



FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 1454

Date Filmed 9/7/83 Camera No. --- 3

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FEDERAL ELECTION COMMISSION

Documents Regarding Conciliation

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

Signed S.T. Malden
 Date Aug. 29, 1983

83040432001



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 17, 1983

Richard M. Daly, Esquire
Sutin, Thayer and Browne
215 Washington Avenue
P.O. Box 2187
Santa Fe, New Mexico 87504

RE: MUR 1454

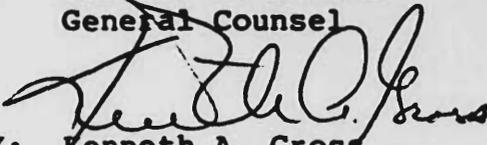
Dear Mr. Daly:

On August 11, 1983, the Commission accepted the conciliation agreement signed by Solar America and a civil penalty in settlement of violations of 2 U.S.C. §§ 441b and 441c, 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

8304013200



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 17, 1983

Mr. R.R. Reusche
Assistant Inspector General for
Investigations
Small Business Administration
1441 L Street, N.W.
Washington, D.C. 20416

RE: MUR 1454

Dear Mr. Reusche:

This is in reference to the captioned matter involving Solar America, Inc., which your office referred to the Commission.

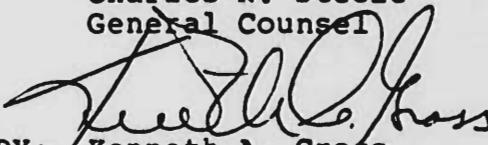
After conducting an investigation of this matter, the Commission determined that there was reason to believe that Solar America, Inc. violated 2 U.S.C. §§ 441b and 441c, provisions of the Federal Election Campaign Act of 1971, as amended, and has now entered into a conciliation agreement with them. A copy of this agreement is enclosed for your information.

We appreciate your cooperation in helping the Commission meet its enforcement responsibilities under the Federal Election Campaign Act.

If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter, at (202) 523-4057.

Sincerely,

Charles N. Steele
General Counsel


BY: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreement

cc: Tom D'Amico

83040432003

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

1. Respondent is a corporation in the State of New Mexico and a government contractor.

2. Ms. Bea Sanchez was employed as a secretary by Respondent during 1980.

3. During April, May and June of 1980, Ms. Sanchez worked approximately 67.5 hours setting up a fundraiser for the Carter/Mondale Presidential Committee, Inc.

These hours were worked during normal business hours at Respondent's premises. Respondent required Ms. Sanchez to make up the 67.5 hours outside of normal business hours. Ms. Sanchez was not compensated for the hours spent making up time spent on the fundraiser.

Ms. Sanchez' labor therefore did not constitute a corporate contribution by Respondent to the Carter/Mondale Presidential Committee, Inc.

4. The fair market value of Ms. Sanchez' use of Respondent's facilities (viz., paper, supplies, xerox, typewriter, utilities and office space) in connection with her fundraising activities equals approximately \$122.19, and constitutes a corporate contribution by Respondent to the Carter/Mondale Presidential Committee, Inc.

V. Respondent, by allowing its facilities to be used as outlined in paragraph IV. 4. above, violated 2 U.S.C. § 441b(a) and § 441c(a). Respondent states that it has demonstrated that,

8304043200

with this exception, it did comply with the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq., in connection with the Carter/Mondale fundraiser.

VI. Respondent will therefore pay the Treasurer of the United States a civil penalty in the amount of Fifty Dollars (\$50.00), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. Respondent will bill the Carter/Mondale Presidential Committee, Inc. for rental of Respondent's facilities in the amount of \$122.19. This debt will be pursued in a commercially reasonable manner.

VIII. Respondent agrees that it shall not undertake any activity which is in violation 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 motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

83040432036

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

Charles N. Steele
General Counsel

Aug 15, 1983
Date

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

SOLAR AMERICA, INC.

BY: *Richard M. Duly*
COUNSEL TO SOLAR AMERICA, INC.
ITS: _____

83040432007

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Solar America, Inc.) MUR 1454

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 1454:

1. Accept the conciliation agreement as attached to the General Counsel's August 9, 1983 Memorandum to the Commission.
2. Close the File.
3. Send the letters to the respondent and complainant as submitted with the August 9, 1983 Memorandum.

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:
Circulated on 48 hour tally basis:

8-9-83, 9:08
8-9-83, 11:00

83040432008



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *Cit*
DATE: August 9, 1983
SUBJECT: MUR 1454 - Memorandum to Commission

The attached is submitted as an Agenda document
for the Commission Meeting of _____
Open Session _____
Closed Session _____

CIRCULATIONS

DISTRIBUTION

48 Hour Tally Vote	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
Sensitive	<input checked="" type="checkbox"/>	Audit Matters	<input type="checkbox"/>
Non-Sensitive	<input type="checkbox"/>	Litigation	<input type="checkbox"/>
24 Hour No Objection	<input type="checkbox"/>	Closed MUR Letters	<input type="checkbox"/>
Sensitive	<input type="checkbox"/>	Status Sheets	<input type="checkbox"/>
Non-Sensitive	<input type="checkbox"/>	Advisory Opinions	<input type="checkbox"/>
Information	<input type="checkbox"/>	Other (see distribution below)	<input type="checkbox"/>
Sensitive	<input type="checkbox"/>		
Non-Sensitive	<input type="checkbox"/>		
Other	<input type="checkbox"/>		

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SENSITIVE

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

83 AUG 9 A 9: 08

August 9, 1983

MEMORANDUM

TO : The Commission

FROM : Charles N. Steele
General Counsel

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

SUBJECT: MUR 1454 (82) - Conciliation Agreement

Attached is a signed conciliation agreement which has been submitted by the counsel for Solar America, Inc. The signed agreement is the agreement approved by the Commission on July 6, 1983. A check for the \$50 civil penalty imposed by the Commission has been received.

The Office of General Counsel recommends the acceptance of this agreement, and closing the file. It is also recommended that the attached letters be sent to the Respondent and Complainant.

Attachments

Conciliation Agreement submitted by counsel
Letter to Respondent
Letter to Complainant

83040432010

RECEIVED AT THE FEC

LAW OFFICES OF
SUTIN, THAYER & BROWNE
A PROFESSIONAL CORPORATION

83 AUG 5 P 1: 08

SANTA FE OFFICE
215 WASHINGTON AVENUE
POST OFFICE BOX 2187
SANTA FE, NEW MEXICO 87504
805-988-5521

AUG 5 P 3: 17

LINDA L. AIKIN
FRED W. ALVAREZ
JOHN A. BANNERMAN
RANDY S. BARTELL
M. SHARON BLACKWELL
GRAHAM BROWNE
DAVID P. BUCHHOLTZ
STEPHEN CHARNAS
SAUL COHEN
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BRIAN T. McCABE
MARY E. McDONALD
IRWIN S. MOISE
STEVEN K. MOISE
KESTER L. OMAN
LAFEL E. OMAN
ROBERT PAMPPELL
JANET G. PERELSON
CHARLES P. PRICE III
GAIL S. RAGO
KEVIN V. REILLY
JANE ROBERTSHAW
JAY D. ROSENBLUM
DONALD M. SALAZAR

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RAYMOND W. SCHOWERS
ALISON K. SCHULER
RONALD SEGEL
SASHA SIEMEL
JONATHAN S. SUTIN
LEWIS R. SUTIN
MICHAEL G. SUTIN
NORMAN S. THAYER
TIMOTHY VIDAL
RICHARD L. C. VIRTUE
ALLAN L. WAINWRIGHT
ROBERT J. WERNER
PRESTON G. WONG
MARIANNE WOODARD
JOHN W. ZAVITZ

ALBUQUERQUE OFFICE
FIRST PLAZA
POST OFFICE BOX 1845
ALBUQUERQUE, NEW MEXICO 87103
805-842-8200

Donaldson

August 1, 1983

Kenneth A. Gross, Esq.
Associate General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

MUR 1454

Dear Mr. Gross:

Solar America has agreed to and signed the enclosed Conciliation Agreement (the "Agreement"). The Agreement is identical to that contained in your letter of July 14, 1983.

Paragraph VI of the Agreement calls upon Solar America to pay a civil penalty of \$50.00. As you will recall, Solar America sent its check number 7010 in the amount of \$50.00 in payment of this penalty to you on March 17, 1983.

Paragraph VII of the Agreement calls upon Solar America to bill the Carter- Mondale Presidential Committee, Inc. for the rental of Solar America's facilities in the amount of \$122.19. Solar America mailed its statement for \$122.19 to the Carter-Mondale Presidential Committee on July 26, 1983, and will pursue the debt in a commercially reasonable manner.

At your earliest convenience, please send to us an executed copy of the Agreement and we will consider the matter closed.

Very truly yours,

SUTIN, THAYER & BROWNE
A Professional Corporation

By *Richard M. Daly*
Richard M. Daly

RMD:stc

cc: Mr. Ed Romero

83040432011

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

1. Respondent is a corporation in the State of New Mexico and a government contractor.
2. Ms. Bea Sanchez was employed as a secretary by Respondent during 1980.
3. During April, May and June of 1980, Ms. Sanchez worked approximately 67.5 hours setting up a fundraiser for the Carter/Mondale Presidential Committee, Inc. These hours were worked during normal business hours at Respondent's premises. Respondent required Ms. Sanchez to make up the 67.5 hours outside of normal business hours. Ms. Sanchez was not compensated for the hours spent making up time spent on the fundraiser. Ms. Sanchez' labor therefore did not constitute a corporate contribution by Respondent to the Carter/Mondale Presidential Committee, Inc.
4. The fair market value of Ms. Sanchez' use of Respondent's facilities (viz., paper, supplies, xerox, typewriter, utilities and office space) in connection with her fundraising activities equals approximately \$122.19, and constitutes a corporate contribution by Respondent to the Carter/Mondale Presidential Committee, Inc.

V. Respondent, by allowing its facilities to be used as outlined in paragraph IV. 4. above, violated 2 U.S.C. § 441b(a) and § 441c(a). Respondent states that it has demonstrated that,

63040432010

with this exception, it did comply with the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq., in connection with the Carter/Mondale fundraiser.

VI. Respondent will therefore pay the Treasurer of the United States a civil penalty in the amount of Fifty Dollars (\$50.00), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. Respondent will bill the Carter/Mondale Presidential Committee, Inc. for rental of Respondent's facilities in the amount of \$122.19. This debt will be pursued in a commercially reasonable manner.

VIII. Respondent agrees that it shall not undertake any activity which is in violation 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 motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

Charles N. Steele
General Counsel

Date

BY:

Kenneth A. Gross
Associate General Counsel

SOLAR AMERICA, INC.

BY:

Richard M. Guly

COUNSEL TO SOLAR AMERICA, INC.

ITS: _____

03040432015



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Richard M. Daly, Esquire
Sutin, Thayer and Browne
215 Washington Avenue
P.O. Box 2187
Santa Fe, New Mexico 87504

RE: MUR 1454

Dear Mr. Daly:

On , 1983, the Commission accepted the conciliation agreement signed by Solar America and a civil penalty in settlement of violations of 2 U.S.C. §§ 441b and 441c, 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

83040432016



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Mr. R.R. Reusche
Assistant Inspector General for
Investigations
Small Business Administration
1441 L Street, N.W.
Washington, D.C. 20416

RE: MUR 1454

Dear Mr. Reusche:

This is in reference to the captioned matter involving Solar America, Inc., which your office referred to the Commission.

After conducting an investigation of this matter, the Commission determined that there was reason to believe that Solar America, Inc. violated 2 U.S.C. §§ 441b and 441c, provisions of the Federal Election Campaign Act of 1971, as amended, and has now entered into a conciliation agreement with them. A copy of this agreement is enclosed for your information.

We appreciate your cooperation in helping the Commission meet its enforcement responsibilities under the Federal Election Campaign Act.

If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter, at (202) 523-4057.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreement

cc: Tom D'Amico

83040432017

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RECEIVED AT THE FEC

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LAW OFFICES OF
SUTIN, THAYER & BROWNE
A PROFESSIONAL CORPORATION

GENERAL COUNSEL

SANTA FE OFFICE
215 WASHINGTON AVENUE
POST OFFICE BOX 2187
SANTA FE, NEW MEXICO 87504
505-988-5521

ALBUQUERQUE OFFICE
FIRST PLAZA
POST OFFICE BOX 1948
ALBUQUERQUE, NEW MEXICO 87103
505-842-8200

AUG 5 P 3: 17

LINDA L. AIKIN
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RICHARD L. C. VIRTUE
ALLAN L. WAINWRIGHT
ROBERT J. WERNER
PRESTON G. WONG
MARIANNE WOODARD
JOHN W. ZAVITZ

August 1, 1983

Kenneth A. Gross, Esq.
Associate General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

MUR 1454

Dear Mr. Gross:

Solar America has agreed to and signed the enclosed Conciliation Agreement (the "Agreement"). The Agreement is identical to that contained in your letter of July 14, 1983.

Paragraph VI of the Agreement calls upon Solar America to pay a civil penalty of \$50.00. As you will recall, Solar America sent its check number 7010 in the amount of \$50.00 in payment of this penalty to you on March 17, 1983.

Paragraph VII of the Agreement calls upon Solor America to bill the Carter- Mondale Presidential Committee, Inc. for the rental of Solar America's facilities in the amount of \$122.19. Solar America mailed its statement for \$122.19 to the Carter-Mondale Presidential Committee on July 26, 1983, and will pursue the debt in a commercially reasonable manner.

At your earliest convenience, please send to us an executed copy of the Agreement and we will consider the matter closed.

Very truly yours,

SUTIN, THAYER & BROWNE
A Professional Corporation

By Richard M. Daly
Richard M. Daly

RMD:stc

cc: Mr. Ed Romero

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LAW OFFICES OF
SUTIN, TRAYER & BROWNE
A PROFESSIONAL CORPORATION
POST OFFICE BOX 2187
SANTA FE, NEW MEXICO 87504



Kenneth A. Gross, Esq.
Associate General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

7

03040174010

NR 7010 1954

SOLAR AMERICA, INC.
2620 SAN MATEO N., E. SUITE D ALBUQUERQUE, NEW MEXICO 87110

107H

The First National Bank in Albuquerque
Atch. Mexico's Largest Home-Based Independent Bank
Albuquerque, New Mexico 87103

98-37/1070

Solar America's Child's Oots

PAY TO THE ORDER OF

The Treasurer of the United States

DATE PAID

3-10-63

AMOUNT \$ 30.00

[Handwritten signature]

⑆007010⑆ ⑆107000279⑆ 191426207⑆

VOID WHEN MAINTAINING THIS COPY

SOLAR AMERICA, INC.
ALBUQUERQUE, NEW MEXICO

PAYEE DETACH THIS STATEMENT BEFORE DEPOSITING

DATE	ACCOUNT OR INVOICE NO.	DESCRIPTION	AMOUNT	DISCOUNT OR DEDUCTION	NET AMOUNT
	810.000		50.00		

EMPLOYEE'S NAME

SOLAR AMERICA, INC.
ALBUQUERQUE, NEW MEXICO

PAY PERIOD ENDING	HOURS	RATE	GROSS EARNINGS	FICA	FED WITH TAX	STATE WITH TAX	NET EARNINGS PAID
							CONDENS

EMPLOYEE: THIS IS A STATEMENT OF YOUR EARNINGS AND DEDUCTIONS FOR PERIOD INDICATED KEEP THIS FOR YOUR PERMANENT RECORD.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 25, 1983

Douglas B. Huron, Esquire
Stein and Huron
1619 New Hampshire Avenue, N.W.
Washington, D.C. 20009

RE: MUR 1454

Dear Mr. Huron:

8 3 0 4 0 4 3 2 0 1

This is to advise you that after an investigation was conducted, the Commission concluded on March 24, 1983, that there is no probable cause to believe that your client, the Carter/Mondale Presidential Committee, Inc., violated the Act. However, the Commission did find that the use of the Solar America, Inc. facilities for a Carter/Mondale fundraiser did constitute a violation of 2 U.S.C. § 441b, even though there is no evidence that your committee had knowledge of those activities. Therefore, the Commission requests that your committee reimburse Solar America, Inc. \$122.19, which is the fair market value for use of Solar America's facilities.

Accordingly, the file in this matter, as it regards your client, numbered MUR 1454, has been closed. This matter will become part of the public record within 30 days of closing the entire file. Should you wish to submit any factual or legal materials to appear on the public record, please do so within 10 days.

If you have any questions, contact Susan Donaldson at (202) 523-4057.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles N. Steele".

Charles N. Steele
General Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Carter/Mondale Presidential) MUR 1454
Committee, Inc.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on March 24, 1983, the Commission decided by a vote of 5-0 to take the following actions in MUR 1454:

1. Find no probable cause to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441b in connection with this matter.
2. Close the file in connection with this respondent.

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

Attest:

3/24/83

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary:
Circulated on 48 hour tally basis:

3-21-83, 3:18
3-22-83, 11:00

8304043201

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION SECRETARY

RECEIVED
OFFICE OF THE
SECRETARY

In the Matter of)
)
Carter/Mondale Presidential)
Committee, Inc.)

83 MAR 21 P 3: 18
MUR 1454

GENERAL COUNSEL'S REPORT

I. BACKGROUND

The Small Business Administration referred this matter to the Commission as a result of information which they discovered during an investigation of Solar America, Inc. The Commission, on June 22, 1982, found reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441b in connection with this matter. After further investigation, a brief recommending no probable cause to believe against the Carter/Mondale Presidential Committee, Inc. was mailed to the respondent and circulated to the Commission in December, 1982.

II. LEGAL ANALYSIS

See OGC Brief of December 8, 1982.

Upon receipt of a reply from Solar America, Inc. in connection with this matter, the Commission, on February 1, 1983, determined that the use of Solar America, Inc. facilities for the fundraising activities had a fair market value of approximately \$122.19. Therefore, we would request that the Carter/Mondale Presidential Committee, Inc. refund that amount to Solar America, Inc. for use of its facilities.

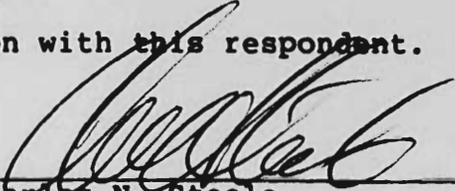
No brief was received from the Carter/Mondale Presidential Committee, Inc.

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III. RECOMMENDATIONS

1. Find no probable cause to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441b in connection with this matter.
2. Close the file in connection with this respondent.

21 March 1983
Date


Charles N. Steele
General Counsel

Attachments

- Brief of December 7, 1982
- Proposed letter to respondent

83040432024

BEFORE THE FEDERAL ELECTION COMMISSION

1

In the Matter of)	
)	MUR 1454
Carter/Mondale Presidential)	
Committee, Inc.)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

The Small Business Administration referred this matter to the Commission as a result of information which they discovered during an investigation of Solar America, Inc. ("SA"). Solar America, Inc. is a management and consulting firm located in Albuquerque, New Mexico, and is a government contractor for the SBA. An interview with Bea Sanchez, executive secretary to the President of Solar America in 1980, revealed that she set up a fundraiser for President Carter on company (SA) time and using Solar America's office space and materials for the effort. An interview with Ed L. Romero, President of SA, revealed that he provided office space for political campaign meetings. Based on this information, the Commission, on June 22, 1982, found reason to believe that Solar America, Inc. violated 2 U.S.C. §§ 441b and 441c; and reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441b of of the Federal Election Campaign Act of 1971, as amended.

II. LEGAL ANALYSIS

Solar America, Inc. responded to the Commission's findings in a letter received July 7, 1982. Mr. Romero, President of SA, and Bea Sanchez, his former secretary, provided affidavits. Bea

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Sanchez stated that she assisted Mr. Romero with the Carter fundraiser at various times, including normal working hours; however, she stated that she made up that time for regular corporate time in the evenings and on weekends for which she was not paid. She stated that she spent approximately 80 hours on the fundraiser.

In connection with political meetings held at SA, Mr. Romero stated that there were two or three meetings for volunteers after 6:00 p.m. at SA offices for the specific purpose of coordinating events. Douglas B. Huron, counsel for the Carter/Mondale Committee, responded to the Commission's reason to believe finding, and stated that the Carter/Mondale Committee was not aware of Ms. Sanchez' work on the fundraising activity nor of Mr. Romero's after hours meetings at Solar America until the Commission's reason to believe notification.

11 C.F.R. § 100.7(a)(3)(i) allows an employee to engage in political activity during a regular work period, provided that the time is made up within a reasonable time. In view of the fact that Ms. Sanchez and Mr. Romero have stated that Ms. Sanchez worked overtime to compensate for time spent on the fundraiser, it does not appear that Ms. Sanchez's salary was a contribution to the Carter/Mondale Presidential Committee, Inc.

11 C.F.R. § 114.9(a) provides that stockholders and employees of a corporation may make occasional, isolated or incidental use of the facilities of the corporation for individual volunteer activity in connection with a Federal

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In order to determine whether the use of Solar America's facilities was "occasional, isolated, or incidental use", further questions were asked of Ms. Sanchez and Mr. Romero. Ms. Sanchez stated that she worked approximately 67.5 hours on the fundraiser between April 14, 1980, and June 6, 1980. Mr. Romero stated that he believed that there were three coordinating meetings, held at Solar America facilities, lasting approximately one hour each, during a one month period; and he spent approximately three more hours working on the fundraiser in Solar America's facilities.

III. CALCULATION OF FAIR MARKET VALUE FOR USE OF SOLAR AMERICA FACILITIES

Since these number of hours in this period of time exceed "occasional, isolated, and incidental" use, it is necessary to determine the fair market value of the use of the facilities. The accountant at Solar America, using a formula described in Attachment 1, has calculated the fair market value for use of the premises during 67.5 hours of Bea Sanchez's time to be approximately \$122.19. This figure was determined by calculating

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the percentage of overhead costs for space and equipment at Solar America per dollar of chargeable salary in 1980 (27.36% of salary), and multiplying that percentage by Ms. Sanchez's salary for 67.5 hours (\$446.60) which equals \$122.19.

The fair market value for use of the conference room for the meetings held at Solar America was calculated to be approximately \$25.92 per hour. This figure was determined by dividing the space costs plus insurance costs of Solar America premises in 1980 (\$48,323.21) by total square footage at Solar America (4,531 square feet) and dividing that figure by total number of hours in 1980. That cost equals \$.12 per square foot per hour which multiplied by the square footage of the conference room (216 square feet) equals \$25.92. Approximately three hours of meetings were held in the conference room which comes to a cost of \$77.76 for use of the conference room.

Mr. Romero spent another three hours on the fundraiser in his office which is 180 square feet. Applying the same method as described above for the conference room, the use of Mr. Romero's office for three hours results in a cost of \$64.80.

Accepting the costs as they have been determined above, the fair market value for the use of the Solar America facilities equals a total of \$264.75.

IV. CONCLUSION

From the information provided in the complaint and by the Respondents, it appears that Solar America, Inc. contributed approximately \$264.75 in use of its facilities to the

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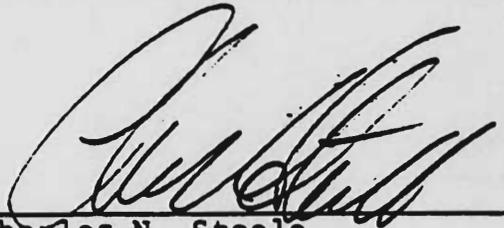
Carter/Mondale Presidential Committee, Inc. in violation of 2 U.S.C. §§ 441b and 441c. However, there is no indication that the Carter/Mondale Committee knowingly accepted the contribution; and there is no indication that Ed Romero, who authorized the contribution, was an "agent" of the Carter/Mondale Committee as defined by 11 C.F.R. § 109.1(b)(5). Doug Huron, counsel for the Respondent, has requested informal conciliation in this matter; however, it is recommended that the Commission find no probable cause to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441b in connection with this matter. We would also recommend that the Commission request the Carter/Mondale presidential Committee, Inc. to reimburse Solar America \$264.75 for the use of its facilities.

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III. GENERAL COUNSEL'S RECOMMENDATION

Find no probable cause to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441b in connection with this matter.

6 December 1982
Date



Charles N. Steele
General Counsel

Attachments

- Letters from Huron (2)
- Letter to Respondent



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

(b)

Douglas B. Huron, Esquire
Stein and Huron
1619 New Hampshire Avenue, N.W.
Washington, D.C. 20009

RE: MUR 1454

Dear Mr. Huron:

This is to advise you that after an investigation was conducted, the Commission concluded on _____, 1983, that there is no probable cause to believe that your client, the Carter/Mondale Presidential Committee, Inc., violated the Act. However, the Commission did find that the use of the Solar America, Inc. facilities for a Carter/Mondale fundraiser did constitute a violation of 2 U.S.C. § 441b, even though there is no evidence that your committee had knowledge of those activities. Therefore, the Commission requests that your committee reimburse Solar America, Inc. \$122.19, which is the fair market value for use of Solar America's facilities.

Accordingly, the file in this matter, as it regards your client, numbered MUR 1454, has been closed. This matter will become part of the public record within 30 days of closing the entire file. Should you wish to submit any factual or legal materials to appear on the public record, please do so within 10 days.

If you have any questions, contact Susan Donaldson at (202) 523-4057.

Sincerely,

Charles N. Steele
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

82 DEC 7 P 4: 06

December 7, 1982

MEMORANDUM TO: The Commission

FROM: Charles N. Steele
General Counsel *CNS*

SUBJECT: MUR 1454

Attached for the Commission's review is a brief stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. A copy of this brief and a letter notifying the respondent of the General Counsel's intent to recommend to the Commission a finding of no probable cause to believe was mailed on December 7, 1982. Following receipt of the Respondent's reply to this notice, this Office will make a further report to the Commission.

Attachments

1. Brief
2. Letter to Respondent

183040432051

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Carter/Mondale Presidential) MUR 1454
Committee, Inc.)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

8 3 0 4 0 4 3 2 0 3 3
The Small Business Administration referred this matter to the Commission as a result of information which they discovered during an investigation of Solar America, Inc. ("SA"). Solar America, Inc. is a management and consulting firm located in Albuquerque, New Mexico, and is a government contractor for the SBA. An interview with Bea Sanchez, executive secretary to the President of Solar America in 1980, revealed that she set up a fundraiser for President Carter on company (SA) time and using Solar America's office space and materials for the effort. An interview with Ed L. Romero, President of SA, revealed that he provided office space for political campaign meetings. Based on this information, the Commission, on June 22, 1982, found reason to believe that Solar America, Inc. violated 2 U.S.C. §§ 441b and 441c; and reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441b of of the Federal Election Campaign Act of 1971, as amended.

II. LEGAL ANALYSIS

Solar America, Inc. responded to the Commission's findings in a letter received July 7, 1982. Mr. Romero, President of SA, and Bea Sanchez, his former secretary, provided affidavits. Bea

Sanchez stated that she assisted Mr. Romero with the Carter fundraiser at various times, including normal working hours; however, she stated that she made up that time for regular corporate time in the evenings and on weekends for which she was not paid. She stated that she spent approximately 80 hours on the fundraiser.

In connection with political meetings held at SA, Mr. Romero stated that there were two or three meetings for volunteers after 6:00 p.m. at SA offices for the specific purpose of coordinating events. Douglas B. Huron, counsel for the Carter/Mondale Committee, responded to the Commission's reason to believe finding, and stated that the Carter/Mondale Committee was not aware of Ms. Sanchez' work on the fundraising activity nor of Mr. Romero's after hours meetings at Solar America until the Commission's reason to believe notification.

11 C.F.R. § 100.7(a)(3)(i) allows an employee to engage in political activity during a regular work period, provided that the time is made up within a reasonable time. In view of the fact that Ms. Sanchez and Mr. Romero have stated that Ms. Sanchez worked overtime to compensate for time spent on the fundraiser, it does not appear that Ms. Sanchez's salary was a contribution to the Carter/Mondale Presidential Committee, Inc.

11 C.F.R. § 114.9(a) provides that stockholders and employees of a corporation may make occasional, isolated or incidental use of the facilities of the corporation for individual volunteer activity in connection with a Federal

83040432033

election. However, it is not clear that Ms. Sanchez and Mr. Romero made occasional, isolated or incidental use of the facilities in connection with the Carter fundraiser. 11 C.F.R. § 114.9(a)(iii) states that "occasional, isolated, or incidental use" generally means any such activity which does not exceed one hour per week or four hours per month; and which does not interfere with the corporation in carrying out its normal activities.

In order to determine whether the use of Solar America's facilities was "occasional, isolated, or incidental use", further questions were asked of Ms. Sanchez and Mr. Romero. Ms. Sanchez stated that she worked approximately 67.5 hours on the fundraiser between April 14, 1980, and June 6, 1980. Mr. Romero stated that he believed that there were three coordinating meetings, held at Solar America facilities, lasting approximately one hour each, during a one month period; and he spent approximately three more hours working on the fundraiser in Solar America's facilities.

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III. CALCULATION OF FAIR MARKET VALUE FOR
USE OF SOLAR AMERICA FACILITIES

Since these number of hours in this period of time exceed "occasional, isolated, and incidental" use, it is necessary to determine the fair market value of the use of the facilities. The accountant at Solar America, using a formula described in Attachment 1, has calculated the fair market value for use of the premises during 67.5 hours of Bea Sanchez's time to be approximately \$122.19. This figure was determined by calculating

the percentage of overhead costs for space and equipment at Solar America per dollar of chargeable salary in 1980 (27.36% of salary), and multiplying that percentage by Ms. Sanchez's salary for 67.5 hours (\$446.60) which equals \$122.19.

The fair market value for use of the conference room for the meetings held at Solar America was calculated to be approximately \$25.92 per hour. This figure was determined by dividing the space costs plus insurance costs of Solar America premises in 1980 (\$48,323.21) by total square footage at Solar America (4,531 square feet) and dividing that figure by total number of hours in 1980. That cost equals \$.12 per square foot per hour which multiplied by the square footage of the conference room (216 square feet) equals \$25.92. Approximately three hours of meetings were held in the conference room which comes to a cost of \$77.76 for use of the conference room.

Mr. Romero spent another three hours on the fundraiser in his office which is 180 square feet. Applying the same method as described above for the conference room, the use of Mr. Romero's office for three hours results in a cost of \$64.80.

Accepting the costs as they have been determined above, the fair market value for the use of the Solar America facilities equals a total of \$264.75.

IV. CONCLUSION

From the information provided in the complaint and by the Respondents, it appears that Solar America, Inc. contributed approximately \$264.75 in use of its facilities to the

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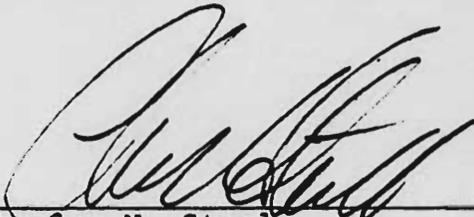
8 3 0 4 0 4 3 2 0 3 6

Carter/Mondale Presidential Committee, Inc. in violation of 2 U.S.C. §§ 441b and 441c. However, there is no indication that the Carter/Mondale Committee knowingly accepted the contribution; and there is no indication that Ed Romero, who authorized the contribution, was an "agent" of the Carter/Mondale Committee as defined by 11 C.F.R. § 109.1(b)(5). Doug Huron, counsel for the Respondent, has requested informal conciliation in this matter; however, it is recommended that the Commission find no probable cause to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441b in connection with this matter. We would also recommend that the Commission request the Carter/Mondale presidential Committee, Inc. to reimburse Solar America \$264.75 for the use of its facilities.

III. GENERAL COUNSEL'S RECOMMENDATION

Find no probable cause to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441b in connection with this matter.

6 December 1982
Date



Charles N. Steele
General Counsel

Attachments

Letters from Huron (2)
Letter to Respondent



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 7, 1982

Douglas B. Huron, Esquire
Stein & Huron
1619 New Hampshire Avenue, N.W.
Washington, D.C. 20009

Re: MUR 1454

Dear Mr. Huron:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on June 22, 1982, found reason to believe that your client, the Carter/Mondale Presidential Committee, Inc. had violated 2 U.S.C. § 441b of the Federal Election Campaign Act of 1971, as amended, and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred. The Commission may or may not approve the General Counsel's Recommendation.

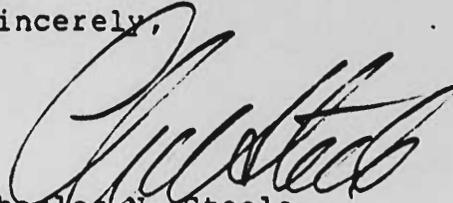
Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. Three copies of such brief should also be forwarded to the Office of General Counsel, if possible. The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of no probable cause to believe a violation has occurred.

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Letter to Douglas B. Huron
Page 2

Should you have any questions, please contact Susan
Donaldson at (202) 523-4057.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Brief

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RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

82 NOV 22 P 2: 47

In the Matter of)
)
Solar America, Inc.)

MUR 1454

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

The Small Business Administration referred this matter to the Commission as a result of information which they discovered during an investigation of Solar America, Inc. ("SA"). Solar America, Inc. is a management and consulting firm located in Albuquerque, New Mexico, and is a government contractor for the SBA. An interview with Bea Sanchez, executive secretary to the President of Solar America in 1980, revealed that she set up a fundraiser for President Carter on company (SA) time and using Solar America's office space and materials for the effort. An interview with Ed L. Romero, President of SA, revealed that he provided office space for political campaign meetings. Based on this information, the Commission, on June 22, 1982, found reason to believe that Solar America, Inc. violated 2 U.S.C. §§ 441b and 441c; and reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441b of of the Federal Election Campaign Act of 1971, as amended.

II. FACTUAL AND LEGAL ANALYSIS

Solar America, Inc. responded to the Commission's findings in a letter received July 7, 1982. Mr. Romero, President of SA, and Bea Sanchez, his former secretary, provided affidavits. Bea Sanchez stated that she assisted Mr. Romero with the Carter

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fundraiser at various times, including normal working hours; however, she stated that she made up that time for regular corporate time in the evenings and on weekends for which she was not paid. She stated that she spent approximately 80 hours on the fundraiser.

In connection with political meetings held at SA, Mr. Romero stated that there were two or three meetings for volunteers after 6:00 p.m. at SA offices for the specific purpose of coordinating events. Douglas B. Huron, counsel for the Carter/Mondale Committee, responded to the Commission's reason to believe finding, and stated that the Carter/Mondale Committee was not aware of Ms. Sanchez' work on the fundraising activity nor of Mr. Romero's after hours meetings at Solar America until the Commission's reason to believe notification.

11 C.F.R. § 100.7(a)(3)(i) allows an employee to engage in political activity during a regular work period, provided that the time is made up within a reasonable time. In view of the fact that Ms. Sanchez and Mr. Romero have stated that Ms. Sanchez worked overtime to compensate for time spent on the fundraiser, it does not appear that Ms. Sanchez's salary was a contribution to the Carter/Mondale Presidential Committee, Inc.

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In order to determine whether the use of Solar America's facilities was "occasional, isolated, or incidental use", further questions were asked of Ms. Sanchez and Mr. Romero. Ms. Sanchez stated that she worked approximately 67.5 hours on the fundraiser between April 14, 1980, and June 6, 1980. Mr. Romero stated that he believed that there were three coordinating meetings, held at Solar America facilities, lasting approximately one hour each, during a one month period; and he spent approximately three more hours working on the fundraiser in Solar America's facilities.

III. CALCULATING FAIR MARKET VALUE FOR USE
OF SOLAR AMERICA'S FACILITIES

Since these number of hours in this period of time exceed "occasional, isolated, and incidental" use, it is necessary to determine the fair market value of the use of the facilities. The accountant at Solar America, using a formula described in Attachment 1, has calculated the fair market value for use of the premises during 67.5 hours of Bea Sanchez's time to be approximately \$122.19. This figure was determined by calculating the percentage of overhead costs for space and equipment at Solar America per dollar of chargeable salary in 1980 (27.36% of

83040432041

salary), and multiplying that percentage by Ms. Sanchez's salary for 67.5 hours (\$446.60) which equals \$122.19.

The fair market value for use of the conference room for the meetings held at Solar America was calculated to be approximately \$25.92 per hour. This figure was determined by dividing the space costs plus insurance costs of Solar America premises in 1980 (\$48,323.21) by total square footage at Solar America (4,531 square feet) and dividing that figure by total number of hours in 1980. That cost equals \$.12 per square foot per hour which multiplied by the square footage of the conference room (216 square feet) equals \$25.92. Approximately three hours of meetings were held in the conference room which comes to a cost of \$77.76 for use of the conference room.

Mr. Romero spent another three hours on the fundraiser in his office which is 180 square feet. Applying the same method as described above for the conference room, the use of Mr. Romero's office for three hours results in a cost of \$64.80.

Accepting the costs as they have been determined above, the fair market value for the use of the Solar America facilities equals a total of \$264.75.

IV. CONCLUSION

It appears from the information provided in the complaint and by the Respondents that employees at Solar America, Inc. used the facilities for working on the Carter/Mondale fundraiser for more than "occasional, isolated, and incidental" use as defined by 11 C.F.R. § 114.9(a). Therefore, it appears that Solar America

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contributed approximately \$264.75 in use of its facilities to the Carter/Mondale Presidential Committee, Inc. in violation of 2 U.S.C. § 441b and 2 U.S.C. § 441c.

Solar America has requested informal conciliation in connection with this matter.

V. RECOMMENDATIONS

1. Approve an attempt for informal conciliation with Solar America, Inc.
2. Approve the attached letter and conciliation agreement to be sent to Solar America, Inc.

Charles N. Steele
General Counsel

November 22, 1982
Date

BY:

Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

Attachments

Letter from Daly
Letter to Daly
Conciliation Agreement

83040432043

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Solar America, Inc.)

MUR 1454

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission Executive Session on November 30, 1982, do hereby certify that the Commission decided by a vote of 4-2 to take the following actions in MUR 1454:

1. Approve an attempt for informal conciliation with Solar America, Inc.
2. Approve the letter and conciliation agreement to be sent to Solar America, Inc., as recommended in the General Counsel's November 22, 1982 report.

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

Attest:

12-1-82

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

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1 letter

LAW OFFICES OF
SUTIN, THAYER & BROWNE
A PROFESSIONAL CORPORATION

LINDA L. AIRIN
PAUL G. BARDACKE
STEPHEN CHARNAS
RICHARD M. DALY
GAIL GOTTLIEB
ROBERT G. HEYMAN
FRANKLIN JONES
MARY E. McDONALD
KESTER L. OMAN
JANET G. PERELSON
JANE ROBERTSHAW
RAYMOND W. SCHOWERS
SASNA SIEMEL
NORMAN S. THAYER
ROBERT J. WERNER
JOHN W. ZAVITZ

FRED W. ALVAREZ
M. SHARON BLACKWELL
SAUL COHEN
GERARD R. DUMAS
W. PATRICK HARMAN
ALLAN J. HISEY
BRIAN F. LANTER
IRWIN S. MOISE
LAFEL E. OMAN
CHARLES P. PRICE III
DONALD M. SALAZAR
ALISON K. SCHULER
JONATHAN B. SUTIN
TIMOTHY J. VIDAL
BARRY D. WILLIAMS

JOHN A. BANNERMAN
GRAHAM BROWNE
JAMES C. COMPTON, JR.
JACK L. FORTNER
JAY D. HERTZ
DONALD L. JONES
BRIAN T. McCABE
STEVEN K. MOISE
ROBERT PAMPELL
KEVIN V. REILLY
PHILIP R. SCHICHTEL
RONALD SEGEL
MICHAEL G. SUTIN
RICHARD L. C. VIRTUE
MARIANNE WOODARD

FEC
6cc # 8535
82 SEP 27 P2: 21
SANTA FE OFFICE

215 WASHINGTON AVENUE
POST OFFICE BOX 2187
SANTA FE, NEW MEXICO 87504
505-988-5521

ALBUQUERQUE OFFICE
FIRST PLAZA
POST OFFICE BOX 1845
ALBUQUERQUE, NEW MEXICO 87103
505-842-5200

September 20, 1982

FP 92
P3: 16

Ms. Susan Donaldson
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

MUR 1454

Dear Ms. Donaldson:

We have been asked by Mr. Ed Romero to represent Solar America, Inc. in the above-referenced matter.

We enclose answers to the "Questions to Ed Romero," recently sent by Kenneth A. Gross, Associate General Counsel, to Mr. Romero.

Solar America, Inc., has authorized us to inform you that it is willing to pursue a possible settlement of this matter through conciliation, in accordance with 11 CFR § 111.18(d).

Very truly yours,

SUTIN, THAYER & BROWNE
A Professional Corporation

By Richard M. Daly
Richard M. Daly

RMD:lar
Enclosure

cc: Douglas Huron, Esq.

8304043204

(1)

ANSWERS TO
QUESTIONS SUBMITTED
TO MR. ED ROMERO

1. As best as can be recalled and reconstructed, a breakdown of the time spent by Ms. Bea Sanchez' on Mrs. Carter's visit to Albuquerque is shown on the chart attached at the end of these answers. Because of the length of time which has passed since Mrs. Carter's visit, Ms. Sanchez cannot recall with precision on which particular day she might have spent a particular number of hours on the fund-raiser. Ms. Sanchez does recall, with some clarity, the nature of the tasks she performed in connection with Mrs. Carter's visit and the fund-raiser. Ms. Sanchez has, therefore, attempted to identify approximately when she performed a specific task or function. To the degree that she can determine when the task or function was performed, she has assigned it to the week in which it was actually performed. To the degree she cannot recall exactly when the task or function was performed, she has assigned it to the week when the task logically would have been performed.

2. See chart for dates and time Bea Sanchez worked on the fund-raiser. As best as Ms. Sanchez can recall, Ms. Sanchez' made up the 60 hours she spent working on the fund-raiser during working hours as follows: 9 hours during the week of April 14; 8 hours during the week of April 21; 7 hours during the week of April 28; 2 hours during the week of May 5; 12 hours during the weekend of May 10 and 11, and 13 hours during the weekend of May 24 and 25; 5 hours during the week of May 26, and 4 hours during the week of June 2.

As is evident, much of Ms. Sanchez' time was made up in advance of Mrs. Carter's visit. Once the fund-raiser was announced and the date set, Ms. Sanchez looked ahead and began working on some of the projects which would, in the normal course, have to be completed during the week immediately preceding the fund-raiser and the week of the fund-raiser. Ms. Sanchez was unable to make up any time during the weekend of May 17 and 18 because she spent that weekend with the Secret Service assisting in the establishment of security arrangements for Mrs. Carter.

83040432016

3. As best we can recall, one coordinating meeting was held during each of the weeks of April 21, May 5 and May 12. Each lasted approximately one hour and each was held after business hours.

4. The fair market value for use of Solar America's facilities for one individual for 80 hours (to include use of telephones, photocopier, typewriter, supplies, utilities and office space) has been computed on a basis consistent with the way we calculate overhead rates for our contracts. The figures and percentages used were taken from our 1980 Indirect Rate Audited Figures:

Space costs	\$42,510.77
Supplies	4,378.30
Telephones	10,119.02
Rental & Lease of Equipment	30,243.03
Insurance	5,812.44
Depreciation	3,232.42
Equipment maintenance	<u>1,116.15</u>
Total cost of Factors	
Involved for Fiscal 1980	\$97,412.13

To arrive at a cost per person, we use the identical formula for arriving at overhead costs. The total of the factors involved (\$97,412.13) is divided by total Chargeable salaries for the Fiscal period (\$356,032.77) to obtain a percentage cost to be applied against an individual's personnel cost (Salary plus Fringe Benefit Cost).

$$\$97,412.13 - \$356,032.77 = 27.36\%$$

Bea Sanchez' salary of \$11,250 converts to \$5.41 per hour (\$11,250 - 2080 hours). Our audited fringe benefit rate for Fiscal 1980 was 22.30% of direct salaries. Therefore, the value of the premises for 80 hours of Bea's time is computed as follows:

80 hours x \$5.41 -	\$432.80	salary for 80 hours
Fringe costs @ 22.30%	<u>96.51</u>	
Total Personnel Costs	\$529.31	

529.31 x 27.36% =	\$144.82	Value of Premises
		for 80 hours of Bea's time

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Since Bea Sanchez spent only approximately 67 1/2 hours working on the fund-raiser on Solar America premises, the fair market value of the premises used for the fund raiser was \$122.19 ($\$144.82 \div 80 \times 67 \frac{1}{2}$).

5. To calculate the value of the premises for meetings, only space costs of \$42,510.77 and insurance of \$5,812.44 were considered as no equipment was utilized for the meetings. Space costs are taken from our audited overhead costs for fiscal 1980 and include rents, utilities, janitorial costs, locks and keys, remodel expense, and any other charges directly allocable to space. Average space for the 1980 fiscal year totaled approximately 4,531 square feet. The meetings were held in our conference room which measures approximately 216 square feet. The value of the space for a one hour meeting is thus calculated below:

$$\begin{aligned} &(\$42,510.77 + \$5,812.44) \div 4531 \text{ sq. ft.} \div 8760 \text{ hours} \\ &\text{per year} = 12\text{¢ per square foot} \times 216 \text{ sq. ft} \\ &= \$25.92. \end{aligned}$$

6. Mr. Ed Romero spent a total of about 12 hours on the fundraiser.

7. Three of these 12 hours were spent at the three coordinating meetings for Carter-Mondale volunteers referred to in question 3. An additional three hours were spent in Mr. Romero's office at Solar America. The remaining six hours were spent outside of Solar America's premises.

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Time Period	Functions Performed	Working Hours Spent				Non-Work Hours Spent		Total Hours Spent On Fund-Raiser		
		8	3	0	4	0	4		3	2
		On SA Premises	Off SA Premises	On SA Premises	Off SA Premises	On SA Premises	Off SA Premises			
Week of 4/14/80	Reserved room & took calls from Washington	1						1		
Week of 4/21/80	Coordination Committee meeting, took calls from Washington	2				1		3		
Week of 4/28/80	Ordered flowers, sold and delivered tickets, took calls from Washington	2 1/2	1/2					3		
Week of 5/5/80	Arranged music, sold & delivered tickets, Co-ordination committee meeting, copy work, banking	6	1			1		8		
Week of 5/12/80	Co-ordination committee meeting, sold & delivered tickets, took calls from Washington, copy work, banking	18	1			1		20		
Week of 5/19	Sold & delivered tickets, copying, banking, picked up people at airport, coordinated activities at the First Lady's visit to the Hayes home, took phone calls from Washington, reconciled the accounting	20	8			5	7	40		
Week of 5/26	Copy work and reconciling accounting and banking					5		5		
Week of 6/2	Copy work, reconciling accounting, and banking					5		5		

TOTALS

40 10 10 10

10

7

95

(5)

AFFIDAVIT

STATE OF NEW MEXICO

COUNTY OF BERNALILLO

first duly sworn upon her oath, deposes and

BEA SANCHEZ, a

states:

I

the attached questions together with the answers

That she has

submitted to the qu

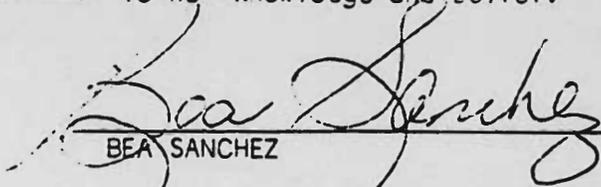
II

is aware of the facts contained in the answers

That insofar as

correct to her knowledge and belief.

provided, the answer

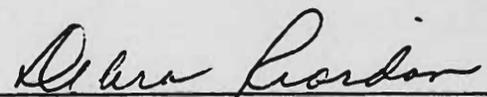


BEA SANCHEZ

III TO before me this 21st day of September,

SUBSCRIBED AND

1982.



Notary Public

My Commission Expires

10-8-83

(6)

83040432030

AFFIDAVIT

STATE OF NEW MEXICO

COUNTY OF BERNALILLO

first duly sworn upon her oath, deposes and

BEA SANCHEZ, I

states:

I have read the attached questions together with the answers

That she has

submitted to the questions

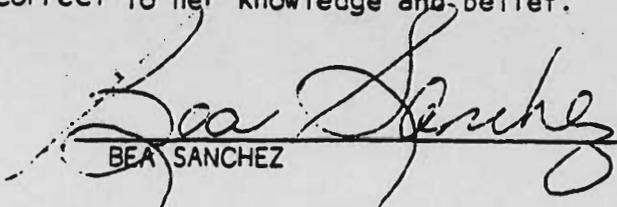
II

is aware of the facts contained in the answers

That insofar as

provided, the answers

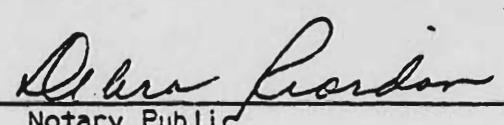
are correct to her knowledge and belief.


BEA SANCHEZ

Subscribed and sworn to before me this 21st day of September,

SUBSCRIBED AND

1982.


Notary Public

My Commission Expires

10-8-83

6

83040432032



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Richard M. Daly, Esquire
Sutin, Thayer and Browne
215 Washington Avenue
P.O. Box 2187
Santa Fe, New Mexico 87504

RE: MUR 1454

Dear Mr. Daly:

On June 22, 1982, the Commission found reason to believe that Solar America, Inc., violated 2 U.S.C. §§ 441b and 441c of the Federal Election Campaign Act of 1971, as amended. At your request, the Commission determined on _____, 1982, to enter into negotiations directed towards reaching conciliation 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 thirty 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 Susan Donaldson, the staff member assigned to this matter, at (202) 523-4057.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreement

8

83040432034

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Solar America, Inc.) MUR 1454

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that Solar America, Inc., a corporation and government contractor ("Respondent"), violated 2 U.S.C. §§ 441b and 441c by contributing the use of corporate facilities to the Carter/Mondale Presidential Committee, Inc. in connection with the 1980 Presidential election.

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 the 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 is a corporation in the State of New Mexico and a government contractor with the Small Business Administration.

2. Ms. Bea Sanchez was employed as a secretary at Solar America, Inc. during 1980. Mr. Ed Romero is President of Solar America, Inc.

3. During April, May and June of 1980, Ms. Sanchez worked approximately 67.5 hours setting up a fundraiser for the Carter/Mondale Presidential Committee, Inc. These hours were worked during normal business hours at the Solar America, Inc. premises; however, Ms. Sanchez made these hours up in overtime. Ms. Sanchez was not compensated for her overtime.

4. During April and May of 1980, Mr. Romero spent approximately six hours on activities relating to the Carter/Mondale Presidential Committee, Inc. fundraiser while at the Solar America, Inc. premises. He was not compensated for his time by the Carter/Mondale Presidential Committee, Inc.

5. The fair market value for use of the Solar America, Inc. facilities for fundraising activities by Ms. Bea Sanchez equals approximately \$122.19.

6. The fair market value for use of the Solar America, Inc. facilities for fundraising activities by Mr. Ed Romero equals approximately \$142.56.

83040432036

V. Respondent consented to the contribution of use of the Solar America, Inc. facilities, which has a fair market value of approximately \$264.75, in violation of 2 U.S.C. § 441b(a) and § 441c(a).

VI. Respondent will pay a civil penalty to the Treasurer of the United States in the amount of One Hundred Dollars (\$100.00), pursuant to 2 U.S.C. § 437g(a) (5) (A).

VII. Respondent will bill the Carter/Mondale Presidential Committee, Inc. for rental of the Solar America, Inc. facilities in the amount of \$264.75. This debt will be pursued in a commercially reasonable manner.

VIII. Respondent agrees that it shall not undertake any activity which is in violation 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 motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

83040432057

(11)

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

Charles N. Steele
General Counsel

Date

BY: _____
Kenneth A. Gross
Associate General Counsel

Date

Solar America, Inc.

BY: _____

ITS: _____

83040432058

12

203794 RECEIVED AT THE FEC
6cc#8903

82 NOV 9 12: 57

STEIN & HURON
1619 NEW HAMPSHIRE AVENUE, N. W.
WASHINGTON, D. C. 20009

DOUGLAS B. HURON *
EILEEN M. STEIN

(202) 797-3660

MARYLAND OFFICE
7504 BYBROOK LANE
CHEVY CHASE, MD. 20015
(301) 657-9220

*ADMITTED IN D. C. ONLY

NOV 9 12: 22

November 4, 1982

Kenneth Gross, Esquire
Associate General Counsel
Federal Election Commission
1325 K Street, NW
Washington, DC 20005

re: MUR 1454

Dear Ken:

On behalf of the Carter/Mondale Presidential Committee, Inc., I am writing to request pre-probable cause conciliation in this matter. We would have no objection if our conciliation agreement were merged with that of the other respondent herein.

Sincerely,

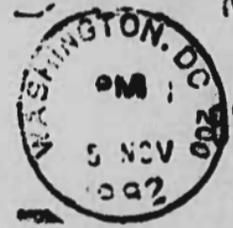
Douglas B Huron, sup.
Douglas B. Huron

83040432059

83040432060

STEIN & HURON
1619 NEW HAMPSHIRE AVENUE, N. W.
WASHINGTON, D. C. 20009

RECEIVED AT THE FEC



2 NOV



Kenneth Gross, Esquire
Associate General Counsel
Federal Election Commission
1325 K Street, NW
Washington, DC 20005

Official

202859

LAW OFFICES OF
SUTIN, THAYER & BROWNE
A PROFESSIONAL CORPORATION

LINDA L. AIKIN
PAUL G. BARDACKE
STEPHEN CHARNAS
RICHARD M. DALY
GAIL GOTTLIEB
ROBERT G. HEYMAN
FRANKLIN JONES
MARY E. McDONALD
KESTER L. OMAN
JANET G. PERELSON
JANE ROBERTSHAW
RAYMOND W. SCHOWERS
SASHA SIEMEL
NORMAN S. THAYER
ROBERT J. WERNER
JOHN W. ZAVITZ

FRED W. ALVAREZ
M. SHARON BLACKWELL
SAUL COHEN
GERARD P. DUMAS
W. PATRICK HARMAN
ALLAN J. HISEY
BRIAN F. LANTER
IRWIN S. MOISE
LAFEL E. OMAN
CHARLES P. PRICE III
DONALD M. SALAZAR
ALISON K. SCHULER
JONATHAN B. SUTIN
TIMOTHY J. VIDAL
BARRY D. WILLIAMS

JOHN A. BANNERMAN
GRAHAM BROWNE
JAMES C. COMPTON, JR.
JACK L. FORTNER
JAY D. HERTZ
DONALD L. JONES
BRIAN T. McCABE
STEVEN K. MOISE
ROBERT PAMPPELL
KEVIN V. REILLY
PHILIP R. SCHICHTEL
RONALD SEGEL
MICHAEL G. SUTIN
RICHARD L. C. VIRTUE
MARIANNE WOODARD

RECEIVED AT THE FEC

600# 8535

82 SEP 27 P 2: 21

SANTA FE OFFICE

215 WASHINGTON AVENUE
POST OFFICE BOX 2167
SANTA FE, NEW MEXICO 87504
505-988-5521

ALBUQUERQUE OFFICE
FIRST PLAZA
POST OFFICE BOX 1945
ALBUQUERQUE, NEW MEXICO 87103
505-842-2200

September 20, 1982

Ms. Susan Donaldson
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

MUR 1454

Dear Ms. Donaldson:

We have been asked by Mr. Ed Romero to represent Solar America, Inc. in the above-referenced matter.

We enclose answers to the "Questions to Ed Romero," recently sent by Kenneth A. Gross, Associate General Counsel, to Mr. Romero.

Solar America, Inc., has authorized us to inform you that it is willing to pursue a possible settlement of this matter through conciliation, in accordance with 11 CFR § 111.18(d).

Very truly yours,

SUTIN, THAYER & BROWNE
A Professional Corporation

By Richard M. Daly
Richard M. Daly

RMD:lar
Enclosure

cc: Douglas Huron, Esq.

83040432051

SEP 27 P 3: 16

ANSWERS TO
QUESTIONS SUBMITTED
TO MR. ED ROMERO

1. As best as can be recalled and reconstructed, a breakdown of the time spent by Ms. Bea Sanchez' on Mrs. Carter's visit to Albuquerque is shown on the chart attached at the end of these answers. Because of the length of time which has passed since Mrs. Carter's visit, Ms. Sanchez cannot recall with precision on which particular day she might have spent a particular number of hours on the fund-raiser. Ms. Sanchez does recall, with some clarity, the nature of the tasks she performed in connection with Mrs. Carter's visit and the fund-raiser. Ms. Sanchez has, therefore, attempted to identify approximately when she performed a specific task or function. To the degree that she can determine when the task or function was performed, she has assigned it to the week in which it was actually performed. To the degree she cannot recall exactly when the task or function was performed, she has assigned it to the week when the task logically would have been performed.

2. See chart for dates and time Bea Sanchez worked on the fund-raiser. As best as Ms. Sanchez can recall, Ms. Sanchez' made up the 60 hours she spent working on the fund-raiser during working hours as follows: 9 hours during the week of April 14; 8 hours during the week of April 21; 7 hours during the week of April 28; 2 hours during the week of May 5; 12 hours during the weekend of May 10 and 11, and 13 hours during the weekend of May 24 and 25; 5 hours during the week of May 26, and 4 hours during the week of June 2.

As is evident, much of Ms. Sanchez' time was made up in advance of Mrs. Carter's visit. Once the fund-raiser was announced and the date set, Ms. Sanchez looked ahead and began working on some of the projects which would, in the normal course, have to be completed during the week immediately preceding the fund-raiser and the week of the fund-raiser. Ms. Sanchez was unable to make up any time during the weekend of May 17 and 18 because she spent that weekend with the Secret Service assisting in the establishment of security arrangements for Mrs. Carter.

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3. As best we can recall, one coordinating meeting was held during each of the weeks of April 21, May 5 and May 12. Each lasted approximately one hour and each was held after business hours.

4. The fair market value for use of Solar America's facilities for one individual for 80 hours (to include use of telephones, photocopier, typewriter, supplies, utilities and office space) has been computed on a basis consistent with the way we calculate overhead rates for our contracts. The figures and percentages used were taken from our 1980 Indirect Rate Audited Figures:

Space costs	\$42,510.77
Supplies	4,378.30
Telephones	10,119.02
Rental & Lease of Equipment	30,243.03
Insurance	5,812.44
Depreciation	3,232.42
Equipment maintenance	<u>1,116.15</u>
Total cost of Factors	
Involved for Fiscal 1980	\$97,412.13

To arrive at a cost per person, we use the identical formula for arriving at overhead costs. The total of the factors involved (\$97,412.13) is divided by total Chargeable salaries for the Fiscal period (\$356,032.77) to obtain a percentage cost to be applied against an individual's personnel cost (Salary plus Fringe Benefit Cost).

$$\$97,412.13 - \$356,032.77 = 27.36\%$$

Bea Sanchez' salary of \$11,250 converts to \$5.41 per hour (\$11,250 - 2080 hours). Our audited fringe benefit rate for Fiscal 1980 was 22.30% of direct salaries. Therefore, the value of the premises for 80 hours of Bea's time is computed as follows:

80 hours x \$5.41 -	\$432.80	salary for 80 hours
Fringe costs @ 22.30%	<u>96.51</u>	
Total Personnel Costs	\$529.31	
529.31 x 27.36% =	\$144.82	Value of Premises for 80 hours of Bea's time

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Since Bea Sanchez spent only approximately 67 1/2 hours working on the fund-raiser on Solar America premises, the fair market value of the premises used for the fund raiser was \$122.19 ($\$144.82 \div 80 \times 67 \frac{1}{2}$).

5. To calculate the value of the premises for meetings, only space costs of \$42,510.77 and insurance of \$5,812.44 were considered as no equipment was utilized for the meetings. Space costs are taken from our audited overhead costs for fiscal 1980 and include rents, utilities, janitorial costs, locks and keys, remodel expense, and any other charges directly allocable to space. Average space for the 1980 fiscal year totaled approximately 4,531 square feet. The meetings were held in our conference room which measures approximately 216 square feet. The value of the space for a one hour meeting is thus calculated below:

$$\begin{aligned} &(\$42,510.77 + \$5,812.44) \div 4531 \text{ sq. ft.} \div 8760 \text{ hours} \\ &\text{per year} = 12\text{¢ per square foot} \times 216 \text{ sq. ft} \\ &= \$25.92. \end{aligned}$$

6. Mr. Ed Romero spent a total of about 12 hours on the fundraiser.

7. Three of these 12 hours were spent at the three coordinating meetings for Carter-Mondale volunteers referred to in question 3. An additional three hours were spent in Mr. Romero's office at Solar America. The remaining six hours were spent outside of Solar America's premises.

8 3 0 4 0 Working Hours Spent 6 Non-Work Hours Spent

<u>Time Period</u>	<u>Functions Performed</u>	<u>On SA Premises</u>	<u>Off SA Premises</u>	<u>On SA Premises</u>	<u>Off SA Premises</u>	<u>Total Hours Spent On Fund-Raiser</u>
Week of 4/14/80	Reserved room & took calls from Washington	1				1
Week of 4/21/80	Coordination Committee meeting, took calls from Washington	2		1		3
Week of 4/28/80	Ordered flowers, sold and delivered tickets, took calls from Washington	2 1/2	1/2			3
Week of 5/5/80	Arranged music, sold & delivered tickets, Co-ordination committee meeting, copy work, banking	6	1	1		8
Week of 5/12/80	Co-ordination committee meeting, sold & delivered tickets, took calls from Washington, copy work, banking	18	1	1		20
Week of 5/19	Sold & delivered tickets, copying, banking, picked up people at airport, coordinated activities at the First Lady's visit to the Hayes home, took phone calls from Washington, reconciled the accounting	20	8	5	7	40
Week of 5/26	Copy work and reconciling accounting and banking			5		5
Week of 6/2	Copy work, reconciling accounting, and banking			5		5
TOTALS		49-1/2	10-1/2	18	7	85

EXHIBIT A
BREAKDOWN OF BEA SANCHEZ' TIME

AFFIDAVIT

STATE OF NEW MEXICO)

SS

COUNTY OF BERNALILLO)

ED L. ROMERO, being first duly sworn upon his oath, deposes and states:

I

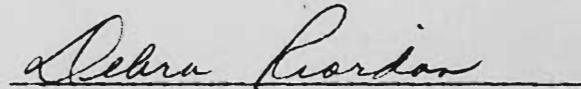
That he has read the attached questions together with the answers submitted to the questions.

II

That insofar as he is aware of the facts contained in the answers provided, the answers are correct to his knowledge and belief.


ED L. ROMERO

SUBSCRIBED AND SWORN to before me this 21st day of September, 1982.


Notary Public

My Commission Expires:

10-8-83

202711

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6cc# 8443
82 SEP 13 10:56

solar ENERGY ALTERNATIVES
america, inc.

12 SEP 13 P 1: 26

OFFICE OF THE
COMPTROLLER

September 9, 1982

Ms. Susan Donaldson
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Ref: MUR 1454

Dear Ms. Donaldson:

Following our conversation of earlier today, I reread the letter we received on September 8 addressed to Mr. Ed Romero. It appears to call for a reply within ten days of receipt. That being the case, we will attempt to live within the time frame given, although it is possible we will require another two days or so.

Thank you for your kind assistance.

Sincerely,

Donald T. Morgan
Donald T. Morgan
Comptroller

83040432069

01304013070



ENERGY ALTERNATIVES

america, inc.

2620 San Mateo N.E.
Albuquerque, N.M. 87110



82 SEP



Ms. Susan Donaldson
Federal Election Commission
General Counsel's Office
1325 K Street, N. W.
Washington, D. C. 20463

100M
6-24-82
8-31-82

FEDERAL ELECTION COMMISSION
O.G.C. Enforcement Section - Routing Slip

TRACK 1

TRACK 2

TRACK

MUR # 1451 Type of Report Book Letter

Staff Dunson

To ___ On ___ From ___ for work by staff member.

To ___ On ___ From ___ for approval of draft by team leader or case supervisor.

To ___ On ___ From ___ for reworking.

To TS On 8/31 From SD for typing.

To TS On 8/24 From SD for approval of draft by AGC.
IN TOM'S ABSENCE

To TS On 8/21 From SD for reworking.

To ___ On ___ From ___ for typing of final.

To ___ On ___ From ___ for approval of final by author.

To TS On 8/31 From SD for approval of final by team leader or case supervisor.

To TS On 8/31 From SD for approval of final by AGC.

To ___ On ___ From ___ for signature of report.

To ___ On ___ From ___ for reworking.

To TS On ___ From ___ for signature of report.

To ___ On ___ From ___ for staff initial of carbon.

To TS On 8/31 From SD for signature of letters.

To ___ On ___ From ___ for mailing by Docket.

To ___ On ___ From ___ for notification of mailing.

COMMENTS (Please date and initial all comments)

This investigation is not complete - 80 hours is a lot of time + can't be squared with other similar cases (Maura has handled all of them). Over what period of time did she do this work. The 80 hrs - what do we know about camera's use of the facilities + the time to spend? How did Sanchez make up the time? - After hours use of

jurisdiction also counts, ~~fact~~
~~that~~ NOT the staff time but
the facility —

— I don't see how this can
be isolated or incidental
use based on the facts we
now have —

Possibly legal issue of

whether 114.9 covers 441c as
well as 441b — I think
yes but will cite 115.3(a)

Thanks

83040432072



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 1, 1982

Mr. Ed Romero, President
Solar America, Inc.
2620 San Mateo, N.E.
Albuquerque, New Mexico 87110

MUR 1454

Dear Mr. Romero:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on June 22, 1982, found reason to believe that your corporation had violated 2 U.S.C. §§ 441b and 441c, provisions of the Federal Election Campaign Act of 1971, as amended, and instituted an investigation of this matter.

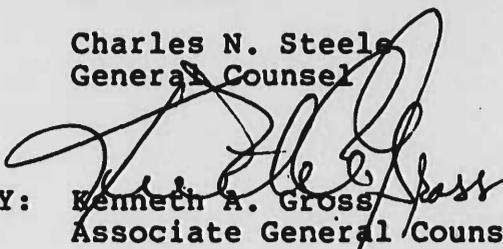
Your response to the Commission, dated July 2, 1982, has been received; however, the Commission wishes you to supply additional information in connection with this matter. Please respond to the attached questions within ten days.

Under 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), this matter will remain confidential unless you notify the Commission in writing that you wish the investigation to be made public.

Should you have any questions, please contact Susan Donaldson at (202) 523-4057.

Sincerely,

Charles N. Steele
General Counsel

BY: 
Kenneth A. Gross
Associate General Counsel

Enclosure

83040432073

QUESTIONS TO ED ROMERO

1. Over what period of time did Bea Sanchez assist in the political fundraiser for the Carter/Mondale Committee? (Starting date - Closing date).
2. Please provide the Commission with a schedule of the dates and hours when Ms. Sanchez worked on the fundraiser; and the dates and hours that overtime was performed to make up for those hours.
3. On what dates were the coordinating meetings for the Carter/Mondale volunteers held at the facilities of Solar America, Inc.?
4. What is the fair market value for the use of your facilities (to include phone and xerox usage, typewriter, paper supplies, utilities and office space) for one individual for 80 hours?
5. What is the fair market value for the use of your facilities (to include utilities and office space) for an hour meeting after regular working hours?
6. How much time did you spend on the coordination of the Carter fundraiser held in Albuquerque?
- 7.. How much of that time was spent at the facilities of Solar America, Inc.?

8304043207



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
FROM: MARJORIE W. EMMONS/JODY C. RANSOM *JCR*
DATE: SEPTEMBER 3, 1982
SUBJECT: MUR 1454 - Comprehensive Investigative
Report #1, signed August 31, 1982;
Received in OCS, 9-1-82, 1:54

The above-named document was circulated to the Commission on a 24 hour no-objection basis at 11:00, September 2, 1982.

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

83040432073

September 1, 1982

MEMORANDUM TO: Marjorie W. Emmons
FROM: Phyllis A. Kayson
SUBJECT: MUR 1454

Please have the attached Comprehensive Investigative Report #1 distributed to the Commission on a 24 hour no-objection basis. Thank you.

Attachment

cc: Donaldson

83040432076

PM
8-31-82

FEDERAL ELECTION COMMISSION
O.G.C. Enforcement Action - Routing Slip

TRACK 1

TRACK 2

TRACK 3

MUR # 1454 Type of Report Comp Oursert Rep

Staff Walden

To ___ On ___ From ___ for work by staff member.

To ___ On ___ From ___ for approval of draft by team leader or case supervisor.

To ___ On ___ From ___ for reworking.

To ___ On ___ From ___ for typing.

To TN On 8-31 From SD for approval of draft by AGC.

To SD On 8/31 From TD for reworking.

To ___ On ___ From ___ for typing of final.

To ___ On ___ From ___ for approval of final by author.

To ___ On ___ From ___ for approval of final by team leader or case supervisor.

To KB On 8/31 From TD for approval of final by AGC.

To ___ On ___ From ___ for signature of report.

To ___ On ___ From ___ for reworking.

To ___ On ___ From ___ for signature of report.

To PA On 8/31 From TKS for staff initial of carbon.

To PA On 8/31 From TKS for signature of letters.

To ___ On ___ From ___ for mailing by Docket.

To ___ On ___ From ___ for notification of mailing.

COMMENTS (Please date and initial all comments)

83040432077

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	
Solar America, Inc.)	MUR 1454
Carter/Mondale Presidential)	
Committee, Inc.)	

82 SEP 1 11:54
 RECEIVED
 OFFICE OF THE
 SECRETARY
 COMMISSION

COMPREHENSIVE INVESTIGATIVE REPORT #1

The Small Business Administration referred this matter to the Commission as a result of information which they discovered during an investigation of Solar America, Inc. ("SA"). Solar America, Inc. is a management and consulting firm located in Albuquerque, New Mexico, and is a government contractor for the SBA. An interview with Bea Sanchez, executive secretary to the President of Solar America in 1980, revealed that she set up a fundraiser for President Carter on company (SA) time and using Solar America's office space and materials for the effort. An interview with Ed L. Romero, President of SA, revealed that he provided office space for political campaign meetings. Based on this information, the Commission, on June 22, 1982, found reason to believe that Solar America, Inc. violated 2 U.S.C. §§ 441b and 441c; and reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441b of of the Federal Election Campaign Act of 1971, as amended. 1/

Solar America, Inc. responded to the Commission's findings in a letter received July 7, 1982. Mr. Romero, President of SA,

1/ The First General Counsel's Report and subsequent certification listed this Respondent as the Carter/Mondale Re-Election Committee, Inc. in error. The correct name is the Carter/Mondale Presidential Committee, Inc.

83040432078

and Bea Sanchez, his former secretary, provided affidavits. Bea Sanchez stated that she assisted Mr. Romero with the Carter fundraiser at various times, including normal working hours; however, she stated that she made up that time for regular corporate time in the evenings and on weekends for which she was not paid. She stated that she spent approximately 80 hours on the fundraiser.

In connection with political meetings held at SA, Mr. Romero stated that there were two or three meetings for volunteers after 6:00 p.m. at SA offices for the specific purpose of coordinating events.

11 C.F.R. § 100.7(a)(3)(i) allows an employee to engage in political activity during a regular work period, provided that the time is made up within a reasonable time. In view of the fact that Ms. Sanchez and Mr. Romero have stated that Ms. Sanchez worked overtime to compensate for time spent on the fundraiser, it does not appear that Ms. Sanchez's salary was a contribution to the Carter/Mondale Presidential Committee, Inc.; however, we will attempt to determine when the 80 hours were worked and when they were made up.

11 C.F.R. § 114.9(a) provides for a corporation to make occasional, isolated or incidental use of the facilities of the corporation for individual volunteer activity in connection with a Federal election. However, it is not clear that Ms. Sanchez and Mr. Romero made occasional, isolated or incidental use of the

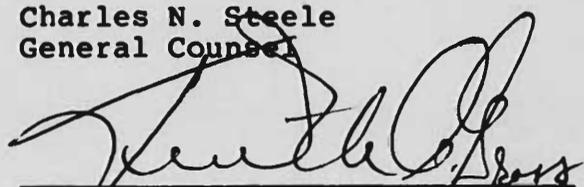
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facilities in connection with the Carter fundraiser. 11 C.F.R. § 114.9(a)(iii) states that "occasional, isolated, or incidental use" generally means any such activity which does not exceed one hour per week or four hours per month. It is necessary to request additional information from Mr. Romero and Ms. Sanchez to determine over what period of time they participated in the fundraising and coordinating activity for the Carter Committee. Upon Solar America's response to this request, a further report will be made to the Commission.

Charles N. Steele
General Counsel

Aug 31, 1982
Date

BY:


Kenneth A. Gross
Associate General Counsel

83040432030

GA # 8129

STEIN & HURON
1619 NEW HAMPSHIRE AVENUE, N.W.
WASHINGTON, D. C. 20009

DOUGLAS B. HURON
EILEEN M. STEIN

JUL 20 P 4: 26
(202) 797-3680

RECEIVED
OFFICE OF THE
SECRETARY
JUL 20 P 3: 33
MARSH AND OFFICE
7504 BAYBROOK LANE
CHEVY CHASE, MD. 20015
(301) 57-9220

July 19, 1982

Honorable Frank P. Reiche
Chairman
Federal Election Commission
Washington, DC 20453

re: MUR 1454

Dear Mr. Chairman:

MUR 1454 suggests that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. 441b by accepting contributions from a New Mexico based corporation called Solar America, Inc. There is no basis for this allegation.

Solar America is headed by Ed Romero, a volunteer fundraiser who helped coordinate a fundraising visit to Albuquerque by Mrs. Carter in May 1980. Apparently Mr. Romero was assisted by Bea Sanchez, an employee of the corporation. Some of Ms. Sanchez' work on the fundraiser occurred during normal business hours, but we are informed that she made up for this by working nights and weekends on corporate business during the period immediately preceding and following the fundraiser. Such activity is expressly permitted by the Commission's regulations. 11 CFR 100.7(a) (3) (i).

We understand that two or three meetings concerning the fundraiser were held after normal business hours at the office of Solar America. No more than a dozen people, all of whom were volunteers, attended these meetings, none of which lasted more than one hour. This is well within the Commission's de minimis exception for activity conducted on corporate premises. See 11 CFR 114.9(a).

Neither Ms. Sanchez' work nor the after hours meetings at Solar America constitute corporate contributions to the Carter/Mondale campaign. Our Committee, moreover, was aware

83040432031

-2-

of neither until we received your letter of June 23, 1982. For these reasons, we request that MUR 1454 be closed.

Sincerely,



Douglas B. Huron

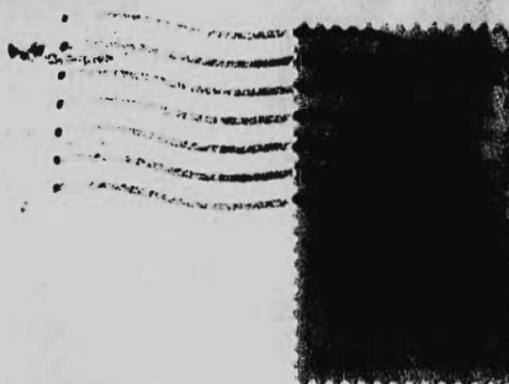
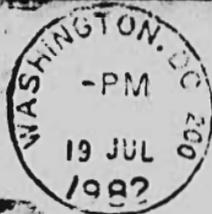
cc: Susan Donaldson, Esq.

83040432001

STEIN & HURON

1619 NEW HAMPSHIRE AVENUE, N. W.

WASHINGTON, D. C. 20009



Honorable Frank P. Reiche
Chairman
Federal Election Commission
Washington, DC 20453

82 JUL 20
11:02 AM
P12:02

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202120
Bcc# 8136

STEIN & HURON
1519 NEW HAMPSHIRE AVENUE, N. W.
WASHINGTON, D. C. 20009

DOUGLAS B. HURON
EILEEN M. STEIN

(202) 797-3680

MARYLAND OFFICE
7504 SYBROOK LANE
CHEVY CHASE, MD. 20015
(301) 657-9220

July 19, 1982

Honorable Frank P. Reiche
Chairman
Federal Election Commission
Washington, DC 20453

re: MUR 1454

JUL 20 P 4: 35

RECEIVED

Dear Mr. Chairman:

MUR 1454 suggests that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. 441b by accepting contributions from a New Mexico based corporation called Solar America, Inc. There is no basis for this allegation.

Solar America is headed by Ed Romero, a volunteer fundraiser who helped coordinate a fundraising visit to Albuquerque by Mrs. Carter in May 1980. Apparently Mr. Romero was assisted by Bea Sanchez, an employee of the corporation. Some of Ms. Sanchez' work on the fundraiser occurred during normal business hours, but we are informed that she made up for this by working nights and weekends on corporate business during the period immediately preceding and following the fundraiser. Such activity is expressly permitted by the Commission's regulations. 11 CFR 100.7(a)(3)(i).

We understand that two or three meetings concerning the fundraiser were held after normal business hours at the office of Solar America. No more than a dozen people, all of whom were volunteers, attended these meetings, none of which lasted more than one hour. This is well within the Commission's de minimis exception for activity conducted on corporate premises. See 11 CFR 114.9(a).

Neither Ms. Sanchez' work nor the after hours meetings at Solar America constitute corporate contributions to the Carter/Mondale campaign. Our Committee, moreover, was aware

83040432034

25 JUL 20 1982

of neither until we received your letter of June 23, 1982. For these reasons, we request that MUR 1454 be closed.

Sincerely,



Douglas B. Huron

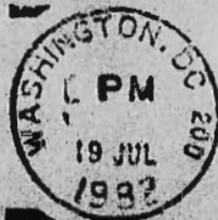
cc: Susan Donaldson, Esq.

83040432035

STEIN & HURON

1619 NEW HAMPSHIRE AVENUE, N. W.

WASHINGTON, D. C. 20009



Susan Donaldson, Esquire
Office of the General Counsel
Federal Election Commission
Washington, DC 20453

83040432006

Gcc# 8071

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

ENERGY ALTERNATIVES

solar
america, inc.

82 JUL 7 P1:32

JUL 7 P3:21

July 2, 1982

Mr. Frank P. Reche
Chairman
Federal Election Commission
Fifth Floor
1325 K Street NW
Washington, D. C. 20463

Ref: MUR 1454

Dear Mr. Reche:

In response to the above-referenced letter dated June 23, 1982, enclosed please find affidavits from myself and Ms. Bea Sanchez, my former secretary, to the effect that at no time during the campaign in question did we violate any federal election laws. To the contrary, throughout the entire campaign I tried to adhere completely to the regulations as I understood them, nor did I knowingly allow any of my employees to operate in violation of the law.

Should you have additional questions, please do not hesitate to contact me. Thank you for your consideration.

Sincerely,



Ed L. Romero
President

Enclosures

83040432087

VIII

That she received only her normal corporate salary with no overtime.

IX

That she was never paid specifically for political work.

X

That she more than made up the aforesaid eighty (80) hours by working overtime without pay.

XI

That she is aware that on two or three occasions there were coordinating meetings at the offices of Solar America, Inc., after 6:00 o'clock P.M., consisting of ten or twelve volunteers, none of which were paid by the Carter-Mondale campaign committee.

XII

That the duration of the above meetings were approximately one hour and were held for the specific purpose of coordinating events.

XIII

That there were no formal political meetings held at the offices of Solar America, Inc.

Bea Sanchez
BEA SANCHEZ

SUBSCRIBED AND SWORN to before me this 1st day of July, 1982.

Cindy A Spates
Notary Public

My Commission Expires:
1-23-83

How much time did she spend performing these duties?

Answer: Approximately eighty (80) hours.

Was she paid for her services?

Answer: No. She received her normal corporate salary with no overtime. She was never paid specifically for political work. Once again, as noted above, she more than made up those eighty (80) hours by working overtime.

If yes, by whom was she paid?

Answer: Not applicable.

Now much was she paid?

Answer: Not applicable.

6. Were political meetings held in your offices at Solar America?

Answer: No, they were not formal political meetings. We did have coordinating meetings after 6:00 o'clock P.M. two or three times on dates which I cannot recall. This group consisted of ten or twelve people and the meetings lasted an average of one hour for the specific purpose of coordinating events. All participants were volunteers. None were paid by the Carter/Mondale campaign.

If yes, please provide dates and a description of these meetings.

Answer: See above.

7. How much money did you contribute to the Carter/Mondale Re-Election Campaign, Inc.?

Answer: My wife and I personally contributed \$1,000.00. There were no corporate contributions.



ED L. ROMERO

8304043207

SUBSCRIBED AND SWORN to before me this 1st day of
July, 1982.

Cindy S. Spates
Notary Public

My Commission Expires:

1-23-83

9 3 0 4 0 4 3 2 9 3

solar ENERGY ALTERNATIVES
america, inc.

2620 San Mateo N.E.
Albuquerque, N.M. 87110

Mr. Frank P. Reche
Chairman
Federal Election Commission
Fifth Floor
1325 K Street NW
Washington, D. C. 20463



62 JUL 7 12:56



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 23, 1982

Douglas B. Huron, Counsel
Carter/Mondale Re-Election Committee, Inc.
1619 New Hampshire Avenue, N.W.
Washington, D.C. 20009

RE: MUR 1454

Dear Mr. Huron:

On June 23, 1982, the Federal Election Commission determined that there is reason to believe that your client, the Carter/Mondale Re-Election Committee, Inc. violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by accepting contributions which includes in-kind services, and anything of value, from Solar America, Inc. 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. Additionally, please submit answers to the enclosed questions within ten days of your receipt of this letter. (Statements should be submitted under oath.)

In the absence of any additional information which demonstrates that no further action should be taken against your client, the Commission may find probable cause to believe that a violation has occurred and proceed with 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.

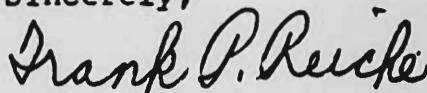
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Letter to Douglas B. Huron
Page 2

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 enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter, at (202) 523-4057.

Sincerely,



Frank P. Reiche
Chairman for the
Federal Election Commission

Enclosures

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

83040432095

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENT The Carter/Mondale Re-
 Election Committee, Inc.

MUR NO. MUR 1454
STAFF MEMBER & TEL. NO.
Susan Donaldson
(202) 523-4057

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

On May 10, 1982, the Commission received an investigative report from the Assistant Inspector General's Office of the Small Business Administration revealing that a government contractor, Solar America, Inc. contributed money to a political committee; provided office space free of charge for political meetings; and allowed one of its employees to set up a political fundraiser for President Jimmy Carter's 1980 campaign during normal business hours in violation of 2 U.S.C. §§ 441b and 441c.

FACTUAL BASIS AND LEGAL ANALYSIS

2 U.S.C. § 441b prohibits any committee from accepting any contribution, which includes in-kind services or anything of value, from a corporation for the purpose of influencing any election. Therefore, the General Counsel recommends that the Commission find reason to believe that the Carter/Mondale Re-Election Committee, Inc. violated 2 U.S.C. § 441b.

RECOMMENDATION

1. Find reason to believe that the Carter/Mondale Re-Election Committee, Inc. violated 2 U.S.C. § 441b.

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Questions to: Douglas B. Huron
Carter/Mondale Re-Election Committee, Inc.

1. Who coordinated President Carter's 1980 re-election campaign in New Mexico?
2. What was the role of Ed L. Romero of Albuquerque, New Mexico in the Carter 1980 re-election campaign?
3. Did Mrs. Carter visit Albuquerque during the 1980 campaign? If yes, please describe dates and details.
4. Was there a fundraiser for President Carter at the time of Mrs. Carter's visit to Albuquerque? If yes, how were contributions raised at this fundraiser? Who accounted for the contributions? Who sold tickets to the fundraiser?
5. What responsibilities did Mr. Romero have in connection with Mrs. Carter's visit? What responsibilities did Bea Sanchez have in connection with Mrs. Carter's visit to Albuquerque?
6. Was Mr. Romero or anyone else paid for services connected with activities or fundraisers held around the time of Mrs. Carter's visit to Albuquerque? If yes, who was paid and in what amount?
7. Were any political meetings held by the Carter/Mondale Committee in the offices of Solar America, Inc.?

83040432097



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 23, 1982

Ed L. Romero, President
Solar America, Inc.
2620 San Mateo, N.E.
Albuquerque, New Mexico 87110

RE: MUR 1454

Dear Mr. Romero:

On June 23, 1982, the Federal Election Commission determined that there is reason to believe that your corporation, Solar America, Inc. violated 2 U.S.C. §§ 441b and 441c, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions or expenditures in connection with an election to political office. 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. Additionally, please submit answers to the enclosed questions within ten days of your receipt of this letter. (Statements should be submitted under oath.)

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.

83040432098

Letter to Ed L. Romero
Page 2

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 enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter, at (202) 523-4057.

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

83040432099

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. MUR 1454
STAFF MEMBER & TEL. NO.
Susan Donaldson
(202) 523-4057.

RESPONDENT Solar America, Inc. -
Ed L. Romero, President

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

On May 10, 1982, the Commission received an investigative report from the Assistant Inspector General's Office of the Small Business Administration revealing that a government contractor, Solar America, Inc., contributed money to a political committee; provided office space free of charge for political meetings; and allowed one of its employees to set up a political fundraiser for President Jimmy Carter's campaign during normal business hours in violation of 2 U.S.C. §§ 441b and 441c.

FACTUAL BASIS AND LEGAL ANALYSIS

2 U.S.C. § 441b prohibits corporations from making contributions or expenditures in connection with any election to any political office. 2 U.S.C. § 441c prohibits a government contractor from making any contribution of money or anything of value to any political party, committee, or candidate for public office. The term "contribution" includes anything of value including in-kind services made by any person for the purpose of influencing any election. Therefore, the General Counsel recommends that the Commission find reason to believe that Solar America, Inc. violated 2 U.S.C. §§ 441b and 441c.

RECOMMENDATION

1. Find reason to believe that Solar America, Inc. violated 2 U.S.C. §§ 441b and 441c.

83040432100

Questions to: Ed L. Romero, President
Solar America, Inc.

1. Please provide a list of contributions made by Solar America, Inc. to federal candidates or committees.
2. What was your role in President Jimmy Carter's re-election campaign?
3. Did you coordinate Mrs. Carter's visit to Albuquerque in 1980? Please provide dates and details.
4. Was there a fundraiser held in Albuquerque during Mrs. Carter's visit? If yes, what were your responsibilities in connection with this fundraiser?
5. Did Bea Sanchez assist you in setting up or planning for any political fundraisers? If yes, what were her duties? When did she perform those duties? How much time did she spend performing these duties? Was she paid for her services? If yes, by whom was she paid? How much was she paid?
6. Were political meetings held in your offices at Solar America? If yes, please provide dates and a description of these meetings.
7. How much money did you contribute to the Carter/Mondale Re-election Campaign, Inc.?

83040432101

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	Pre-MUR 88
Ed L. Romero, President,)	
Solar America, Inc.)	
The Carter/Mondale Re-Election)	
Committee, Inc.)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 22, 1982, the Commission decided by a vote of 5-0 to take the following actions in Pre-MUR 88:

1. Open a MUR.
2. Find Reason to Believe that Solar America, Inc. violated 2 U.S.C. §§ 441b and 441c of the Federal Election Campaign Act of 1971, as amended.
3. Find Reason to Believe that the Carter/Mondale Re-Election Committee, Inc. violated 2 U.S.C. § 441b of the Federal Election Campaign Act of 1971, as amended.
4. Approve the letters with questions as submitted with the First General Counsel's Report dated June 18, 1982.

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

Attest:

6-22-82

Date

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

Received in Office of Commission Secretary:
Circulated on 48 hour tally basis:

6-18-82, 9:52
6-18-82, 2:00

83040432102

June 18, 1982

MEMORANDUM TO: Marjorie W. Emmons
FROM: Phyllis A. Kayson
SUBJECT: Pre MUR 88

Please have the attached First General Counsel's Report distributed to the Commission on a 48 hour tally basis.

Thank you.

Attachment

cc: Donaldson

83040432103

SENSITIVE

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

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

FIRST GENERAL COUNSEL'S REPORT 82 JUN 18 A 9: 52

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION 6/18/82

PRE-MUR 88
STAFF MEMBER
Susan Donaldson

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

RESPONDENT'S NAME: Ed L. Romero, President, Solar America, Inc.
The Carter/Mondale Re-Election Committee,
Inc.

RELEVANT STATUTES: 2 U.S.C. § 441b, 2 U.S.C. § 441c

INTERNAL REPORTS CHECKED: N/A

FEDERAL AGENCIES CHECKED: None

GENERATION OF MATTER

On March 30, 1982, Mr. Tom D'Amico (Office of the Inspector General, Small Business Administration, Dallas, Texas) requested copies of any advisory opinions issued by the Commission dealing with the prohibition against contributions by government contractors, as well as general information on in-kind corporate contributions. He indicated that he was requesting the information in connection with an investigation of an 8(a) (minority) contractor. That information was supplied to Mr. D'Amico in a letter dated March 30, 1982. On May 25, 1982, the Assistant Inspector General for Investigations at the SBA provided a copy of the report of the investigation of Solar America, Inc. with the pertinent attachments for our review.

SUMMARY OF ALLEGATIONS

The subject of the SBA investigation centers around Solar America, Inc., ("SA"), a management and consulting concern for

8304043210

Solar development and research. Ed L. Romero is the President of SA. SA was incorporated in September, 1977, and as a member of the 8(a) program with the SBA since 1979, SA has received contracts totalling approximately 3.1 million.

An interview with Bea Sanchez, executive secretary to Mr. Romero in 1980, revealed that Ms. Sanchez set up a fundraiser during company (SA) time for Mrs. Carter's visit to Albuquerque. She stated that she made calls, collected donations, handled tickets and kept records on the fundraiser, using SA's office and materials for the effort.

An interview with Toni Wolf, personal secretary to Mr. Romero in 1981, revealed that Mr. Romero was in charge of coordinating Mrs. Carter's visit to New Mexico in 1980, and she confirmed that Bea Sanchez set up a fundraiser for Carter on company (SA) time.

An interview with Mr. Romero revealed that Solar America made political contributions to local, state, and federal election campaigns. He also stated that he provided his office for political campaign meetings.

LEGAL ANALYSIS

2 U.S.C. § 441b prohibits a corporation from making a contribution or expenditure in connection with any election to any political office. The term "contribution" includes anything of value made by any person for the purpose of influencing any election. 2 U.S.C. § 441c prohibits a government contractor from making any contribution of money or anything of value to any political party, committee, or candidate for public office.

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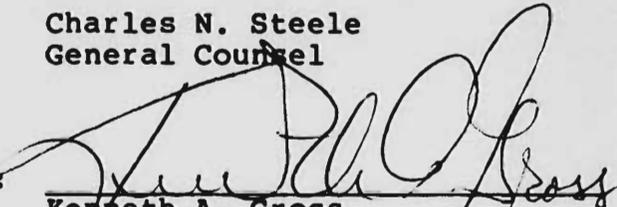
Since Solar America, Inc. is a corporation in New Mexico and also a government contractor for the Small Business Administration, it appears that Solar America, Inc. may have violated 2 U.S.C. §§ 441b and 441c for contributing office space and personnel services in connection with a federal election. There is no prohibition in the Act for accepting contributions from a government contractor, only for knowingly soliciting such contributions. The SBA investigation revealed no evidence that the Carter/Mondale Committee solicited contributions from Solar America, Inc; therefore, the Carter/Mondale Re-election Committee, Inc. should be cited only for a violation of 2 U.S.C. § 441b.

RECOMMENDATIONS

1. Open a MUR.
2. Find reason to believe that Solar America, Inc. violated 2 U.S.C. §§ 441b and 441c of the Federal Election Campaign Act of 1971, as amended.
3. Find reason to believe that the Carter/Mondale Re-Election Committee, Inc. violated 2 U.S.C. § 441b of the Federal Election Campaign Act of 1971, as amended.
4. Approve attached letters with questions.

Charles N. Steele
General Counsel

June 17, 1982
Date

BY: 
Kenneth A. Gross
Associate General Counsel

Attachments

1. Cover letter to D'Amico dated March 30, 1982
2. Letter to Lutz dated May 7, 1982
3. Investigative Report
4. Letters to Respondents with Summary of Reason to Believe Finding

83040432106



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

62-777

2 APR 2 4:05

CONFIDENTIAL

March 30, 1982

Mr. Tom D'Amico
Office of the Inspector General
Small Business Administration
1114 Commerce Street
Room 815
Dallas, Texas 75242

Dear Mr. D'Amico:

This follows up on our telephone conversation of today and your request for any opinions issued by the Federal Election Commission regarding political contributions by government contractors. You also requested information on in-kind services being provided by corporations in connection with a federal election. I understand that this material is needed in connection with an investigation being conducted by your office.

The Commission has issued three advisory opinions dealing with those provisions of the Federal Election Campaign Act of 1971, as amended (2 U.S.C. 441c(a) and 11 C.F.R. 115.1 and 2), dealing with contributions by government contractors. Copies of Advisory Opinions 1975-31, 1975-99 and 1980-37 are enclosed. Your attention is particularly called to Section B of Advisory Opinion 1975-31, where the Commission discussed the treatment of contributions by persons associated with a government contractor. Under the paragraph dealing with corporations, it is indicated that a stockholder, officer or employee of any type of corporation would not be prohibited from making a personal contribution to influence a federal election.

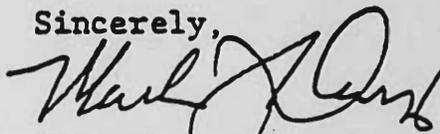
Contributions and expenditures in connection with federal elections made by corporations are generally prohibited by 2 U.S.C. 441b. Pertinent Commission regulations are found at 11 C.F.R. 114.1 and 2. You will note that "contributions and expenditures" are defined to include "anything of value," which the Commission has construed to include the provision of in-kind services (see 2 U.S.C. 100.7(a) (1) (iii) and 100.8(A) (1) (iv)).

83040432107

Should your investigation reveal any information which you believe relates to a potential violation, please bring it to the attention of the Commission by directing it to Charles N. Steele, the Commission's General Counsel. His address is 1325 K Street, N.W., Washington, D.C. 20463. If you have any questions about the enforcement procedures or policies of the Commission, Mr. Kenneth A. Gross, Associate General Counsel, would be the most appropriate person to contact. He may be reached at the above address or by phone at (202) 523-4175.

I trust this information will be of assistance to you.

Sincerely,



Mark J. Davis, Director
Congressional, Legislative
& Intergovernmental Affairs

Enclosures

83040432108

May 7, 1982

Honorable William L. Lutz
United States Attorney
P. O. Box 627
Albuquerque, New Mexico 87103

Attention: Don J. Svet
Assistant United States Attorney

Re: ED L. ROMERO
President
SOLAR AMERICA, INC.
Albuquerque, New Mexico
AD 1-13

Dear Sir:

This office has received a legal opinion from the Federal Election Commission relating to political contributions made by government contractors. A copy of this opinion is enclosed for your review of this office's continuing investigation of Mr. Romero and his company's involvement in making political contributions.

The Commission is of the opinion that "contributions and expenditures" by a corporation are defined to include "anything of value" such as in-kind services and that these types of contributions are generally prohibited by 2 U.S.C. 441b. Our investigation disclosed that Solar America, Inc. provided office space free of charge for political meetings during a national election campaign. Further, a Solar America, Inc. employee was found setting up a political fund raiser for President Jimmy Carter's 1980 campaign in New Mexico during regular company business hours.

Based on the information we have disclosed about Solar America, Inc., and its political contributions, the Commission has requested a copy of our investigative report, which we will be forwarding for their review and determination of other federal violations.

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Should you have any further questions or need additional information, please call me or Mr. Thomas X. D'Amico of my Dallas, Texas staff office at FTS 729-1772. It is a pleasure to cooperate with your office on matters of mutual interest.

Sincerely,

James E. Whipple

Senior Inspector-In-Charge
R. R. Reusche
Assistant Inspector General
for Investigations

Enclosure

cc: Charles N. Steele ✓
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

83040432110



U.S. Small Business Administration
Washington, D.C. 20416

Case # 7819

OFFICE OF THE
INSPECTOR GENERAL

MAY 24 1982

MAY 25 11:52

Mr. Charles N. Steele
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Re: Ed L. Romero
President
SOLAR AMERICA, INC.
Albuquerque, New Mexico
AD 1-13

Dear Mr. Steele:

In response to Mr. Mark J. Davis' letter of March 30, 1982 to this office, we are enclosing a copy of a report of investigation along with pertinent Exhibits on the above captioned subject for your review and possible consideration. A copy of this report has already been sent to the United States Attorney's Office in Albuquerque, New Mexico for consideration of prosecution under 2 U.S.C. 441c.

Results of our investigation indicated possible federal elections violations relating to a government contractor providing free in-kind services such as office space and having a company employee during regular company business hours set up a political fund raiser (Exhibit A).

Our investigation further indicated that Solar America, Inc., over Mr. Romero's signature made a \$500 contribution to the Hispanic Inaugural Committee on January 13, 1981, and a \$2,000 contribution to the New Mexico Democratic Party (Exhibit B).

83040432111

Should you need more information or have any further questions, please call me or Mr. Thomas X. D'Amico of my Dallas, Texas Office at FTS 729-1772. It is a great pleasure to cooperate with your office on matters of mutual interest.

Sincerely,



R. R. Reusche
Assistant Inspector General
for Investigations

Enclosure

cc: United States Attorney's Office
Albuquerque, New Mexico

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U.S. SMALL BUSINESS ADMINISTRATION - FBI

Office of Inspector General

Report of Investigation

Report made by Thomas L. Brennan Investigator	Period Sep. 12, 1980 - June 25, 1981	File No. 409-13
Title EDUARDO L. ROMERO, President, et al SOLAR AMERICA, INC. ALBUQUERQUE, NEW MEXICO		Date

Reference Memorandum to File, dated August 21, 1980, from R. R. Benschke (See Exhibit 2) Memorandum, dated February 5, 1981, from Jack Dalton to the SBA Inspector General (See Exhibit 3)

Investigation was conducted into allegations that unknown person(s) from the Small Business Administration, (SBA), had leaked to the press financial information pertaining to EDUARDO ROMERO, president of/for SOLAR AMERICA, INC., (SA), and that ROMERO had improperly received 8(a) contracts dealing with personnel recruitment in which SA was not known to be performing.

Investigation disclosed that unknown person(s) had anonymously leaked to the press a government document purporting to be a portion of a financial statement belonging to ROMERO and that the SBA Dallas Regional Office awarded SA seven 8(a) personnel recruitment contracts, totalling \$2,381,644.00, without close scrutiny of SA's capabilities as outlined in its business development plan. Investigation further disclosed that ROMERO never advised the SBA of his active involvement with ELR ENTERPRISES, INC. and that he was not considered to be economically disadvantaged for the 8(a) program.

Investigation also disclosed that the SBA Albuquerque District Office turned over contract files and documents to ROMERO after being directed to do so by SBA employee SCOTT DENNISON and that SBA employees ROBERT SALAZAR, ROBERT ORTIZ, THOMAS E. SENGILL, JR. and former SBA employee JOE C. CASTELLANO, JR. had told ROMERO sensitive/privileged information about the style of work and operations of the SBA Albuquerque District Office. Their motive for giving this information to ROMERO was that District Director E. MAINE STAFFER had made numerous derogatory and prejudicial statements against ROMERO and SA.

Property of the Office of Inspector General, SBA. The contents hereof are loaned to you by the Office of Inspector General and are not to be distributed outside the agency to which loaned.

Approved Inspector General	Distribution 1 - Summary (Summary) Public Use Summary, DDC (INFO) 1 - SBA HQ (INFO) 1 - (INFO) Subject File 1 - (INFO)	
	General For Investigation	

ADMINISTRATIVE

Re: EDWARD (ED) L. ROMERO
President
SOLAR AMERICA, INC.
2620 San Mateo, N.E.
Albuquerque, New Mexico

Other Addresses: 3700 Camino Don Diego, N.E. (Residence)
Albuquerque, New Mexico

EDWARD (ED) L. ROMERO has been known to the SBA Albuquerque District Office, Albuquerque, New Mexico, since 1978, when he applied for entry into the SBA 8(a) Program. His firm, SOLAR AMERICA, INC., (SA), primarily operates as a management and consultation concern for solar energy development and research concerns. It was incorporated on September 23, 1977, in New Mexico and has other offices in Washington, D.C. and Austin, Texas. SA was approved for the 8(a) Program on March 16, 1979, and since that time had received eleven 8(a) energy, research, and personnel recruitment contracts, totalling approximately \$3.1 million, from the Department of Energy, the Department of Labor, the Department of Interior, and the Agency for International Development, all on a cost plus basis. SA also received a \$72,718.00 energy research contract with the Department of Health and Human Resources.

ROMERO, himself has an extensive background as a former politician and businessman. He is active in Democratic political activities on both a local and national scale. He once served as the Chairman of the Democratic Party of Bernalillo County, New Mexico and was chosen by PRESIDENT JIMMY CARTER to head up his reelection campaign in New Mexico.

ROMERO is known to be affiliated as an officer and/or stockholder in ELR ENTERPRISES, Inc.; ROMERO-DAVENPORT EMPLOYMENT SERVICES, INC., and JULIAN PADILLA REALTORS, all located at 2620 San Mateo, N.E., Albuquerque, New Mexico. He is also believed to be affiliated with NUC MED, INC., an Albuquerque, New Mexico, firm.

Investigation revealed that unknown person(s) had broken into an SBA employee's desk containing documents on SA and that ROMERO was found to be in possession of two (2) internal SBA documents which were the same documents stored in the SBA employee's desk. Investigation also revealed, that unknown person(s) had possibly tampered with the alarm system of the Albuquerque District Office. The Federal Protective Service (FPS) has assumed primary investigative jurisdiction over this matter and has actively initiated a joint investigation with the SBA Office of the Inspector General.

Investigation also revealed that ROMERO, as a government contractor, had one of his employees during regular company hours set up a fund raiser for PRESIDENT JIMMY CARTER's reelection campaign efforts in New Mexico.

83040432113

BEA SANCHEZ
Legal Assistant
Law Offices of Les Houston
2917 Carlile, N. E.
Albuquerque, New Mexico

SANCHEZ will testify that she use to work for ROMERO as an Executive Secretary from January 30, 1980 to June 6, 1980, and that the reason why she left was because of bad working conditions. She will further state that she worked a lot of overtime and was not paid properly when she terminated. SANCHEZ will also state that SBA employee THOMAS BERGDOLL would visit ROMERO and that ROMERO would sometimes call him; she did not know what they talked about. She will state that she was paid out of funds SA recieved from DOL contracts. She will further state that ROMERO was chosen by PRESIDENT JIMMY CARTER to head up his reelection efforts in New Mexico and that ROMERO had her set up a fund raiser during company (SA) time for MRS. CARTER's visit to Albuquerque. She will further state that her duties consisted of calling the White House, collecting campaign donations, handling fund raiser tickets, and making records on the fund raiser. She will add that she used SA's office and materials for the effort. (Memoranda of Interview - are attached as Exhibit 18).

83040432116

TONI WOLF
17442 East Arizona Avenue
Aurora, Colorado

WOLF will testify that she used to work for ROMERO as his personal secretary for about 3 or 4 months in 1981. She will further testify that ROMERO had lots of trouble with the SBA Albuquerque District Office in getting contracts filed and processed because of the harrassment he received. She will state that she once saw SBA employee THOMAS BERGDOLL in the office of DAVID CHAVEZ, Vice President of SA; she did not know what they discussed. WOLF will further state that ROMERO was heavily involved in politics and was in charge of coordinating FIRST LADY ROSALYN CARTER's visit to New Mexico in 1980. She will also state that SA employee BEA SANCHEZ, on company time helped out on a political fund raiser for PRESIDENT CARTER's reelection campaign and was responsible for collecting money and tickets for the fund raiser. WOLF will also testify that ROMERO had been going to Houston, Texas, as a consultant for ELR ENTERPRISES to conduct some consulting work for the firm of BROWNING & FERRIS. (Memorandum of Interview attached as Exhibit 19).

83040432117

Date: May 28, 1981
From: Thomas X. D'Amico
Investigator, SBA

MEMORANDUM OF INTERVIEW

On this date, TONI WOLF, 17442 East Arizona Avenue, Aurora, Colorado, was contacted at her residence and she related the following information.

She stated that she used to work for ED ROMERO d/b/a SOLAR AMERICA, INC., (SA), as his personal secretary for about three or four months.

She further stated that ROMERO had lots of trouble with the SBA Albuquerque District Office in that there were delays in getting contracts filed and processed. She believed that the SBA would harass ROMERO over such small things.

WOLF revealed that she once saw SBA employee THOMAS BERGDOLL in DAVID CHAVEZ' office one time and did not know what they discussed.

She also revealed that ROMERO was heavily involved in politics and was in charge of coordinating FIRST LAY ROSALYN CARTER's visit to New Mexico in 1980.

According to WOLF, BEA SANCHEZ, an employee of SA (ROMERO's other secretary) on company's time set up a political fund raiser and was responsible for collecting money and tickets for the fund raiser during MRS. CARTER's visit to New Mexico.

WOLF also revealed that ROMERO had been going to Houston, Texas, as a Consultant for ELR ENTERPRISES to conduct some consulting work for firm BROWNING & FERRIS.

83040432118

Date: May 12, 1981
From: Thomas X. D'Amico
Investigator, SBA

MEMORANDUM OF INTERVIEW

On this date, BEA SANCHEZ, Law Office of LES HOUSTON, 2917 Carlile, N.E., Albuquerque, New Mexico, was interviewed at her place of employment and she related the following information. SANCHEZ worked for SOLAR AMERICA, INC. (SA), as an Executive Secretary from January 30, 1980 to June 6, 1980. She left SA's employment because of bad conditions and she did not like her position. She stated that she had put in a lot of overtime and was not properly paid when she terminated.

SANCHEZ could not provide any significant information about SA's relationship with SBA. She did state that TOM BERGDOLL of the SBA Albuquerque Office would visit ED ROMERO, President of SA, and that ROMERO would sometimes call him. She did not know what BERGDOLL and ROMERO would talk about.

She stated that she was paid out of Department of Labor funds from contracts SA received.

83040432119

Date: October 29, 1981
File AD-13

Thomas X. D'Amico
Investigator, SBA

T.X. D'Amico

Report of Interview

The following persons were interviewed at the office of HAROLD B. ALBERT, Attorney at Law, 2620 San Mateo Boulevard, N.E., Albuquerque, New Mexico this date.

ED L. ROMERO, President, SOLAR AMERICA, INC. (SOLAR)
TANNA ROMERO, Secretary/Treasurer, SOLAR

ALBERT, ROMERO's Attorney was also present at the interview along with a court recorder.

ALBERT advised that he was not taking any deposition from the ROMEROS and reporting Investigator, but wanted a court reporter to make a record of the interview with the specific agreement that reporting Investigator would be furnished a copy of the transcript of ED ROMERO's statement.

ROMERO was advised that this interview was purely voluntary on his part and that he did not have to answer any questions. ROMERO stated that he wanted to cooperate fully.

ROMERO confirmed that he had practically self-marketed a \$500,000 Department of Energy (DOE) energy research and conservation contract approximately 6 months ago. The Minority Contracts Branch of DOE had made SOLAR aware of the contract since DOE already had SOLAR's capabilities statements. DOE Contracts Officer CRAIG FRAME was one of the DOE people ROMERO had dealt with on the contract, which was set aside for the 8(a) program.

According to ROMERO, DOE accepted SOLAR as the 8(a) contractor. SBA Central Office was advised of such by DOE and the requirement was eventually sent down to Albuquerque District Office and the Dallas Regional Office.

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When the requirement was received by the Dallas Regional Office, Albuquerque District Office employee GREG DEVEJIAN happened to be in Dallas and was given the requirements for contract assignment number and approval. DEVEJIAN had carried the requirements back to Albuquerque. DEVEJIAN later went to SOLAR to ask a series of questions about SOLAR's ability to perform. ROMERO thought the questions were fair and honest.

DEVEJIAN's report was then sent to E. MAINE SHAFER, Albuquerque District Office, District Director, who refused to assign a contract number. The requirement was in the Albuquerque District Office for 10 days.

It was ROMERO's understanding that SHAFER refused to assign a contract number because ROMERO was under investigation by the SBA Office of Inspector General (OIG) and that ROMERO had not complied with SBA rules and regulations.

Prior to the award of this contract, ROMERO suspected that SHAFER and the Dallas Regional Office would prevent him from getting the contract because of the OIG investigation and the fact the Albuquerque District Office and the Dallas Regional Office had a lack of enthusiasm to support 8(a) contractors.

ROMERO then in April 1981, decided to try and get a meeting with SBA ADMINISTRATOR MICHAEL CARDENAS to discuss the problems he was having with the District and Regional Offices. During the week April 6 through 8, 1981, ROMERO went to Washington, D.C. to attempt to see the ADMINISTRATOR, but was not able to get an appointment. He was able to visit with Advocacy Officer BOB CLAIRMONT, who gave him some hand out literature and listened to ROMERO's complaints. ROMERO added that he also visited Assistant Inspector General for Investigations RAY REUSCHE who advised that SOLAR's investigation was still underway.

On May 5, 1981, ROMERO called CLAIRMONT again to see if he and ROMERO could have breakfast together which they did, and CLAIRMONT only talked about his job.

In July 1981, ROMERO again met with CLAIRMONT who recommended that ROMERO meet with and discuss his problems with JOE GARCIA a special assistant to the ADMINISTRATOR. ROMERO agreed and met with GARCIA, who heard out his problems. GARCIA then introduced ROMERO to DAVID GONZALES another special assistant to the ADMINISTRATOR. ROMERO again advised that GARCIA and GONZALES only heard him out.

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ROMERO was then directed to see JOSEPH LUNA in the Minority Small Business Division (MSB) of SBA Central Office. LUNA heard out ROMERO's problems and agreed that SBA Region VI had horrendous problems.

On August 25, 1981, ROMERO again met with LUNA and complained that SHAFER and Acting Regional Administrator JIM REED were obstructing ROMERO's DOE contract and 8(a) certification. LUNA then suggested that ROMERO meet with DICK PHILBIN and DIANE PHARR of Central Office MSB. ROMERO met with them who agreed that they were fully aware of ROMERO's problems.

PHILBIN and PHARR recommended to ROMERO that he patch up his difference with SHAFER. ROMERO responded that he had tried numerous times and that SHAFER refused to meet with him and settle their differences.

ROMERO added, as a side light to this, that in the summer of 1981, he was invited to a party ANNA MUELLER of the NATIONAL ECONOMIC DEVELOPMENT ASSOCIATION, was having in Albuquerque on behalf of HECTOR RIVIERA. It was at this party where ROMERO had noticed that SHAFER was invited. ROMERO revealed that SHAFER was heavily drinking alcoholic beverages and had walked up to ROMERO and said that ROMERO was going to be in a lot of trouble.

ROMERO then digressed back and related that SOLAR was eventually designated as the 8(a) contractor for the DOE contract by SBA Central Office. On September 24, 1981, ROMERO attempted to see the ADMINISTRATOR and Special Assistant DON TEMPLEMAN, but was not able to because of them not being available. ROMERO then went to see GARCIA, who advised him that it was not his department to award the contract and told ROMERO to see CARL ELLISON, Deputy Administrator for MSB.

According to ROMERO, ELLISON agreed to sign the contract which was done on September 30, 1981. ROMERO reported that SOLAR has already performed on the contract. SOLAR will initially get \$224,000 and by the end of the fiscal year, another \$250,000 will be paid to SOLAR.

ROMERO denied that he, his wife, or any other member (distant or close) of their family were related to the ADMINISTRATOR, GARCIA, GONZALES, and LUNA. He admitted knowing GARCIA when GARCIA was a child and last saw GARCIA in 1952. He further stated that he was not in any way closely associated by friendship with the above SBA officials.

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ROMERO denied that SOLAR's Austin, Texas, Vice President, RAMIREZ's wife, BLANDINA CARDENAS RAMIREZ, and ANDY RAMIREZ, were in any way related to the above SBA officials..

ROMERO stated that none of his family and relatives were ever employed by the federal government.

ROMERO denied that the ADMINISTRATOR had stayed overnight at RAMIREZ's residence or any SOLAR apartment in Austin, Texas.

ROMERO advised that the reason why he dropped CPA ROBERT MARQUEZ was because MARQUEZ travelled extensively and was never available. He obtained the accounting services of SABINO OLIVAS, partner, FOX & COMPANY, INC., (FOX & CO.) because OLIVAS had been a long time friend of his. ROMERO also wanted OLIVAS because OLIVAS was a good CPA. ROMERO began using FOX & CO. in September or October 1980.

ROMERO denied that he obtained FOX & CO. knowing that the ADMINISTRATOR had been appointed from that firm and would look after SOLAR. ROMERO thought at the time he obtained FOX & CO. that PRESIDENT JIMMY CARTER would be re-elected.

ROMERO confirmed that he did in fact receive a copy of the ADMINISTRATOR's resume. He received it from an unknown person from the LATIN AMERICAN MANUFACTURERS ASSOCIATION in Washington, D. C. ROMERO stated that he wanted the resume because he was curious about CARDENAS' background. ROMERO also revealed that OLIVAS had given him a FOX & CO. newsletter announcing CARDENAS' appointment.

ROMERO was asked about other companies he was affiliated with and he stated that he was an active partner in AL-RO and PROFESSIONAL DEVELOPERS. (AL-RO was set up to obtain credit and a bank loan.) ROMERO advised that ELR ENTERPRISES, INC., one of his first companies, was phased out.

ROMERO also reported that he held stock in the following other companies:

1. NUC-MED, INC.
2. CENTURY OIL & GAS CORPORATION
3. EMC ENERGIES, INC.
4. ELSBURG GOLD MINING COMPANY LIMITED
5. PROFESSIONAL DEVELOPERS, INC.
6. INTERNATIONAL MONETARY CORPORATION
7. MEGA CORPORATION

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When questioned about political contributions, ROMERO admitted that he personally made numerous political contributions all the way from local politicians to the President of the United States for the last 20 years. He further admitted that SOLAR made some political contributions to local, state and federal election campaigns. ROMERO recalled making a \$1,000 contribution to the DEMOCRATIC NATIONAL CONVENTION.

ROMERO further admitted that few SOLAR employees were involved in the 1980 re-election effort for PRESIDENT CARTER during after hours. ROMERO even provided his office for political campaign meetings.

ROMERO also admitted that he was on PRESIDENT CARTER's re-election finance committee in 1980. He claimed he did not request favors in return for his re-election work and contributions.

ROMERO denied that he requested former SBA Advocacy Officer MICHAEL KRAFT, the brother of TIM KRAFT (One of PRESIDENT CARTER's staff members), to help him get SBA contracts.

ROMERO later provided reporting Investigator access to most of SOLAR's financial books and records for calendar years 1980 and 1981.

DONALD MORGAN, SOLAR's Comptroller, and ROMERO advised that all of SOLAR's money from all government contracts was deposited at the FIRST NATIONAL BANK OF ALBUQUERQUE and that this money was used to pay wages, expenses, entertainment, and political contributions.

A review of these records disclosed that \$5,375 of SOLAR Company money was used for local, state, and federal campaign/re-election contributions.

Further review determined that PROFESSIONAL DEVELOPERS, INC. owns the building where SOLAR, ELR ENTERPRISES, INC. ROMERO-DAVENPORT EMPLOYMENT SERVICES, JULIAN PADILLA REALTORS, HAROLD ALBERT, HACENDA HOMES, and ALBUQUERQUE CAREER INSTITUTE are located. ELR ENTERPRISES, INC., rents office space from PROFESSIONAL DEVELOPERS, INC. and sublets its office space to SOLAR.

ROMERO promised to send copies of cancelled checks on his personal political contributions, rent payments to PROFESSIONAL DEVELOPERS, INC. by ELR ENTERPRISES and SOLAR, and billings for SOLAR's Department of Labor (DOL) minority recruitment contracted as well as SOLAR's DOL contract completion records. He also agreed to send copies of his entertainment expenses and cancelled checks.

DEMOCRATIC PARTY OF THE STATE OF NEW MEXICO

March 11, 1981

SOLAR AMERICA, INC.

Mr. Ed Romero
2620 San Mateo, NE
Albuquerque, NM 87109

MAR 12 1981

DATE RECEIVED

Dear Ed:

Late in October, prior to the election, the Democratic Party asked you to financially assist us. We knew we were in trouble due to the vast amounts of monies that were being spent by the Republican Party. It may be hard to visualize after the Reagan landslide, but those election day dollars meant a great deal to state and local candidates. Many Democratic officials might not have made it without that assistance.

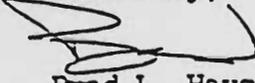
The Democratic Party got a message in November to "get back in touch with the voters." We are taking several steps to implement this realization and begin to aggressively approach the 1982 elections.

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One of our problems is that we are in debt. We are approximately \$40,000 in debt to various vendors and one bank note. In addition to that, we owe \$32,000 to individuals who loaned the Party \$2,000 such as yourself. As you will remember, each person was to be reimbursed as they sold tickets to the Bentson Dinner. Many of the individuals sold their entire \$2,000 worth of tickets. Of \$52,000 loaned, \$19,300 was reimbursed. We committed to try fundraising events in the future to attempt to reduce any remaining debt. Frankly, that will not be easy in today's fundraising climate with money having to be raised for minimal Party operations. Several of the individuals who loaned the \$2,000 have expressed a desire to contribute the remainder of their loan. We have, of course, gratefully accepted. We need to know what your expectation will be of the balance of your obligation to you. We show that balance to be \$2,000.00.

Please let me know as soon as you can. We are trying to put the Party in a financial position to move forward.

Sincerely,


Brad L. Hays
State Chairman
Democratic Party of New Mexico

ELH:vw

Edward L. Romero

3700 CAMINO DON DIEGO N.E. • ALBUQUERQUE, NEW MEXICO 87111

March 12, 1981

Mr. Brad L. Hays, State Chairman
Democratic Party of the State of New Mexico
4155 Montgomery, NE
Albuquerque, New Mexico 87109

Dear Brad:

In response to your letter of March 11, this is to advise that I would like to contribute the \$2,000 loaned to the party during the recent campaign. This letter constitutes my authorization to report the debt as fully discharged.

Sincerely,

Ed L. Romero

ELR:tw

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Record of interview of Mr. Thomas X. D'Amico, Small Business Administration, and Mr. Ed Romero, President, Solar America, Inc.

Taken at the office of Harold B. Albert, Attorney at Law, 2620 San Mateo Boulevard, Northeast, Albuquerque, New Mexico, at the hour of seven thirty o'clock in the forenoon.

Also present were Mr. Harold B. Albert, counsel for Mr. Romero, and Mrs. Tanna Romero, Secretary-Treasurer, Solar America, Inc.

* * * *

MR. ALBERT: As we start, so that there is no misunderstanding, we have the court reporter and we've agreed that the court reporter will transcribe this as just a memorandum of --

MR. D'AMICO: Memorandum of record.

MR. ALBERT: -- of the interview this morning.

MR. D'AMICO: Okay, and then a copy would be made available to me?

MR. ALBERT: Yeah, if we purchase a copy, I presume that you'll purchase a copy.

MR. D'AMICO: I'll purchase a copy.

MR. ALBERT: And I want you to know, on the record,

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MR. D'AMICO: The next questions are going to be kind of sensitive, and -- what personal political contributions have you made?

MR. ROMERO: Oh, those aren't sensitive at all. I've made so many, Tom, that -- I can't mention them. I made them all the way from the president to people running for the school board, you know.

MR. D'AMICO: Okay.

MR. ROMERO: I mean, really --

MR. D'AMICO: At various stages of government; state, local, and federal?

MR. ROMERO: Sure. I've done that for twenty years, you know.

MR. D'AMICO: How about your companies, Solar America, E.L.R.? Have they made any political contributions?

MR. ROMERO: Yeah, they made a couple, yeah. Right.

MR. D'AMICO: Do you have any record of that? Would I be able --

MR. ROMERO: Well, if I don't, the C.P.A. does, or the controller does, I'm sure.

MR. D'AMICO: I'd like to look at those, if I could.

MR. ROMERO: Sure.

MR. D'AMICO: I understand that you were chosen by

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President Carter to head up his re-election campaign efforts here in New Mexico.

MR. ROMERO: No. It's not true.

MR. D'AMICO: Okay.

MR. ROMERO: Yeah.

MR. D'AMICO: Who was chosen for that, then?

MR. ROMERO: Let's see. Who -- his campaign chairman was Alan Reed.

MR. D'AMICO: Alan Reed?

MR. ROMERO: Uh-huh.

MR. D'AMICO: Did you have any -- did you have any input into the campaign efforts here?

MR. ROMERO: Yes.

MR. D'AMICO: What was your role?

MR. ROMERO: Well, just, you know -- just campaigning for the guy, raising money for the president, just all the normal things that you do in political campaigns.

MR. D'AMICO: What about Solar America? Did any of the employees or the company participate in the effort?

MR. ROMERO: Yeah. But either after hours or coming in late, yeah, very, very little. My employees participated, usually, on their own, and when they wanted to, or they'd come and volunteer, but also on their own time,

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and also a lot of them work late

MR. D'AMICO: Well, did the company provide like an office space or --

MR. ROMERO: No.

MR. D'AMICO: -- anything of this nature?

MR. ROMERO: No. No. Huh-uh. I used to have meetings in my office, okay? But after hours, also, you know. And during -- well, candidates would come to visit me during the day, too, you know, various candidates, state --

MR. D'AMICO: So would those be reflected in your personal income tax returns, political contributions --

MR. ROMERO: No, and I'll tell you why. Because we're only permitted to deduct a hundred dollars, and I took the deduction of a hundred dollars, you know, whatever you're permitted. But I made some contributions that -- over a hundred -- you know, my contributions probably ran -- over -- anywhere from ten dollars on up to -- I think to the president I contributed a thousand dollars to his campaign, or to the D.N.C., not actually the president; for the D.N.C.

MR. D'AMICO: Well, how many of your company employees participated?

MR. ROMERO: Very, very few.

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MR. AMICO: .Very few? About one or two, maybe?

MR. ALBERT: Do you know what they did on their own?

MR. ROMERO: No, I don't know what they did on their own. All of them had their own favorite candidates. But -- very few people -- you know.

MR. D'AMICO: What relatives -- do you have any relatives there, you, yourself, that work for the federal government?

MR. ROMERO: I have so many.

MR. ALBERT: Her dad.

MR. ROMERO: Well, her father used to work for Sandia Base as a custodian.

MR. D'AMICO: I'm talking -- well, like sons, daughters, cousins --

MR. ROMERO: Oh, no.

MR. D'AMICO: -- aunts, uncles.

MR. ROMERO: I have so many relatives, Tom. Let me tell you. I have -- but none of them work for the federal government.

MR. D'AMICO: That's all I'd like to ask of you.

MR. ROMERO: Okay.

MR. D'AMICO: And if I could look at your stock portfolio and if I could --

REPORTER'S CERTIFICATE

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I, CHERYL BRUCE, a Certified Shorthand Reporter,
DO HEREBY CERTIFY that I reported the foregoing interview
in stenographic shorthand and transcribed, or had the same
transcribed under my supervision and direction, the
foregoing interview and that the same is a true and correct
record of the proceedings at that time and place.

WITNESS MY HAND this 2nd day of November, 1981.

Cheryl Bruce
Certified Shorthand Reporter

HOWARD W. HENRY & COMPANY
General Court Reporting Service
1300 Central Avenue, S.W.
ALBUQUERQUE, NEW MEXICO 87102
Phone 247-2224

83040432132



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Ed L. Romero, President
Solar America, Inc.
Albuquerque, New Mexico

RE: PRE-MUR 88

Dear Mr. Romero:

On , 1982, the Federal Election Commission determined that there is reason to believe that your corporation, Solar America, Inc. violated 2 U.S.C. §§ 441b and 441c, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions or expenditures in connection with an election to political office. 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. Additionally, please submit answers to the enclosed questions within ten days of your receipt of this letter. (Statements should be submitted under oath.)

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.

830432133

Letter to Ed L. Romero
Page 2

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 enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter, at (202) 523-4057.

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

RESPONDENT Solar America, Inc. -
Ed L. Romero, President

MUR NO. Pre-MUR 88
STAFF MEMBER & TEL. NO.
Susan Donaldson
(202) 523-4057.

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

On May 10, 1982, the Commission received an investigative report from the Assistant Inspector General's Office of the Small Business Administration revealing that a government contractor, Solar America, Inc., contributed money to a political committee; provided office space free of charge for political meetings; and allowed one of its employees to set up a political fundraiser for President Jimmy Carter's campaign during normal business hours in violation of 2 U.S.C. §§ 441b and 441c.

FACTUAL BASIS AND LEGAL ANALYSIS

2 U.S.C. § 441b prohibits corporations from making contributions or expenditures in connection with any election to any political office. 2 U.S.C. § 441c prohibits a government contractor from making any contribution of money or anything of value to any political party, committee, or candidate for public office. The term "contribution" includes anything of value including in-kind services made by any person for the purpose of influencing any election. Therefore, the General Counsel recommends that the Commission find reason to believe that Solar America, Inc. violated 2 U.S.C. §§ 441b and 441c.

RECOMMENDATION

1. Find reason to believe that Solar America, Inc. violated 2 U.S.C. §§ 441b and 441c.

83040432155

Questions to: Ed L. Romero, President
Solar America, Inc.

1. Please provide a list of contributions made by Solar America, Inc. to federal candidates or committees.
2. What was your role in President Jimmy Carter's re-election campaign?
3. Did you coordinate Mrs. Carter's visit to Albuquerque in 1980? Please provide dates and details.
4. Was there a fundraiser held in Albuquerque during Mrs. Carter's visit? If yes, what were your responsibilities in connection with this fundraiser?
5. Did Bea Sanchez assist you in setting up or planning for any political fundraisers? If yes, what were her duties? When did she perform those duties? How much time did she spend performing these duties? Was she paid for her services? If yes, by whom was she paid? How much was she paid?
6. Were political meetings held in your offices at Solar America? If yes, please provide dates and a description of these meetings.
7. How much money did you contribute to the Carter/Mondale Re-election Campaign, Inc.?

33040432136



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Douglas B. Huron, Counsel
Carter/Mondale Re-Election Committee, Inc.
1619 New Hampshire Avenue, N.W.
Washington, D.C. 20009

RE: PRE-MUR 88

Dear Mr. Huron:

On , 1982, the Federal Election Commission determined that there is reason to believe that your client, the Carter/Mondale Re-Election Committee, Inc. violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by accepting contributions which includes in-kind services, and anything of value, from Solar America, Inc. 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. Additionally, please submit answers to the enclosed questions within ten days of your receipt of this letter. (Statements should be submitted under oath.)

In the absence of any additional information which demonstrates that no further action should be taken against your client, the Commission may find probable cause to believe that a violation has occurred and proceed with 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.

83040432137

Letter to Douglas B. Huron
Page 2

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 enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter, at (202) 523-4057.

Sincerely,

Enclosures

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

83040432138

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENT The Carter/Mondale Re-
 Election Committee, Inc.

MUR NO. Pre-MUR 88
STAFF MEMBER & TEL. NO.
Susan Donaldson
(202) 523-4057

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

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On May 10, 1982, the Commission received an investigative report from the Assistant Inspector General's Office of the Small Business Administration revealing that a government contractor, Solar America, Inc. contributed money to a political committee; provided office space free of charge for political meetings; and allowed one of its employees to set up a political fundraiser for President Jimmy Carter's 1980 campaign during normal business hours in violation of 2 U.S.C. §§ 441b and 441c.

FACTUAL BASIS AND LEGAL ANALYSIS

2 U.S.C. § 441b prohibits any committee from accepting any contribution, which includes in-kind services or anything of value, from a corporation for the purpose of influencing any election. Therefore, the General Counsel recommends that the Commission find reason to believe that the Carter/Mondale Re-Election Committee, Inc. violated 2 U.S.C. § 441b.

RECOMMENDATION

1. Find reason to believe that the Carter/Mondale Re-Election Committee, Inc. violated 2 U.S.C. § 441b.

Questions to: Douglas B. Huron
Carter/Mondale Re-Election Committee, Inc.

1. Who coordinated President Carter's 1980 re-election campaign in New Mexico?
2. What was the role of Ed L. Romero of Albuquerque, New Mexico in the Carter 1980 re-election campaign?
3. Did Mrs. Carter visit Albuquerque during the 1980 campaign? If yes, please describe dates and details.
4. Was there a fundraiser for President Carter at the time of Mrs. Carter's visit to Albuquerque? If yes, how were contributions raised at this fundraiser? Who accounted for the contributions? Who sold tickets to the fundraiser?
5. What responsibilities did Mr. Romero have in connection with Mrs. Carter's visit? What responsibilities did Bea Sanchez have in connection with Mrs. Carter's visit to Albuquerque?
6. Was Mr. Romero or anyone else paid for services connected with activities or fundraisers held around the time of Mrs. Carter's visit to Albuquerque? If yes, who was paid and in what amount?
7. Were any political meetings held by the Carter/Mondale Committee in the offices of Solar America, Inc.?

83040432140

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FEDERAL ELECTION COMMISSION
O.G.C. Enforcement Action - Routing Slip

TRACK 1

TRACK 2

TRACK 3

MUR # MS4 Type of Report Letter

Staff Donaldson

To ___ On ___ From ___ for work by staff member.

To ___ On ___ From ___ for approval of draft by team leader or case supervisor.

To ___ On ___ From ___ for reworking.

To TS On 11-16 From SD for typing.

To TW On 11-16 From SD for approval of draft by AGC.

To [initials] On 11-16 From [initials] for reworking. *the confidentiality provision of our*

To ___ On ___ From ___ for typing of final.

To ___ On ___ From ___ for approval of final by author.

To TW On 11-19 From SD for approval of final by team leader or case supervisor.

To [initials] On 11-16 From [initials] for approval of final by AGC.

To ___ On ___ From ___ for signature of report.

To ___ On ___ From ___ for reworking.

To ___ On ___ From ___ for signature of report.

To [initials] On ___ From [initials] for staff initial of carbon.

To [initials] On 11-16 From [initials] for signature of letters.

To ___ On ___ From ___ for mailing by Docket.

To ___ On ___ From ___ for notification of mailing.

COMMENTS (Please date and initial all comments)

83040432111



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 19, 1982

CONFIDENTIAL

Mr. R.R. Reusche
Assistant Inspector General for
Investigations
Small Business Administration
1441 L Street, N.W.
Washington, D.C. 20416

RE: MUR 1454

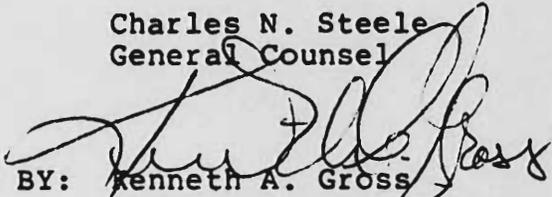
Dear Mr. Reusche:

In accordance with a request from Mr. Tom D'Amico of the Dallas office of the Small Business Administration, this letter acknowledges that the Federal Election Commission is currently reviewing the matter concerning Solar America, Inc. which your office referred to the Commission in June, 1982.

Please note that this matter must remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A). You will be notified as soon as the Commission takes final action on your complaint.

Sincerely,

Charles N. Steele
General Counsel

BY: 
Kenneth A. Gross
Associate General Counsel

83040432142



U.S. Small Business Administration
Washington, D.C. 20416

CocA 7819

MAY 24 1982

OFFICE OF THE
INSPECTOR GENERAL

MAY 25 P 1:52

Mr. Charles N. Steele
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Re: Ed L. Romero
President
SOLAR AMERICA, INC.
Albuquerque, New Mexico
AD 1-13

Dear Mr. Steele:

In response to Mr. Mark J. Davis' letter of March 30, 1982 to this office, we are enclosing a copy of a report of investigation along with pertinent Exhibits on the above captioned subject for your review and possible consideration. A copy of this report has already been sent to the United States Attorney's Office in Albuquerque, New Mexico for consideration of prosecution under 2 U.S.C. 441c.

Results of our investigation indicated possible federal elections violations relating to a government contractor providing free in-kind services such as office space and having a company employee during regular company business hours set up a political fund raiser (Exhibit A).

Our investigation further indicated that Solar America, Inc., over Mr. Romero's signature made a \$500 contribution to the Hispanic Inaugural Committee on January 13, 1981, and a \$2,000 contribution to the New Mexico Democratic Party (Exhibit B).

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Should you need more information or have any further questions, please call me or Mr. Thomas X. D'Amico of my Dallas, Texas Office at FTS 729-1772. It is a great pleasure to cooperate with your office on matters of mutual interest.

Sincerely,



R. R. Reusche
Assistant Inspector General
for Investigations

Enclosure

cc: United States Attorney's Office
Albuquerque, New Mexico

83040432144

U.S. SMALL BUSINESS ADMINISTRATION
Office of Inspector General
Report of Investigation

Report made by: Thomas X. D'Amico Investigator	Period Mar. 13, 1981-June 25, 1981	File Nr. AD1-13
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Title EDWARD L. ROMERO, President, et al SOLAR AMERICA, INC. ALBUQUERQUE, NEW MEXICO	Date
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Reference Memorandum to File, dated August 21, 1980, from R. R. Reusche (See Exhibit 23) Memorandum, dated February 5, 1981, from Jack Dalton to the SBA Inspector General (See Exhibit 3)

Brief

Investigation was conducted into allegations that unknown person(s) from the Small Business Administration, (SBA), had leaked to the Press financial information pertaining to EDWARD ROMERO, president d/b/a SOLAR AMERICA, INC., (SA), and that ROMERO had improperly received 8(a) contracts dealing with personnel recruitment in which SA was not known to be performing.

Investigation disclosed that unknown person(s) had anonymously leaked to the press a government document purporting to be a portion of a financial statement belonging to ROMERO and that the SBA Dallas Regional Office awarded SA seven 8(a) personnel recruitment contracts, totalling \$2,381,644.00, without close scrutiny of SA's capabilities as outlined in its business development plan. Investigation further disclosed that ROMERO never advised the SBA of his active involvement with ELR ENTERPRISES, INC. and that he was not considered to be economically disadvantaged for the 8(a) program.

Investigation also disclosed that the SBA Albuquerque District Office turned over contract files and documents to ROMERO after being directed to do so by SBA employee SCOTT DENNISTON and that SBA employees ROBERT SALAZAR, ROBERT ORTIZ, THOMAS E. BERGDOLL, JR. and former SBA employee JOE C. CASTELLANO, JR. had told ROMERO sensitive/privileged information about the style of work and operations of the SBA Albuquerque District Office. Their motive for giving this information to ROMERO was that District Director E. MAINE SHAFER had made numerous derogatory and prejudicial statements against ROMERO and SA.

Property of the Office of Inspector General, SBA. This report and its contents are loaned by the OFFICE OF INSPECTOR GENERAL and are not to be distributed outside the agency to which it is loaned.

83040432145

Approved: Assistant Inspector General For Investigations	Distribution U.S. Attorney (ACTION) 1 Public Int. Sect., DOJ (INFO) 1 RA, RGN VI (INFO) 1 AAPM (INFO) 1 Subject File 1 Dallas OSI 1		

Investigation revealed that unknown person(s) had broken into an SBA employee's desk containing documents on SA and that ROMERO was found to be in possession of two (2) internal SBA documents which were the same documents stored in the SBA employee's desk. Investigation also revealed, that unknown person(s) had possibly tampered with the alarm system of the Albuquerque District Office. The Federal Protective Service (FPS) has assumed primary investigative jurisdiction over this matter and has actively initiated a joint investigation with the SBA Office of the Inspector General.

Investigation also revealed that ROMERO, as a government contractor, had one of his employees during regular company hours set up a fund raiser for PRESIDENT JIMMY CARTER's reelection campaign efforts in New Mexico.

83040432146

ADMINISTRATIVE

Re: EDWARD (ED) L. ROMERO
President
SOLAR AMERICA, INC.
2620 San Mateo, N.E.
Albuquerque, New Mexico

Other Addresses: 3700 Camino Don Diego, N.E. (Residence)
Albuquerque, New Mexico

EDWARD (ED) L. ROMERO has been known to the SBA Albuquerque District Office, Albuquerque, New Mexico, since 1978, when he applied for entry into the SBA 8(a) Program. His firm, SOLAR AMERICA, INC., (SA), primarily operates as a management and consultation concern for solar energy development and research concerns. It was incorporated on September 23, 1977, in New Mexico and has other offices in Washington, D.C. and Austin, Texas. SA was approved for the 8(a) Program on March 16, 1979, and since that time had received eleven 8(a) energy, research, and personnel recruitment contracts, totalling approximately \$3.1 million, from the Department of Energy, the Department of Labor, the Department of Interior, and the Agency for International Development, all on a cost plus basis. SA also received a \$72,718.00 energy research contract with the Department of Health and Human Resources.

ROMERO, himself has an extensive background as a former politician and businessman. He is active in Democratic political activities on both a local and national scale. He once served as the Chairman of the Democratic Party of Bernalillo County, New Mexico and was chosen by PRESIDENT JIMMY CARTER to head up his reelection campaign in New Mexico.

ROMERO is known to be affiliated as an officer and/or stockholder in ELR ENTERPRISES, Inc., ROMERO-DAVENPORT EMPLOYMENT SERVICES, INC., and JULIAN PADILLA REALTORS, all located at 2620 San Mateo, N.E., Albuquerque, New Mexico. He is also believed to be affiliated with NUC MED, INC., an Albuquerque, New Mexico, firm.

83040432147

IDENTIFICATION OF PRINCIPAL

The below listed description of EDWARD (ED) L. ROMERO was obtained through documentation of SBA files and from personal observation during several interviews:

Date of Birth:	January 2, 1934
Place of Birth:	Alamosa, Colorado
Social Security Number:	523-38-7568
Sex:	Male
Height:	5'6" to 5'7"
Weight:	185 lbs to 195 lbs. -
Build:	Stocky
Race:	Mexican-American
Color of Hair:	Dark Brown (Graying)
Color of Eyes:	Brown
Complexion:	Swarthy
Education:	B.A. Degree in Business Administration
Marital Status:	Married

ROMERO has resided in Albuquerque, New Mexico, for a number of years and is well known by local business and political circles. He is not known to have a criminal arrest/conviction record and he appears to be in good health.

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ADMINISTRATIVE

Re: SCOTT DENNISTON
Assistant Regional Administrator For MSB/COD
SBA Regional Office
1720 Regal Row, Suite 230
Dallas, Texas

Other Addresses: 3207 Grantwood Drive (Residence)
Dallas, Texas

SCOTT DENNISTON has been with the SBA since 1975 and was assigned to the SBA Dallas Regional Office in 1980, when he was made the Acting Regional Administrator for Minority Small Business/Capital Ownership Development. He has received several letters of appreciation for his support to the 8(a) program and has also received a Special Achievement Award in 1979 for a suggestion. DENNISTON is a GM-14 and has had outstanding performance evaluations.

83040432149

IDENTIFICATION OF PRINCIPAL

The below listed description of SCOTT DENNISTON was obtained through documentation of SBA personnel files and from personal observation during several interviews:

Date of Birth:	October 13, 1947
Place of Birth:	Summerfield, New Jersey
Social Security Number:	143-38-2580
Sex:	Male
Height:	5'11"
Weight:	175 lbs to 180 lbs.
Build:	Medium
Race:	White
Color of Hair:	Brown
Color of Eyes:	Hazel
Complexion:	Fair
Education:	M.S. Degree B. S. Degree
Martial Status:	Married, 2 children

DENNISTON was born and raised in New Jersey. He served in the U. S. Army and is a Vietnam Veteran. DENNISTON is not known to have a criminal arrest/conviction record and he appears to be in excellent health.

83040432150

ADMINISTRATIVE

Re: ROBERT SALAZAR
Business Management Officer
SBA District Office
5000 Marble, N.E.
Albuquerque, New Mexico

Other Addresses: 5016 Ponderosa, N. E. (Residence)
Albuquerque, New Mexico

3011 Jane Place, N.E. (Son's Residence)
Albuquerque, New Mexico

ROBERT SALAZAR has been with the SBA since 1973 and has been with the SBA Albuquerque District Office since that time. He is currently serving as a Business Management Officer, GM-13, and is the Chief of the Minority Small Business/Capital Ownership Development Division at the Albuquerque District Office. His performance evaluations have been satisfactory.

83040432151

IDENTIFICATION OF PRINCIPAL

The below listed description of ROBERT SALAZAR was obtained through documentation of SBA personnel files and from personal observation during several interviews:

Date of Birth:	April 9, 1923
Place of Birth:	Espanola, New Mexico
Social Security No.:	525-26-5023
Sex:	Male
Height:	5'9"
Weight:	150 lbs to 155 lbs.
Build:	Small
Race:	Mexican-American
Color of Hair:	Gray
Color of Eyes:	Hazel
Completion:	Fair
Education:	Two years college, no degree.
Marital Status:	Divorced

SALAZAR has resided in New Mexico all of his life. He served in the U. S. Army during World War II. He is not known to have a criminal arrest/conviction record. SALAZAR is in poor health; he suffered a traumatic injury (head concussion) and a mild heart attack in December 1980. He is presently attempting to retire on a medical disability.

ADMINISTRATIVE

Re: THOMAS E. BERGDOLL, JR.
General Business And Industries Specialist
SBA Central Office, 1441 L Street, N.W.
Washington, D. C.

Other Addresses: 5055 Seminary Road (Residence)
Apartment #914
Alexandria, Virginia

THOMAS E. BERGDOLL, JR., has been with the SBA since 1976 and was formerly assigned to the SBA Albuquerque District Office until October 1980, when he was transferred to SBA Central Office. BERGDOLL was a Business Development Specialist, GS-11 while he was assigned to the Albuquerque District Office and had handled the 8(a) program. He is now assigned as a General Business and Industries Specialist, GS-12, with the Minority Small Business/Capital Ownership Development Division; his performance evaluations have been satisfactory.

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IDENTIFICATION OF PRINCIPAL

The below listed description of THOMAS E. BERGDOLL, JR. was obtained from documentation of SBA personnel files:

Date of Birth:	January 21, 1946
Place of Birth:	Memphis, Tennessee
Social Security No.:	409-76-2749
Sex:	Male
Height:	5'11"
Weight:	185 lbs.
Color of eyes:	Blue
Color of Hair	Blond
Build:	Medium
Race:	White
Education:	MBA Degree
Marital Status:	Divorced

BERGDOLL has been in government service since 1973. He is not known to have a criminal arrest/conviction record and he appears to be in good health.

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ADMINISTRATIVE

Re: ROBERT ORTIZ
Business Development Specialist
SBA District Office
5000 Marble, N.E.
Albuquerque, New Mexico

Other Addresses: 5900 Marble, N.E. (residence)
Albuquerque, New Mexico

ROBERT ORTIZ has been with the SBA since 1976 and was assigned to the SBA Albuquerque District Office in 1980, from the El Paso Branch Office. He is currently serving as a Business Development Specialist, GS-12 and has been involved in the 8(a) program for a number of years. ORTIZ has had one letter of commendation and several letters of appreciation for his support to the 8(a) program. His performance evaluations have been satisfactory.

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IDENTIFICATION OF PRINCIPAL

The below listed description of ROBERT ORTIZ was obtained through documentation of SBA personnel files and from personal observation during several interviews:

Date of Birth:	July 2, 1940
Place of Birth:	Carrizozo, New Mexico
Social Security No.:	525-86-0076
Sex:	Male
Height:	5'6"
Weight:	140 lbs to 145 lbs.
Build:	Small
Race:	Mexican-American
Color of Hair:	Black
Color of Eyes:	Brown
Complexion:	Swarthy
Education:	B. B. A. Degree
Martial Status:	Single
Alias:	"BOBBY"

ORTIZ was born and raised in New Mexico. He is not known to have a criminal arrest/conviction record, however, in 1979 the SBA Office of Inspector General conducted an investigation into ORTIZ' involvement of purchasing land from an SBA borrower whose loan he had processed and with whom he had signed a note to purchase the land as a one-third partner. The investigation confirmed that ORTIZ was in a conflict of interest situation and had violated SBA's Standard of Conduct, 13 CFR, Part 105, by having a personal interest in a firm having SBA involvement. As a result of this, ORTIZ was suspended for 14 days and transferred to the Albuquerque District Office.

ORTIZ' health appears to be good, however, he has a record of back and arm problems from injuries he claims he received on the job. He is presently trying to retire on a medical disability.

ADMINISTRATIVE

Re: JOE CRUZ CASTELLANO, JR.
Attorney at Law
2016 Valle Vista
Santa Fe, New Mexico

Other Addresses: None

JOE CRUZ CASTELLANO, JR. was employed by the SBA Albuquerque District Office from October 6, 1980 to December 9, 1980, as District Counsel, GS-13. He resigned from the SBA in order to take care of personal business and financial obligations. CASTELLANO himself is active in Democratic Party activities and was the former chairman of the Democratic Party of Santa Fe County, New Mexico. He was also the former District Attorney of Santa Fe County and is currently on contract as the County Attorney for Santa Fe County.

83040432157

IDENTIFICATION OF PRINCIPAL

The below listed description of JOE CRUZ CASTELLANO, JR. was obtained through documentation of SBA personnel files and from personal observation during an interview:

Date of Birth:	March 10, 1944
Place of Birth:	Santa Fe, New Mexico
Social Security No.:	585-05-4177
Sex:	Male
Height:	5'9" to 5'10"
Weight:	175 lbs to 180 lbs.
Build:	Medium
Race:	Mexican-American
Color of Hair:	Brown
Color of Eyes:	Brown
Complexion:	Fair
Education:	L.L.D. (Attorney) Degree
Marital Status:	Married, 2 children

CASTELLANO was born and raised in New Mexico and had resided there most of his life. He is not known to have a criminal/arrest record and he appears to be in excellent health.

BRIEF OF THE VIOLATIONS

Documentation has been obtained during an investigation conducted in Dallas, Texas, Albuquerque, New Mexico, El Paso, Texas, Houston, Texas and Washington, D.C., during the period March 13, 1981 to June 10, 1981, indicating that ED L. ROMERO is apparently in violation of the following federal statutes:

- | | |
|--------------|---|
| 18 USC 1001, | False Statements |
| 18 USC 371, | Conspiracy |
| 18 USC 1510, | Obstruction of a Criminal Investigation |
| 2 USC 441 c, | Contributions by Government Contractors |

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ROMERO had prepared, signed, and submitted to the SBA on August 1, 1978, August 8, 1978, January 7, 1980, January 28, 1980, March 25, 1980, and June 26, 1980, Personal Financial Statements and Business Development Plans in which he falsely certified that SA was economically disadvantaged, and that he was not involved with or devoting time to other companies in which he was an officer, or held interests, and as such was able to obtain eleven government cost-plus contracts, totalling approximately \$3.1 million.

ROMERO willfully and knowingly conspired with and encouraged SBA employees ROBERT ORTIZ, ROBERT SALAZAR, THOMAS E. BERGDOLL, JR., and former SBA employee JOE C. CASTELLANO, JR. to obtain any type of sensitive/privileged information about the SBA Albuquerque District Office's operations and style of work related to the 8(a) program, and about the actions of District Director E. MAINE SHAFER for the purpose of using such information against the government in a damaging way.

ROMERO consistently provided misleading and confusing information in interviews during this investigation and was contacting SALAZAR, ORTIZ, and other witnesses, who told him what questions they were asked relative to this investigation.

ROMERO, as a government contractor, had apparently violated the Federal Election Laws, by having one of his employees on company time set up a fund raiser for PRESIDENT CARTER's reelection campaign in New Mexico, on or about May 21, 1980. The employee was apparently paid out of monies obtained from government contracts.

BRIEF OF THE VIOLATION

Documentation has been obtained during an investigation conducted in Dallas, Texas, Albuquerque, New Mexico, El Paso, Texas, Houston, Texas, and Washington, D.C., during the period March 13, 1981 to June 10, 1981, indicating that SBA employee SCOTT DENNISTON is apparently in violation of the following federal statutes:

- | | |
|-----------------|--|
| 18 USC 1905, | Disclosure of Confidential Information |
| 13 CFR 105.505, | Creating a Conflict of Interest Appearance |
| 13 CFR 105.516, | Applicable Rules and Directions |

DENNISTON, on or about July 24, 1980, ordered District Director E. MAINE SHAFER to turn over SA's unsigned government contract documents to ROMERO, who took them to the SBA Dallas Regional Office. DENNISTON had immediately approved during the period July 10, 1980 to December 9, 1980, SA's business development plan, its amendments, and seven contracts in question without close scrutiny causing loss of government impartiality and impeding government efficiency and economy.

BRIEF OF THE VIOLATION

Documentation has been obtained during an investigation conducted in Dallas, Texas, Albuquerque, New Mexico, El Paso, Texas, Houston, Texas and Washington, D.C., during the period March 13, 1981 to June 10, 1981, indicating that SBA employee ROBERT SALAZAR is apparently in violation of the following federal statutes:

- | | |
|-----------------|--|
| 18 USC 371, | Conspiracy |
| 18 USC 1905, | Disclosure of Confidential Information |
| 13 CFR 105.505, | Creating a Conflict of Interest Appearance |
| 13 CFR 105.516, | Applicable Rules and Directions |

SALAZAR, during the period January 1, 1981 to April 3, 1981, agreed to tell and orally gave ROMERO privileged information about the style of work and operations of the 8(a) program of the SBA Albuquerque District Office causing the loss of government impartiality and adversely affecting the public's confidence in the government's integrity without regard to Agency rules and regulations.

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BRIEF OF THE VIOLATION

Documentation has been obtained during an investigation conducted in Dallas, Texas, Albuquerque, New Mexico, El Paso, Texas, Houston, Texas and Washington, D.C., during the period March 13, 1981 to June 10, 1981, indicating that SBA employee THOMAS E. BERGDOLL, JR. is apparently in violation of the following federal statutes:

- | | |
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| 18 USC 371, | Conspiracy |
| 18 USC 1905, | Disclosure of Confidential Information |
| 13 CFR 105.505, | Creating a Conflict of Interest Appearance |
| 13 CFR 105.516, | Applicable Rules and Directions |

BERGDOLL, on or about March 25, 1981, agreed to tell and orally gave ROMERO privileged information about the style of work and operations of the 8(a) program of the SBA Albuquerque District Office causing the loss of government impartiality and adversely affecting the public's confidence in the government's integrity without regard to Agency rules and regulations.

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BRIEF OF THE VIOLATION

Documentation has been obtained during an investigation conducted in Dallas, Texas, Albuquerque, New Mexico, El Paso, Texas, Houston, Texas and Washington, D.C., during the period March 13, 1981 to June 10, 1981, indicating that SBA employee ROBERT ORTIZ is apparently in violation of the following federal statutes:

18 USC 371,	Conspiracy
18 USC 1905,	Disclosure of Confidential Information
18 USC 1510,	Obstruction of a Criminal Investigation
13 CFR 105.505,	Creating a Conflict of Interest Appearance
13 CFR 105.516,	Applicable Rules and Directions

ORTIZ, during the period January 21, 1981 to May 11, 1981, agreed to tell and orally gave ROMERO privileged information about the style of work and operations of the 8(a) program of the SBA Albuquerque District Office to include personal derogatory remarks made by District Director E. MAINE SHAFER about ROMERO and SA and other employee problems (drinking on the job and abuse of government property). Such information adversely affected the public's confidence in the government's integrity and was in direct violation of Agency rules and regulations. ORTIZ has obtained the services of an attorney who has written a letter advising that his client is filing complaints for Merit System and Civil suits for harrasement/discrimination against witnesses who are cooperating in this investigation. ORTIZ further agreed to meet with ROMERO on the evening of May 11, 1981, to discuss what questions he was asked concerning this investigation.

BRIEF OF THE VIOLATION

Documentation has been obtained during an investigation conducted in Dallas, Texas, Albuquerque, New Mexico, El Paso, Texas, Houston, Texas and Washington, D.C., during the period March 13, 1981 to June 10, 1981, indicating that former SBA employee JOE C. CASTELLANO, JR. is apparently in violation of the following federal statutes:

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|-----------------|--|
| 18 USC 371, | Conspiracy |
| 18 USC 1905, | Disclosure of Confidential Information |
| 13 CFR 105.505, | Creating a Conflict of Interest Appearance |
| 13 CFR 105.516, | Applicable Rules and Directions |

While an employee of the SBA, CASTELLANO, on or about December 3, 1980, executed a signed statement for ROMERO describing derogatory statements District Director E. MAINE SHAFER made against ROMERO and SA. Such information adversely affected the public's confidence of the government's integrity and caused the loss of government impartiality without regard to Agency rules and regulations.

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MARILYN J. PANAGAKOS
Legal Assistant
MODRALL, SPERLING, ROEHL, HARRIS & SISK Attorneys at Law
Public Service Building
Albuquerque, New Mexico

PANAGAKOS will testify in behalf of her husband, ANTHONY PANAGAKOS, the former Director, SBA Albuquerque District Office. She will further testify that her husband is in poor health (heart problem) because of the vicious political pressures ROMERO used against him while he was the District Director. She will state that ROMERO tried to get her husband replaced because of his being a Republican, and that ROMERO could not get his way with SBA. She will state that her husband went out of his way to be fair with ROMERO and even had himself excused from an 8(a) committee meeting which met to consider ROMERO's loan request. She will testify that her husband had never released or leaked anything to the press concerning ROMERO or SA. She will also testify that her husband looked after the best interests of everyone no matter what their political affiliation was. (Memorandum of Interview, Memoranda from ANTHONY PANAGAKOS, and newspaper articles are attached as Exhibit 1).

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ALICIA R. CHACON
President
LA TAPATIA
8941 Old County Road
El Paso, Texas

CHACON will testify that she was the former SBA Regional Administrator for Region VI. CHACON will swear that she has never given ROMERO copies of any internal SBA documents. She will state that the documents ROMERO received came from the Albuquerque District Office. She will further state that she was only aware of the companies ROMERO identified in his 8(a) application and that ROMERO had never made known to her or anyone else in the SBA that he intended to become involved in personnel recruitment contracts with the government. She will also testify that she believed ROMERO was economically disadvantaged because SA could not compete because of the market being restricted to non-minority firms. She will state that there was a serious personality conflict between ROMERO and ANTHONY PANAGAKOS, the former Director of the Albuquerque District Office. She will further testify that PANAGAKOS called her to report that ROMERO was trying to get him replaced. She will also testify that she recalled seeing a letter recommending a replacement for PANAGAKOS and that the letter came from a political organization in Albuquerque, New Mexico; she could not remember who signed it. (Signed statement and memorandum attached as Exhibit 2).

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E. MAINE SHAFER
Director
SBA Albuquerque District Office
5000 Marble, N.E., Suite 320
Albuquerque, New Mexico

SHAFER will testify that he and his staff questioned the propriety of the approval of seven personnel recruitment contracts, totalling \$2,381,644.00, for the period July 10, 1980 and December 9, 1980, granted by the SBA Dallas Regional Office. He will further testify that SA's business development plans never specified that it was involved in personnel recruitment for the government, nor capable of doing such. SHAFER will state that ROMERO is not believed to be economically disadvantaged because of his involvement with other business concerns and the assets he listed in his financial statements. SHAFER will stipulate that he brought ROMERO's questioned eligibility and unauthorized involvement in other government contracts to the attention of SBA Dallas Regional Office which never took any appropriate action except to grant the questioned contracts. SHAFER will also testify that he had problems with SBA employees ROBERT SALAZAR, THOMAS E. BERGDOLL, JR., and ROBERT ORTIZ in that they were not functioning as a unit in the MSB/COD section. SHAFER will state that SALAZAR was not keeping up with the fast changes of the 8(a) program; that BERGDOLL had an attitude problem, and that ORTIZ was a real problem because of his past involvement in irregularities. He will further state that ROMERO had evidently found out everything that was going on in the Albuquerque District Office, and he called SALAZAR, ORTIZ, and BERGDOLL to a meeting where they were warned and advised about disclosing privileged information to 8(a) contractors. SHAFER will deny that he ever made derogatory statements against ROMERO. He will testify that when he first met ROMERO he was under the impression that ROMERO was trying to cultivate him. SHAFER will also testify that ROMERO came to his office sometime in February 1980 and boasted about having a complete set of SBA documents he obtained from friends in the SBA. SHAFER will further testify that when the Department of Labor, (DOL) had awarded the personnel service contracts to SA, the 8(a) committee met according to SBA procedures and recommended that SA make an amendment to its business development plan to cover such work. He will state that SALAZAR was a member of this committee and became angry several times because of the committee's decision to have SA submit an amendment. He will also state that BERGDOLL kept coming into his office asking about why the contracts were not signed and pressed SHAFER to sign them. SHAFER will add that he intentionally held up signing the questioned contracts until the Dallas Regional Office would give him some direction. He will state that

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ROMERO became angry over the Albuquerque District Office's decision to hold up the contracts and went to the White House for help. He will further state that SCOTT DENNISTON of the Dallas Regional Office ordered him on June 19, 1980, to send SA's business development plans to DENNISTON. He will testify that DENNISTON called him several days later and ordered him to turn over all of the questioned contract files to DAVID CHAVEZ, Vice President of SA which was done. SHAFER will further testify that DENNISTON, who was directed by PAUL SULLIVAN the former Assistant Administrator for Support Services, to look into the matter, told him the reason why the contracts were signed was because of ROMERO complaining to the White House; that SHAFER was giving him a hard time and that the Albuquerque District Office kept asking SA for more information with no approvals. SHAFER will state that he never leaked anything to the press about ROMERO, that all press contacts were handled properly, and that he never had reason to break into Assistant District Director for Financing and Investment, GARNER YOUNG's desk containing documents on SA. SHAFER will further state that he questioned the appointment of JOE C. CASTELLANO, JR. to the District Counsel's position because of his qualifications and political background. (Signed statement, Memorandum of Interview, Business Development Plans, Financial Statement, SBA SOP 80 05 and other memoranda to file by SHAFER are attached as Exhibit 3).

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GARNER YOUNG
Assistant District Director, for Finance and Investment
SBA District Office
5000 Marble, N.E., Suite 320
Albuquerque, New Mexico

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YOUNG will testify that ROMERO was believed not to be economically disadvantaged because of the assets and net worth listed on his financial statements. He will further testify that the SBA was not aware of SA's intentions to enter into the personnel recruitment field with the government when it entered into the 8(a) program. He will also testify that he was only aware of the companies ROMERO had identified on his financial statements and no others. He will further testify that when SA was awarded the DOL personnel recruitment contracts, the Albuquerque District Office requested an amendment to SA's business development plan to consider covering the scope of the contracts; the business plan never disclosed any capabilities for or intent of doing such work. He will add that a letter was written to SA on June 18, 1980 requesting the amendment and that it was never answered. YOUNG will state that SA's files were then transferred to the Dallas Regional Office. He will further state that former Regional Administrator MERCURIO MARTINEZ, JR., and SCOTT DENNISTON, Assistant Regional Administrator for MSB/COD came to Albuquerque to explain why the contracts were given to ROMERO, specifically, that the White House, as told by DENNISTON, requested the SBA to look into the matter because of ROMERO being a Democrat and SHAFER a Republican. YOUNG will also state that DENNISTON told him that the other reason why the contracts were given, was because the procuring agencies needed a quick answer, the business development plans needed updating, and that SA was capable of performing the contracts. He will further state that ROMERO was a highly visible politician and had given the former District Director ANTHONY PANAGAKOS a hard time over the same basic issues as well as threaten the SBA with political action if his requests were not approved. YOUNG will also state that ROMERO had applied for a line of credit and refused to pledge his assets to secure it. YOUNG will testify that his desk had been broken into on three occasions and that he kept documents on SA in his desk. Young will further testify that two internal SBA documents, which ROMERO admitted receiving, were the same documents he kept in his desk. He will note that before an employee comes into the office, the alarm must be turned off or GSA guards will respond. He will add that a key to the alarm system was kept behind the coffee pot near the MSB Section. YOUNG will further testify that neither he nor, any other person in the Albuquerque District Office had ever leaked any sensitive information to the press about ROMERO and that all press contacts were handled properly. He will testify that when the Dallas Regional Office returned SA's files to Albuquerque, several documents were missing. (Signed statements, memoranda, and loan documents are attached as Exhibit 4).

J. GREGORY DEVEJIAN
Assistant District Director for Management Assistance
SBA District Office
5000 Marble, N.E., Suite 320
Albuquerque, New Mexico

DEVEJIAN will testify that the Albuquerque District Office was never notified by ROMERO that SA intended to get into the personnel recruitment field and that it never identified such capabilities when it initially submitted its business development plan. He will further testify that when DOL awarded those contracts to SA, the Albuquerque District Office held an 8(a) committee meeting and did not recommend the award of the contracts until SA submitted additional information supporting its capability to perform such contracts. DEVEJIAN will also testify that ROMERO refused to provide an amendment to the business plan after a second request was made and that the SA files were then transferred to the Dallas Regional Office. He will state that SCOTT DENNISTON came to the Albuquerque District Office to explain why the files were transferred and why the contracts were awarded; specifically, that DENNISTON received a call from the WHITE HOUSE stating that Republican District Director E. MAINE SHAFER would not cooperate or assist ROMERO, a Democrat. He will further state that DENNISTON said that ROMERO had already started on the contracts for which SA should be reimbursed for the work already performed and that if the Albuquerque District Office had done a recent business plan review of SA, the plan would have revealed that SA was capable of performing the personnel service contracts. DEVEJIAN will deny that he released any sensitive information to the press about ROMERO and that he handled all press contacts properly. (Signed statement, Memorandum of Interview, and other memoranda are attached as Exhibit 5).

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MURRAY SAUNDERS
Loan Officer
SBA District Office
5000 Marble, N.E., Suite 320
Albuquerque, New Mexico

SAUNDERS will testify that he did the financial analysis of SA. He will state that he believed that ROMERO was not economically disadvantaged because of personal assets (personal property and real estate valued at approximately \$250,000.00). He will state that he was not aware of any other companies ROMERO was involved in other than those reported in his financial statements. He will also testify that ROMERO applied for a \$250,000.00 line of credit loan on January 28, 1980, and refused to pledge his mortgages on real estate as security. SAUNDERS will further testify that SA's quarterly financial statement of December 31, 1980, appeared to be questionable, i.e., net worth could not be reconciled with previous statements, no break out of officer's salaries, liabilities not clearly reflected, and a questionable \$4,700 donation. SAUNDERS will testify that SBA employee ROBERT ORTIZ is generally one of the employees who comes in the office prior to 7:00 A.M. and that as part of opening the office, one must turn off the alarm or GSA guards will respond. (Signed statment, Memorandum of Interview, memoranda, Financial Statement, and Loan Officer Report are attached as Exhibit 6).

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FRANCIS M. FLATO
Regional Counsel
SBA Regional Office
1720 Regal Row - Suite 230
Dallas, Texas

FLATO will testify that he reviewed ROMERO's 8(a) application on December 22, 1978, and believed him not to be economically disadvantaged for the following reasons: lack of equity injection, insufficient working capital, eligibility documentation, lack of day-to day operation, and an active interest in ELR ENTERPRISES, Inc. He will also testify that District Director E. MAINE SHAFER was concerned about leaks of information to ROMERO and that he planned to follow "the book" on dealing with ROMERO. FLATO will further testify that SCOTT DENNISTON had told him that former Regional Administrator (RA) MERCURIO MARTINEZ, and he, had decided not to send to SHAFER a certain letter with a statement of JOE C. CASTELLANO, JR. which described derogatory remarks made by SHAFER. FLATO will also testify that former RA MARTINEZ was directed by former SBA Deputy Administrator WILLIAM MAUK's office to hire CASTELLANO for the Albuquerque District Office attorney's position despite his efforts not to hire him because of his extensive political connections. (Signed statement, memoranda, a copy of CASTELLANO's statement, and notes are attached as Exhibit 7).

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CLEO B. STYRON
Chief Contract Specialist
SBA Regional Office
1720 Regal Row - Suite 230
Dallas, Texas

STYRON will testify that the reason why SA's business development plans and contract award documents were sent to the SBA Dallas Regional Office was because of the political harassment of ROMERO by District Director E. MAINE SHAFER and the fact that the Albuquerque District Office could not objectively process SA's business plan. He will further testify that the reason why SBA allowed the award of the DOL personnel service contracts was because they were a follow-on to a previously awarded contract by the Albuquerque District Office for the same type of services. He will also state that ROMERO self-marketed all of his contracts with DOL, DOT, and DOE. (Signed statement and Memorandum to File are attached as Exhibit 8)

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LAVAN ALEXANDER
Senior Business Development Specialist
SBA Regional Office
1720 Regal Row - Suite 230
Dallas, Texas

ALEXANDER will testify that the files on SA were transferred to the SBA Dallas Regional Office because the Albuquerque District Director E. MAINE SHAFER felt that the business development plan was not in line with the requirements of the DOL personnel service contracts. He will further testify that after the contracts were awarded, he made a field visit to SA in the Fall of 1980, and recommended that SA only be allowed to perform work in the energy area. He will also testify that SA self-marketed all of its contracts and that it did not establish any business development objectives with the Albuquerque District Office. (Signed statement and Memorandum of Annual Review are attached as Exhibit 9).

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JENNIE M. MONTGOMERY
Program Assistant
SBA Regional Office
1720 Regal Row - Suite 230
Dallas, Texas

MONTGOMERY will testify that SA's business plan file ~~was at the request of ROMERO~~ transferred at ROMERO's request from the Albuquerque District Office to the Dallas Regional Office because of conflicts between ROMERO and some of the staff of the Albuquerque District Office. She will further testify that it was ROMERO, who brought most of the contract/award documents to the SBA Dallas Regional Office for signature and that none of the documents reflected being relayed from the Albuquerque District Office. (Signed statement attached as Exhibit 10).

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ROBERT F. SCHLEICHER
SBA Procurement Center Representative
Kirkland Air Force Base
Albuquerque, New Mexico

SCHLEICHER will testify that he did an independent financial analysis of SA's operating statements, (as of March 31, 1981) and that he found questionable figures such as: omission of financial disclosures and statement of charges, e.g., debt to a stockholder, deficit equity, inadequate breakdown of costs, and deficits on the operation of SA. He will also state that DOL never audited SA. He will further testify that SBA District Counsel JACK DALTON, SBA employee TRINI BRIDGE of the MSB Section, and he went to lunch in the early part of May 1981 and only had a sandwich and two (2) drinks each. He will also testify that they never came to the Albuquerque District Office intoxicated and late. (Signed statement and memoranda of SA's financial analysis are attached as Exhibit 11).

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JACK DALTON
District Counsel
SBA District Office
5000 Marble, N.W., Suite 320
Albuquerque, New Mexico

DALTON will testify that he recalled telling SBA employee ROBERT M. ORTIZ about having the telephone lines of the District Director and the MSB/COD Division checked for possible wire-taps. He will further testify that on January 7, 1981, he circulated to all Albuquerque District Office employees a memorandum warning about the disclosure of confidential information. He will also testify that SBA employee ROBERT SCHLEICHER and he invited SBA employee TRINI BRIDGE out to lunch in the early part of May 1981 during National Secretary's Week. He will state that they each had a sandwich and two (2) alcoholic drinks a piece and that when they finished their lunch, the three of them immediately returned to the district office where BRIDGE joked around the office in front of ORTIZ that she had some drinks with DALTON and SCHLEICHER. (Memorandum of Interview, signed statement, and memorandum are attached as Exhibit 12).

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TRINI BRIDGE
Procurement Assistant
SBA District Office
5000 Marble, N.E., Suite 320
Albuquerque, New Mexico

BRIDGE will testify that she is responsible for setting up the 8(a) files. She will state that SA's business plans had only dealt with solar energy and had no mention of personnel service recruitment capabilities until SA sent in its amendments. She will further testify being told by SBA employee RUTH GABALDON that GABALDON was typing up income tax refunds during duty hours for District Director E. MAINE SHAFER, and that SBA employee ROBERT ORTIZ was believed to be near by when GABALDON was asked to do this. She will testify that on the afternoon of May 1, 1981, she went out to lunch with SBA employees, ROBERT F. SCHLEICHER and JACK DALTON. She will state that the three of them had lunch and two (2) alcoholic drinks apiece and that when they finished their lunch, they went back to the office where she joked about having lunch and some drinks with DALTON and SCHLEICHER. She will further state that ORTIZ was near her when she was joking around and that DALTON and SCHLEICHER were not intoxicated; nor had she ever seen them intoxicated before. (Memorandum of Interview and signed statement are attached as Exhibit 13).

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LUCY SALTZMAN
Control Clerk
SBA District Office
5000 Marble, N.E., Suite 320
Albuquerque, New Mexico

SALTZMAN will testify that SBA employees JACK DALTON, REX CHAMBERS, ROBERT ORTIZ and she are generally in the office prior to 7:00 A.M. and that she normally comes in first. She will state that after she comes in and turns off the alarm, she will go to the computer terminal where she cannot see or hear what other employees are doing. (Signed statement attached as Exhibit 14).

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RUTH GABALDON
Secretary
SBA District Office
5000 Marble, N.E., Suite 320
Albuquerque, New Mexico

GABALDON will testify that District Director E. MAINE SHAFER is the type of person who demands to always have things done his way regardless of how it should be done. She will further testify that SHAFER disliked ROMERO and was obsessed with him and SA. She will state that it was her impression that SHAFER was apparently trying to work against SA and that SHAFER himself would always bring up the topic of ROMERO and SA at staff meetings. GABALDON will additionally testify that she prepared schedules and lists of office hours and access to alarm and door keys. She will testify that SBA employee ROBERT SALAZAR had keys to the office and the alarm system and that SBA employee ROBERT ORTIZ came into the office prior to, or at 7:00 A.M. (Memorandum of Interview and lists of office hours and door key access attached as Exhibit 15).

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CAPTAIN RUSSELL TEAL
Federal Protective Service (FPS)
Federal Building
Albuquerque, New Mexico

TEAL will testify that the SBA Albuquerque District Office has an alarm system which is monitored by his office. He will further testify that SBA employees must call his office to advise that the alarm is shut off whenever an employee enters the office during non-duty hours and that if this procedure is not followed, a signal is sent to the FPS Control Center in Fort Worth, Texas which in turn alerts the local FPS office to respond. TEAL will also testify that his office had no record of responding to the Albuquerque District Office in March or April of 1981. He will testify that according to guard logs for the weekend of April 10 - 12, 1981, SBA employees E. MAINE SHAFER and WAYNE HUDSON had entered the SBA office. (Memorandum of Interview and copies of guards' operation logs are attached as Exhibit 16).

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RALPH TORRANCE
Equipment Specialist
Federal Protective Service (FPS)
819 Taylor Street
Fort Worth, Texas

TORRANCE will testify that on May 19, 1981, he went to the SBA Albuquerque District Office to inspect the alarm system after it was reported to him by the local FPS office that the system was out. He will testify that he hooked up and placed a communicator device on the wiring system of the alarm inside the telephone closet in the office and could not hear a dial tone indicating that the system had been possibly tampered with or turned off by unknown means. (Memorandum of Interview attached as Exhibit 17).

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BEA SANCHEZ
Legal Assistant
Law Offices of Les Houston
2917 Carlile, N. E.
Albuquerque, New Mexico

SANCHEZ will testify that she use to work for ROMERO as an Executive Secretary from January 30, 1980 to June 6, 1980, and that the reason why she left was because of bad working conditions. She will further state that she worked a lot of overtime and was not paid properly when she terminated. SANCHEZ will also state that SBA employee THOMAS BERGDOLL would visit ROMERO and that ROMERO would sometimes call him; she did not know what they talked about. She will state that she was paid out of funds SA recieved from DOL contracts. She will further state that ROMERO was chosen by PRESIDENT JIMMY CARTER to head up his reelection efforts in New Mexico and that ROMERO had her set up a fund raiser during company (SA) time for MRS. CARTER's visit to Albuquerque. She will further state that her duties consisted of calling the White House, collecting campaign donations, handling fund raiser tickets, and making records on the fund raiser. She will add that she used SA's office and materials for the effort. (Memoranda of Interview - are attached as Exhibit 18).

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TONI WOLF
17442 East Arizona Avenue
Aurora, Colorado

WOLF will testify that she used to work for ROMERO as his personal secretary for about 3 or 4 months in 1981. She will further testify that ROMERO had lots of trouble with the SBA Albuquerque District Office in getting contracts filed and processed because of the harrassment he received. She will state that she once saw SBA employee THOMAS BERGDOLL in the office of DAVID CHAVEZ, Vice President of SA; she did not know what they discussed. WOLF will further state that ROMERO was heavily involved in politics and was in charge of coordinating FIRST LADY ROSALYN CARTER's visit to New Mexico in 1980. She will also state that SA employee BEA SANCHEZ, on company time helped out on a political fund raiser for PRESIDENT CARTER's reelection campaign and was responsible for collecting money and tickets for the fund raiser. WOLF will also testify that ROMERO had been going to Houston, Texas, as a consultant for ELR ENTERPRISES to conduct some consulting work for the firm of BROWNING & FERRIS. (Memorandum of Interview attached as Exhibit 19).

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RICHARD WILLIAMS
Reporter
ALBUQUERQUE TRIBUNE
Albuquerque, New Mexico

WILLIAMS will testify that sometime in August 1980, he received in the mail a manila envelope, addressed in his name, with an Albuquerque, New Mexico postmark; the envelope had no return address or correspondence identifying the sender. He will further testify that inside the envelope appeared to have been a cover sheet and a portion of a financial statement (government form) belonging to ROMERO. He will also testify that he interviewed ROMERO about the financial statement and was requested by ROMERO not use that information in a press story. WILLIAMS will state that ROMERO told him how the SBA Albuquerque District Office had given him a hard time on getting DOL personnel recruitment contracts approved. He will further state that SBA employee SCOTT DENNISTON had told him in an interview that the White House through SBA employee PAUL SULLIVAN, Central Office, was concerned about ROMERO's problems with the SBA Albuquerque Office and that DENNISTON had SA's business development plan changed over the objections of the SBA Albuquerque Office. WILLIAMS will also testify that an anonymous caller (a young male with a mid-western accent) kept calling him at his office and told him that the White House had interceded for ROMERO. WILLIAMS will further testify that this caller last contacted him in December 1980, and that WILLIAMS believed him to be an SBA employee judging from the type of information he was giving WILLIAMS such as who to talk to at the Dallas Regional Office and what contract numbers to look for. (Memoranda of Interview and copies of newspaper articles are attached as Exhibit 20).

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ANNA MULLER
National Economic Development Association (NEDA)
651 1st Street, N.W.
Albuquerque, New Mexico

MULLER will testify that she helped ROMERO put together a loan package for a line of credit with the SBA. She will state that ROMERO had problems with the SBA Albuquerque District Office on the loan package because of "bureaucracy" and "red tape". MULLER will further testify that there was too much handling of SA's business development plan and its amendments and that ROMERO and District Director E. MAINE SHAFER had a personality clash which was responsible for SA's problems with the SBA. She will also testify that she made attempts to establish friendly relations between ROMERO and SHAFER but was not able to because of SHAFER's unwillingness to get along with ROMERO. (Memorandum of Interview is attached as Exhibit 21).

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MERCURIO MARTINEZ, JR.
Former Regional Administrator
2320 Price Street
Laredo, Texas

MARTINEZ will testify that the reason why SA's files were transferred from the SBA Albuquerque District Office to the SBA Dallas Regional Office was because of the animosity District Director E. MAINE SHAFER had for ROMERO, who felt that he was not getting proper consideration for participation in the 8(a) program. He will further testify that ROMERO self-marketed his government contracts. MARTINEZ will state that he was directed by former SBA Deputy Administrator WILLIAM MAUK to hire JOE C. CASTELLANO as the District Counsel for the SBA Albuquerque District Office over his objections. MARTINEZ will state that he did not want CASTELLANO because of political reasons; he would not further elaborate. (Memorandum of Interview and other memoranda on SA are attached as Exhibit 22).

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EDDIE ALVAREZ
Owner
CAFETERIA ALMAR
2101 Cypress
El Paso, Texas

ALVAREZ will testify that he was the former Assistant Regional Administrator for Minority Small Business and Capital Ownership Development in the SBA Dallas Regional Office. He will further testify that he had never given any internal SBA documents to ROMERO and did not know why ROMERO would identify him as being a source leaking SBA information. He will also testify that ROMERO made a lot of trips to Washington, D. C., and was heavily involved in politics. (Memorandum of Interview attached as Exhibit 23).

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ED L. ROMERO
President
SOLAR AMERICA, INC.
2620 San Mateo, N.E.
Albuquerque, New Mexico

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ROMERO can state that unknown persons from the SBA were calling the press and leaking sensitive information about SA and himself. He can further state that reporter RICHARD WILLIAMS of the ALBUQUERQUE TRIBUNE had interviewed and shown him a document supposedly leaked to the press by the SBA and that WILLIAMS had initially told him who it was; ROMERO could not identify this source. ROMERO can relate that he self-marketed all of SA's contracts with DOE, DOT and DOL, who had approached him to do the personnel service contracts because of the company's proven track record. ROMERO can further relate that District Director E. MAINE SHAFER and his staff had worked against him in getting the personnel recruitment contracts. He will also relate that SHAFER had made numerous derogatory and prejudicial statements against him and SA. He can deny that he ever called the White House for intervention in getting the DOL, DOT, and DOE contracts. ROMERO can admit that he knew what was always going on at both the SBA Dallas Regional Office and the Albuquerque District Office. He can further admit that SBA employees and friends gave him copies of internal SBA memoranda and that he kept a file on telephone calls and contacts he had with SBA. He identified SBA employees ROBERT SALAZAR, THOMAS E. BERGDOLL, JR., ROBERT ORTIZ and former SBA employee JOE C. CASTELLANO, JR. as the ones who told him of the derogatory remarks SHAFER made about him, what actions the SBA Albuquerque District Office was taking against SA, and what internal/sensitive personnel problems the office had with its employees. ROMERO can deny giving anything of value to SALAZAR, BERGDOLL, or ORTIZ for giving him information. He can admit receiving one internal SBA document from either former SBA Regional Administrator ALICIA CHACON or former Assistant Regional Administrator EDDIE ALVAREZ as well as receiving anonymously two other internal memoranda dealing with a financial analysis on his company. ROMERO can deny any knowledge of the break-in of SBA employee GARNER YOUNG's desk which contained documents on his company. ROMERO can claim that he truthfully filled out his business development plan and financial statements. He can further claim that he complied with the federal election laws. (Memoranda of Interview, letter from ROMERO's attorney, copies of ROMERO diary of telephone calls, copy of transcript of interview with ROMERO, copy of a statement made to ROMERO by JOE C. CASTELLANO, JR., and copies of internal SBA documents ROMERO received are attached as Exhibit 24).

SCOTT DENNISTON
Assistant Regional Administrator For MSB/COD
SBA Regional Office
1720 Regal Row - Suite 230
Dallas, Texas

DENNISTON can state SA's business development plan and its files were transferred to the Dallas Regional Office because SBA Albuquerque District Director E. MAINE SHAFER was concerned that the business plan was not in line with the firm's capabilities. He can further state that PAUL SULLIVAN of the SBA Central Office asked him to look into ROMERO's concerns that he was not being treated fairly by SHAFER and that the White House had never called SULLIVAN to intervene. DENNISTON can note that the Albuquerque District Office had not properly updated SA's business plan on a recurring basis. He will further note that the reason why he awarded the DOL, DOT, and DOE personnel service contracts was because SA had been approached by these agencies and had a good track record. DENNISTON stated that SA felt obligated to do the work and that the SBA had to support and accomodate an 8(a) contractor. DENNISTON can state that ROMERO and SHAFER could not get along with each other and that SHAFER was out to get ROMERO. He can further state that he purposely withheld from SHAFER from a signed statement from former SBA employee JOE C. CASTELLANO, which ROMERO sent him. This signed statement advised that SHAFER made derogatory statements about ROMERO. DENNISTON believed that SHAFER should not have received it because of his biased views of ROMERO. DENNISTON can also admit that he ordered SHAFER to turn over government contract files on SA to ROMERO himself; he will state that there was nothing wrong in giving the files to ROMERO and that they contained nothing sensitive. (Signed statements and memoranda are attached as Exhibit 25).

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ROBERT SALAZAR
Assistant District Director For MSB/COD
SBA District Office
5000 Marble, N.E., Suite 320
Albuquerque, New Mexico

SALAZAR can state that he never made any disclosures of privileged information to the press or ROMERO. However, he did reveal that all conversations with ROMERO were limited to the subject of correspondence between SBA and SA. He can further state that ROMERO self-marketed all of his contracts and that the DOL had questioned SA's business development plan which did not cover personnel recruitment. He can relate that when the SBA was notified of DOL's contract award to SA, the Albuquerque District office held an 8(a) committee meeting and determined that SA could not meet the requirements of the contract. SALAZAR can state that ROMERO was requested to make an amendment which SALAZAR helped SA prepare at its office. The amendment was turned down and ROMERO refused to submit a revised amendment. He can state that afterwards, SA's files were transferred to the Dallas Regional Office. SALAZAR can further state that he recalled delivering a package, containing government documents, to ROMERO's office in the early part of July 1980. (Signed statements and memoranda are attached as Exhibit 26).

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ROBERT M. ORTIZ
Business Development Specialist
SBA District Office
5000 Marble, N.E., Suite 320
Albuquerque, New Mexico

ORTIZ can state that he replaced SBA employee THOMAS BERGDOLL at the MSB/COD Division of the Albuquerque District Office. He can further state that ROMERO had called and met with him to get acquainted when he was first assigned to Albuquerque. ORTIZ will note that he had no knowledge of the handling of SA's business development plan when it was questioned since he was not given access to it. He can admit that he told ROMERO about how the telephone lines of the Albuquerque District Office were checked for possible wire-taps and about how District Director E. MAINE SHAFER used his secretary's services to type up his income tax returns during duty hours. He can admit telling ROMERO about the drinking problems of SBA employees DALTON and SCHLEICHER and them coming in late after lunch as well as telling ROMERO about the constant derogatory and prejudicial remarks and statements SHAFER made against ROMERO. He can state that the reason why he kept ROMERO informed was because he felt he owed his allegiance to the 8(a) contractor rather than to a prejudiced District Director. ORTIZ can deny receiving anything of value from ROMERO; he will further deny ever breaking into GARNER YOUNG's desk. He also admitted that he intended to sue YOUNG and SHAFER for making statements against him for cooperating in this investigation. He can also state that he never gave any internal SBA documents to ROMERO and that after he was questioned by the SBA Office of Inspector General, he agreed to meet with ROMERO, and tell him what type of questions were asked of him. (Signed statement, Memorandum of Interview, memoranda from SHAFER and a letter from ORTIZ' attorney attached as Exhibit 27).

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JOE C. CASTELLANO, JR.
Attorney at Law
2016 Valle Vista
Santa Fe, New Mexico

CASTELLANO can state that he was the District Counsel of the SBA Albuquerque District Office from October 1980 to December 1980, and that the reason why he resigned was to accept a better law practice position. He can deny that ROMERO had used any special political influence to get him his position with the SBA and that he applied through regular channels. He can admit that he was approached by ROMERO and asked to sign an affidavit attesting that SHAFER was prejudiced. He can further admit executing the affidavit and giving it to ROMERO. CASTELLANO will state that he felt there was nothing wrong about telling ROMERO of SHAFER's derogatory statements against ROMERO and SA. He can further state that SHAFER would always generate animosity and tenseness against SA. (Memorandum of Interview is attached as Exhibit 28).

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OTHER INVESTIGATION

On March 25, 1981, the 8(a) files on SA were reviewed and they disclosed that DONALD T. MORGAN, the comptroller for SA, was a convicted felon currently on parole and actively involved in the financial operation of SA. According to the files, MORGAN had signed an amendment to SA's business development plan (see Exhibit 3).

On March 25, 1981, the records of the Criminal Division, Office of the Clerk, U. S. District Court, District of New Mexico, Albuquerque, New Mexico were checked and they disclosed that on December 19, 1975, MORGAN was convicted and sentenced for various violations of federal laws (Conspiracy, Aiding and Abetting, Mail Fraud, False Statement). Copies of court records are attached as Exhibit 29.

On March 25, 1981, JOHN C. POWELL, Probation Officer, U. S. Probation & Parole Office, 500 Gold Street, Albuquerque, New Mexico, was interviewed at his office and he gave the following information:

DONALD T. MORGAN was convicted and sentenced by the U. S. District Court, District of New Mexico, on December 19, 1975, for various violations of federal law (see attached Judgment and Probation Commitment Order). MORGAN was given five years probation.

MORGAN is currently on probation until January 3, 1983.

According to POWELL, MORGAN has been employed by ED ROMERO, President, SOLAR AMERICA, INC., as a Comptroller for sometime.

At the time of MORGAN's involvement with the above identified violations, MORGAN was employed as a Senior Vice President for the FIRST NATIONAL BANK of Albuquerque and was involved in a \$3 million loss to that bank.

Copy of Memorandum of Interview and probation order are attached as Exhibit 30.

On May 7, 1981, KEN STRUBLE, Special Assistant to the Regional Administrator, SBA Dallas Regional Office, was interviewed at his office and he stated that he recalled District Director E. MAINE SHAFER calling him about SA. SHAFER stated that a freedom of information act request was coming to Dallas and wanted to know how to handle press releases about SA. According to STRUBLE, SHAFER was instructed to direct all inquires to the Public Information Office Dallas Regional Office.

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STRUBLE advised that a reporter, RICHARD WILLIAMS, from Albuquerque, New Mexico, had come to the Dallas Regional Office to look at ROMERO's contracts. WILLIAMS was given access only to the contract files after he executed a request under the Freedom of Information Act. Copy of a memorandum to file is attached as Exhibit 31.

On May 7, 1981, an inquiry was made at the SBA Central Office to, determine if ED ROMERO, President of SOLAR AMERICA, INC., had used his political connection/influence to hold up disbursement of the Retirement Annuity of ANTHONY PANAGAKOS', the former Albuquerque District Director, retirement annuity because of their political/personality clashes.

On the same date the Office of Personnel Management, advised that PANAGAKOS began receiving his retirement annuity in October 1979 and had retired on February 21, 1980. There was no evidence of political influence used to delay influence PANAGADOS' retirement pay.

Memorandum to File is attached as Exhibit 32.

On May 12, 1981, an investigation was made at the Albuquerque District Office into allegations posed by SBA employee ROBERT ORTIZ that SHAFER had used the services of his secretary to type up his personal income tax refund (see Exhibit 26).

On May 12, 1981, SBA employee RUTH GABALDON was interviewed at her office and she executed a signed statement which is quoted in part:

"I have typed up state and federal income tax returns for E. Maine Shafer, the District Director, twice for the years ending 1979 and 1980. These were typed in approximately January 1980 and on February 10 and 11, 1981 while on regular duty hours at the Albuquerque District Office where a government typewriter was used.

"I typed these forms because Mr. Shafer as my superior, told me to do so and as such I feel that I should comply with his request. I have also typed numerous personal letters for Mr. Shafer.

"I told this verbally in conversation to Mr. Till Phillips and Joe May of the Dallas Regional Office and Joe May said that I have to work for the Man."

GABALDON's signed statement is attached as Exhibit 33.

On May 12, 1981, SBA employee LUCY SALTZMAN was interviewed at her office and she related the following information:

SALTZMAN recalled doing some personal typing for District Director E. MAINE SHAFER sometime ago. It involved contacting an insurance company for water damages done to SHAFER's home.

SALTZMAN could not provide any further information.

Memorandum of Interview is attached as Exhibit 34.

SHAFER was interviewed on May 14, 1981, at his office and he admitted having GABALDON type up his 1979 and 1980 state and federal income tax returns during duty hours (see Exhibit 3).

On May 12, 1981, RALPH LOONEY, Editor, ROCKY MOUNTAIN NEWS, Denver, Colorado, was contacted at his office and he related the following:

LOONEY used to be the Editor for the ALBUQUERQUE TRIBUNE and was RICHARD WILLIAMS' supervisor. He vaguely remembered assigning WILLIAMS to do a story on ED ROMERO, President, SOLAR AMERICA, INC. (SA).

LOONEY said that WILLIAMS had probably never told him who his sources of information on ROMERO were. He further said that he probably gave the assignment to WILLIAMS as a result of a lot of letters to the editor he got in the mail. He did not remember anything specific on SA from the letters he received and he could not provide any further significant information.

Memorandum of Interview is attached as Exhibit 35.

On May 12, 1981, DAVID STEINBERG, Reporter, ALBUQUERQUE JOURNAL NEWS BUREAU, Santa Fe, New Mexico, was contacted at his office and he related the following information:

STEINBERG confirmed doing a story about ED ROMERO, President of SOLAR AMERICA, INC. (SA). He recalled only getting contract prices from the SBA Albuquerque Office through the Freedom of Information Act.

STEINBERG advised that he was not aware of any leaks of SBA information to the press nor had he received any information, specifically, SA's financial statements from SBA or anyone else. He was aware that RICHARD WILLIAMS, a reporter with the ALBUQUERQUE TRIBUNE, had done a story on ROMERO but was not knowledgeable as to how WILLIAMS got his information nor had WILLIAMS disclosed any of his sources.

STEINBERG noted that if he had SBA sources giving him information considered confidential, he would not disclose their identities to anyone in order to protect them and their jobs.

Memorandum of Interview is attached as Exhibit 36.

On May 13, 1981, JACK SCHWARTZ d/b/a SCHWARTZ JANITORAL, 1009 Nikomus, N.E., Albuquerque, New Mexico, was interviewed at the SBA Albuquerque District Office and he related the following information:

SCHWARTZ had no knowledge as to who might have broken into SBA employee GARNER YOUNG's desk during the weekend of April 11 and 12, 1981, nor was he ever approached by anyone to commit such an act or to overlook it.

SCHWARTZ stated that the only persons he recalled being at the Albuquerque District Office during the above stated weekend was District Director E. MAINE SHAFER, who always checked his mail. He further stated that SHAFER and SBA employee WAYNE HUDSON were always coming in on the weekends.

Memorandum of Interview is attached as Exhibit 37.

On May 14, 1981, WAYNE HUDSON, Loan Specialist, Disaster Program, SBA Albuquerque District Office, was interviewed at his office and he stated that the reason why he came in the office on weekends was to do some paperwork. He had no interest in ROMERO or SA and his work did not involve any part of processing or reviewing of SA 8(a) contracts or business loans. HUDSON was not aware of any other person coming into the office on weekends.

On May 15, 1981, ALVIN BRUNNER, Management Assistance Officer, SBA Albuquerque District Office, was interviewed at his office and he related the following information:

BRUNNER is the Public Information Officer and it is his responsibility to prepare press releases to the newspapers.

According to BRUNNER, he was never involved with the press on ED ROMERO, President, SOLAR AMERICA, INC. (SA). This matter was handled by GREG DEVEJIAN, the Assistant District Director for Management Assistance, and GARNER YOUNG, the Assistant District Director for Finance and Investment. because E. MAINE SHAFER, the District Director, wanted it that way.

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BRUNNER was not aware of DEVEJIAN or YOUNG releasing any sensitive information to the press about SA nor had he been approached by them to do such. He was further not aware of DEVEJIAN or YOUNG making any anonymous calls to the press about SA nor had they approached him to do such.

Memorandum of Interview is attached as Exhibit 38.

On May 15, 1981, KEN WALSTON, Copy Editor, ALBUQUERQUE JOURNAL, Albuquerque, New Mexico, was contacted at his place of employment and he related the following information:

WALSTON confirmed that he is the son-in-law of TONY PANAGAKOS, the former District Director of the SBA Albuquerque District Office.

WALSTON affirmed that PANAGAKOS had never approached him to print derogatory information about ED ROMERO, President, SOLAR AMERICA, INC. (SA) in any newspaper, nor had he ever been approached by anyone else to include other SBA employees to do such.

WALSTON stated that he did not know reporter RICHARD WILLIAMS of the ALBUQUERQUE TRIBUNE, nor did he know of any other reporter involved in writing stories about ROMERO.

Memorandum of Interview is attached as Exhibit 39.

On May 18, 1981, ROBERT SALDIVAR, Deputy Regional Administrator, San Francisco Regional Office, was contacted at his office and he gave the following information:

SALDIVAR was assigned to the SBA Central Office as the Deputy Associate Administrator for Business Development in 1980. He recalled that ROMERO had called him about the confusion on the SA's business development plan submitted to the SBA Albuquerque District Office.

SALDIVAR referred ROMERO back to the SBA Dallas Regional Office, which had the discretion to oversee these matters. issue.

SALDIVAR stated that he had never instructed ROMERO to contact PAUL SULLIVAN of the SBA Central Office about his problems with the Albuquerque District Office.

On May 28, 1981, Detective JACK H. HALE, JR., Federal Protective Service (FPS), Albuquerque, New Mexico, was advised of the break-in of SBA employee GARNER YOUNG's desk. He advised that his office will assume jurisdiction over this matter and will also look into the possible tampering with the alarm system.

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FPS has agreed to coordinate their investigation with SBA Office of Inspector General and will provide whatever assistance is needed.

On June 5, 1981, WILLIAM MAUK, former SBA Deputy Administrator, and now Director of Finance, DELEUW, GREELY, & HYMAN, San Francisco, California, was contacted at his office and he stated that he had no recollection of the appointment of former SBA employee JOE C. CASTELLANO, JR. to the District Counsel position of the SBA Albuquerque District Office.

On June 8, 1981, RUPERT TAFOYA, Chief, Portfolio Management Division, SBA Albuquerque District Office, was contacted at his office and he stated that he had never had an interest in the processing and review of SA's 8(a) contracts. He further stated that he had been in the Albuquerque District Office during non-duty hours, had called the FPS office to alert them of the alarm system being turned off/on, and had not seen anyone else in the office. He also stated that he had no reason to go near GARNER YOUNG's desk.

On June 8, 1981, DONALD FITCH, Public Affairs Officer, BROWNING & FERRIS, Houston, Texas, was contacted at his office and he advised that his firm had no record of ELR ENTERPRISES doing consulting work for BROWNING & FERRIS.

On June 10, 1981, FRED MONDRAGON, President, NUC-MED, INC., 3240 Juan Tabo Boulevard, N.E., Albuquerque, New Mexico, was contacted at his office and he related the following information:

ED ROMERO, President, SOLAR AMERICA, INC., was not an officer of NUC MED, INC., however, he did have warrants to purchase stock. ROMERO had also done some personal consulting work for NUC MED, INC., in 1979, on some FDA requirements. SOLAR AMERICA, INC., and ELR ENTERPRISES were reported not to be involved, nor had these companies ever done business with NUC MED, INC.

Memorandum of Interview is attached Exhibit 40.

On June 23, 1981, H. G. KIRSHEMANN'S JR., Deputy Assistant Secretary for Grants, Department of Health and Human Sources, (HHS) Washington, D. C., advised by letter that ROMERO had received from HHS in March 1980 a \$72,718.00 cost-plus-fixed-fee energy research contract. KIRSHEMANN's letter is attached as Exhibit 41.

On June 25, 1981, copies of incorporation documents on ROMERO-DAVENPORT EMPLOYMENT SERVICES, INC., (RDE) NUC-MED, INC., SOLAR AMERICA, INC. (SA) JULIAN PADILLA AND ASSOCIATES INC., REALTORS, AND ELR ENTERPRISES, INC. (ELR) were obtained from the State of New Mexico, State Corporation Commission, Santa Fe, New Mexico.

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These documents reflected that ROMERO is a member of the Board of Directors for ELR and SA, and that his wife, TANNA ROMERO, is a member of the Board of Directors for RDE. Copies of these incorporation documents are attached as Exhibit 42.

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LIST OF WITNESSES

1. MARILYN J. PANAGAKOS
Legal Assistant
MODRALL, SPERLING, ROEHL, HARRIS & SISK Attorney at Law
Public Service Building
Albuquerque, New Mexico
2. ALICIA R. CHACON
President
LA TAPATIA
8941 Old County Road
El Paso, Texas
3. E. MAINE SHAFER
District Director
SBA District Office
5000 Marble, N.E., Suite 320
Albuquerque, New Mexico
4. GARNER YOUNG
Assistant District Director for Finance and Investment
SBA District Office
5000 Marble, N.E., Suite 320
Albuquerque, New Mexico
5. J. GREGORY DEVEJIAN
Assistant District Director for Management Assistance
SBA District Office
5000 Marble, N.E., Suite 320
Albuquerque, New Mexico
6. MURRAY SAUNDERS
Loan Officer
SBA District Office
5000 Marble, N.E., Suite 320
Albuquerque, New Mexico
7. FRANCIS M. FLATO
Regional Counsel
SBA Regional Office
1720 Regal Row - Suite 230
Dallas, Texas
8. CLEO B. STYRON
Chief Contract Specialist
SBA Regional Office
1720 Regal Row - Suite 230
Dallas, Texas

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LIST OF WITNESSES (CONT)

9. LAVAN ALEXANDER
Senior Business Development Specialist
SBA Regional Office
1720 Regal Row - Suite 230
Dallas, Texas
10. JENNIE M. MONTGOMERY
Program Assistant
SBA Regional Office
1720 Regal Row - Suite 230
Dallas, Texas
11. ROBERT F. SCHLEICHER
SBA Procurement Center Representative
Kirkland Air Force Base
Albuquerque, New Mexico
12. JACK DALTON
District Counsel
SBA District Office
5000 Marble, N.W., Suite 320.
Albuquerque, New Mexico
13. TRINI BRIDGE
Procurement Assistant
SBA District Office
5000 Marble, N.E., Suite 320
Albuquerque, New Mexico
14. LUCY SALTZMAN
Control Clerk
SBA District Office
5000 Marble, N.E., Suite 320
Albuquerque, New Mexico
15. RUTH GABALDON
Secretary
SBA District Office
5000 Marble, N.E., Suite 320
Albuquerque, New Mexico
16. CAPTAIN RUSSELL TEAL
Federal Protective Service (FPS)
Federal Building
Albuquerque, New Mexico

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LIST OF WITNESSES (CONT)

17. RALPH TORRANCE
Equipment Specialist
Federal Protective Service (FPS)
819 Taylor Street
Fort Worth, Texas
18. BEA SANCHEZ
Legal Assistant
Law Offices of Les Houston
2917 Carlile, N. E.
Albuquerque, New Mexico
19. TONI WOLF
17442 East Arizona Avenue
Aurora, Colorado
20. RICHARD WILLIAMS
Reporter
ALBUQUERQUE TRIBUNE
Albuquerque, New Mexico
21. ANNA MULLER
National Economic Development Association (NEDA)
651 1st Street, N.W.
Albuquerque, New Mexico
22. MERCURIO MARTINEZ, JR.
Former SBA Regional Administrator
2320 Price Street
Laredo, Texas
23. EDDIE ALVAREZ
Owner
CAFETERIA ALMAR
2101 Cypress
El Paso, Texas

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EXHIBITS

1. Memorandum of Interview, dated May 15, 1981, of MARILYN J. PANAGAKOS, memoranda, dated December 4, 1978, from ANTHONY PANAGAKOS, and copies of newspaper articles.
2. Signed statement, dated May 28, 1981, of ALICIA R. CHACON and a memorandum, dated February 27, 1979.
3. Signed statement, dated April 2, 1981, and Memorandum of Interview, dated May 14, 1981, of E. MAINE SHAFER'S and memoranda, SOP 80 05, Financial Statement, and Business Development Plans, of SOLAR AMERICA, INC.
4. Signed statements, dated March 27, 1981 and May 12, 1981, of GARNER YOUNG, memoranda, and loan documents on SOLAR AMERICA, INC.
5. Signed statement, dated March 20, 1981, and Memorandum of Interview, dated May 15, 1981, of J. GREGORY DEVEJIAN and other memoranda.
6. Signed statement, dated May 14, 1981, and Memorandum of Interview of MURRAY G. SAUNDERS and other memoranda and loan documents on SOLAR AMERICA, INC.
7. Signed statement, dated May 29, 1981, of FRANCIS M. FLATO and other memoranda and notes.
8. Signed statement dated May 4, 1981, of CLEO B. STYRON and Memorandum to File.
9. Signed statement, dated May 4, 1981, of LAVAN D. ALEXANDER and a copy of an annual review on SOLAR AMERICA, INC.
10. Signed statement, dated May 7, 1981, of JENNIE M. MONTGOMERY.
11. Signed statement, dated May 13, 1981, of ROBERT F. SCHLEICHER and other memoranda.
12. Signed statement, dated May 12, 1981, and Memorandum of Interview of JACK D. DALTON and a memorandum.
13. Signed statement, dated May 13, 1981, and Memorandum of Interview of TRINI BRIDGE.
14. Signed statement, dated May 14, 1981, of LUCY SALTZMAN.
15. Memorandum of Interview, dated May 13, 1981, of RUTH GABALDON and lists of door and alarm key access and office hours schedule.

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16. Memorandum of Interview, dated June 4, 1981, of CAPTAIN RUSSELL TEAL and copies of guard operation logs.
17. Memorandum of Interview, dated May 29, 1981, of RALPH TORRANCE.
18. Memoranda of Interview, dated May 12 and 13, 1981, of BEA SANCHEZ.
19. Memorandum of Interview, dated May 28, 1981, of TONI WOLF.
20. Memoranda of Interview, dated March 25, 1981 and May 14, 1981, of RICHARD WILLIAMS and copies of newspaper articles.
21. Memorandum of Interview, dated March 27, 1981, of ANNA MULLER.
22. Memorandum of Interview, dated May 27, 1981, of MERCURIO MARTINEZ, JR.
23. Memorandum of Interview, dated June 5, 1981, of EDDIE ALVAREZ.
24. Memoranda of Interview, dated March 26, 1981, March 27, 1981, April 9, 1981, May 11, 1981, and June 1, 1981, of ED L. ROMERO and copies of transcript of a taped interview, a personal diary, three internal SBA documents, and memorandum to file.
25. Signed statements, dated June 2, 1981 and May 6, 1981, and copies of a statement and other memoranda on SOLAR AMERICA, INC., from SCOTT DENNISTON.
26. Signed statements, dated March 26, 1981, and May 12, 1981, of ROBERT SALAZAR and copies of other memoranda.
27. Signed statements, dated May 11, 1981 and May 14, 1981; Memorandum of Interview, dated May 13, 1981, of ROBERT M. ORTIZ, a memorandum and a copy of a letter from ORTIZ' attorney.
28. Memorandum of Interview, dated May 13, 1981, of JOE C. CASTELLANO, JR.
29. Copies of criminal docket records on DONALD T. MORGAN.
30. Memorandum of Interview, dated March 25, 1981, of JOHN C. POWELL and a copy of a Probation Order on DONALD T. MORGAN.

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EXHIBITS (Cont)

31. Memorandum to File, dated November 3, 1980, from KEN STRUBLE.
32. Memorandum to File, dated May 8, 1981, on an investigative lead.
33. Signed statement, dated May 12, 1981, of RUTH GABALDON.
34. Memorandum of Interview, dated May 12, 1981, of LUCY SALTZMAN.
35. Memorandum of Interview, dated May 12, 1981, of RALPH LOONEY.
36. Memorandum of Interview, dated May 12, 1981, of DAVID STEINBERG.
37. Memorandum of Interview, dated May 13, 1981, of JACK SCHWARTZ.
38. Memorandum of Interview, dated May 15, 1981, of ALVIN BRUNNER.
39. Memorandum of Interview, dated May 15, 1981, of KEN WALSTON.
40. Memorandum of Interview, dated June 10, 1981, of FRED MONDRAGON.
41. Letter, dated June 23, 1981, from H.G. KIRSHEMANN, JR.
42. Copies of Incorporation documents on ROMERO-DAVENPORT EMPLOYMENT SERVICES, INC., NUC-MED, INC., SOLAR AMERICA, INC., JULIAN PADILLA AND ASSOCIATES, INC. REALTORS, AND ELR ENTERPRISES, INC.

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Date: May 28, 1981
From: Thomas X. D'Amico
Investigator, SBA

MEMORANDUM OF INTERVIEW

On this date, TONI WOLF, 17442 East Arizona Avenue, Aurora, Colorado, was contacted at her residence and she related the following information.

She stated that she used to work for ED ROMERO d/b/a SOLAR AMERICA, INC., (SA), as his personal secretary for about three or four months.

She further stated that ROMERO had lots of trouble with the SBA Albuquerque District Office in that there were delays in getting contracts filed and processed. She believed that the SBA would harass ROMERO over such small things.

WOLF revealed that she once saw SBA employee THOMAS BERGDOLL in DAVID CHAVEZ' office one time and did not know what they discussed.

She also revealed that ROMERO was heavily involved in politics and was in charge of coordinating FIRST LAY ROSALYN CARTER's visit to New Mexico in 1980.

According to WOLF, BEA SANCHEZ, an employee of SA (ROMERO's other secretary) on company's time set up a political fund raiser and was responsible for collecting money and tickets for the fund raiser during MRS. CARTER's visit to New Mexico.

WOLF also revealed that ROMERO had been going to Houston, Texas, as a Consultant for ELR ENTERPRISES to conduct some consulting work for firm BROWNING & FERRIS.

33040432207

Date: May 12, 1981
From: Thomas X. D'Amico
Investigator, SBA

MEMORANDUM OF INTERVIEW

On this date, BEA SANCHEZ, Law Office of LES HOUSTON, 2917 Carlile, N.E., Albuquerque, New Mexico, was interviewed at her place of employment and she related the following information. SANCHEZ worked for SOLAR AMERICA, INC. (SA), as an Executive Secretary from January 30, 1980 to June 6, 1980. She left SA's employment because of bad conditions and she did not like her position. She stated that she had put in a lot of overtime and was not properly paid when she terminated.

SANCHEZ could not provide any significant information about SA's relationship with SBA. She did state that TOM BERGDOLL of the SBA Albuquerque Office would visit ED ROMERO, President of SA, and that ROMERO would sometimes call him. She did not know what BERGDOLL and ROMERO would talk about.

She stated that she was paid out of Department of Labor funds from contracts SA received.

83040432208

When the requirement was received by the Dallas Regional Office, Albuquerque District Office employee GREG DEVEJIAN happened to be in Dallas and was given the requirements for contract assignment number and approval. DEVEJIAN had carried the requirements back to Albuquerque. DEVEJIAN later went to SOLAR to ask a series of questions about SOLAR's ability to perform. ROMERO thought the questions were fair and honest.

DEVEJIAN's report was then sent to E. MAINE SHAFER, Albuquerque District Office, District Director, who refused to assign a contract number. The requirement was in the Albuquerque District Office for 10 days.

It was ROMERO's understanding that SHAFER refused to assign a contract number because ROMERO was under investigation by the SBA Office of Inspector General (OIG) and that ROMERO had not complied with SBA rules and regulations.

Prior to the award of this contract, ROMERO suspected that SHAFER and the Dallas Regional Office would prevent him from getting the contract because of the OIG investigation and the fact the Albuquerque District Office and the Dallas Regional Office had a lack of enthusiasm to support 8(a) contractors.

ROMERO then in April 1981, decided to try and get a meeting with SBA ADMINISTRATOR MICHAEL CARDENAS to discuss the problems he was having with the District and Regional Offices. During the week April 6 through 8, 1981, ROMERO went to Washington, D.C. to attempt to see the ADMINISTRATOR, but was not able to get an appointment. He was able to visit with Advocacy Officer BOB CLAIRMONT, who gave him some hand out literature and listened to ROMERO's complaints. ROMERO added that he also visited Assistant Inspector General for Investigations RAY REUSCHE who advised that SOLAR's investigation was still underway.

On May 5, 1981, ROMERO called CLAIRMONT again to see if he and ROMERO could have breakfast together which they did, and CLAIRMONT only talked about his job.

In July 1981, ROMERO again met with CLAIRMONT who recommended that ROMERO meet with and discuss his problems with JOE GARCIA a special assistant to the ADMINISTRATOR. ROMERO agreed and met with GARCIA, who heard out his problems. GARCIA then introduced ROMERO to DAVID GONZALES another special assistant to the ADMINISTRATOR. ROMERO again advised that GARCIA and GONZALES only heard him out.

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ROMERO was then directed to see JOSEPH LUNA in the Minority Small Business Division (MSB) of SBA Central Office. LUNA heard out ROMERO's problems and agreed that SBA Region VI had horrendous problems.

On August 25, 1981, ROMERO again met with LUNA and complained that SHAFER and Acting Regional Administrator JIM REED were obstructing ROMERO's DOE contract and 8(a) certification. LUNA then suggested that ROMERO meet with DICK PHILBIN and DIANE PHARR of Central Office MSB. ROMERO met with them who agreed that they were fully aware of ROMERO's problems.

PHILBIN and PHARR recommended to ROMERO that he patch up his difference with SHAFER. ROMERO responded that he had tried numerous times and that SHAFER refused to meet with him and settle their differences.

ROMERO added, as a side light to this, that in the summer of 1981, he was invited to a party ANNA MUELLER of the NATIONAL ECONOMIC DEVELOPMENT ASSOCIATION, was having in Albuquerque on behalf of HECTOR RIVIERA. It was at this party where ROMERO had noticed that SHAFER was invited. ROMERO revealed that SHAFER was heavily drinking alcoholic beverages and had walked up to ROMERO and said that ROMERO was going to be in a lot of trouble.

ROMERO then digressed back and related that SOLAR was eventually designated as the 8(a) contractor for the DOE contract by SBA Central Office. On September 24, 1981, ROMERO attempted to see the ADMINISTRATOR and Special Assistant DON TEMPLEMAN, but was not able to because of them not being available. ROMERO then went to see GARCIA, who advised him that it was not his department to award the contract and told ROMERO to see CARL ELLISON, Deputy Administrator for MSB.

According to ROMERO, ELLISON agreed to sign the contract which was done on September 30, 1981. ROMERO reported that SOLAR has already performed on the contract. SOLAR will initially get \$224,000 and by the end of the fiscal year, another \$250,000 will be paid to SOLAR.

ROMERO denied that he, his wife, or any other member (distant or close) of their family were related to the ADMINISTRATOR, GARCIA, GONZALES, and LUNA. He admitted knowing GARCIA when GARCIA was a child and last saw GARCIA in 1952. He further stated that he was not in any way closely associated by friendship with the above SBA officials.

8304043221C

ROMERO denied that SOLAR's Austin, Texas, Vice President, RAMIREZ's wife, BLANDINA CARDENAS RAMIREZ, and ANDY RAMIREZ, were in any way related to the above SBA officials.

ROMERO stated that none of his family and relatives were ever employed by the federal government.

ROMERO denied that the ADMINISTRATOR had stayed overnight at RAMIREZ's residence or any SOLAR apartment in Austin, Texas.

ROMERO advised that the reason why he dropped CPA ROBERT MARQUEZ was because MARQUEZ travelled extensively and was never available. He obtained the accounting services of SABINO OLIVAS, partner, FOX & COMPANY, INC., (FOX & CO.) because OLIVAS had been a long time friend of his. ROMERO also wanted OLIVAS because OLIVAS was a good CPA. ROMERO began using FOX & CO. in September or October 1980.

ROMERO denied that he obtained FOX & CO. knowing that the ADMINISTRATOR had been appointed from that firm and would look after SOLAR. ROMERO thought at the time he obtained FOX & CO. that PRESIDENT JIMMY CARTER would be re-elected.

ROMERO confirmed that he did in fact receive a copy of the ADMINISTRATOR's resume. He received it from an unknown person from the LATIN AMERICAN MANUFACTURERS ASSOCIATION in Washington, D. C. ROMERO stated that he wanted the resume because he was curious about CARDENAS' background. ROMERO also revealed that OLIVAS had given him a FOX & CO. newsletter announcing CARDENAS' appointment.

ROMERO was asked about other companies he was affiliated with and he stated that he was an active partner in AL-RO and PROFESSIONAL DEVELOPERS. (AL-RO was set up to obtain credit and a bank loan.) ROMERO advised that ELR ENTERPRISES, INC., one of his first companies, was phased out.

ROMERO also reported that he held stock in the following other companies:

1. NUC-MED, INC.
2. CENTURY OIL & GAS CORPORATION
3. EMC ENERGIES, INC.
4. ELSBURG GOLD MINING COMPANY LIMITED
5. PROFESSIONAL DEVELOPERS, INC.
6. INTERNATIONAL MONETARY CORPORATION
7. MEGA CORPORATION

83040432211

When questioned about political contributions, ROMERO admitted that he personally made numerous political contributions all the way from local politicians to the President of the United States for the last 20 years. He further admitted that SOLAR made some political contributions to local, state and federal election campaigns. ROMERO recalled making a \$1,000 contribution to the DEMOCRATIC NATIONAL CONVENTION.

ROMERO further admitted that few SOLAR employees were involved in the 1980 re-election effort for PRESIDENT CARTER during after hours. ROMERO even provided his office for political campaign meetings.

ROMERO also admitted that he was on PRESIDENT CARTER's re-election finance committee in 1980. He claimed he did not request favors in return for his re-election work and contributions.

ROMERO denied that he requested former SBA Advocacy Officer MICHAEL KRAFT, the brother of TIM KRAFT (One of PRESIDENT CARTER's staff members), to help him get SBA contracts.

ROMERO later provided reporting Investigator access to most of SOLAR's financial books and records for calendar years 1980 and 1981.

DONALD MORGAN, SOLAR's Comptroller, and ROMERO advised that all of SOLAR's money from all government contracts was deposited at the FIRST NATIONAL BANK OF ALBUQUERQUE and that this money was used to pay wages, expenses, entertainment, and political contributions.

A review of these records disclosed that \$5,375 of SOLAR Company money was used for local, state, and federal campaign/re-election contributions.

Further review determined that PROFESSIONAL DEVELOPERS, INC. owns the building where SOLAR, ELR ENTERPRISES, INC. ROMERO-DAVENPORT EMPLOYMENT SERVICES, JULIAN PADILLA REALTORS, HAROLD ALBERT, HACENDA HOMES, and ALBUQUERQUE CAREER INSTITUTE are located. ELR ENTERPRISES, INC., rents office space from PROFESSIONAL DEVELOPERS, INC. and sublets its office space to SOLAR.

ROMERO promised to send copies of cancelled checks on his personal political contributions, rent payments to PROFESSIONAL DEVELOPERS, INC. by ELR ENTERPRISES and SOLAR, and billings for SOLAR's Department of Labor (DOL) minority recruitment contracted as well as SOLAR's DOL contract completion records. He also agreed to send copies of his entertainment expenses and cancelled checks.

DEMOCRATIC PARTY OF THE STATE OF NEW MEXICO

SOLAR AMERICA, INC.

April 30, 1981

MAY 04 1981

DATE RECEIVED

Mr. Ed Romero
2620 San Mateo, NE
Albuquerque, NM 87110

Dear Ed:

I have not received a response to the attached letter concerning the status of your \$2,000 loan to the Democratic Party. It is uncomfortable to persist in this matter, but I must clear the matter up on the books of the Democratic Party of New Mexico. If I have not received a response from you by May 15, 1981, I will take it for granted that you wish to contribute the monies owed you and not be repaid.

Again, let me thank you for the tremendous response that you gave to the Democratic Party in its time of need. Your efforts on behalf of the Party will be remembered.

Sincerely,



Brad L. Hays
State Chairman
Democratic Party of New Mexico

BLH:vw
Enclosure

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DEMOCRATIC PARTY OF THE STATE OF NEW MEXICO

March 11, 1981

Late in October, prior to the election, the Democratic Party asked you to financially assist us. We knew we were in trouble due to the vast amounts of monies that were being spent by the Republican Party. It may be hard to visualize after the Reagan landslide, but those election day dollars meant a great deal to state and local candidates. Many Democratic officials might not have made it without that assistance.

The Democratic Party got a message in November to "get back in touch with the voters." We are taking several steps to implement this realization and begin to aggressively approach the 1982 elections.

One of our problems is that we are in debt. We are approximately \$40,000 in debt to various vendors and one bank note. In addition to that, we owe \$32,000 to individuals who loaned the Party \$2,000 such as yourself. As you will remember, each person was to be reimbursed as they sold tickets to the Bentson Dinner. Many of the individuals sold their entire \$2,000 worth of tickets. Of \$52,000 loaned, \$19,300 was reimbursed. We committed to try fundraising events in the future to attempt to reduce any remaining debt. Frankly, that will not be easy in today's fundraising climate with money having to be raised for minimal Party operations. Several of the individuals who loaned the \$2,000 have expressed a desire to contribute the remainder of their loan. We have, of course, gratefully accepted. We need to know what your expectation will be of the balance of your obligation to you. We show that balance to be _____.

Please let me know as soon as you can. We are trying to put the Party in a financial position to move forward.

Sincerely,

Erad L. Hays
State Chairman
Democratic Party of New Mexico

ELH:vw

83040432215

DEMOCRATIC PARTY OF THE STATE OF NEW MEXICO

March 11, 1981

SOLAR AMERICA, INC.

Mr. Ed Romero
2620 San Mateo, NE
Albuquerque, NM 87109

MAR 12 1981

DATE RECEIVED

Dear Ed:

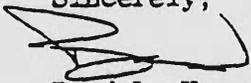
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Please let me know as soon as you can. We are trying to put the Party in a financial position to move forward.

Sincerely,


Brad L. Hays
State Chairman
Democratic Party of New Mexico

BLH:vw

83040432216

Edward L. Romero

3700 CAMINO DON DIEGO N.E. • ALBUQUERQUE, NEW MEXICO 87111

March 12, 1981

Mr. Brad L. Hays, State Chairman
Democratic Party of the State of New Mexico
4155 Montgomery, NE
Albuquerque, New Mexico 87109

Dear Brad:

In response to your letter of March 11, this is to advise that I would like to contribute the \$2,000 loaned to the party during the recent campaign. This letter constitutes my authorization to report the debt as fully discharged.

Sincerely,

Ed L. Romero

ELR:tw

SOLAR AMERICA, INC.
 8927 SAN MATTO N. E., SUITE D 881-0959
 ALBUQUERQUE, NEW MEXICO 87113
 1078

NO 3942

The First National Bank in Albuquerque
 New Mexico - Large Branches & Full Service Branches
 Albuquerque, New Mexico 87103
 95-27/1070

Solar America 1500.00cts

PAY Hispanic Inaugral Committee DATE 1-13-81 AMOUNT \$ 500.00

ORDER OF

NOT NEGOTIABLE

⑆009942⑆ ⑆107000275⑆ 198426207⑆

PLEASE DETACH THIS STATEMENT BEFORE DEPOSITING

SOLAR AMERICA, INC.
 ALBUQUERQUE, NEW MEXICO

DATE	ACCOUNT OR INVOICE NO.	DESCRIPTION	AMOUNT	DISCOUNT OR DEDUCTION	NET AMOUNT
1-13-81	951.000		500.00		

EMPLOYEE'S NAME _____ SOLAR AMERICA, INC.
 ALBUQUERQUE, NEW MEXICO

PAY PERIOD ENDING	HOURS	RATE	GROSS EARNINGS	FICA	FED WITH TAX	STATE WITH TAX	NET EARNINGS PAID
30	REG. T. O.T.						

EMPLOYEE: THIS IS A STATEMENT OF YOUR EARNINGS AND DEDUCTIONS FOR PERIOD INDICATED. KEEP THIS FOR YOUR PERMANENT RECORD.

SOLAR AMERICA, INC.
2020 SAN JATEC N. E., SUITE D 883-0959
ALBUQUERQUE, NEW MEXICO 87110

No 5641

The First National Bank in Albuquerque
New Mexico's Largest Home-Owned Independent Bank
Albuquerque, New Mexico 87105

95-27/1878

Solar America \$100.00

PAY Ed L. Romero DATE 7-31-81 AMOUNT \$ 100.00

NOT NEGOTIABLE

⑆0000 123456789010111213141516171819

PROCESSED BY BANK OF AMERICA

DETACH THIS STATEMENT BEFORE DEPOSITING SOLAR AMERICA, INC. ALBUQUERQUE, NEW MEXICO

DATE	ACCOUNT OR INVOICE NO.	DESCRIPTION	AMOUNT	DISCOUNT OR DEDUCTION	NET AMOUNT
07/31/81	951.000	reimb. for MANA contribution	100.00		

EMPLOYEE'S NAME SOLAR AMERICA, INC. ALBUQUERQUE, NEW MEXICO

PAY PERIOD ENDING	HOURS	RATE	GROSS EARNINGS	DEDUCTIONS			NET EARNINGS PAID
				FICA	FED WITH TAX	STATE WITH TAX	
REG. T O.T.							

EMPLOYEE: THIS IS A STATEMENT OF YOUR EARNINGS AND DEDUCTIONS FOR PERIOD INDICATED. KEEP THIS FOR YOUR PERMANENT RECORD

Date: October 29, 1981
File AD-13

Thomas X. D'Amico *T.X. D'Amico*
Investigator, SBA

Report of Interview

The following persons were interviewed at the office of HAROLD B. ALBERT, Attorney at Law, 2620 San Mateo Boulevard, N.E., Albuquerque, New Mexico this date.

ED L. ROMERO, President, SOLAR AMERICA, INC. (SOLAR)
TANNA ROMERO, Secretary/Treasurer, SOLAR

ALBERT, ROMERO's Attorney was also present at the interview along with a court recorder.

ALBERT advised that he was not taking any deposition from the ROMEROS and reporting Investigator, but wanted a court reporter to make a record of the interview with the specific agreement that reporting Investigator would be furnished a copy of the transcript of ED ROMERO's statement.

ROMERO was advised that this interview was purely voluntary on his part and that he did not have to answer any questions. ROMERO stated that he wanted to cooperate fully.

ROMERO confirmed that he had practically self-marketed a \$500,000 Department of Energy (DOE) energy research and conservation contract approximately 6 months ago. The Minority Contracts Branch of DOE had made SOLAR aware of the contract since DOE already had SOLAR's capabilities statements. DOE Contracts Officer CRAIG FRAME was one of the DOE people ROMERO had dealt with on the contract, which was set aside for the 8(a) program.

According to ROMERO, DOE accepted SOLAR as the 8(a) contractor. SBA Central Office was advised of such by DOE and the requirement was eventually sent down to Albuquerque District Office and the Dallas Regional Office.

83040432220

Date: October 29, 1981
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Thomas X. D'Amico
Investigator, SBA

T.X. D'Amico

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8304043221

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DEVEJIAN's report was then sent to E. MAINE SHAFER, Albuquerque District Office, District Director, who refused to assign a contract number. The requirement was in the Albuquerque District Office for 10 days.

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83040432222

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83040432223

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7. MEGA CORPORATION

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1
2 Record of interview of Mr. Thomas X. D'Amico, Small
3 Business Administration, and Mr. Ed Romero, President, Solar
4 America, Inc.

5 Taken at the office of Harold B. Albert, Attorney at
6 Law, 2620 San Mateo Boulevard, Northeast, Albuquerque, New
7 Mexico, at the hour of seven thirty o'clock in the forenoon.

8 Also present were Mr. Harold B. Albert, counsel for Mr.
9 Romero, and Mrs. Tanna Romero, Secretary-Treasurer, Solar
10 America, Inc.

11 * * * *

12
13 MR. ALBERT: As we start, so that there is no
14 misunderstanding, we have the court reporter and we've agreed
15 that the court reporter will transcribe this as just a
16 memorandum of --

17 MR. D'AMICO: Memorandum of record.

18 MR. ALBERT: -- of the interview this morning.

19 MR. D'AMICO: Okay, and then a copy would be made
20 available to me?

21 MR. ALBERT: Yeah, if we purchase a copy, I presume
22 that you'll purchase a copy.

23 MR. D'AMICO: I'll purchase a copy.

24 MR. ALBERT: And I want you to know, on the record,

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MR. D'AMICO: The next questions are going to be kind of sensitive, and -- what personal political contributions have you made?

MR. ROMERO: Oh, those aren't sensitive at all. I've made so many, Tom, that -- I can't mention them. I made them all the way from the president to people running for the school board, you know.

MR. D'AMICO: Okay.

MR. ROMERO: I mean, really --

MR. D'AMICO: At various stages of government; state, local, and federal?

MR. ROMERO: Sure. I've done that for twenty years, you know.

MR. D'AMICO: How about your companies, Solar America, E.L.R.? Have they made any political contributions?

MR. ROMERO: Yeah, they made a couple, yeah. Right.

MR. D'AMICO: Do you have any record of that? Would I be able --

MR. ROMERO: Well, if I don't, the C.P.A. does, or the controller does, I'm sure.

MR. D'AMICO: I'd like to look at those, if I could.

MR. ROMERO: Sure.

MR. D'AMICO: I understand that you were chosen by

1
2 President Carter to head up his re-election campaign efforts
3 here in New Mexico.

4 MR. ROMERO: No. It's not true.

5 MR. D'AMICO: Okay.

6 MR. ROMERO: Yeah.

7 MR. D'AMICO: Who was chosen for that, then?

8 MR. ROMERO: Let's see. Who -- his campaign
9 chairman was Alan Reed.

10 MR. D'AMICO: Alan Reed?

11 MR. ROMERO: Uh-huh.

12 MR. D'AMICO: Did you have any -- did you have any
13 input into the campaign efforts here?

14 MR. ROMERO: Yes.

15 MR. D'AMICO: What was your role?

16 MR. ROMERO: Well, just, you know -- just
17 campaigning for the guy, raising money for the president,
18 just all the normal things that you do in political campaigns.

19 MR. D'AMICO: What about Solar America? Did any
20 of the employees or the company participate in the effort?

21 MR. ROMERO: Yeah. But either after hours or
22 coming in late, yeah, very, very little. My employees
23 participated, usually, on their own, and when they wanted to,
24 or they'd come and volunteer, but also on their own time,

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and also -- a lot of them work late.

MR. D'AMICO: Well, did the company provide like an office space or --

MR. ROMERO: No.

MR. D'AMICO: -- anything of this nature?

MR. ROMERO: No. No. Huh-uh. I used to have meetings in my office, okay? But after hours, also, you know. And during -- well, candidates would come to visit me during the day, too, you know, various candidates, state --

MR. D'AMICO: So would those be reflected in your personal income tax returns, political contributions --

MR. ROMERO: No, and I'll tell you why. Because we're only permitted to deduct a hundred dollars, and I took the deduction of a hundred dollars, you know, whatever you're permitted. But I made some contributions that -- over a hundred -- you know, my contributions probably ran -- over -- anywhere from ten dollars on up to -- I think to the president I contributed a thousand dollars to his campaign, or to the D.N.C., not actually the president; for the D.N.C.

MR. D'AMICO: Well, how many of your company employees participated?

MR. ROMERO: Very, very few.

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MR. D'AMICO: Very few? About one or two, maybe?

MR. ALBERT: Do you know what they did on their own?

MR. ROMERO: No, I don't know what they did on their own. All of them had their own favorite candidates. But -- very few people -- you know.

MR. D'AMICO: What relatives -- do you have any relatives there, you, yourself, that work for the federal government?

MR. ROMERO: I have so many.

MR. ALBERT: Her dad.

MR. ROMERO: Well, her father used to work for Sandia Base as a custodian.

MR. D'AMICO: I'm talking -- well, like sons, daughters, cousins --

MR. ROMERO: Oh, no.

MR. D'AMICO: -- aunts, uncles.

MR. ROMERO: I have so many relatives, Tom. Let me tell you. I have -- but none of them work for the federal government.

MR. D'AMICO: That's all I'd like to ask of you.

MR. ROMERO: Okay.

MR. D'AMICO: And if I could look at your stock portfolio and if I could --

REPORTER'S CERTIFICATE

I, CHERYL BRUCE, a Certified Shorthand Reporter,
DO HEREBY CERTIFY that I reported the foregoing interview
in stenographic shorthand and transcribed, or had the same
transcribed under my supervision and direction, the
foregoing interview and that the same is a true and correct
record of the proceedings at that time and place.

WITNESS MY HAND this 2nd day of November, 1981.

Cheryl Bruce
Certified Shorthand Reporter

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FIRST CLASS MAIL

Mr. Charles N. Steele
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Cc# 7749

May 11, 1982

Honorable William L. Lutz
United States Attorney
P. O. Box 607
Albuquerque, New Mexico 87103

Attention: Don J. Svet
Assistant United States Attorney

Re: ED L. ROMERO
President
SOLAR AMERICA, INC.
Albuquerque, New Mexico
AD 1-13

MAY 11 11:53 AM '82

93040432263

Dear Sir:

This office has received a legal opinion from the Federal Election Commission relating to political contributions made by government contractors. A copy of this opinion is enclosed for your review of this office's continuing investigation of Mr. Romero and his company's involvement in making political contributions.

The Commission is of the opinion that "contributions and expenditures" by a corporation are defined to include "anything of value" such as in-kind services and that these types of contributions are generally prohibited by 2 U.S.C. 441c. Our investigation disclosed that Solar America, Inc. provided office space free of charge for political meetings during a national election campaign. Further, a Solar America, Inc. employee was found setting up a political fund raiser for President Jimmy Carter's 1980 campaign in New Mexico during regular company business hours.

Based on the information we have disclosed about Solar America, Inc., and its political contributions, the Commission has requested a copy of our investigative report, which we will be forwarding for their review and determination of other federal violations.

Should you have any further questions or need additional information, please call me or Mr. Thomas X. D'Amico of my Dallas, Texas staff office at FTS 729-1772. It is a pleasure to cooperate with your office on matters of mutual interest.

Sincerely,

R. R. Reusche
Assistant Inspector General
for Investigations

Enclosure

cc: Charles N. Steele ✓
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

83040432231

8 3 0 4 0 4 **FIRST CLASS MAIL**

U. S. SMALL BUSINESS ADMINISTRATION
OFFICE OF INSPECTOR GENERAL
1114 COMMERCE ST. ROOM 915
DALLAS, TEXAS 75242

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SBA-475



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

ASS MAIL

FIRST CLASS MAIL

RECEIVED
82 MAY 14 12: 25

FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

TO: *Steve*

DATE: *5/11/82*

FROM: *George*

<input type="checkbox"/> APPROVAL	<input type="checkbox"/> IMMEDIATE ACTION	<input type="checkbox"/> RECOMMENDATION
<input type="checkbox"/> AS REQUESTED	<input type="checkbox"/> INITIALS	<input type="checkbox"/> SEE ME
<input type="checkbox"/> CONCURRENCE	<input type="checkbox"/> NECESSARY ACTION	<input type="checkbox"/> SIGNATURE
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REMARKS:

*Ken wants this
made into a
Pre MUR.*

FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

TO: *Steve*

DATE: *5/11/82*

FROM: *George*

<input type="checkbox"/> APPROVAL	<input type="checkbox"/> IMMEDIATE ACTION	<input type="checkbox"/> RECOMMENDATION
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<input type="checkbox"/> PREPARE REPLY FOR THE SIGNATURE OF _____		

REMARKS:

*Ken wants this
made into a
Pre MUR.*

83040432236

6647714

May 7, 1982

Honorable William L. Lutz
United States Attorney
P. O. Box 627
Albuquerque, New Mexico 87103

Attention: Don J. Svet
Assistant United States Attorney

Re: ED L. ROMERO
President
SOLAR AMERICA, INC.
Albuquerque, New Mexico
AD 1-13

MAY 10 P 5: 26

83040432237

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Sincerely,

James E. Whipple

Senior Inspector-In-Charge
R. R. Reusche
Assistant Inspector General
for Investigations

Enclosure

cc: Charles N. Steele ✓
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

83040432238

CC# 7470



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

2 APR 2 94:05

March 30, 1982

Mr. Tom D'Amico
Office of the Inspector General
Small Business Administration
1114 Commerce Street
Room 815
Dallas, Texas 75242

Dear Mr. D'Amico:

This follows up on our telephone conversation of today and your request for any opinions issued by the Federal Election Commission regarding political contributions by government contractors. You also requested information on in-kind services being provided by corporations in connection with a federal election. I understand that this material is needed in connection with an investigation being conducted by your office.

The Commission has issued three advisory opinions dealing with those provisions of the Federal Election Campaign Act of 1971, as amended (2 U.S.C. 441c(a) and 11 C.F.R. 115.1 and 2), dealing with contributions by government contractors. Copies of Advisory Opinions 1975-31, 1975-99 and 1980-37 are enclosed. Your attention is particularly called to Section B of Advisory Opinion 1975-31, where the Commission discussed the treatment of contributions by persons associated with a government contractor. Under the paragraph dealing with corporations, it is indicated that a stockholder, officer or employee of any type of corporation would not be prohibited from making a personal contribution to influence a federal election.

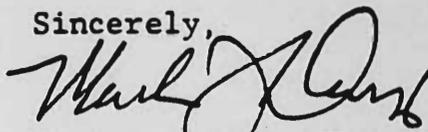
Contributions and expenditures in connection with federal elections made by corporations are generally prohibited by 2 U.S.C. 441b. Pertinent Commission regulations are found at 11 C.F.R. 114.1 and 2. You will note that "contributions and expenditures" are defined to include "anything of value," which the Commission has construed to include the provision of in-kind services (see 2 U.S.C. 100.7(a)(1)(iii) and 100.8(A)(1)(iv)).

03040432239

Should your investigation reveal any information which you believe relates to a potential violation, please bring it to the attention of the Commission by directing it to Charles N. Steele, the Commission's General Counsel. His address is 1325 K Street, N.W., Washington, D.C. 20463. If you have any questions about the enforcement procedures or policies of the Commission, Mr. Kenneth A. Gross, Associate General Counsel, would be the most appropriate person to contact. He may be reached at the above address or by phone at (202) 523-4175.

I trust this information will be of assistance to you.

Sincerely,



Mark J. Davis, Director
Congressional, Legislative
& Intergovernmental Affairs

Enclosures

83040432240



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 7, 1982

MEMORANDUM

TO: Mark Davis, Director
Congressional and Intergovernmental
Affairs

THROUGH: B. Allen Clutter
Staff Director

FROM: Charles N. Steele *CS*
General Counsel

Carolyn U. Oliphant *CUO*
Special Assistant General Counsel

SUBJECT: Attached Letter

We have reviewed the attached letter to Mr. Tom D'Amico of the Office of the Inspector General, Small Business Administration, Dallas, Texas. Our only comments are noted in the margin of the letter.

Attachment

33040432241

LEGAL REVIEW FECA/NON-FECA ASSIGNMENT

LRF 118

TO: CHARLES N. STEELE

FROM: LO

DATE: 3-30-82

SUBJECT: Request from STBA for AO's & info re in-kind corp contributions

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APPROVED FOR ASSIGNMENT OK

STAFF: Eastwood

DUE DATE: 4-1-82 (12 noon)

DISAPPROVED FOR ASSIGNMENT

REASONS:

PLEASE RETURN TO DOCKET AFTER ASSIGNMENT. THANK YOU.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

THROUGH: B. ALLEN CLUTTER *BA*
STAFF DIRECTOR *amb*

FROM: MARK DAVIS, DIRECTOR
CONGRESSIONAL and INTERGOVERNMENTAL
AFFAIRS

SUBJECT: ATTACHED LETTER

DATE: March 30, 1982

I received a phone call this morning from Mr. Tom D'Amico, Office of the Inspector General, Small Business Administration, Dallas, Texas. He requested copies of any advisory opinions dealing with the prohibition against contributions by government contractors, as well as general information on in-kind corporate contributions. He had copies of the Act and Commission regulations.

Attached is a letter I propose sending to Mr. D'Amico. It would be appreciated if you would advise me by close-of-business Thursday, April 1 of any comments or problems with the draft.

Mr. D'Amico indicated that he was requesting this information in connection with an investigation of an 8-A (minority) contractor and wanted background to assist in discussing the case with the Assistant U.S. Attorney, to whom part of the file in the investigation has been referred. Thus, he hopes to receive the information as quickly as possible.

Thank you for your assistance.

Attachment

83040132245



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 30, 1982

Mr. Tom D'Amico
Office of the Inspector General
Small Business Administration
1114 Commerce Street
Room 815
Dallas, Texas 75242

Dear Mr. D'Amico:

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Contributions and expenditures in connection with federal elections made by corporations are generally prohibited by 2 U.S.C. 441b. Pertinent Commission regulations are found at 11 C.F.R. 114.1 and 2. You will note that "contributions and expenditures" are defined to include "anything of value," which the Commission has construed to include the provision of in-kind services (see 2 U.S.C. 100.7(a)(1)(iii) and 100.8(A)(1)(iv)).

Should your investigation reveal any information which you believe ~~should be brought~~ to the attention of the Commission, *by* ~~please~~ direct it to Charles N. Steele, the Commission's General Counsel. His address is 1325 K Street, N.W., Washington, D.C. 20463. If you have any questions about the enforcement procedures or policies of the Commission, Mr. Kenneth A. Gross, Associate General Counsel, would be the most appropriate person to contact. He may be reached at the above address or by phone at (202) 523-4175.

I trust this information will be of assistance to you.

Sincerely,

Mark J. Davis, Director
Congressional, Legislative
& Intergovernmental Affairs

Enclosures

*relates to a potential violation
of the Act, please bring it*

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Charles N. Steele
Federal Election Commission
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92 MAY 10 P 3: 27

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FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 1454

Date Filmed 9/7/83 Camera No. --- 3

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