Can I have a halt to this for five minutes so I can confer with Mr. Geller?

MR. THOMAS: I think that's a good idea. I am almost finished.

(Whereupon, an off the record discussion was held.)

MR. GELLER: On the record.

This relates to both of our understandings of the questioning. One of the main thing that occupies my client's mind and me is in your little colloquy outside our hearing, was that the questions that have been asked and I will confine myself to those that relate to Mr. Fiyalko and relate to what might have been or actually Mr. Fiyalko's actions.

There might have been false reporting to the FEC either because the name reported as a contributor was not the person who really gave the money, the contribution or because the person reported as the contributor had information concerning his or her

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occupation falsely reported. You have been only asking questions in that area and my client, Mr. de Simone asked me if that was the fact and I have said yes. The reason that I have mentioned that is that there are some areas which Mr. de Simone has been questioned about and we want to be sure that he has answered your questions. One thing that we don't want to do and one thing that he has been told not to do is certainly not to tell the truth.

He was concerned about your questions at least relating to Mr. Fiyalko. Certainly they seem to confined to that and I have told him yes. If there was a misunderstanding on that score --

MR. THOMAS: When I was referring to those allegations I was referring to those allegations that may have been improperly reported contribution receipts.

MR. GELLER: I left one thing out. There was some talk about changing from one worksheet to the final report. That is identifying the occupation of the party. I realize that was included but it's been really related to what Mr. Fiyalko seems to have alleged in the Times article that you showed us. I think you intended to mean if any other

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individuals may have contributed money in the names of others or if any other individuals may have permitted their names to be used other than Mr. Montanti's employees.

MR. THOMAS: Like if any kinds of that activity ever came to your attention and whether you were aware of that kind of thing happening and if you ever did anything about it.

Just so that the record is clear, did we mark the article for identification in anyway?

MR. GELLER: It has been marked for identification as Exhibit 1. It is in the record. It will be part of the deposition.

Do you understand what the witness is concerned about? I am concerned that we don't answer all of the questions, although you are probably aware of it. If you are not I will make you aware of it. I have told him like I tell every witness that you don't have to come to the Committee and volunteer all kinds of information which you are not asked about so he has to be careful about that. Although I have told him you must answer every question that is asked fully and to the extent that it is asked. That's why he was concerned. I told

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him that he has been doing a fine job as far as I can see. That he answered all the questions fully.

MR. THOMAS: I don't know what maybe involved here potentially. Mr. Montanti and/or other subcontractors may have used corporate funds in making their contributions. That isn't the issue that is expressly raised in the news article. Perhaps I should ask you that. Incidently, if you are aware of any instances when any contributor or associate of Mr. Montanti or any of the subcontractors of Costal made any contributions which came from corporate funds?

A Well, if we got a check and we had numerous numbers of checks, whether they came from Mr. Montanti or not, whether they were corporate checks or not, all checks were returned because one of the rules is that you can't accept corporate contributions.

Q Were you ever advised of the possibility that these people had been advised about corporate checks with regard to making those contributions?

A No, sir.

Q That never came to your attention?

A No.

Q That's in the '78 campaign or the '80 campaign?

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A Correct.

Q In reviewing our information it appears that there were many contributions to the Richmond campaign that came in around June of 1978. I think in your testimony earlier you referred to an event at the Rainbow Room around October of 1978?

A I believe so. I don't recall precisely but it was in October, yes.

Q Do you recall a separate event around June of 1978? Apart from the one which you have already told us about.

A I do recall an event in June of 1978.

MR. GELLER: At the River Cafe?

THE WITNESS: That was in '79.

MR. GELLER: I am sorry.

A To recall accurately Mr. Richmond was involved in an incident in the Spring of '78 which then made it difficult to have a fund raiser in June of '78. The event instead was held in the early fall of '78.

Q The newspaper article which has been marked as Exhibit 1 makes reference to a statement attributed to you and refers to Mr. Fiyalko's statement and then it says that Mr. de Simone said that the account was untrue; do you recall having been contacted by Mr. Blumenthal

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the reporter?

A Yes, I was contacted by Mr. Blumenthal.

Q Do you recall what he asked you about?

A No, I do not. Not at this point in time.

Q Did he ask you about any irregularities on the worksheet, the committee worksheets from the reports?

A He probably did ask me, yes.

Q Do you recall specifically?

A No, I do not recall specifically.

Q Did he ask you about the possibility of any employees of Mr. Montanti or other subcontracting firms of Costal having been given money so that they could make contributions?

A No, I don't recall that.

Q Do you recall whether he asked you about or referred to Mr.Fiyalko?

A I do not recall him asking me about Mr. Fiyalko.

Q What if anything do you recall about the conversation that you had with him?

A Nothing at all. Frankly at that point in time, nothing.

Q Do you recall doing anything about it after you got the phone call, such as checking into any of the

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reasons why that might have been raised?

A No, I did not.

Q Do you recall discussing it with anyone, the phone call that you had gotten from the reporter?

A No. I do not recall discussing it with anyone else.

Q You indicated earlier that you gave certain number of invitations to Mr. Montanti; is that correct?

A Yes.

Q Did you give him a sort of suggested quota of what you would like him to use and actually get contributions on?

A No, I did not.

Q Do you recall giving him any quota whatsoever?

A No.

Q I believe you mentioned a moment ago that you had a conversation with Mr. Montanti about the campaign fund raising activities. For example, that he may have asked you for more invitations, do you recall that actually having happened where he asked you for more?

A Yes I do.

Q Why did he say he needed more?

A Well, he needed more obviously because he wanted to raise more funds or get more funds. Evidently

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the number of invitations that I gave him the first time was perhaps insufficient for the number of people that he was going to solicit.

Q Do you recall having any discussion with him about how he was able to find a lot more potential contributors and that he had done it by discovering that he could essentially lend them or give them the money so they can make contributions?

A No, sir.

Q Do you know Stanley Lazar?

A The name rings a bell.

Q In what connection do you know him?

A I think he was a contributor.

Q Do you know Gerard Jansen?

A No.

Q The last thing I wanted to ask you is about your counsel Mr. Geller. He has prepared a response to the Commission's notification of possible violations and that concerns the fact that the Richmond Committee may have gotten service from Walco and did not reimburse Walco for those services. There is reference in the response to the fact that you did provide some campaign work at the Walco offices and also, there is a reference there that you did work at make-up rate of approximately three hours

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a day; is that correct?

A Yes.

Q I wanted a clarification. Did your work on behalf of the campaign go in spurts basically?

A Yes, it did.

Q And was your primary efforts concentrated around the particular fund raising events?

A Yes, it was.

Q Was that the general way that it worked?

A Yes.

Q For example, picking on the event at the Rainbow Room, do you recall approximately how much time you would have put in for that event?

A The amount of time I could not give you accurately or even estimate the amount of time.

Q Now, you pointed out that it was in spurts. Obviously more time was spent towards the success of the event as you got closer to the date of the event?

A Yes. But how much time precisely I could not estimate.

Q Do you recall whether at any time period immediately preceding anyone of these events, where you were working essentially, spending all of your time on that event?

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A Not essentially all of my time.

Q Do you recall any instance when your ability to perform your official functions for Walco were at all interfered with by your working or the work you had to carry out for the committee?

A It never interfered with my work for Walco.

Q First of all, did you have to make up the absences referred to of the three hours per day, were you working longer hours each day to make it up?

A I sure was. I was working on weekends too.

Q Do you recall any instances where you felt that you had to work even more than three extra hours beyond the traditional eight hour work day in order to complete your official Walco duties because the campaign work required that of you?

A Well, I would like to get a clarification. What do you mean by three hours.

Q Three hours, was that on an annual basis?

A The three hours is, there were times --

MR. GELLER: That's why there is three hours a day in the report.

A But I don't know that refers to three hours on an average basis. By then three hours a day on an annual basis for a restricted period or could you clarify

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that for me.

MR. GELLER: It was calculated on an average of three hours a day. Those are all averages and estimates.

BY MR. THOMAS:

Q So considerably more time than the time we estimated was spent on the political campaign?

A Yes.

Q Now, correct me if I am wrong. My understanding is, that you are talking about three hours a day multiplied by essentially, five work days, 15 hours a week multiplied by approximately 52 work weeks and taking into account vacations, that's my understanding of your calculations that was used to compute the total amount of makeup time for the year; is that right?

MR. GELLER: We didn't even compute it because it's obvious that it went past the amount of time that we computed was spent in political campaign activities. What we did was take an average per day per years.

BY MR. THOMAS:

Q My question is trying to explore whether as a practical matter you were making up your time within a particular pay period as distinguished from making up

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the time for the rest of the year to balance out? I am not saying that it's an unnecessary or unreasonable calculation. I wanted to get a clarification of whether in fact you were making up your work that way during that pay period?

MR. GELLER: Do you understand the question? I did not understand it. I am worried that my client may not understand the question.

BY MR. THOMAS:

Q Were you in fact making up your time, your obligation to the company in which you were doing your campaign work during those time periods, right around the events, were any of the events interfering in anyway with your duties?

A It was not interfering with my official duties. I had deadlines to meet in terms of Walco and they were met.

Q Essentially that was what I was trying to get out.

Just a final thing. In light of the serious allegations that Mr. Fiyalko apparently made, do you understand of have any sense of why he might have been making those kinds of allegations.

MR. GELLER: May I volunteer something? It

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may be and I don't want to cast dispersions on anybody but if you were to believe Mr. Fiyalko and I am not saying I do or I don't. He may have information that Mr. de Simone did not have as the man in the field. Or as the man who asked questions for whatever reasons. I don't know. Obviously he didn't appear to ask them in order to report them to the Federal Election Commission -- Ralph Blumenthal got around to him after the scandal broke about Richmond. There are people who ask questions and store information away for whatever purposes. If he did ask questions and get information I don't know that he did. Finally he reported something to Ralph Blumenthal when the scandal broke. It was just conjecture. It may well and I must say this: when you said that you were going to ask questions under that particular section of the Federal Election -- I guess the regulations, you can be sure that I asked my client's knowledge of Mr. Montanti's checks and the checks that were given to him by Mr. Montanti.

As far as he knows he just collected the checks from Mr. Montanti with the information and reported the information. In other words, he told

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me what just what he is saying to you but it may be that Mr. Fiyalko got more information from other sources. That I don't know.

BY MR. THOMAS:

Q Do you have any sense that he was a disgruntled employee when he left?

A There is no question that he was disgruntled.

MR. GELLER: That's what I understand.

BY MR. THOMAS:

Q What is the basis of that knowledge?

A I would need a half hour to tell you except to say that he had a relationship with Mr. Richmond which was both friendly and at other times most antagonistic. Mr. Fiyalko was given an opportunity a number of times by Mr. Richmond to become an employee of Walco International in certain areas and that Mr. Richmond would send him to NYU accounting school. Which Mr. Fiyalko took on and started but then discovered he really didn't like accounting. He decided not to continue taking the courses. There was a relationship that was both hot and cold as far as Mr. Fiyalko and Mr. Richmond were concerned. Towards the end it became unfriendly.

Q So Mr. Richmond, that was, he essentially persuaded Mr. Fiyalko to leave?

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A I believe it was a mutual division made at that time.

Q Do you recall when Mr. Blumenthal contacted you, meaning, whether Mr. Fiyalko had initiated the contact between Blumenthal and yourself, do you know that?

A No. Mr. Blumenthal was very careful with the information he gave me and the questions were direct and not embroidered in anyway.

Q Do you recall how long your conversation was with Mr. Blumenthal?

A Not long at all. A few minutes.

MR. GELLER: Let me just ask one thing. I know for myself and I think for Mr. de Simone nothing we have said is intended to indicate that Mr. Fiyalko gave any false, misleading or inaccurate information to Mr. Blumenthal or anybody else. What I was suggesting to you is that there is an inbetween in which Mr. Fiyalko had information and that for whatever reasons, I don't know, that Mr. Simon did not have and doesn't have.

MR. THOMAS: I have no further questions. You have the right to receive a copy of the transcript and review it and sign it or in the alternative, you have the option of waiving signature. If you

don't want to review it for accuracy --

MR. GELLER: We'll probably do it. I would like to have Mr. de Simone read the testimony again. I would like him to review the transcript to see if there are any corrections that needed to be made or any additions or changes we will make them. So I think it's best that he get sent the original. As a matter of fact, he will sign it because I am, I know I want to look it over if there is a question we didn't answer or if there is something inaccurately stated just by chance.

(Whereupon, at 4:30 this deposition concluded.)

_____

Subscribed and sworn to before me

this _____day of _____, 1982.

_____

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

I, HOWARD A. GOODMAN a Shorthand Reporter and Notary Public for the State of New York, do hereby certify:

That JACK de SIMONE the witness whose deposition is hereinbefore set forth, was duly sworn by me and that such deposition is a true record of the testimony given by such witness.

I further certify that I am not related to any of the parties to this action by blood or marriage; and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of January 1983.

Howard A. Goodman

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83 JAN 27 P12:32

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF NEW YORK

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IN THE MATTER :

OF :

FEDERAL ELECTION COMMISSION :
MUR 1436

:

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83 JAN 27 P3:02

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DEPOSITION of STANLEY LAZAR,

held at the Federal Building, 26 Federal Plaza,

New York, New York, on November 17, 1982

at 3:15 p.m., taken by Howard Goodman,

a Notary Public for the State of New York

IT IS HEREBY STIPULATED AND AGREED by and between the attorneys for the respective parties hereto that filing and sealing be and the same are hereby waived.

IT IS FURTHER STIPULATED AND AGREED that any objections, except as to the form of the question, shall be reserved to the time of the trial.

IT IS FURTHER STIPULATED AND AGREED that the within deposition may be signed before any Notary Public with the same force and effect as if signed and sworn to before the Court.

* * *

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A P P E A R A N C E S :

FEDERAL ELECTION COMMISSION
OFFICE OF THE GENERAL COMMISSION
1325 K Street
Washington D. C. 10263

BY NANCY NATHAN, ESQ.
and
SCOTT E. THOMAS, ESQ.

HARVEY GREEN BERG, ESQ.
299 Broadway
New York, New York. 10007
Attorney for witness

ALSO PRESENT: MAX SAYAH, ESQ.
Assistant U.S. Attorney

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(Time noted 3:15 p.m.)

MR. GREENBERG: I have a problem. My problem is that my client is a still a potential target in this criminal investigation. I have no letter of immunity from the United States Attorney's Office. We testified without a letter of immunity under certain assurances that were given by Mr. Sayah of the U.S. Attorney's Ofice. Unless you are prepared to give me some kind of immunity I will not jeopardize my client's rights by giving you any statement which may be in turn used against him in some criminal proceeding.

MR. THOMAS: We understand that concern. Mr. Lazar may have been in a situation where he was asked to help raise funds for the Richmond campaign. We don't know the extent of that. We know that there was $2,000 worth of activity. Again, how much activity your client was involved with we don't know. That's our basic perception at this point. That amount of money may not be involved.

Now, we are an agency of the Federal Government and we cannot pro se and we do not have anything to do with granting criminal immunity. That has to come out of the Justice Department.

MR. GREENBERG: I know that.

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MR. THOMAS: We are pretty much a clean up, a mop up group. That is our situation.

MR. GREENBERG: He has not received immunity criminally from any violations of whatever you people are interested in. The only person who hasn't received immunity is Stanley Lazar who is here today and I am not going to let Mr. Lazar testify and expose himself to potential criminal charges when Mr. Richmond was and has gotten his immunity from whatever he did. He has certainly gotten immunity in this investigation and I am certainly not going to leave my client as being solely the one in the middle who winds up with all the liability one way or the other.

We are talking about legal principles and I am aware of, after living with this thing, I am aware of the jurisdictional amount.

Off the record.

(Whereupon, an off the record discussion was held.)

MR. GREENBERG: I don't feel that we fall within the jurisdicational amount in accordance with your subpoena but I am a lawyer and I representing a client just as you are representing a client. I really don't feel that I should subject him to

that.

MR. THOMAS: We can't of course force you to testify. Our hope was in coming here today that we could hopefully tie up all of those what appeared to be loose ends and get this resolved.

MR. GREENBERG: Can I make a suggestion, Mr. Thomas?

MR. THOMAS: Yes.

MR. GREENBERG: As long as you are here and I don't want your trip to just be a ride around the airport for a number of hours. If you contact Mr. Sayah who is in this building and discuss it with him and if he gives us an assurance, again, I will be very happy to cooperate.

MR. THOMAS: I guess that conceivable and let's see what we can do.

Off the record.

(Whereupon, an off the record discussion was held.)

MR. SAYAH: My name is Max Sayah. I am an Assistant U.S. Attorney in the Eastern District of New York. I represent the office of the US. Attorney for the Eastern District of New York. In connection with the testimony of Mr. Lazar, I

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wish to state that Mr. Lazar has previously testified in this district in a Grand Jury and at that time I represented to Mr. Lazar through his attorney Mr. Greenberg that Mr. Lazar's testimony would not be used against him in any prosecution in the Eastern District. That he would not be prosecuted for any transaction concerning the Federal Election Law violations.

If he was involved in any criminal acts that he could not be prosecuted for those transactions that occurred in the Eastern District. That he would not be prosecuted in the Eastern District on the basis of his testimony.

At this time I further represent to the Federal Election Commission for the purpose of this deposition that it is not the intention of the Eastern District to seek any criminal action or view any criminal proceedings against Mr. Lazar on the basis of his now testimony that he has given before the Federal Election Campaign Commission. Is that satisfactory?

MR. GREENBERG: That's fine.

MR. THOMAS: That's fine.

MR. SAYAH: Let me put on the record that I

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have represented to all parties concerned that I cannot bind other jurisdictions for any action that they may want to take. Is that our understanding?

MR. GREENBERG: That's exactly our understanding.

MR. THOMAS: Let me just state for the record that after a discussion off the record with counsel for Mr. Lazar and subsequent requests by me that he has advised his client not to testify. He said that he would not allow his client to testify. He has requested that the Commission in essence grant his client civil immunity. I advised Mr. Greenberg that the Commission was not in a position to do that. Accordingly, we will adjourn this deposition without having sworn the witness or without conducted a deposition.

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STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

I, HOWARD A. GOODMAN a Shorthand Reporter and Notary Public for the State of New York, do hereby certify:

That STANLEY LAZAR the witness whose deposition is hereinbefore set forth, was duly sworn by me and that such deposition is a true record of the testimony given by such witness.

I further certify that I am not related to any of the parties to this action by blood or marriage; and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of Janaury 1983.

Howard A. Goodman

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GCC # 7146

BEFORE THE FEDERAL ELECTION COMMISSION

82 MAY 14 P 1:49

IN RE RICHMOND FOR CONGRESS ET AL	Matter Under Review: 1436

Coastal Dry Dock Repair
Brooklyn Navy Yard
Brooklyn, New York

Thursday, May 6, 1982

APPEARANCES:

On behalf of the Federal Election Commission:

SCOTT E. THOMAS, ESQ.
NANCY B. NATHAN, ESQ.
1325 K Street NW
Washington, D.C. 20463

On behalf of the witness, Charles Montanti:

ZELBY & BURNSTEIN, ESQS.
1 World Trade Center
New York, New York 10048

BY: HERBERT T. BURNSTEIN, ESQ.

82 MAY 14 P 3:01

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WITNESS	EXAMINATION
Charles Montanti	3

EXHIBITS	FOR IDENTIFICATION
No. 1	51

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Thereupon,

CHARLES L. MONTANTI

having been first duly sworn, was examined and testified as follows:

MR. BURNSTEIN: My name is Herbert Burnstein. I am general counsel to Coastal Dry Dock Repair Corporation. I want to note for the record that on or about April 25 there was received by Mr. Montanti a letter from the Federal Election Commission making inquiry about possible violations of the federal election campaign of Aaron 1971.

Immediately upon receipt of that letter, I communicated with Mr. Thomas and Ms. Nathan and requested an early meeting, because we considered this a matter of great importance to the company.

There was reference in the letter to newspaper articles which we then considered, to say the least, lies, implication and extremely damaging and destructive to this company. Ms. Nathan and Mr. Thomas were gracious enough to see us on very short notice, and my recollection is that we met with Ms. Nathan and Mr. Thomas on April 28, 1982, and at that time made clear that we were prepared to cooperate fully. Notwithstanding Mr. Charles Montanti's being

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personally identified in this proceeding, he did not intend to claim any Constitutional privileges, but on the contrary invited a complete and full and extensive inquiry and investigation.

Thereafter, I spoke with Mr. Thomas, I believe, on April 30, 1982, and Mr. Thomas indicated that they would, he and Ms. Nathan, would cooperate in expediting this examination and orally requested the collection of certain documents, which I undertook to do. We immediately proceeded to secure the date and documents, and I believe it was Tuesday that I mailed to Mr. Thomas two of the documents in which he expressed interest.

The other documents either were not available because there was no correspondence which he had referred to, and with respect to certain checks and bank statements, they were voluminous and I therefore invited Mr. Thomas to examine these along with Ms. Nathan. An arrangement was made for Mr. Thomas and Ms. Nathan to appear at the offices of Coastal Dry Dock on Thursday, May 6, 1982, which they have done, and Mr. Thomas had indicated that he wanted to depose Mr. Montanti.

Mr. Montanti is prepared to answer all of

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the questions completely and fully and to the best of his knowledge without the assertion of any alleged or real privileges.

So with that brief statement, which I think is an accurate statement in respect to what the facts are--I hope you concur that that is a fair statement with what I communicated to the Commissioner.

MR. THOMAS: That is correct to my knowledge.

Mr. Montanti is appearing here voluntarily and not pursuant to any subpoena of the Commissioner.

BY MR. THOMAS:

Q Mr. Montanti, would you please state your home address, please.

A 101 West Bayberry Road, Islip, New York.

Q What is your present occupation?

A Executive.

Q What is your present business address?

A Building 131X, Brooklyn Navy Yard.

Q What business are you an executive of?

A Coastal Dry Dock.

Q What is your present position with Coastal?

A President of Coastal Dry Dock.

Q How long have you been president?

A Maybe five, six years, seven years.

Q Do you, yourself, own Coastal?

A I own most of the stock, yes.

Q Does Coastal have a board of directors?

A Yes.

Q Who are the directors?

A My children, my sons.

Q Their names, please.

A Vincent, Charles. I guess that's it, Vincent and Charles.

Q Who are the officers of Coastal?

A Vincent, Charles.

Q What are their positions that you are stating?

A Vice presidents. Helen Carl is secretary, and Michael Intorcia, assistant secretary.

Q Who is the chief executive officer of Coastal?

A Charles Montanti, myself.

Q Could you give a general description of how the general day-to-day business decisions of Coastal are made?

A Well, we have a chain of command. I make the final decision.

Q Are both your sons involved in most of the

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day-to-day business decisions?

A They are now, yes.

Q Has that been the case sinc

A No.

Q What changes have taken place

to the present?

A My son now is vice president. H

more active--

Q Which son?

A Vincent. And my son Charles, he qu

police force. He is working with Coastal Dry Do

right now out in the field.

Q How long has he been with Coastal?

A Charles or Vincent?

Q Your son Charles.

A Maybe six months.

Q Who at Coastal is given responsibility for making day-to-day disbursements of funds?

A Well, I guess I do.

Q Are you the only person that is authorized to sign checks?

A No.

Q Who else is authorized to sign checks?

A My son Vincent.

day-to-day business decisions?

A They are now, yes.

Q Has that been the case since 1978?

A No.

Q What changes have taken place since 1978 to the present?

A My son now is vice president. He's taken more active--

Q Which son?

A Vincent. And my son Charles, he quit the police force. He is working with Coastal Dry Dock right now out in the field.

Q How long has he been with Coastal?

A Charles or Vincent?

Q Your son Charles.

A Maybe six months.

Q Who at Coastal is given responsibility for making day-to-day disbursements of funds?

A Well, I guess I do.

Q Are you the only person that is authorized to sign checks?

A No.

Q Who else is authorized to sign checks?

A My son Vincent.

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Q Do you have to approve any disbursements that he signs checks for?

A Not necessarily.

Q What accounts does Coastal Dry Dock Corporation maintain?

A What do you mean by "accounts"?

Q Bank accounts.

A European American, Chemical Corp. and Manufacturers Trust.

Q Would you describe what each of those accounts is used for?

A Well, I guess European American is the general account, and Manufacturers Trust, I think, mostly payroll account, and Chemical, I don't know what we use it for really, if we even use them anyway.

Q You don't know what--

A Well, it's a general account, more or less a general account, but European is the one that is used most.

Q Are those all checking accounts?

A Yes, sir.

Q Does Coastal have any savings accounts?

A We have some CD's, I believe.

Q Does Coastal have any other investment

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accounts of any sort?

A We own some stock in Community National Bank.

Q Other than those accounts or investments that you have just referred to, does Coastal maintain any other accounts?

A That's about it. Just to my recollection, that's it.

Q What employees of Coastal are responsible for maintaining the financial records?

A We have our accountant, Mr. Richard Sander, and Mr. Michael Intorcia.

Q That is the gentleman you referred to earlier?

A Yes.

Q What is his position?

A He is an assistant secretary.

Q Does the corporation have a treasurer as an officer?

A I don't think so.

MR. BURNSTEIN: It does not now. The former treasurer recently resigned. We have not replaced him.

MR. THOMAS: Who was the former treasurer?

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MR. BURNSTEIN: Charles D. O'Donnell.

Q When did he resign?

A April 1.

Q Of this year?

A April 30.

Q This year?

A Yes.

Q Would you give me a general description of what type of business Coastal performs?

A Ship repairs and conversions. Let me explain it fully, a little bit better. The ship comes in here; we more or less take it apart and put it back together again.

Q How does the bidding process for contracts work?

A It's all competitive, up and down the coast.

Q What types of clients does Coastal have?

A What do you mean by "clients"? Customers?

Q Customers.

A The navy.

Q Exclusively the navy?

A Yes.

Q Who at Coastal is responsible for making

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contract arrangements with the navy?

A Contract arrangements? Well, like I said, everything is competitive bidding. We have a staff of people who have to work up and submit it, and I have to approve and submit it if it's a close bid.

Q Do you have final approval?

A Yes, sir.

Q Over every contract bid?

A That's correct.

Q With whom at the navy do you make contract bid contacts?

A We deal with Washington and we deal with Sup Ships here in Brooklyn.

Q What is the latter organization?

A That's the branch of the navy that once you become a successful bidder, they more or less administrate the contract; they supervise.

Q What individuals specifically have you dealt with over the last year, for example, there?

A You've got the contracting officer, a gentleman by the name of Mr. Scolaro, another gentleman by the name of Captain Dyckman, and they have a lot of people that work for them who we deal with every day.

Q Would you say over the last year that you

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have virtually day-to-day contact with those individuals?

A I wouldn't say day-to-day, but quite frequently.

Let me explain something to you. They have resident inspectors here daily, the navy, Sup Ship, so they are here constantly. They have to approve what is done daily.

Q Is Mr. Scolaro or Mr. Dyckman an inspector?

A Mr. Dyckman, he is a Captain for the United States Navy, and Mr. Scolaro is a contracting officer for the United States Navy.

Q I don't know that that answers my question.

Are either of them what you referred to as inspectors?

A No.

Q Is there an individual--

A Captain Dyckman is in charge of all the inspectors.

Q You also mentioned you have contact with people in Washington in the bidding process; is that correct?

A No, I say we have dealings with Washington, but we submit bids in Washington. We submit bids in the Washington office. I don't know who is up there.

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Q You deliver by mail?

A We deliver by hand. What we do, we go up there with a package, with the sale package, and leave it there; that's it.

Q At the Department of the Navy in Washington?

A Yes.

Q Are there any individuals in the Washington office that you have had contact with about bidding?

A Not really, no, except asking for information when the ships are coming out and so forth and so on, or maybe my people might have--in other words, clarification on specifications which they do that constantly.

Q Is there any specific individual in the Washington office that you recall having had contact with about getting information about bidding?

A No.

Q Could you give me an overview description of how Coastal goes about arranging subcontracts?

A Very simply, we get bids. We get prices and we give a subcontract.

Q So, all of your subcontracting is also by competitive bid?

A Most of the time. But we have subcontractors

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who have been with us for many, many years, and we ordinarily know what the prices are because we submit the prices ourselves, so when we get prices from them we compare them with ours and naturally negotiate, and we also have competitive prices.

Q How do you make a decision as to whether you are going to use competitive bidding or just go to a subcontractor you have used before?

A Well, if we don't like their price, we go out and try to get more prices.

Q I am going to ask you to try to recall since 1978, approximately, how many subcontractors would you say that Coastal has had dealings with?

A Quite a few. I couldn't tell you how many.

Q More than a 100?

A I don't think so, but it's very possible, you know, on and off, different subcontractors. It's up and down the country. I don't think it's a 100 though it's very possible since 1978.

Q Who at Coastal is responsible for overseeing these arrangements with the subcontractors?

A We have a gentleman by the name of Mr. Pat DeSimone. That's his function, subcontractors.

Q Does he have a position title?

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A No, just handles subcontractors.

Q Does Mr. DeSimone report to you?

A Yes.

Q Does he report to you on a daily basis?

A Yes, he does.

Q Does he have any regular contacts in Washington?

A No.

Q Does he have any regular contacts here in the Brooklyn area?

A Only with subcontractors.

Q Does he have any contacts, to your knowledge, with any of the navy officials?

A No. He does not deal with navy officials. He has nothing to do with it.

Q Do you maintain a social relationship with any of the subcontractors that Coastal uses?

A Yes.

Q The individuals are officials of those same contractors?

A I know them for years, twenty, thirty years.

Q Is that the case in all situations?

A Not in all. I would say that a few of

them.

Q Have you ever attended any trade association meetings or conferences of ship builders or ship repair companies?

A Yes.

Q Is that something you do on a fairly regular basis?

A I use to do it fairly regularly. Now we have someone who does it for me.

Q Who is that?

A Robert Masick. He is our vice president of the ship builders, I think. He was--I think someone else has got his job now. Someone else has that function.

Q How long has he been handling that function?

A Quite a few years, two, three years.

Q In 1978, were you handling that function still?

A No, I think he was.

Q Do you recall, since 1978, having attended any conferences or meetings where some of your subcontracting officials were present also?

A No. The only time--no, they won't go to these meetings. The only time I might meet them is at

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a cocktail party or dinner or dance or something like that. That's the only time we'd meet.

Q Do you know Congressman Richman?

A Yes, I do.

Q When did you first meet him?

A I guess around 1978, something like that.

Q You don't recall the specific occasion when you first met him?

A No, I really don't.

Q Have you ever been to his Washington office?

A Yes, I have.

Q When was the last time you were there?

A A long time ago. I don't remember.

Q More than a year ago?

A Yes, I would say so.

Q Approximately how many times would you say you have been to his office?

A Maybe two or three times; maybe four.

Q Since 1978?

A Yes.

Q Do you remember what the purpose of those visits was?

A Yes. At that time, the New York area wasn't getting its share of the work from the

government. Most of the work was being done in the southern yards, primarily Norfolk and the government companies.

They had a home port policy at that time, where if a ship was home-ported there, the ship would be bid out of that area and stay in that area, which made it difficult for all the other shipyards, the whole northeast area from Maine down to here.

So, since Congressman Richman was our Congressman of this district, I met him. I told him what the problem was. He became the leader of the delegation of the New York Congressional District in reference to trying to get the government to loosen up on those areas so the northeast would be able to bid on these ships.

When we knew the ships were coming out--we get the list when the government has ships coming out. The government submits that list, mails that list to all the contractors, northeast area, whenever it may be, saying that's the ships that are coming out, that's where they are bidding.

So we'd see this list and see that we we were not included in the northeast area--I'm talking about the whole northeast area. Well, that meant that

we wouldn't be getting any work in this area, and I would go up to see Richman, explain the fact that seven or eight ships are being all bid in Norfolk, "What can we do to get some of these ships so we can bid on them, so they can be distributed around?"

He did a hell of a job. He and the rest of the Congressmen of the New York delegates--in other words, I'm saying in the New York area, which is a tri-state area, that way we were able to get more work.

Q On how many of these times that you spoke with him did you actually talk about that problem?

A That's it. That was the problem.

Q On each occasion you met with him, that was the subject?

A I would say 99.9 that was it.

Q Your rough estimate is that may be four or five times since 1978?

A Three or four times, maybe five times. No more than that, if that many.

Q Were all of those discussions with him in his Washington office?

A No.

Q Where were those discussions?

A Some over here in his office in Brooklyn

also. I met him two or three times, I believe, also in his apartment to discuss it, because I had to get him on the run because he was a pretty hard man to get, and when he was available I tried to nail him so I could get him and talk to him.

Q You were initiating these meetings in each instance?

A Yes, I was.

Q Did anyone else, working for Coastal, participate in any of these meetings?

A Primarily myself.

Q Did anyone else from Coastal?

A No, sir.

Q In any of those meetings, did Mr. Richman have any of his staff members present?

A Yes, I believe so. I believe at that time he had a Miss Carol Chaney; she might have been present.

Q Would you know what her function was for him?

A She might have been his administrative assistant.

Q Aside from any of these times when you had face-to-face meetings with him, did you ever have any phone conversations with him?

A Many times.

Q So, aside from these four, perhaps five, instances when you met him, you have had many phone conversations with him?

A Yes. He would call me up and tell me what they were doing; how they were working on it; what type of ships they might release to us, stuff like that.

Q Can you be a little more clear about what your understanding is as to what exactly he would do to help?

A He would go to the navy and he would say, "I come from a depressed area. Norfolk is getting all the ships and the gulf coast is getting all the ships and we are not getting our share." But he will be representing all the rest of the Congressmen from these areas. He was the liaison for the group, I guess.

I don't know who he saw when he went to Washington.

Q He never told you?

A No, never asked him.

Q What other shipyards are in this northeast area?

A I'm glad you asked me that question. The northeast area, you can start up in Maine down to

Boston, Bethlehem Steel. You got about four or five yards up in the Boston area, which I don't recall all their names.

Then you have in the New Jersey area, you got Bethlehem Steel; you got Perth Amboy Dry Dock. You have Hudson Engineering and many others.

In the New York area, you have Todd Shipyard, Jackson Engineering, another shipyard like ours. Todd, Jackson, ourselves and many other small yards; there's quite a few.

When he went to Washington, he was not going just for Coastal Dry Dock. He was representing all the Congressmen from these areas to try to get more work for those areas because it is all competitive bidding. So all of these contractors would be bidding on the same job that I would be bidding on. It's not just for the Coastal area alone.

MR. BURNSTEIN: Off the record.

(Discussion off the record.)

Q You have indicated you had many phone conversations with Congressman Richman. I wanted to try and tie that down a little bit better.

In the last year, how many conversations would you say you have had with him?

A I don't remember that. I couldn't tell you. I know I had conversations, but how many, I don't know.

Q Could you estimate as to whether it is more than fifty or less than fifty?

A I'm sure it's less than fifty, much less than fifty.

Q Were the subjects of these conversations other than the discussion about the need to get more government business for this northeast area?

A That's about it.

Q Have you ever attended any campaign fund-raising for Congressman Richman?

A Yes.

Q Since 1978, how many would you estimate you have attended?

A I don't know. Maybe--they had cocktail parties and they had dinners. I guess I went to most of them. So I don't know how many they had; two a year, whatever the case may be, three a year.

Q With regard to, for example, your attendance at any fund-raising events, do you maintain any sort of a personal log or diary that you would have made any notations in about those meetings?

A No.

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Q With regard to your phone conversations, you referred to with the Congressman, do you keep any records of phone conversations, of that?

A No.

Q When would you say was the last campaign fund-raising event you attended?

A Whenever the last one was. I don't remember when it was, but I'm sure I was there.

Q For the 1980 general election, is that your recollection of when you attended?

A That's very possible. When the last one was, I really don't remember when it was, but that's easy to find out.

Q How is that easy to find out?

A That should be common knowledge. You should be able to call someone up and find out when the last one was.

Q I thought whether you attended or not.

A If they had it, I'm sure I was there.

MR. BURNSTEIN: Off the record.

(Discussion off the record.)

Q Just to follow up again with these times when you have attended fund-raising events, at these events, do you recall discussing with Mr. Richman

again the effort to try and get more business for the northeast area?

A Any time I had a chance, I would talk to him. That was my function, to get work for this yard.

Q Your answer is, essentially, yes, you did discuss that on some of those occasions?

A Yes. I'll tell you, at these cocktail functions or these dinners, very rarely we discussed that, very rarely I discussed it. I never discussed business when I went out for cocktails or went to a dinner.

Q Have you talked to Congressman Richman about the recent allocations which appeared in the New York Times?

A When it first came out, I guess I did talk to him. I was quite concerned about it.

Q Did you contact him?

A I don't remember, but I'm sure I spoke to him. I don't know who contacted who. I probably contacted him.

Q Did you talk to him by phone?

A By phone, yes.

Q Do you remember what the substance of the conversation was?

A Would you really want me to tell you; do you want me to put it on the record?

Q I think so.

A Why don't you let me tell you and, if you want to put it on the record, you put it on the record.

MR. THOMAS: Let's go off the record for a minute.

(Discussion off the record.)

Q If you would please relate what the substance of the conversation was?

A Nothing except that I saw the Times and I was very upset about it, very, very upset because it wasn't a word of truth in it.

Q What was Richman's response?

A He felt very bad about it, but he didn't have too much to say. He just felt bad about it.

Q Did you talk about any particular individuals whose names appeared in the article?

A I don't think so. All I spoke about was Bloomenthal; he was the only one I had in my mind at the time.

Q Did you at any point in that conversation discuss an individual by the name of Steve Fyalco who formerly campaigned?

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A No.

Q You did not discuss him?

A Don't even know the man.

Q When was that conversation?

A Whenever that came out in the newspaper, whatever date that was, right after that.

Q Is that the only conversation you had with him?

A About that, yes.

Q Have you had a conversation with him since then?

A Yes. He called my office here and told me that we were getting an award on a particular ship. I don't know which one it is, because what the navy does, they call the Congressman, whoever's district it is. They tell him first about the award and he called me up and told me that we were a successful bidder, something to that effect.

Q How long ago was that?

A I don't know. I don't remember. A couple of months ago, maybe something like that.

Q Is that standard procedure?

A Yes.

Q Are there any other instances where you

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have won bids and Congressman Richman is the person who notified you?

A He is the one notified before we are notified. He's notified because, I think, the Congressman gives the newspaper release, I think. I think that's how it works.

Q Now, you mentioned a woman named Carol Chaney who did work with Congressman Richman.

Other than her, do you know any individuals who worked or have worked with Congressman Richman over the last five years?

A Yes. When Carol Chaney was replaced because another gentleman took her job. To tell you the truth, I don't recall his name.

Q Have you ever had any dealings with Carol Chaney about any of the government contracting work?

A No, but if there was some information, for example, in reference to ships that were coming out, if he didn't call me, she would call me. In other words, she was his assistant.

Q You recall that having happened?

A Oh, yes.

Q When was the last time that you recall any of that happening?

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A A long time ago. She had been gone a long time ago.

Q With regard to each contract on which you were bidding, was there some sort of communication with the Congressman's office?

A No. Lots of times we wouldn't even know what we were bidding because these invitations are sent to us by the navy, and the only time he would know if we got notified by the navy is that we were successful.

Q Were your contacts with the Congressman in the context of trying to have him communicate with the navy to try and get bids opened up in this area in general?

A That's right.

Q They weren't with regard to a specific contract?

A No, sir.

Q In the transcript that you have provided us of a conversation that you and Mr. Burnstein had with a reporter with the New York Times, Ralph Bloomenthal, there is a reference to an individual named Art Graig. Who is that?

A That's the gentleman who took Carol Chaney's

place.

Q Is he, to your knowledge, now with the Congressman?

A As far as I know, yes.

Q Have you had any recent dealings with him?

A I don't think so. I don't recall speaking to him lately, but I've spoken to him on the phone, but I don't recall when.

Q What were those conversations about?

A Exactly what we were discussing. If I couldn't get Richman, I would speak to him with reference to ships that might be bidding in Norfolk and if there's something that could be done so that we would be allowed to bid on them. I believe he was the in between there.

Q Did you ever talk to him about anything else?

A No, that's all.

Q Has Congressman Richman ever asked you to make a contribution to his political campaign?

A No.

Q Have you ever offered to make a contribution to his political campaign?

A Yes: not to him, but I did.

Q You have never spoken to him directly?

A Not about funds, never.

Q You have never spoken about campaign funds?

A No, sir.

Q About your possibly making contributions?

A I'm sure he knew.

Q How are you sure he knew?

A Well, I dealt with a gentleman by the name of Jack DeSimone, and when they were having a cocktail party, if there was a fund-raiser, Jack would let me know that this was going to be running, or whatever the case may be, and they were going to try and raise some funds and if I could help. That's how it came about. I use to deal with Mr. DeSimone.

Q What is Mr. DeSimone's relationship with Pat DeSimone?

A No relation.

Q They have the same last name?

A Yes. No relationship. I don't know if they spell it the same way, to tell you the truth.

Q Have you had conversations with Mr. DeSimone about campaign fund-raising for Congressman Richman?

A Yes, many times.

Q When was the last time you had those conversations?

A Quite some time ago.

Q More than a year?

A Whenever the last time I contributed I don't remember what date that was.

Q What did he ask you to do, if anything?

A He didn't ask me to do anything. He just asked--well, if we could raise some funds for Richman; that's about it.

Q Do you recall if he talked to you over the phone or met with you?

A I probably met him at a cocktail party. That's probably how it came about. "When is the next fund-raiser," and he would tell me and I would say, "Okay, keep me advised and see what we can do to raise some funds." That's all, simple as all that.

Q Do you recall having had contact with him both for the 1980 campaign and the 1978 campaign?

A I don't remember, really. Probably, but I don't remember. It's a long way off.

Q Do you recall ever having any discussions with Mr. DeSimone about any of the help that Congressman Richman had provided in getting business for the

northeast shipbuilders?

A I knew what he was doing. He didn't have to tell me. I think I probably knew more about it than he did.

Q Did he ever ask you to help with a particular fund-raising event?

A Well, I don't know of any particular fund-raiser event. If there was a fund-raiser coming up, I think I volunteered to help.

Q How would you find out about it?

A Probably at a cocktail party I would ask him, "When is the next one going to be," and so forth; when he was running, something like that.

Q Did you ever receive any tickets to try to sell for a fund-raising event?

A If it was a fund-raising event, there were tickets involved, I would tell him, "Send me some tickets," and try to raise some funds for him.

Q Did that ever happen?

A Yes.

Q Do you recall when the last time that that happened was?

A No, I don't.

Q Do you recall approximately how many

tickets you received?

A No, I don't. I don't.

Q More than 100, less than 100?

A No, never 100, never.

Q How did you go about trying to get people to buy tickets?

A I dealt with people that I knew, people that do business with me and people that probably made a living by working on the shipyard, made a living by some of the efforts that Congressman Richman put forth to try to get some of these ships out of Norfolk so we can bid on them. I would tell them, "Listen, Congressman Richman is either going to be running for re-election," or whatever the case may be, and what can we do to help. "You want to buy some tickets, want to go to the affair?"

Q They would generally ask you or you would sometimes ask them?

A If they knew there was a dinner coming, they all wanted to meet Richman because of what he was doing, and sometimes I asked them also because they wouldn't know about the dinner. I would say, "Would you like to go to a dinner with your wife?" If it was a cocktail party, "You want to do it? This is what

it's going to cost you, $100 a ticket," whatever the case may be. "How many tickets do you want?"

Q Do you recall doing that on more than one occasion?

A Yes.

Q Do you recall doing that for every fund-raiser you recall the Congressman having had in this area?

A That, I don't recall, but I've done a few.

Q Was it always Mr. DeSimone that you were dealing with?

A Yes.

Q Was it just him?

A Just him.

Q On any of those conversations with Mr. DeSimone where you were asking what help you might provide, was there ever any discussion about any of the help that Congressman Richman had provided in securing business for the northeast shipbuilders?

A No, I don't think so. He didn't know enough about that.

Q Did you ever discuss with Mr. DeSimone the mechanics of how the fund-raiser was going to work?

A No, except he would say "We're going to

have a dinner at the Palace," date, time, and how many tickets I would take or how many tickets I would try to get rid of.

Q He would ask you to take a certain number?

A No, he would ask me, "Can you take some tickets, Charlie?"

Q Who decided on how many?

A Myself.

Q You did?

A I said how many, and I would ask the people if, "You want to go to an affair?" Then I would let Mr. DeSimone know how many people were going to be present.

Q Would you collect contributions from the individuals yourself and then turn the money over to the campaign?

A No, I never collected the money. My secretary did, Miss Helen Carl, and the only reason they brought them to us, these people here, is because they didn't know where to send them or why, so the easy way and the best way was to go through one party.

Q That is the way it was done in each instance that you were involved with?

A Most of the time; I would say most of the

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time.

Q How were the funds actually delivered to the campaign?

A By check.

Q I am not sure I understand.

A By check.

Q The checks that you had received were to be handed over, or are you saying they were deposited here and you would withdraw a check?

A No. If Ms. Carl had half a dozen checks, she would call Mr. DeSimone, who it would be, "I've got some checks. Do you want to pick them up?" They would send somebody to pick them up. They worked between them. I didn't get into that act.

Q Is it Miss or Mrs. Carl?

A Mrs. Carl.

Q Mrs. Carl, did she ever keep you advised of how many contributions had come in?

A Yes.

Q In what way would she do that? Did she give you any sort of written notation?

A She would say, "Mr. Montanti, these people came in to buy some tickets and they bought the tickets and they paid for them, and somebody is going to pick

them up;" that's about it.

Q Did you, yourself, always know who had, in fact, made a contribution though?

A I knew after they made the contribution.

Q How did you find that out?

A They would send a check and Mrs. Carl would tell me she'd received the check from so-and-so.

Q You got your information from her?

A Yes. A lot of people commit themselves, but a lot of people just don't come through.

Q Did Mrs. Carl actually have the tickets that she would then send to the individuals?

A Well, I think they would pick them up themselves from Mrs. Carl, or they would be sent by Mr. DeSimone. I'm not sure. I don't know how that works.

Q Do you recall whether you in fact made contributions to Congressman Richman for the 1978 or 1980 campaign?

A I think I did. You got the checks there. I'm not sure now. All of the checks are there now. Whatever contributions I made, they are there.

Q We will get to those in just a moment.

With regard to those contributions, in each instance did those come from your own personal funds?

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A Yes.

Q You have provided us xeroxes of several checks that you have indicated represent copies of all of the checks that you made to federal candidates or committees?

A That's right.

Q I take it that these are only those that you have made between April of 1979 and November of 1981.

I do not see in this set of xeroxes copies of any checks earlier than April of 1979.

A I thought they were all here. I guess these are the ones we just gave. I thought they had them all there.

MR. BURNSTEIN: Can I see them for a moment?

THE WITNESS: What's missing there, you say?

Q I don't see any from 1978.

A Well, if you don't have them, I can give them to you. That's no problem. I don't know if I contributed in 1978.

MR. BURNSTEIN: Off the record.

(Discussion off the record.)

Q Mr. Montanti--

MR. BURNSTEIN: Your request was June to November 1978 and May to June 1979, March to June 1980 and September 1980, and April and June 1981.

MR. THOMAS: It could be that we have missed a period and that you did make contributions during that period.

MR. BURNSTEIN: What I did was to secure all of your checks.

THE WITNESS: Is that from 1978?

MR. THOMAS: These are from those time periods that we asked for.

THE WITNESS: I turned it over to the bookkeeper. I said--I gave him the dates--"Just give me all these checks."

MR. BURNSTEIN: There were some checks which were in the group that were marked "void" and initially I said, "Well, they didn't go through your account," and we started to tear them up. I said, "No, let's leave them. There might be numbers of the chronological order of the checks." So they are also attached.

BY MR. THOMAS:

Q In the set of xeroxes of checks that you did make available to us, there are three checks which

are made payable either to the Citizens Committee for Fred Richman or the Richman Re-election Committee.

Now, the first that is in this set of materials is dated March 6, 1980. It is payable to Citizens Committee for Fred Richman. It is in the amount of $300. It is drawn under Community National Bank, check number 1143. Your name is printed on the check and under your--

A Is that signed?

Q It is signed, and under your name appears "Building 131, Brooklyn Navy Yard, Brooklyn New York."

My question is, does that check that I am referring to constitute your personal funds?

A Personal, everything there is personal.

Q Do you maintain a personal checking account then that has your business address on it?

A Yes. Don't you have them there? You should have them there.

MR. BURNSTEIN: His name appears, but instead of having his home address on it, he has his business address.

Q It is not in any way any account of the corporation?

A No, no. This is personal. If you look

through the checks, you can see it is a personal check.

Q A subsequent check in the same batch of materials you have provided, it is dated March 31, 1981. It is payable to the Richman Re-election Committee. It is in the amount of $300. It is drawn under European American Bank and it has your name only printed on the check.

Could you explain what the difference in those two accounts is that I have just explained to you?

A Two different banks, aren't there?

Q Could you explain what those two various accounts are?

A If you are talking about these checks, they are personal accounts, my personal accounts.

Q They are different banks now. Have you changed banks?

A Yes, yes. Okay, yes. We have changed banks. We were dealing with Community National for a long time. Then, I think I switched because we were not Staten Island anymore, and this is close that's the reason.

You didn't ask for any specific banks. You asked for banks and that's what I gave you.

Q Now, the third item that I will refer to is

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a check dated September 15, 1980. It is payable to the Richman Re-election Committee. It is in the amount of $1,000. It is drawn on the Chemical Bank of Islip, New York, and imprinted on the check are the names Marie Montanti and Charles Montanti.

Now, if you could explain what that account is.

A This is Fred D'Amato? This is an account that I have in Islip, New York--not that I have, but my wife has also in Islip, New York, this one here.

Q Do you know if that particular item of which there is a copy there represents contributions by you, not by your wife?

A By me, not by my wife. This is by me.

Q Do you still maintain that account?

A Yes, I think I do.

Q And that account represents your personal funds; is that correct?

A Yes. I never used that account. I usually use the one down here, in this area. Very rarely do I use that account up there.

Q What is the reason for that?

A I'm here and my secretary takes care of all my checks, otherwise I would be out in left field

someplace.

Q With regard to any of the contributions that you made to Congressman Richman's campaign, either in 1978 or 1980, did any of the monies that you used come from any Coastal accounts, any corporate accounts of Coastal?

A Well, I got my pay from Coastal Dry Dock. Any funds that I used, my personal funds.

Q In any of those situations, did you get an advance from Coastal funds or a loan from Coastal funds so that you could immediately make a contribution to the Richman campaign?

A No.

Q Was there ever an occasion when you received any sort of loan from Coastal and repaid Coastal?

MR. BURNSTEIN: He said he had not borrowed any money for purposes of making it, so he wouldn't be repaying.

Q This is a general question.

Have you ever done that?

A Have I borrowed money from Coastal? Of course. You can see right there on some of the checks that I made a check for $134,000, stuff like that,

$50,000.

Q From Coastal funds to you as a loan?

A Of course.

Q Then you repaid it?

A That's correct. That is the only time.

Q You have never done that for the purpose of making a campaign contribution?

A No, I don't have to. I'm not that broke yet that I have to do that.

MR. BURNSTEIN: You must remember that there are both primary campaigns and election campaigns, so you might have contributed for both within the limits permitted by the law.

Q With regard to the contributions that you have made to Congressman Richman, how have those contributions been actually delivered to him or his campaign?

A Possibly picked up here.

Q You don't recall specifically?

A No, no.

Q Have you ever handed a contribution check to the Congressman himself?

A No.

Q Have you ever handed one to Mr. DeSimone?

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A No.

Q You don't recall yourself ever having mailed a contribution check to him?

A No, never.

Q Do you recall ever having actually met any of the Richman campaign staff people who came over to pick up contributions of checks?

A No.

Q You have never discussed--

A They wouldn't come in here. They wouldn't come in this office.

Q They would always deal with Mrs. Carl; is that correct?

A Yes.

Q Have you ever asked any of your family members to make contributions to Congressman Richman?

A Yes, my son.

Q Can you give me a specific example?

A My son, my brother, Tom.

Q Which son?

A Vincent.

Q Did you ask your other son, Charles?

A I don't think so. He couldn't afford it.

Q I interrupted you.

A Just Vincent.

Q Your brother?

A Yes, my brother, Tom.

Q What is his occupation?

A He is the owner of New York Protective Covering Corporation, a pretty big concern.

Q Does his business ever act as a subcontractor for Coastal?

A Yes, it does.

Q Do you recall ever having asked him to ask other people to make contributions to Congressman Richman?

A No, but I asked him to try, "Let's see if we can raise some funds for Richman;" that's about it.

Q Do you recall when the last time that was?

A No, I don't.

Q Did it happen in the 1980 campaign?

A I don't remember. It's very possible.

Q Did he ever tell you that he actually did raise any funds for the Congressman?

A Yes, I know he raised funds. I know he helped raise some funds.

Q He told you about that?

A He said, "See what we can raise and try to

help out."

Q Did he tell you how he raised the funds?

A No.

Q Did he tell you whether he--

A I only dealt with my brother Tom. I didn't deal with anybody else.

Q I am asking, in your discussions with your brother Tom, did he ever tell you how he raised contributions for Congressman Richman?

A No.

Q Do you know if he ever solicited any of his employees working for his firm?

A It's very possible, very possible.

Q Did he ever tell you he did or did not?

A No.

Q Did you ever ask him to do that?

A No.

Q Other than your brother Thomas or your son Vincent, have you ever asked any of your other family members to make a contribution to the Congressman?

A No.

Q Your wife?

A My wife? My wife may have made a contribution.

Q You don't recall specifically having asked her?

A No. She probably did though. I think my wife probably did. When and where, I don't remember, but I'm sure she did.

Q Are there any other relatives of yours that you have asked to make contributions to the Congressman's campaign?

A I have--yes, a cousin, whose name is also Charles Montanti.

Q You have asked him to make contributions?

A He's also a subcontractor, big.

Q What is his firm?

A G & M.

Q What does that stand for?

A His partner's name and his name. His name is Montanti,so whatever his partner's name is.

Q Do you recall if he made a contribution, himself, to the Congressman?

A He did.

Q Did he tell you he did?

A Yes, I know he did.

Q Did he give the contribution that he was making to you?

A No, he probably gave it to Helen.

Q Do you know if he raised any other contributions for the Congressman from any of his employees?

A That, I don't know.

Q You have indicated that you were generally aware of who had made contributions.

A The only people I was aware of was the principal people I'm telling you about, like some of the prime subcontractors who I knew personally or my son or my brothers. Those I was aware of. Now, many other people make contributions, but I didn't know each and every one.

Q Mrs. Carl would not tell you each and every person whose check she received; is that correct?

A No, that's correct. She would give me an amount, have Mr. DeSimone pick them up. I wasn't interested.

Q Did Mrs. Carl ever, to your knowledge, have any contact with the Richman campaign people to help them contact any individuals who would make contributions?

A That's why they went to Mrs. Helen Carl, because they didn't know to who to send the checks to. I think when the checks were sent--

Q They didn't know who to send the checks to?

A The people who were giving contributions. When they would give checks, Mrs. Carl would send them just as they are. Mr. DeSimone would call Mrs. Carl up and say, "I got to have an address," and so forth and so forth. She would get the information that was needed to verify who gave the check and find out what their address was.

Q She, herself, could not get that information from you; is that correct?

A That's correct.

Q Generally, how would she come up with that information?

A Well, she would find out who gave her the check and she would get a hold of them and say, "Listen, I need where you work and your address." That's how she did it.

Q By contacting the subcontractors?

A By contacting whoever gave her the checks.

Q She would know who had brought over the checks and she would contact that person?

A She would know who gave her the check and she would contact that person and say, "I need your address. I need where you work."

MR. BURNSTEIN: Off the record.

(Discussion off the record.)

Q I think we just want to clarify to the extent we can what Mrs. Carl's method in providing any information about missing addresses, for example, what that method was, to your knowledge.

A She would probably try to find out who gave her the check and get the information. How she did it I don't know. There would probably be a name on the check or something.

Q She never communicated with you about that?

A No, I'm sure.

MR. BURNSTEIN: If you have a question, I will check it out.

MR. THOMAS: I do have a document that I would like to mark as an exhibit, Exhibit No. 1.

(Exhibit No. 1 was marked for identification.)

Q Mr. Montanti, I am showing Exhibit No. 1 to you. Can you identify Exhibit 1?

A Yes. These are my subcontractors.

Q That is a list of all of the subcontractors?

A No. Last night we named them off very quickly so we could send them to you. There's probably

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more subcontractors.

Q Was this intended to be a list of only certain subcontractors?

A Those would be the people, more or less, that I am very close with.

Q You are talking about individuals who are officials of those firms that are listed there. Those are individuals that you are socially friends with?

A No, I wouldn't know anybody else; that's right.

Q To your knowledge, did you ask an official of each of these firms listed here to make a contribution to the Richman campaign at some point?

A I told them there was going to be a fundraiser, would they be willing to contribute.

Q For each of these listed on Exhibit 1, you do recall having done that at some point?

A Yes.

Q If you wouldn't mind, I would like to go down through that list and to the extent you can recall the name of any individuals that you asked.

A Sure.

Q Beginning with Shore Electric.

A That would be Stanley Lazar.

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Q Anyone else?

A CO_2, Vanzandt.

Q Is that the full name?

A CO_2 is the name of the company; Vanzandt is his last name.

Q His last name. Is his first name Harvey?

A I don't know what his first name is. It's very possible.

Go ahead. That's my cousin I was telling you about.

Q Charles Montanti?

A Yes. New York Protective Covering, that's my brother Tom. Oil Tanic Cleaning, that's Mr. Perry. I don't know his last name. I think it's Perry anyway.

Pac-Ord, they still work for us, but the fellow that was in charge at that time is not here anymore, but that's Pac-Ord. They're from out of town. They have an office here; they are also from out of town. I don't know who has Pac-Ord.

Q You don't remember that man's name?

A No. They are still working for us here, but somebody else.

Reliance would be Agiradri, two brothers.

Q Do you recall their first names?

A Jerry, and another one is Andy.

Q Did you ask both of them to help with contributions?

A They were both here. They know Richman for years. As a matter of fact, they were going to contribute directly to Richman, and what they did, they gave it to Mrs. Carl. They usually contribute directly to him, from what they told me.

Rock Little, I know them for twenty years. His first name is John, but I don't know his last name.

MCI, I believe I dealt with them. Mr. Fink, I think that's his name.

Ocean Electronics is Jim Emery.

Otis Elevator, I don't remember his name, but I will get it for you if you want it.

Arthur Tickle, I dealt with the Tickle sisters. That's their name. They've been in business for years.

Tomlinson would be a Mr. Ricky Lero.

Standard Tank Cleaning would be Evelyn Frank.

Elevator

Q Is that a typographical error?

A Yes. It is a "Main" and then "Co"

Elevator. I don't recall his name.

Chrisinge, if you want these names,

Chrisinge, I think that's his last name--no, Dimitridas, that's his last name.

MVR Welding, I only know them for two or three years. I know them, but I don't remember his name. I know him well.

American Identification is George Moss, and his brother. I don't know his brother's name.

Q Each of those individuals you are saying--

A At one time or another I have crossed them and they all do work for Coastal. There are many others, but these are the people, more or less, that we deal with. I only spoke to people that I know personally, people that I thought if they made a contribution they could afford it, that's all.

Q To your knowledge, did each of those individuals you have named actually make a contribution to the campaign?

A I'm sure they did.

Q Did you ever ask any other employees of Coastal to make contributions to Congressman Richman's campaign?

A Only one. I didn't ask him, he volunteered. That's Mr. O'Donnell. He was making $75,000 a year; he could afford it.

Q But there was no other employee that you ever asked to help?

A No, sir.

Q Did you ever provide any employee with a loan or an advance so that they could make a contribution to the Richman campaign?

A No.

Q Did you ever make such a loan or advance so that any employee could make a contribution to any campaign?

A No, sir. I just told you I only spoke to people who could afford it.

Q On any occasion, did you ever arrange so that any Coastal employee would receive a bonus of any sort which they could then use to make a contribution?

A I just said none of my employees ever made a contribution outside of one, no. If someone did, I don't know about it.

Q You say you have received tickets or have been asked to help sell tickets to fund-raising events.

Have you ever purchased any tickets for any other individuals?

A I might have--I don't know what you mean.

Q You said you have helped sell tickets to fund-raising events for the Richman campaign.

Did you ever buy any tickets for any other individuals?

A If I bought ten tickets, I can only use one, so if there was a cocktail party, I might have given them away to anybody.

Q But, in terms of how those tickets were purchased, those purchases that you made were always, to your knowledge, reported to the Richman campaign in your name?

A Yes.

Q With regard to any of these individuals working with subcontractors of Coastal that you have at one point or another asked to help raise funds, did you at any point offer to loan or advance any funds to any of those individuals so that they could make contributions?

A No.

Q Did you ever, in fact, give any funds to any of those individuals so that they could make

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contributions?

A No.

Q Just to clarify, I am asking whether, either from your personal funds or from your Coastal funds, you ever gave any funds to any of those individuals so that they could make a contribution.

A No.

Q I think you said earlier that you don't know Mr. Stephen Fyalco.

A Never met him, don't know him, wouldn't know him if I saw him.

Q Do you know if anyone who works for Coastal ever had contact with Mr. Fyalco?

A Nobody has.

Q Did Helen Carl ever say she had contact with him?

A I doubt if she did. She wouldn't know him if she saw him; but then again, I don't know.

Q Do you know an individual named Ann Nixon?

A No.

Q Do you know an individual named Victor Nowicki?

A No.

Q Do you know an individual who is a man by

the name of Mr. Nowicki who works for New York Protective Covering Industries?

A Okay, that's my brother's super, Tony.

Q You do know him?

A Yes, I do.

Q Do you know if he ever made a contribution to the Richman campaign?

A No, I don't.

Q Did your brother, Thomas, ever tell you that he had asked Mr. Nowicki to make a contribution? To your knowledge, did you ever have any conversation at all with your brother, Thomas, about a contribution being made or planned to be made by Mr. Nowicki?

A No.

Q Did, to your knowledge, your brother Thomas ever provide any funds to any individual so that that individual could make a contribution?

A I don't know this; I don't know.

Q He never told you that he did so?

A No.

Q Do you know an individual named Jean Pignataro?

A No. Is that a male or a female?

Q It is a woman, I believe.

Do you know an individual named Gerard Janson?

A No.

Q Are you familiar with the name Gerard Packing Company?

A Gerard Packing, yes. I don't know the individuals, but they are suppliers of Coastal Dry Dock, but I don't know anybody by that name.

Q You don't recall ever having asked anyone to make contributions to the Richman campaign?

A No.

Q Have you ever had any conversations with any of these individuals that you identified as being associated with some of your subcontractors and that you had asked to help raise funds wherein they talked about having made any advances to any of their employees to make contributions?

A No. I only dealt with these principals. I don't know anybody else.

Q My question was directed at those principals.

Did any of them ever tell you that they had lent money or given any money to a person so that they could make contributions?

A No.

Q We had gone through your checks of the company; not all of them, as many as we could get through. There are several checks that I would like you to explain, if you could.

A All right.

MR. THOMAS: We don't have copies, and I would just as soon not have to go through marking each one of these as an exhibit and have it be part of this record. If we feel that we would like copies made of these that we have claimed here, we would like to request that, but you can do that at a later time.

MR. BURNSTEIN: Sure.

Q First of all, of the checks that you have provided us, they were divided into batches, roughly divided according to monthly time periods, and the first set of checks that I would like to discuss is roughly for the month of March of 1980.

Now, my first question is just do you happen to know if the checks that you have provided us are all of the checks of the company?

A All the checks? To the best of my knowledge. I told them to get all of the checks, and they worked until very, very late last night and this morning to get them for you.

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Q There are some checks that are, in terms of sequence, not here.

A Just tell me which ones are not there and we will check them out for you.

Q We will deal with them after the deposition.

MR. BURNSTEIN: It could have been voided and that is why they are not there.

A You can go through the checkbook and get it out of the checkbook; that's no problem. They do that. They make a mistake and have to make a new check.

Q The first check that I would like to ask you about, number 79312, dated March 10, 1980, is to Bruce in the amount of $100. Do you have any idea what that check was for?

A Petty cash. There is one man who doesn't go to affairs.

Q To your knowledge, he never made a contribution?

A Never, never in his life.

Q Check number 79326, payable to Ted Soldo, dated March 10, 1980 for $100.

A That's an employee. He probably needed a $100 loan or something.

Q You don't recall specifically?

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A He never made a contribution. I think he's working for me now anyway.

Q You don't recall specifically this transaction?

A You'll find thousands of checks like that in there. Their girlfriend is in trouble, they come to me if they need a $100 advance. I send them it, $100, $300, Puerto Rico or elsewhere. Whatever they want, I give it to them as an advance; hundreds and hundreds of those in there.

Q Have you ever, on any occasion, given an advance to an employee with the understanding that they would use those funds to make a contribution to the campaign?

A Never.

I would like to say something off the record.

MR. THOMAS: Off the record.

(Discussion off the record.)

Q The next check here is number 79336. It is dated March 12, 1980. It is payable to the VIP Fund for $807.50. Do you know what that represents?

A Who endorsed it?

Q I believe it is your signature.

A VIP. I know it is my signature. Fine. I know there is a VIP Fund here. It is not political. I will tell you that, it is not political. Do I have quite a few VIP Funds? It's not political, I give you my word.

It is probably something to do with the business.

MR. BURNSTEIN: What is it, a club of some kind? Very important persons?

THE WITNESS: It can be something that we buy on a lend-lease. It's easy for me to find out. You put that on the side. I'll find out and tell you what it is.

MR. BURNSTEIN: Off the record.

(Discussion off the record.)

Q I understand we have been off the record and discussing the mechanics of asking questions about these various checks. I think that we could probably proceed through these in a fair amount of time, and I think that we might be overdone with it if we do it today.

A Please, no problem. You want to know about the VIP, I will let you know what that is.

Q I have a check number 79527, dated March 15,

1980, payable to Oakley Service Company in the amount of $5,000.

A They are a subcontractor, a big subcontractor. As a matter of fact, I just gave two more jobs out for about $50,000 or $60,000.

Q On the check there is a notation in the upper left-hand corner about "partial" and there are some numbers there.

A Partial; that means a partial payment on their account. In other words, on jobs for fifty, they get 10 percent. We give them a partial payment of 10 percent. We more or less finance our subcontractors, they give them partial.

Q The partial payments are, I take it, in a round figure amount; is that correct?

A Yes.

Q To your knowledge, you never asked anyone working for Oakley Service Company to make a political contribution?

A I don't know them personally. They are a big organization.

Q The next number, 79528, dated March 15, 1980, to Worthington Services Corporation in the amount of $5,000.

A That's our account, another account.

Q Do you ever recall ever asking anyone working for them to make a political contribution?

A No.

Can I clarify something, make it easier for you? I can send for a couple of purchase orders and show you how it works.

Q What I want to ask you is if there were any political contributions involved in any of those particular items.

A No.

Q I have check number 79592, dated March 13, 1980, in the amount of $500, payable to John Magam.

A John Magam, yes, he probably was taking a trip to Norfolk as a survey and one of his checks were left here. As a matter of fact, I just gave him another check. He is one of my employers.

Q There is a notation in the upper left-hand corner, "616."

A Job number, the number of a ship or an account number.

Q To your knowledge, have you ever asked him to make a contribution?

A No.

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Q Check number 79627, dated March 18, 1980, in the amount of $10,000 to Victory Precision Component, Incorporated.

A Probably one of my vendors. I probably bought machinery or equipment. I do know that I've got thousands of them.

Q You never asked anyone working with them to make a political contribution?

A No.

Q How about a firm called Pacific Pump Company?

A The same thing with them. They are a vendor. I don't think they are even in New York.

Q Check number 79623, dated March 18, 1980, in the amount of $7,500 is payable to Rock Little Corporation.

A One of my subcontractors.

Q Have you ever asked anyone working for them to ever make a contribution?

A Yes. That's Rock Little. I gave you the name. I gave you his first name. I don't remember his last name.

MR. BURNSTEIN: You said it was John.

THE WITNESS: I don't know his last name.

Q On any occasion--

A Probably an account of one of his jobs he's doing.

Q On any occasion did you ever arrange to have any payment on that account increased so that the Rock Little Company, Incorporated would have extra funds to make a political contribution?

A No.

MR. BURNSTEIN: Off the record.

(Discussion off the record.)

Q The next check is number 79634, dated March 18, 1980, payable to Gyro Systems Company in the amount of $5,000.

A They are a very, very big organization. I don't know them, but--

Q Have you ever dealt with any of them in connection with asking for political contributions?

A No.

Q I have a check number 79729, dated March 24, 1980, payable to Otis Elevator Company in the amount of $50,000.

A They made a contribution.

Q They, meaning--

A The principal. I don't remember his name

now, but Otis did. Otis is a very large organization. You've heard of Otis Elevator. They do a lot of work for us.

Q To your knowledge, did any of this $50,000 payment represent any funds for them to make contributions with?

A No.

Q Item 79731, dated March 24, 1980, payable to CO_2 Sales and Services Company in the amount of $10,000.

A That's Vanzandt.

Q To your knowledge, did this $10,000 payment represent any money for making a political contribution?

A No.

Q Check number 79740, dated March 24, 1980, payable to General Electric Company in the amount of $10,000.

A No.

Q The question is: To your knowledge, was it for the making of any political contributions?

A No. I don't think they ever made a contribution as far as I know.

Q I have check number 79815, dated March 26,

1980, payable to Coastal Dry Dock Repair Corporation in the amount of $25,000, and in the upper left-hand corner you will see there is a notation, "transfer fund."

A Transfer from one account to the other. We have a payroll account; we have a regular account. So lots of times we take money from the regular account, maybe a $200,000 transfer from one bank to the other. That's in between banks, that's all. You have a lot of those.

Q Who is Louis Montanti?

A That's my brother.

Q It is--

A Louis Montanti.

Q To your knowledge, have you ever asked him to make any political contributions?

A Not that I know of.

Q Do you know if he has in fact made a contribution to Congressman Richman's campaign?

A I don't know. I don't think so.

Q What is his occupation?

A He is the super here. He is the production manager.

Q Here at Coastal?

A Yes. By the way, he gets advances all the time. He has a salary and he draws against his salary. You are going to find a lot of those checks.

Q He essentially has a repayable drawing account?

A He draws against his salary, right.

Q It is deducted from his salary? He doesn't have to repay it?

A He has a salary of $75,000. Whatever he draws, it's to his salary.

Q To your knowledge, has he ever been allowed to draw funds so that he could use the money to make political contributions?

A No.

Q Item 66994, dated November 6, 1978. It is payable to George Miller (phon.) in the amount of $600.

A That's more or less salary. He gets it every week, every couple of weeks. You will find hundreds of those; service performance.

Q You say he is an employee?

A He is an employee, yes. He is our chief engineer.

Q Do you know if he ever made any political contributions?

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A None.

Q No, he has not?

A No.

MR. BURNSTEIN: Can I see the reverse side of that?

THE WITNESS: By the way, he makes a hundred twenty-five or better a year.

Q Do you know if his wife has ever made a contribution?

A No.

Q Is he a social acquaintance of yours?

A For about thirty years.

Q Item 67105, dated November 13, 1978, is payable to John Gino.

A He was a subcontractor.

Q Do you know--

A Probably for work performance, a subcontractor. I don't know if he's ever made any contributions.

Q Have you ever asked him to make one?

A No. He did a lot of work here.

Q What kind of subcontracting work does he do?

A Building maintenance work, stuff like that.

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Electrical building contractor.

Q Item number 67191, dated November 17, 1978, is payable to New Corner Restaurant in the amount of $524.

A We have an account there. Our people go there. We have a charge account there.

Q Do you know an individual named Colandrea?

A He is the owner.

Q Have you ever asked him to make a contribution to the Richman campaign or any other campaign?

A It's very possible. I know he has contributed. I don't know whether I asked him or not. He contributes all the time.

Q He contributes?

A Not through myself, but I don't remember asking him. That's one of the many, many checks.

Q Payable to that restaurant?

A To the restaurant, yes. We frequent that quite often. I can show you many more.

Q Who is Michael Intorcia?

A Intorcia, he is one of our employees. He's never made a contribution.

Q For what reason would a check be payable

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from this account to him?

A Very, very easy. He needs the money. Maybe his wife needs it or he needs it or whoever; he needs an advance and I give it to him or I give him a bonus.

Q But, to your knowledge, you have never made an advance so that he could make a contribution?

A He's never made a contribution.

Q Are you familiar with a firm called Associated Business and Financial Advisors?

A Yes, I think--it's very possible it's my son Vincent's business.

MR. BURNSTEIN: No.

THE WITNESS: He's endorsed the back.

Q This is item number 67395. On the back there is no endorsement. It only says "for deposit only."

A Where is it deposited? You'll probably find a lot of those.

Q Referring to item number 67046, dated November 8, 1978, it is also payable to Associated Business and Financial Advisors in the amount of $6,000, and on the back is the endorsement of what appears to be Vincent.

A That's what I said. Vincent is a

consultant here. He had a consultant firm before he came with me full-time. That's in reference to the insurance and everything. All it is, he is retained as a consultant.

Q As a consultant about insurance?

A Coastal Dry Dock.

Q And the amount of $6,000 to him or to that firm would be payable for those consulting services?

A Yes.

Q Would any of that payment represent money so that he could make political contributions?

A No. You will find quite a few of those.

MR. BURNSTEIN: Off the record.

(Discussion off the record.)

Q Item number 67435, dated November 30, 1978, is payable to Charles Montanti in the amount of $10,000. Do you know what that represents?

A Sure, probably I needed $10,000. I drew $10,000 against my salary. You will find all of those I draw against my salary.

Q What records are kept to assure repayment?

A It's against my salary. They keep a record in there and at the end of the year I get an Internal Revenue form and I pay taxes. That is whatever I draw

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against my salary.

(Brief recess.)

Q You mentioned that Charles O'Donnell has left Coastal as an employee. Why did he leave?

A Well, greener grass.

Q He wasn't fired?

A No, he was not fired.

Q It had nothing to do with any sort of problems or political contributions or allegations of that?

A Mr. O'Donnell is a very bright boy. He thinks he can do better on his own.

Q Did you have any conversations with Mr. DeSimone of Congressman Richman's staff about this report in the New York Times by Mr. Bloomenthal?

A No, I haven't spoken to him.

Q You referred earlier to the fact that you had conversations with Carol Chaney and Mr. Art Graig, I believe, in the Congressman's office?

A That's a long time ago.

Q In any of those conversations did you talk at all about the possibility of making any political contributions?

A No, no.

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Q You never talked about the campaign of the Congressman at that point?

A No. I don't think they are involved in that.

Q I believe in the transcript that you provided us there is a reference to the fact that on occasion you met with Ms. Chaney and would perhaps have lunch. Are you stating that at no point in those conversations either of you had no conversations about the campaign of the Congressman?

A I explained to you why we had the conversation.

Q As with your contacts with Mr. DeSimone with regard to the fund-raising for Congressman Richman, have you ever had any similar contacts with anyone working for Senator D'Amato or Congressman or Senator Moynihan?

A Yes, in reference to ships you're talking about, of course.

Q Have you also assisted in raising funds on their behalf by getting other people to make contributions to them?

A It's very possible. I don't recall.

Q You don't recall ever having done that for

any of those other Congressmen or Senators?

A No. They are not in my district.

MR. BURNSTEIN: Moynihan is.

THE WITNESS: Well, he has all of New York.

Q But, to your knowledge, you never actually helped with fund-raising to the extent you had with Congressman Richman?

A No, I have not.

Q I want to clarify some of the discussion we had when you were in Washington.

When was the first time you had a contact with Mr. Bloomenthal?

MR. BURNSTEIN: Mr. Bloomenthal called Mr. Montanti by telephone, as I recall, and began to ask us some questions, and Mr. Montanti, being perfectly confident about the propriety of his own conduct--had he been as sophisticated about what newspaper reporters do as I am, he would not have responded and merely referred him to me.

When I learned of that conversation, I called Bloomenthal and he said he was in the course of preparing an article, and I sort of guessed the kind of article he would write. I indicated to him that Mr. Montanti would be willing to answer any questions he

has and that I would accompany Mr. Montanti.

He then called Mr. Montanti directly and bypassed me, and Mr. Montanti made the appointment with him and I accompanied Mr. Montanti to the New York Times. At which time, Mr. Bloomenthal began to question Mr. Montanti, and I observed that there was a newspaper over an object. That object turned out to be a tape recorder, and I blew my stack, I guess.

That was it.

Q Up to the first time that he contacted you, had there been any newspaper article published about making any allegations that you or Coastal had made contributions in the names of others?

A You know, I really don't remember. I really don't remember how that came about. I think there was something in the paper.

Q Did you see any sort of advance draft of the article that he was planning to prepare?

A Yes.

MR. BURNSTEIN: What prompted our inquiry is that some information which came to us that he was calling people and made or allegedly made some slanderous comments about Montanti. He denied having made those and that prompted my call to him.

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MR. THOMAS: Can you state for the record which persons came to you with information?

MR. BURNSTEIN: Nobody came to us, but we received a call, as I recall it, saying that he wanted to know why people were doing business with Montanti or something. He denied it, but at that point--

MR. THOMAS: Who is "he" now? This is Bloomenthal?

MR. BURNSTEIN: Yes. Bloomenthal denied it.

At this point, rumors were flying all over the lot about Richman. The whole focus of inquiry was Richman a cog in the wheel.

You recall that, the story of his withdrawal of some hundreds of thousands of dollars a year as pension or alleged pension was exposed in a case out in the midwest, and from that point on, he was fair game for every reporter.

I have no recollection of any comment about Coastal until Bloomenthal's article. That could be an error, but we saw nothing.

MR. THOMAS: I was trying to clarify. Did you indicate that?

Q I take it, Mr. Montanti, you had received

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some information from someone around here that Mr. Bloomenthal had been making contact with employees of Coastal?

A Not employees, no. He had made inquiries of some of the subcontractors and not only subcontractors, but others, and really passing some really slanderous remarks about Charlie Montanti that came to me, and this is why we wanted to talk to him, to ask him why he was saying those things since they weren't true.

Q Can you recall which persons came to you with that information?

A No.

Q You don't recall any specific subcontractor but--

A But the rumors are flying all over the lot.

Q Did it come from Washington?

A Yes.

MR. BURNSTEIN: It may not have come directly from a subcontractor. It may have come through an employee to whom a contractor spoke. I really don't know the origin.

I learned something of some inquiry about Bates, because I gave you that abstraction of a

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statement which was turned over. I don't know whether Bloomenthal gave it to me or supplied or indicated to me that he had it. But Bloomenthal was making inquiry all over the lot.

THE WITNESS: Shooting from the hip.

MR. BURNSTEIN: I am sure that our interview had the effect at least of tempering some of the comments.

Q After the newspaper article actually came out, did you have any conversations with any of these individuals working for subcontractors about the allegations?

A Yes, some of them called me. I don't remember who they were, but quite a few.

Q You don't remember the names of any of them who called you?

A I had so many telephone calls; my brother, one. He was very upset about this article. He said, "Look what this fellow is writing." I said, "What can I do to stop the newspaper?"

Q Did any of those subcontractors at any point talk about any of the contributions that they had actually helped raise and how they went about it?

A I don't know. They didn't have to tell me.

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I knew how it came about. It was never discussed.

Q They never even said so much as to just flat deny what had happened? There was no discussion of it at all?

A Well, there's no denial that they gave a contribution. Nobody tried to deny a contribution.

MR. BURNSTEIN: You must remember the story as it appeared in the Times was pretty horrendous, although our close reading suggested that nothing was improper. The slander in the story was less than favorable and that prompted, I think, in part, my call--no, it didn't prompt it. I think the call I made was before the article was published.

I had anticipated the worst article, in so many words, and I don't recall the source of it, but somebody came up with some weird theory that Montanti gave a bartender $1,000 in cash for the purpose of making a contribution. I know that Charlie occasionally takes a small nip, but I'm sure that he never gave a bartender a $1,000 tip. I mean, that was the sort of thing I was asked.

THE WITNESS: Some of the things that came out were really weird.

Q Just to follow up this very last thing,

Mr. Montanti, none of the subcontractors said that they went back and checked as to all of the contributions that had been made by people associated with them to verify whether, in fact, they had been made improperly?

A Not that I know of.

Q They told you they did that?

A No.

Q Did you ask them to do that?

A Do what?

Q To check up to see if, in fact, any of the contributions that they had helped raise had been in any way improper.

A I know who I was dealing with, so I knew they were not improper.

MR. BURNSTEIN: No, Charlie. The question was, did any one of them raise? The answer is no one raised them.

The newspaper story broke and people called. I had somebody call me too because they knew I was counsel for the company.

THE WITNESS: If they asked me, I said it was perfectly legal, "Go to your attorney and ask your attorney. It was perfectly legal what you did. You didn't do anything wrong." If it was wrong, I wouldn't

have asked them.

Q I understand we are talking about different things. Certainly their making contributions themselves is fine.

What I was asking is, if at any point any of them raised the possibility that maybe some contributions had been made in the names of other people.

A No.

Q None of them, essentially, admitted that had actually happened, although perhaps inadvertently?

A No.

MR. BURNSTEIN: I never even heard of that allegation, except to the extent that I was told about the bartender.

MR. THOMAS: I have no further questions. I thank you very much for your time.

(Thereupon, at 4:40 p.m., the proceeding in the above-entitled matter was closed.)

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C E R T I F I C A T E

I, RENEE PENDLETON, a Shorthand Reporter and Notary Public within and for the State of New York, do hereby certify:

That I reported the proceedings in the within entitled matter and that the within transcript is a true record of said proceedings.

I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of May, 1982.

Renee Pendleton
RENEE PENDLETON
Notary Public

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UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF NEW YORK

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IN RE: :

FEDERAL ELECTION COMMISSION :
U.M.R. 1436

:

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Deposition of Anne J. Nixon, 3 Roberta Lane, Commack, New York 11725, taken on June 30, 1982, at 11:00 o'clock A.M., before Holly Hoffman, a Notary Public within and for the State of New York

1 A P P E A R A N C E S:

2

3 NANCY NATHAN, ESQ.
Federal Election Commission
4 1325 Kay Street
Washington, D.C. 20463

5

6 ALSO PRESENT:

7 SCOTT THOMAS

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IT IS HEREBY STIPULATED AND AGREED by and between the attorneys for the respective parties hereto that filing, sealing and certification be and the same are hereby waived.

IT IS FURTHER STIPULATED AND AGREED that all objections, except as to the form of the question, shall be reserved to the time of the trial.

IT IS FURTHER STIPULATED AND AGREED that the within deposition may be signed before any Notary Public with the same force and effect as if signed and sworn to before the Court.

IT IS FURTHER STIPULATED AND AGREED that a copy of the within deposition shall be supplied to the attorney for the witness being examined without cost.

A N N E J. N I X O N, called as a witness, having been first duly sworn by Holly Hoffman, a Notary Public within and for the State of New York, was examined and testified as follows:

EXAMINATION BY

MS. NATHAN:

Q Would you please state your full name and address for the record?

A Anne, A-n-n-e, J. Nixon, N-i-x-o-n. 3 Roberta Lane, Commack, New York 11725.

Q What is the name of your employer?

A New York State. I work for -- I work for the Mental Hygiene Office with Patient Resources. I am a senior clerk.

Q How long have you been there?

A Fifteen years.

Q Are you married?

A Yes.

Q What is your husband's name?

A William V.

Q Where does he work?

A He is retired from the City and now works in the Post Office in Commack.

Q How long has he been there?

A About fourteen years now.

Q Did you bring with you any documents today in response to our subpoena and letter?

A No. Because I ripped up the check. I told the Secret Service that and the newspapers that.

Q When did you rip up the check?

A When I got it back it was returned in my checks, my returned checks.

Q Why did you do that?

A Mr. Richmond is a particular friend of mine.

Q I assume you were surprised?

A I sure was. I just thought it was a joke because I have a reputation of being very firm about what I believe in and I thought it was kind of a joke because persons like to kid with me all the time.

Q Do you recall the date when the check was written?

A I don't really. I know it was in the summertime because Frank's wife was in the City or some place in Jersey and he doesn't have a checkbook -- she doesn't have a checkbook. I think July.

Q Of which year?

A '78. That's why I was so surprised when this

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all happened.

Q Was the check signed by you?

A Yes, it was written out.

Q It was made out to --

A I didn't make it out. See, I know it sounds like the Reporter said I was -- he said I was completely -- a complete liar. There was nothing for us to do. We did that all the time because Dot, God rest her soul, --

Q Who are you talking about?

A Frank's wife. She is deceased now.

Q Who is Frank?

A He lives in my neighborhood. He is a neighbor.

Q What is his last name?

A Caffrey.

Q Who is his employer?

A I don't know. He works in the dock. I truthfully don't know the name.

Q He works on the dock?

A I don't know. He makes a nice salary because he used to give her plenty of money.

Q You said it was not unusual for you to give a blank check to him?

A Right -- wait, not to him, but to Dot.

Q His wife?

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A Yes.

Q In what connection would you be giving blank checks to them?

A Say, for instance -- well, she couldn't get to -- well, one time, for instance, LILCO came and they don't have a checking account for her to get a check so she has to go to the bank and have a check made out.

I would give her my check made out to LILCO. Whatever she wanted, Dorothy Caffrey, she would give me the name which is what Frank did, give me the $200 to put in my checking account. I know this sounds more -- the more I tell the story the worse it is.

Q When you got the check back with your statement, what was the check made out to?

A It was made out to Campaign Fund of Fred Richmond.

Q The amount?

A $200. I made the amount out, the date and my name was on it. He just had -- which I didn't think anything of it. I thought that it was a personal business. He just asked me to do the check.

Q When you got it back and made it payable to the Committee of Fred Richmond, did you speak to Mr. Caffrey?

A I am sure I did.

Q What did you ask him?

A "I know you didn't like the guy because I know." It came out about that time that little black boy that he had propositioned. I tell you the truth if that wasn't in the paper I wouldn't know who Fred Richmond was from a hole in the wall, really.

Q What about Mr. Caffrey? What did he say about the reason why he was contributing?

A He just said, "They all did it." He just wanted to do it because he was very good to the people on the docks.

Q Did he tell you who asked him to raise the money?

A No, he didn't. He's very much not an open person, you know. He just thought it was very funny that he saw the check and he says "It seems funnier until this got to be really serious."

He thought it was really serious that the New York Times was calling me up every night and everything else, you know.

Q What was your husband's reaction when he heard that the check was made out to Congressman Richmond?

A The first -- he didn't -- after assuming that Frank works on the dock, and maybe I would give money.

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It was just the way he did it, you know, really.

Q When you spoke with Mr. Caffrey after this happened and you asked him why he had done it, did he tell you why he used your name instead of his own name, for instance?

A No, because it was my check. It would have to be my name.

Q What did he give you in return for the check?

A $200.

Q Did he tell you where the $200 came from?

A No. I assume he gave the money in. He works in the dock, you know. I just assume he did.

Q Would you explain what you mean when you say "That he gave it in"?

A Contributed to the campaign. I just didn't think anything of it. I know he did that with Unions and all that.

My brothers do that and, you know, campaig funds and --

Q When you spoke to him, did he tell you that he had this with other people?

A No. I don't think he did. At least I haven't heard anything, no. He just said, "I don't have a check and it is" -- I don't know, whatever it was. "Could you give

me a check for $200?" And he gave me $200 which I put in my checking account. It was really nothing unusual until I saw who it was made out to and even that, it was just because I knew who Fred Richmond was that then I started getting this campaign literature to my house.

Q I have a photostatic copy of a New York Times article dated January 16, 1982 entitled Lawmaker's Fund Clouded by Flaws.

MS. NATHAN: I will ask the Court Reporter to mark that as Exhibit 1.

(Whereupon, New York Times article dated Janaury 16, 1982, marked as Exhibit 1 for identification.)

Q I will show you the article and please look at it and tell me whether you have seen it?

A It is my name and where I live and I am a housewife.

Q Towards the bottom of the first page on the far right it is cut off?

A Yes. I have the article at home.

Q Would you comment on the accuracy?

Are the first five paragraphs thereof that section that refers to you accurate?

A In response to questions --

Q It is cut off. I will read it into the record.

A This is exactly true. That's what I told the Reporter. He said he taped me so, I guess he is very accurate.

Q He said he taped you? He asked permission to tape you?

A No, he didn't. I said to him, "Isn't it illegal to tape people's conversations on the phone?"

He said, "No, if one person knows, and I said, "Who is the one person?"

And he said, "Me."

Q How many conversations did you have with Mr. Blumenthal?

A He called up about three or four times. Then after it I just said to him, "That's it. I gave the money to Richmond. It was my check", but then he told me it was a tape. I really didn't care. I was getting so annoyed at the whole thing really. I don't think I did anything wrong. I just don't know what's the big fuss is about. I am just annoyed that I am associated with this.

Q Did Mr. Blumenthal mention to you at the time of his phone calls any other information about his investigation?

Q Did he mention any other names?

A Yes. He said, "Do you know this person, that person?"

I assume they were all dock people. I really don't know. I was Frank's wife's friend. You know, you don't usually talk to a girl friend's husband about their job, you know.

Q Can you tell me now any of the names that Mr. Blumenthal mentioned?

A I can't. I was always so annoyed when he called up. It was after work. I was trying to get dinner on -- Monty, Montanti, Monty, something like that. A firm that I found out later that Frankie doesn't even work for. It is a firm that's near them or something. I have never been on the dock so I don't know anything about him.

Q After the article appeared did you contact Mr. Blumenthal?

A No. He left a note at my home. Yes, he did.

Q He called up at --

A He called up and I hadn't gotten home yet and he called me back.

Q And it was in the newspaper?

A No, he threatened me. He threatened me that he

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was going to put it in the paper about the laundering, something called dirty money and as a matter of fact, he was referring that I got money to give that -- so I told him a few words about that one and I said, "You put that in the paper?"

I was furious. Then it didn't appear that Saturday, but the Saturday after that it appeared in the paper or was it that morning? It didn't appear right away and I thought the whole thing was over with.

Q After it appeared did you talk with Mr. Caffrey again about this matter?

A Well, no. You have to realize they thought it was very funny. He enjoyed baiting me. It is very hard to explain unless you know the person. He just thought it was very funny. As a matter of fact, my husband is going to smack him in the head one day. They are quite shocked that it has gone this far.

Q Did Mr. Caffrey tell you recently -- I don't mean at the time you got the check back with your statement, but after this appeared, did he tell you anything about any other people that he may have asked to give him?

A No.

Q A check?

A No, he didn't.

Q Did he tell you about who had asked to raise the money for Congressman Richmond?

A No, he did. He just said he gave the money. He wanted the money for him. He said, "He is very good for the docks. Gets them contracts, helps them."

According to that article a lot of people that contributed to the docks think it was worth the money. I don't really know.

Q You mentioned that the Secret Service had been involved?

A I think that's who it was, the Secret Service. They came to my job and they interviewed me and then with Mr. Caffrey said "See in the article," and I figured why should I get him involved since it is all mine. I told the Secret Service the whole story and then they must have watched my office and then went to his office and Frank told him the whole story.

Q Is it possible that they were agents of another Federal Agency and not the Secret Service?

A Not the Secret Service?

Q Could they have been from the United States Attorney's office?

A I don't know.

Q Do you remember their names?

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A Yes, Anthony -- he has red hair. He has an Italian name. The other man was -- had an Irish name, Daley -- no, not Daley. Heck, I can't remember their names. I have their cards at home. They were very nice. He told me I wasn't being taped.

I said, "I don't care. Don't you want me to sign something?"

Q When you gave the check to Mr. Caffrey was anyone else present?

A No. They were all in the back yard and Frankie had just come to the door.

Q Did you discuss it with anyone else at the time you gave it to Mr. Caffrey?

A No, because like I said, it was not an unusual thing to do. How come they don't have him name on these things?

Q Whose name?

A Frank's. They have all a lot of people from the Island, women from the Island and they don't have their names on it.

Q I would like to read to you some names that appeared in the article and ask you to just respond whether you know that person.

Victoria Nowicki?

A No.

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Q Gene Pignatero?

A No.

Q Gerard Jansen?

A I -- I don't know anybody in that article.

Q Joseph Colandra?

A No.

I know it sounds wierd but that's the truth.

Q Do you know any employees of Gerard Packing Company?

A No, I don't. What kind of an outfit is it? You know, usually -- unless most of our friends are Policemen and Firemen, because my husband was in the Correction Department. So it is, -- you know, these firms I don't really know their names.

Q If I named the company, that Mr. Caffrey worked for, would you recognize that name?

A I think I might, yes.

Q I'm going to read a list of names and see if you would tell me if any of them are the names.

Shor Electric Company

A Yes, that sounds -- yes, that sounds like it. But that's not the company that the Reporter kept talking about. It is another one. It starts with a C.

Q Coastal Drydock?

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A Yes, that's it, but he doesn't work for it and I asked him.

Q When you asked him whether he worked for that company, did he tell you if he knew of that company?

A Yes. I understood that that company -- I can't imagine how it is situated but it is right next to his on the dock or something. I don't know really.

Q You believe that Shor Electric Company is the name?

A I think so. Frankie has worked -- see, he is an electrician, so he has worked for several electrial companies. That's sounds familiar,yes, it does. I might have seen the letterhead.

Q Does the name Stanley Lazar sound familiar?

A There is something about that name. Could that be Frank's boss? He doesn't call him Stanley but Lazar sounds familiar to me. Might be his son I am thinking of. His boss used to pick him up once in a while and take him to work because he was very sick.

Q Mr. Caffrey was very sick?

A Yes.

Q Do you know Stepehn Fiyalco?

A No.

Q Do you know Jack DeSimmone?

A No, it doesn't sound familiar.

Q Has Mr. Caffrey ever asked you for a blank check for another political candidate?

A No. Are you kidding me? Never again.

Q What were the kinds of reasons for Mr. Caffrey asking you for a blank check?

A Not him, his wife, Dot.

Q For what purposes?

A We were in a supermarket, for instance, things like that. It was a bother for her to get checks. She had to go to the bank and she was a very sick person.

She always had to be transported every place and by us. We have no mass transit. So, it is not too easy.

Q Did you tell Mr. Caffrey that you were coming here today?

A I didn't tell him. I told a friend of his that takes me to work. He is in California. His daughter is graduating.

Q When you first received notice about this investigation, did you discuss it at that time with Mr. Caffrey?

A I just told him I was coming, yes. Because he thinks it is so funny. "Don't worry," and I said, "Yes, yes, I know that." It is just a pain coming down here.

Q What did he tell you about the reasons for his

having gotten the contribution for Congressman Richmond?

A He didn't tell me anything. He just said he wanted to give the money to him.

Q Did he tell you anything about conversations that he may have had with his employer?

A No. He wouldn't tell me anything like that.

Q Did he tell you that he was going to be receiving any extra money for any promotional -- any employer for having raised the money?

A No. He was a person -- you have to realize something. His wife never saw his paycheck. He was not a person that tells us -- I bet you would know more about him than his wife did. He was that type of person. She wanted to get her hair done and he would say, "Here Dot." It was that type of an arrangement. He wasn't cheap, but his paycheck was his paycheck. He certainly wouldn't talk to me about it. How come you didn't subpoena him? He said to tell them anything I knew which I had all intentions of it. He didn't -- he takes this all very lightly except that he knows my husband is very annoyed about the whole thing.

Q Has your husband spoken to Mr. Caffrey about this?

A No. He is very quiet.

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Q Did he speak with him in 1978 when the check was returned?

A No. I take care of all the business. I did at that time. I don't do it any more. My husband wouldn't know what a checkbook was, you know.

Q You told him at the time you wrote the check?

A Sure.

Q Did he speak to Mr. Caffrey then?

A No, he didn't think anything of it either. He just didn't think anything of it. He said, "If that's what he wanted to do," you know.

Q When did you tear the check up?

A After I showed it to him. I was going to try to get a microfilm. I imagine the banks have that if that is really necessary.

Q Why did you tear it up?

A Because I was annoyed. It was -- I was really annoyed. If you saw the check you would know that I never wrote it because it is an entirely different handwriting -- I'm sorry, I didn't keep it, because we went through every single check we had. But for some reasons we keep checks for a long time and I couldn't find nothing. I was even trying to find the checkbook who it was written out to, but I was very bad about that so I couldn't find that.

But couldn't the bank check, the microfilm?

Q What is the name of your bank?

A I don't deal with them any more. Jamaica -- Long Island Jamaica. It is in Commack. I can get the whole name for you.

Q When you got the check back and looked at it, was the name Frank Caffrey on there in any way?

A No.

Q There were no other memo notations on the check?

A No, nothing on it, you know. I wasn't that interested in all of that. I didn't see how it was endorsed, I guess they have a payover thing. I didn't really look at that. I didn't think of anything like this. I really didn't. I just thought he did it to be funny because he knew I don't think very much of him.

Q In your conversations with Mr. Blumenthal did you name Mr. Caffrey?

A No, I didn't. I just told close family friends, but I just didn't think at the time, you know.

Q You didn't tell him about Mr. Caffrey's employer?

A I don't know it really. I just heard it once or twice in hearing Dot maybe talk or something. I

would hear his name and it just was brought out. I would know it if I heard it, but I don't know. It isn't Coastal, that I know because I kept on asking Frank that.

Why do they keep calling Coastal. He said, "I don't know. That's the company next to us."

Q Do you know Charles Montanti?

A No.

Q Has Mr. Caffrey mentioned Charles Montanti?

A I don't think so. They don't call each other by names like that. You know, a lot of different names. They don't say "Charles" and things like that. You know what I mean? They have nicknames and things like that, so if you say a name like that -- I couldn't swear to it.

Q Were you invited to any Congressman Richmond fund raising events in 1978 about the time of the contribution?

A After the contribution all his literature --

Q In June of 1978 when the check was written, did Mr. Caffrey tell you of any fund raising events, parties, receptions?

A No. I am sure he never went to anything like that because I would have known from his wife. She would have said something about going to a big affair.

Q Have you discussed it with Dot?

A She is deceased.

Q In 1978 at the time did you discuss with her the reasons for Mr. Caffrey asking for the money?

A No. I didn't because he asked me not to because you know, Dot would have been very, very upset about this.

Q She would have been upset. Why would she have been upset?

A Because of Richmond, because the thing about the black boy. I would know -- I wouldn't know Fred Richmond from a hole in the wall if that didn't happen. He is only a Congressman, isn't he? I don't even know who.

Q Did Dot tell you whether Mr. Caffrey ever made other political contributions?

A No, she never did. If it was legal why would they do it by check. Why wouldn't they just give them money?

Q By statute there is a limit of how much cash can be accepted.

A You know, like, say, for instance, Charlie -- Frankie didn't have a check, why not just give him $200 in cash like he gave to me that went in my checking account?

I'm sure they didn't think anything was going to happen.

Q Can you tell me Mr. Caffrey's address?

A 23 Grace Park Drive, Commack.

Q I asked you earlier, but I just want to ask you again.

You don't know Gerard Jansen

A No.

Q That name isn't familiar and Gerard Packing Company?

A No. Is that in the article too?

Q Yes.

A This won't be in the newspapers, will it?

Q No. Our investigations are confidential.

You said that Mr. Caffrey was treating it in a very light manner at the time that you first found out about the check and at the time that Mr. Blumenthal made his calls to you.

Then again, just before you came here to talk with us, in any of those conversations, did he talk to you about whether he had done this with other people and whether he asked other people to give him checks in return for cash?

A No, he hasn't. He doesn't. I should say something further since Dot has been dead three years and a year later after she died he met this lady who is his friend and I don't see too much of him any more to sit down and have conversations like I would have if Dot was

alive. So, the only really time we would meet him is if we bump into him.

Q When this first appeared in the newspaper did you call him right away?

A Yes, I did.

Q What was his response?

What did he say?

A He took it very lightly. He was just, you know "They just trying to get him," or something like that. Just very lightly.

Q When he said, "him" who did he mean?

A Richmond, I guess.

Q Did he express any regret that he had been involved?

A No. He is sorry he involved me in it. He didn't realize it would go to this, that it would go in the newspapers and be harassed by a Times reporter.

Q Did he indicate whether he had done it since then?

A No, he hasn't.

Q He told you that he hasn't?

A Well, no. He didn't say he did. I just assumed his attitude is like those other women in that article that it was at the docks and helping the docks out, you know.

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That's all I assumed it was.

Q Did he mention ever if his employer, whoever it is, assigned him an amount of money to raise?

A No, never discussed money. Never. I never heard him discuss it with his wife truthfully. As a matter of fact he always made it seem like he made very little money and you just knew the job he has and how long he has worked that he has to make a lot of money. Electricians make good money and he works long hours.

Q He never said to you, "I don't know why these guys are depending on us to come up with this money"?

A No, he hasn't. No, not at all. It was a big joke to him to tell you the truth. That's what he thought about the while thing.

Q After the article appeared were you contacted by anyone else?

A No, not at all. I was quite surprised when the Secret Service or whoever those men were came to the house. They came to my house and I wasn't home, I was working and they left their card.

Q When was this?

A I can't even think. In the beginning, maybe about March. I really don't know.

Q March of 1982?

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A I think this year. I even said to them, I said, "Do you think this is the end of it?" I gave the whole statement and they said, "Well," -- they couldn't see why not and then they went to Frank's house and he asked them the same thing. He was surprised then when I got the subpoena from you people.

Q Did Mr. Caffrey ever mention whether his company was bidding on contracts with Coastal at the time?

A I don't know about that, but I know they are always talking about bidding because it's about ships coming in and you bid on ships.

Q Do you know Mr. Caffrey's position with this company?

A He is a foreman. They renovate all of these old ships.

Q In what form was the $200? Was it large bills or small bills?

A Twenties, it was. I think so. It was a bunch of them. I really don't remember to tell you the truth.

Q Did he present it to you in an envelope?

A No. He just took it out of his pocket.

Q This is not an unusual practice for Mr. Caffrey to give you money?

A For him it was because he would never ask me

for the checks. If anything -- I can't imagine why he would need anything,but with her he knew we always did it with her. When I say, "her" I mean my other friend around the corner, too which he didn't ask her for a check.

Q You didn't ask him who he was going to make it out to?

A No. I figured it was personal. I didn't even know that it was for -- I didn't think anything of it truthfully. I really didn't. He said if I could do him a favor. "I haven't any checkbooks." It was after bank hours because he said the bank was closed and he gave me the $200 to put in the bank the next day. So it wasn't any big deal.

Q You didn't ask why he didn't want it make out to him?

A No. I just said, "Do you want me to make it out to anyone specific?"

I wrote out everything else and he said, "No, I will fill that in later."

Q When he took out the money to give you from his pocket, was there a lot of money?

A To tell you the truth I really couldn't even tell you. I certainly think I would have been attracted if it was a lot of money. I would have noticed it. I don't

think so.

Q By, "A lot" what do you mean?

A He always has a lot of money.

Q A wad of money?

A He always has money on him. He had a very small family. It was nothing exceptional, I imagine. Just to think I would have thought something about it f it was, you know.

Q Pardon me for being repetitive. When you first called him and said, "The New York Times is calling me," "Why did you do this," or when you first got the check back from the bank and you were upset that it was made out to Congressman Richmond's Committee, what did he say to you about why he had felt it necessary to ask you to do this?

A He said he didn't have Dot's help to give him a check. That's all. He just said that which is logically -- he just said that they -- Fred Richmond "Was good to the docks," and they wanted to all chip in and give him the money. He was a foreman. So, I guess $200 he would have to give him more than any man would, a regular fellow, you know.

Q At that time, and then again after the article appeared did you ask him whether it was legal?

A No, I didn't. The Times Reporter told me, he

said -- the Times Reporter told me "That you are allowed to give $200" and then it was arranged for two hundred and fifty, three hundred, contribution, that's what he told me. I don't know.

MS. NATHAN: Thank you very much.

Under the Federal Rules you have the right to see a transcript to see whether there had been any errors in the transcription of what you said or you can just waive your signature.

THE WITNESS: I will waive it.

(Whereupon, the deposition concluded at 11:45 o'clock A.M.)

* * *

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

I, Holly Hoffman, a Shorthand Reporter and Notary Public for the State of New York, do hereby certify:

That Anne J. Nixon, the witness whose deposition is hereinbefore set forth, was duly sworn by me and that such deposition is a true record of the testimony given by such witness.

I further certify that I am not related to any of the parties to this action by blood or marriage; and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of August 1982.

Holly Hoffman

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UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF NEW YORK

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IN THE MATTER :

OF :

FEDERAL ELECTION COMMISSION :
MUR 1436

:

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DEPOSITION of MARY ANN BENEDETTO,

held at the Federal Building,

26 Federal Plaza, New York, New York, on

November 17, 1982, taken by Howard Goodman,

a Notary Public for the State of New York.

A P P E A R A N C E S :

FEDERAL ELECTION COMMISSION
OFFICE OF THE GENERAL COUNSEL
1325 K. Street
Washington, D.C. 20463

BY: NANCY NATHAN, ESQ.
and
SCOTT E. THOMAS, ESQ.

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IT IS HEREBY STIPULATED AND AGREED by and between the attorneys for the respective parties hereto that filing and sealing be and the same are hereby waived.

IT IS FURTHER STIPULATED AND AGREED that any objections, except as to the form of the question, shall be reserved to the time of the trial.

IT IS FURTHER STIPULATED AND AGREED that the within deposition may be signed before any Notary Public with the same force and effect as if signed and sworn to before the Court.

* * *

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(Time noted 10:45 a.m.)

M A R Y A N N B E N E D E T T O, having been first duly sworn by HOWARD GOODMAN, a Notary Public for the State of New York was examined and testified as follows:

EXAMINATION BY

MS. NATHAN:

Q Would you please state your name and address?

A Mary Ann Benedetto, 26 East Oxford Street, Valley Stream, New York, 11580.

Q What is your occupation?

A I work part time as a wholesale manager in a religious church goods store.

Q And would you state your husband's name and occupation?

A Anthony Benedetto. He is self-employed in trucking.

Q Now, in your answers to your interrogatories, you state that your husband, I believe at one time had been employed by Gerard Tacking and Belting; is that correct?

A Yes.

Q Could you state the years?

A It was '78. About three years. '78, '79

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and '80.

Q And have you ever been employed by Gerard yourself?

A No.

Q What is the reason for his leaving Gerard?

A Well, he always wanted his own trucking business. So he decided to go full force on that.

Q Do you know Gerard Jansen?

A Yes.

Q Could you tell me when you first met him?

A Years ago. He was my niece's godfather. He was friends with my father. I would say maybe 15 years ago.

Q And did you have a social relationship with him?

A No. I knew him through my brother's family.

Q And you stated in response to the question that you responded to is the question, that you gave political contributions in 1978; is that true?

A Well, I responded to my husband. He asked me to write a check. That's the way it was written.

Q That was in 1978?

A Yes.

Q And when your husband asked you to give him

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a check, did you ask him why Mr. Jansen asked for the contributions?

A I did ask why. Well, he asked me to do this for him and he's giving us the money. So it wouldn't cost anything. That's how it happened. I just wrote the check and signed it.

Q And was there any reason; did your husband give you the money; why was it to be in your name rather than his own name?

A No, not really. I don't know if it was ever spelled out to me. I don't really know but I was never given the reason.

Q Did you ask your husband at that time?

A I asked that once. It was just, he asked me to do this for him and that was it and I just wrote it out.

Q And the amount was $200 in the answer?

A Yes.

Q Did you ask why the amount was $200?

A No, not really.

Q And that was for the campaign committee of Congressman Richmond?

A Yes.

Q Did you ask your husband why Mr. Jansen had

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asked him to contribute to Congressman Richmond's campaign?

A Outside of those two words, why we had to do it. His response was, "because he asked me to do it." I didn't get anything for it. In fact, that was the first time I ever heard of Fred Richmond is when I wrote it down.

Q You said that when you asked him why he said that you would be paid back?

A In other words, --

Q No, go ahead.

A He was reassuring me that we weren't contributing. It was just being paid back. I never really thought anything of it.

Q And did he tell you, do you remember why he had been asked to give a check for reimbursement?

A Did he tell me why?

Q Yes.

A No.

Q Do you remember your husband telling you at that time that other employees of Gerard were doing the same thing?

A I didn't ask. I didn't know.

Q Now you said in response to your questions that you were reimbursed by check?

A Yes.

Q That check you said that you had given back to Mr. Jansen, was that check that you received, the reimbursement, was that, could you tell me whether that was a personal check?

A I believe it was a personal check.

Q Signed by Mr. Jansen?

A Yes.

Q Do you remember what the check said in the upper lefthand corner?

A That I don't remember.

Q Do you remember when you received the check?

A It was given to my husband, no. At that time he was down there working. What time it was given to him I don't know. I was reimbursed from my checking account and my husband gave me the $200 for my checking account.

Q And was the check that Mr. Jansen had given to your husband made out to you or to him?

A I don't remember that. I would be guessing.

Q And do you remember, can you tell me whether there was any benefit that he received for having given that contribution to Mr. Jansen?

A No.

Q He didn't tell you whether there was any?

A No.

Q Did you ever talk to Mr. Jansen at that time or at anytime recently or as recently as yesterday about why he was asking your husband to contribute to Mr. Richmond's campaign?

A I have no idea. I never spoke with him.

Q Going back to 1978, did your husband tell you whether Mr. Jansen had spoken of a quota, of how much he was supposed to collect for Mr. Richmond's committee?

A No. =I only found out yesterday when we were at the lawyer's office. That's when I found out the ruling that no one can give more than $200. I never knew about that. I never contributed myself to any campaign.

Q And are you familiar with a company called The Costal Dry Dock Corporation?

A No.

Q Do you know Thomas Montanti?

A No.

Q What about Charles Montanti?

A No.

Q You said that you gave the check to Mr. Jansen, your copy of the check?

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A My husband did, yes.

Q When did he give it to him?

A I think it was in the past few months. When he requested it.

Q Did you discuss with your husband why Mr. Jansen wanted it back?

A No.

Q When you gave the check in '78, was it drawn on your personal checking account?

A Yes.

Q Did your husband tell you when he gave it to Mr. Jansen back then, where he was when he gave it to him?

A No.

Q Do you know whether he was at work?

A Well, I would assume that he was at work. I don't know. I would just assume that he gave it to him there.

Q And do you know whether there were any people there when he did it?

A I don't know.

Q I would like to ask you to read some names and see whether you know these people. Do you know Ian Acierno?

A No.

Q Carmelo Rodriguez?

A I think he was a worker at Jansen's at one time.

Q June Fiyalko?

A No.

Q What about a Ms. Pignataro?

A No.

Q What about a Victor Nowicki?

A No.

Q What about Joseph Collandra?

A No.

Q And did your husband tell you what Mr. Jansen did with the check once he received it?

A We really didn't discuss it after I gave it to him, no.

Q Let me try a couple of more names.

How about Helen Carl?

A No.

Q Jack DiSimone?

A No.

Q How about Steven Fiyalko?

A No.

Q Are you familiar with a company called

Shore Electronics?

A No.

Q Or a man named Stanley Lizar?

A No.

Q Have you ever attended any fund raising functions for Congressman Richmond?

A No.

Q You may have answered this question before but let me ask you it again. Was 1978 the only year that you contributed to Congressman Richmond's campaign?

A Yes.

Q Do you know whether there were any other years in which you and your husband or where your husband asked you to contribute?

A No.

Q And you may be familiar with an item that ran in the New York Times in January of this year. I would like to show this to you for a minute.

Would you mark this as an exhibit, please.

(So marked.)

Q I would like to show you this and ask you if you recall having seen it before?

A No.

Q Let me refer to the second page and if you

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want to turn the page, reading through here, you needn't read it all in detail. It refers to you, see where it refers to Gerard Packing and Belting, do you remember talking about this during, since this has appeared with anyone?

A No, I never saw this article.

Q Has your husband mentioned it to you?

A Not at all.

Q When you received your written questions in the mail, was that, did you know why this was coming to you?

A No. That was the first time oh, since I wrote the name Fred Richmond on the check that it was ever brought to my mind. Again, that's when I believe I got in touch with my husband. My husband got in touch with Mr. Jansen and then I saw Mr. Richmond on television. He was convicted and that was it. That's recently. But since this check nothing. I didn't see this article at all.

Q And you said that after your receipt of the questions, that was the first time that you talked with your husband since 1978?

A When I got that first letter. I believe that was the first letter.

Q When you got our first letter, did your husband tell you whether Mr. Jansen had mentioned the whole issue to him in the last six months or so?

A When I got the letter my husband brought it to Mr. Jansen's attention. Again he said that he would take care of it. Not to worry about it and that was that.

Q And when you say that he said, "Not to worry about it," you mean Mr. Jansen said not to worry?

A Yes.

Q I would like to ask you a little bit about that. Did your husband ask Mr. Jansen whether you should respond to the questions?

A Yes. I had to answer the questions that I had to answer, those questions.

Q Mr. Jansen told you?

A I believe his attorney's office. He had been in contact with them I imagine.

Q Have they talked with you directly?

A I met them for the first time yesterday.

Q When you responded in writing to the questions, did you talk with Mr. Jansen's attorney before doing so?

A No. I had not talked to them or met them until yesterday.

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Q The questions came and you showed them to your husband and he told Mr. Jansen that you had received the questions and the word came back from Mr. Jansen that you should respond?

A Answer them, yes.

Q Did Mr. Jansen tell you through your husband what you should say?

A No. Because I understood the questions and really knew so little outside of signing the check. I really knew so little about it. I knew so little about this that I never knew all of this was going on. I don't know if this happened before or after the questions. I don't know but I am really ignorant of the whole thing or was ignorant of the whole thing until I saw him on television and realized what it was all about.

Q And had you ever talked to any newspaper reporter about any of this?

A No.

Q Did you see other employees of Gerard socially?

A One of the employees is my nephew. We see him on occasion. Not recently.

Q Have you ever talked to any other Gerard employees other than your husband about this investigation?

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A No. The first time I spoke to him was yesterday and in the lawyer's office. That's when I first met him and spoke about it.

Q And when you were in the lawyer's office was Mr. Jansen there?

A Yes.

Q Did you discuss with him your answers to the written questions?

A No.

Q Did you discuss with him your appearance here today?

A Yes, because he was the one that told me, that's when we found out his attorney was accompanying us today and then when we got there, well, Mr. Jansen had a meeting with the lawyer first and then we went in and we found out that he could not come with us. That's when he called you. We really spoke with the lawyer -- my main question was that I am not sure what I'm doing here. I am really not. I didn't know anything. I really didn't know anything was wrong. He was a little vague and well, he says, he suggested that we have a lawyer. That we should have a lawyer. That I should come with a lawyer but I really wanted to get it done. The only answer is that I don't know that much. It's

easy when you are telling the truth. You just answer.

Q It's helpful to us that you do that.

Now in your talks with Mr. Jansen yesterday which we realize were brief, did he say when he asked Mr. Benedetto to make a contribution in 1978?

A No, he never spoke about that. More of the conversation yesterday was getting here today. With whom or by yourself or whatever.

Q And could you tell us who was there?

A Walter Haskill, Mr. Jansen and myself.

Q And Mr. Devello?

A Yes.

Q Since the whole thing started, when you received the questions, I imagine that you were probably very curious about what the big deal is?

A Yes.

Q In talking with your husband, has he mentioned any discussion at the office about this?

A No. Well, he is no longer employed there.

Q I am sorry, I forgot.

A There has been no discussions.

Q Are you familiar with the Gerard Company's contract with Costal Dry Dock?

A Not at all.

Q Has your husband told you anything about the business that they did with Costal at the time that he was there or since then?

A No.

Q You have a right under the federal rules to examine the transcript of this deposition and sign it or waive signature if you are confident that the reporter has accurately transcribed what you have said and would you like to do that, to waive?

A Yes.

MS. NATHAN: This deposition is adjourned for now. I certainly appreciate your coming in. I am sorry for any inconvenience but we do appreciate the fact that you were able to do it today.

THE WITNESS: I am glad. I am happy we got it done too.

Whereupon, at 11:15 p.m. this deposition concluded.)

_____

Sworn to before me this

_____day of _____1982.

_____

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STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

I, HOWARD A. GOODMAN a Shorthand Reporter and Notary Public for the State of New York, do hereby certify:

That MARY ANN BENEDETTO the witness whose deposition is hereinbefore set forth, was duly sworn by me and that such deposition is a true record of the testimony given by such witness.

I further certify that I am not related to any of the parties to this action by blood or marriage; and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of January 1983.

Howard A. Goodman

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 1436
Depositions

Date Filmed 2/28/84 Camera No. --- 2

Cameraman JRL

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