FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 1465

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

Cameraman DPC

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dr. Guy C. McCombs III
6221 Kansas Avenue, N.E.
Washington, D. C. 20011

Re: MUR 1465

Dear Dr. McCombs:

The Federal Election Commission, on October 27, 1982, voted to find no reason to believe that a violation of the Federal Election Campaign Act, as amended, had occurred in connection with the complaint which you filed on August 27, 1982. Accordingly, the Commission has closed its file in this matter. The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

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

Sincerely,

Charles N. Steele
General Counsel

By Kenneth A. Gross
Associate General Counsel

32040361414

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Wright H. Andrews, Jr., Esquire
Sutherland, Asbil and Brennan
1666 K Street, N. W.
Washington, D. C. 20006

Re: MUR 1465

Dear Mr. Andrews:

On August 31, 1982, the Commission notified you of a complaint alleging that your client, the Committee for Fauntroy, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission on October 27, 1982, voted to find no reason to believe that a violation of the Act had occurred. Accordingly, the Commission has closed the file in this matter. However, please note that the Commission requires that the Committee for Fauntroy amend their reports with respect to the subject "debts", since many of the debts have been paid. This matter will become part of the public record within 30 days.

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

32040361415

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1465
STAFF MEMBER & TEL. NO.
Susan Donaldson

RESPONDENT Committee for Fauntroy

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

Guy C. McCombs, III filed a complaint on August 31, 1982, alleging that the Committee for Fauntroy violated 2 U.S.C. § 441b for failing to pay debts to certain corporations which date back as long as 1972. Mr. McCombs also alleged violations of 2 U.S.C. §§ 433 and 434 for failure to report these contributions and expenditures.

FACTUAL BASIS AND LEGAL ANALYSIS

Mr. Wright Andrews, counsel for the Fauntroy Committee, responded to the allegations in a letter dated October 4, 1982. He has supplied further information in letters dated October 15 and 21, 1982. Mr. Andrews has explained that two of the debts dating back to 1978 had actually been paid. The accountants for the Committee have researched the debts dating back to 1972 and have supplied the Commission with partial information on these particular debts. However, it is not clear whether these debts were paid, forgiven by the corporations or were incurred by the Committee. That information is necessary in order to determine whether corporate contributions were actually accepted. Therefore, in order to obtain further information, the General

3 2 0 4 0 3 6 1 4 1 6

Counsel recommends that the Commission find reason to believe that a violation of 2 U.S.C. § 441b has occurred.

RECOMMENDATION

1. Find reason to believe that the Committee for Fauntroy violated 2 U.S.C. § 441b.

5204036147

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645

Mailgram

GCC8805

4-0365268301002 10/28/82 ICS IPMMTZZ CSP MGMS
1 2025234073 MGM TDMT WASHINGTON DC 10-28 0255P EST

FEDERAL ELECTION COMMISSION S BARNDOLLAR
1325 K ST NORTHWEST
WASHINGTON DC 20463

THIS MAILGRAM IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

2025234073 MGM TDMT WASHINGTON DC 77 10-28 0255P EST
ZIP
WRIGHT H ANDREWS
SUTHERLAND ASBILL AND BRENNAN
1666 K ST NORTHWEST
WASHINGTON DC 20006
REGARDING MUR 1465 ON OCTOBER 27 1982 THE FEDERAL ELECTION COMMISSION DETERMINED ON THE BASIS OF THE COMPLAINT FILED AGAINST YOU IN MUR 1465 THERE IS NO REASON TO BELIEVE A VIOLATION OF THE FEDERAL ELECTION CAMPAIGN ACT HAS OCCURRED AND HAS ACCORDINGLY CLOSED THE FILE. AN EXPLANATORY LETTER WILL FOLLOW.
CHARLES N STEELE GENERAL COUNSEL BY KENNETH A GROSS ASSOCIATE GENERAL COUNSEL

14:57 EST

MGMCOMP

3 2 0 4 0 3 6 1 4 1 8

5241 (R1/78)

TO REPLY BY MAILGRAM, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645

Mailgram

4-0367538301002 10/28/82 ICS IPMMTZZ CSP WGMC 29 R1:30 GCC8806
1 2025234073 MGM TDMT WASHINGTON DC 10-28 0257P EST

FEDERAL ELECTION COMMISSION S BARNDOLLAR
1325 K ST NORTHWEST
WASHINGTON DC 20463

THIS MAILGRAM IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

2025234073 MGM TDMT WASHINGTON DC 69 10-28 0257P EST
ZIP
DR GUY C MCCOMBS III
6221 KANSAS AVE NORTHEAST
WASHINGTON DC 20011
REGARDING MUR 1465 ON OCTOBER 27 1982 THE FEDERAL ELECTION COMMISSION DETERMINED ON THE BASIS OF YOUR COMPLAINT THERE IS NO REASON TO BELIEVE A VIOLATION OF THE FEDERAL ELECTION CAMPAIGN ACT HAS OCCURRED AND HAS ACCORDINGLY CLOSED THE FILE. AN EXPLANATORY LETTER WILL FOLLOW.
CHARLES N STEELE GENERAL COUNSEL BY KENNETH A GROSS ASSOCIATE GENERAL COUNSEL

15:00 EST

MGMCOMP

82040361419

5241 (R1/78)

TO REPLY BY MAILGRAM, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

RECEIVED AT THE FEC

82 OCT 29 P12:17

western union **Mailgram**

MAILGRAM POSTAL
CHARGES PAID

THIS MAILGRAM WAS TRANSMITTED ELECTRONICALLY BY WESTERN UNION TO A POST OFFICE NEAR YOU FOR DELIVERY

RECEIVED AT THE FEC

82 OCT 29 P12:17

western union **Mailgram**

UNITED STATES POSTAL SERVICE U.S. MAIL

MAILGRAM POSTAL
CHARGES PAID

THIS MAILGRAM WAS TRANSMITTED ELECTRONICALLY BY WESTERN UNION TO A POST OFFICE NEAR YOU FOR DELIVERY

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1465
Committee for Fauntroy	)	

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission Executive Session on October 27, 1982, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 1465:

1. Find no reason to believe that the Committee for Fauntroy violated 2 U.S.C. §441b.

2. Direct the Office of General Counsel to amend the letter attached to the General Counsel's Report dated October 26, 1982, as agreed in the meeting.

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

Attest:

10-27-82
Date

Marjorie W Emmons
Marjorie W. Emmons
Secretary of the Commission

82040361422

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 26, 1982

MEMORANDUM TO: Marjorie W. Emmons

FROM: George Demougeot GD

SUBJECT: MUR 1465 - Expedited

Please have the attached Expedited First G.C. Report distributed to the Commission on pink paper per expedited procedures. Thank you.

Attachment

32040351423

SENSITIVE

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

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

82 OCT 26 P2:27

EXPEDITED FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL BY OGC TO THE COMMISSION 10-26-82

MUR NO. 1465
DATE COMPLAINT RECEIVED BY OGC August 30, 1982
DATE OF NOTIFICATION TO RESPONDENT August 31, 1982
STAFF MEMBER
Susan Donaldson

COMPLAINANT'S NAME: Guy C. McCombs III

RESPONDENT'S NAME: Committee for Fauntroy

RELEVANT STATUTES: 2 U.S.C. § 441b
2 U.S.C. §§ 433 and 434

INTERNAL REPORTS CHECKED: Committee for Fauntroy

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

A complaint was filed on August 30, 1982, by Guy C. McCombs III, which alleges that the Committee for Fauntroy has failed to pay campaign debts to certain corporations totalling more than $6,700 over the past ten years. The complainant alleges that these debts constitute contributions and expenditures by the corporations in violation of 2 U.S.C. § 441b. Violations of 2 U.S.C. § 433 and § 434 are also alleged due to the Committee's failure to report these contributions and expenditures on their FEC reports.

FACTUAL AND LEGAL ANALYSIS

The Twelve Day Pre-Primary Report (1982) filed by the Committee for Fauntroy reveals $2,418.08 in debts to corporations

32040361424

which date back to 1978. There are also $2,834.53 in debts to corporations which date back to 1972.

1978 Debts	Date	Amount
Digital Management Corporation	8-78	$572.55
Digital Management Corporation	9-78	589.65
Digital Management Corporation	10-78	280.00
The Capital Hilton	10-78	975.88
1972 Debts		
Connell Press, Inc.	4-72	133.00
Roberta Flack, Ent., Inc.	5-72	300.00
Merkle Press	6-72	951.96
McLean Company, Inc.	3-72	550.00
Barton, Duer and Koch Paper Co.	4-72	140.36
Peggy Brown/Political Parties, Inc.	4-72	38.26
TWA Market Air	2-72	110.29
Congressional Liquors	9-72	38.66
South Capitol Press	9-72	572.00

2 U.S.C. § 441b prohibits any corporation from making contributions or expenditures in connection with any election to any political office. 11 C.F.R. § 114.10 states that a corporation may extend credit to a candidate or political committee provided that the credit is extended in the ordinary course of business. A corporation may not forgive debts which have been incurred by a candidate or political committee unless the creditor has treated the outstanding debt in a commercially reasonable manner.

Counsel for the Fauntroy Committee, Wright H. Andrews, responded to the Commission's notification in a letter dated October 4, 1982. (Attachment I). He stated that the $975.88 debt to the Capital Hilton (1978) was paid on March 27, 1979; and

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the debts to Digital Management Corporation (which transferred its receivables to Datatel Mini Computer Company) were paid on January 31, 1980. The FEC reports showing these disbursements were supplied by Mr. Andrews.

Mr. Andrews also explained that the debts dating back to 1972 were incurred by the "McGovern Committee" and the "Committee to Re-elect Walter E. Fauntroy". He stated that when the Fauntroy Committee was reorganized in 1972, the recordkeeping relating to the 1972 campaign was considered inadequate and it was not clear whether the 1972 "debts" were owed as reflected in the records. The Committee has continued to report these "debts" even though none of the organizations have sought payment. The Committee's accounting firm, Peat, Marwick, Mitchell and Co. attempted to contact the 1972 creditors and determine if the reported debts are outstanding obligations.

The results of the accountants' verification of the 1978 corporate debts which were received on October 15, 1982, showed that Datatel believes the $1,442.20 is still an outstanding obligation. The Committee forwarded the cancelled check to the Commission on October 21, 1982. The Capital Hilton confirmed that there was no balance due.

The verification of the 1972 debts revealed:

(1) Connell Press has no record of the debt;

(2) Roberta Flack Enterprises, Inc., is sending a written confirmation;

(3) Merkle Press stated there was no balance due;

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(4) McLean Company, Inc., is in bankruptcy;

(5) Barton, Duer and Koch Paper Co. confirmed nothing is due;

(6) Peggy Brown/Political Parties, Inc., has not been located;

(7) TWA Market Air is researching the item;

(8) Congressional Liquors confirmed nothing is due; and

(9) South Capitol Press confirmed nothing is due.

It appears necessary to obtain further information on these 1972 debts as it is not clear whether these debts were paid, forgiven, or even incurred. It is recommended that the Commission find reason to believe that a violation of 2 U.S.C. § 441b has occurred. The notification letter will advise the Fauntroy Committee that the 1972 debts must be further explained and the public record amended.

3 2 0 4 0 3 5 1 4 2 7

RECOMMENDATIONS

1. Find reason to believe that the Committee for Fauntroy violated 2 U.S.C. § 441b by accepting corporate contributions.

2. Approve attached letter to Respondent.

Charles N. Steele
General Counsel

October 26, 1982
Date

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

Attachments
Letter to Andrews
Response from Andrews dated October 4
Response from Andrews dated October 15
Response from Andrews dated October 21
Complaint

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, hereby certify that the Commission, on 1982, by a vote of to , adopted the above recommendation of the General Counsel in MUR 1465.

Date: _____ _____

Voting for the Recommendation: _____

_____

Voting Against the Recommendation: _____

_____

Absences or Abstentions (Indicate): _____

9204036142 8

Cc# 0745

LAW OFFICES
SUTHERLAND, ASBILL & BRENNAN
1666 K STREET, N. W.
WASHINGTON, D. C. 20006
(202) 872-7800

CABLE: SUTAB WASHINGTON
TELECOPIER: (202) 872-7798
(202) 293-1254
TELEX: 89-501

THE FIRST ATLANTA TOWER
ATLANTA, GEORGIA 30383
(404) 658-8700

October 21, 1982

2001121 P4:18

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

Re: MUR 1465

Dear Ms. Donaldson:

Enclosed you will find a copy of the cancelled check to Datatel (formerly Digital Management Corp.), provided to the Treasurer of the Committee for Fauntroy by the National Bank of Washington. The disbursement represents the complete discharge of the Committee's debt to Datatel, as has previously been reported.

Please contact Mr. Wright Andrews or myself if you have questions about this matter or if we may be of other assistance.

Sincerely,

Michael B. Thornton

Michael B. Thornton

MBT/rmb
Encl

9204036 1429

The National Bank of Washington

STATEMENT OF ACCOUNTS

SUMMARY OF CHECKING ACTIVITY

DATE OF LAST STATEMENT	NUMBER OF DEPOSITS CREDITS	NUMBER OF CHECKS DEBITS	DATE OF THIS STATEMENT
03-31-80	1	13	04-30-80
PREVIOUS BALANCE	AMOUNT OF DEPOSITS CREDITS	AMOUNT OF CHECKS DEBITS	NEW BALANCE
17,397.79	420.00	4,108.66	13,709.13

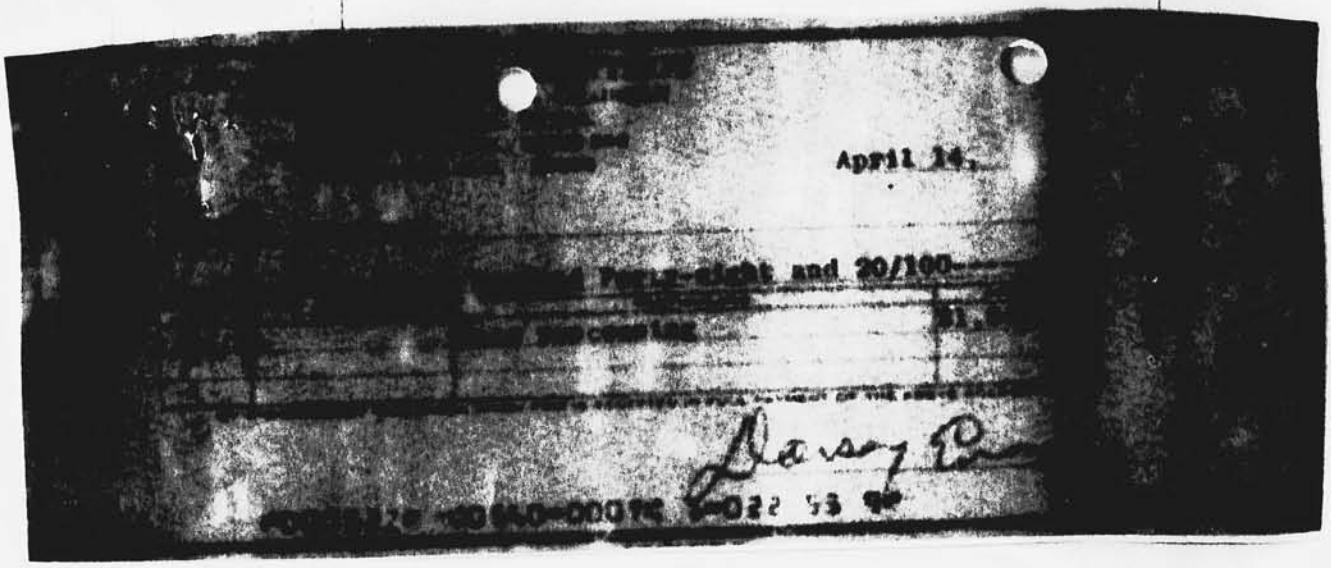
13

ACCOUNT NO
022 53 9
23

COMMITEE FOR FAUNTROY
--- --- JOSEPH B DANZANSKY CHAIRMAN
--- 1025 CONNECTICUT AVE NW SUITE 506
--- WASHINGTON DC. 20036

THANK YOU FOR USING THE LIGHT BLUE DEPOSIT SLIPS
PLEASE DESTROY ALL OLD STYLE WHITE DEPOSIT SLIPS.

DATE	TRANSACT AMOUNT	DESCRIPTION	BALANCE	REFERENCE NUMBER
0404	5000	CHECK 510	1734779	00469609
0407	9546	CHECK 512	1725233	02596652
0409	42000	DEPOSIT	1767233	02823426
0409	5000	CHECK 508	1762233	00753218
0411	7500	CHECK 514	1754733	02041657
0411	3000	CHECK 517	1751733	00839398
0411	10000	CHECK 511	1741733	00841262
0414	1000	CHECK 516	1740733	00892227
0416	45300	CHECK 515	1695433	01069083
0417	184820	CHECK 522	1510613	01169192
0418	50000	CHECK 519	1460613	01703539
0418	75000	CHECK 497	1385613	01198600
0421	10200	CHECK 520	1375413	01296832
0422	4500	CHECK 521	1370913	05510085



April 14,

Forty-eight and 20/100

Darsey

[illegible] 022 53 9

SUTHERLAND, ASBILL & BRENNAN
1666 K STREET, N. W.
WASHINGTON, D. C. 20006

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

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82 OCT 15 P5:02

LAW OFFICES
SUTHERLAND, ASBILL & BRENNAN
1666 K STREET, N. W.
WASHINGTON, D. C. 20006
(202) 872-7800

CABLE: SUTAB WASHINGTON
TELECOPIER: (202) 872-7798
(202) 293-1254
TELEX: 89-501

THE FIRST ATLANTA TOWER
ATLANTA, GEORGIA 30383
(404) 658-8700

WRIGHT H. ANDREWS, JR.
DIRECT LINE: (202) 872-7815

October 15, 1982

82 OCT 18 A9:14

Ms. Susan Donaldson
General Counsel's Office
Federal Election Commission
Washington, D.C. 20436

Dear Ms. Donaldson:

Per your discussion with Michael Thornton on October 12, 1982, you will find enclosed (1) a copy of the debts confirmation report from Peat, Marwick & Mitchell Co., and (2) copies of evidence of payment of the Capital Hilton and Datatel (formerly Digital Management Corporation) debts. The carbon copy of the check to Datatel was made simultaneously with the cutting of the actual check. The Treasurer of the Committee, Dorsey Evans, is presently unable to locate the series of cancelled checks in which the Datatel check should be included. The Treasurer is in communication with the National Bank of Washington to attempt to produce a copy of the cancelled check. We shall be in further communication as soon as the results of this search are known.

Please contact me if you have further questions or desire additional data.

Sincerely,

Wright H. Andrews, Jr.

Wright H. Andrews, Jr.
Counsel
Committee for Fauntroy

WHA:vs
Enclosures

cc: Committee for Fauntroy
Robert Washington, Chairman
Dorsey Evans, Treasurer

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Peat, Marwick, Mitchell & Co.

Certified Public Accountants

1990 K Street, N.W.
Washington, D.C. 20006

October 15, 1982

Wright H. Andrews, Esquire
Sutherland, Asbill & Brennan
1666 K Street, N.W.
Washington, D.C. 20006

Dear Mr. Andrews:

At your request, we have attempted to contact all creditors listed on Schedule D of the August 25, 1982 Federal Election Commission filing of the Committee For Fauntroy. The purpose of our work is to determine whether the individual items included in Schedule D of that report represent current obligations of the Committee. As of 5:00 p.m. on October 12, 1982, the results of our investigations were as follows:

	Number	Amount
Total creditors on Schedule D	20	$ 6,464.61
Received verbal or written confirmation that the Schedule D Obligation is correct	4	$ 2,060.20
Received verbal or written confirmation that amount on Schedule D is not an outstanding obligation of the Committee	12	$ -
Research being done by creditor to determine if debt is proper	2	$ 410.29
Unable to contact	2	$ 588.26

The attached Schedule A is a summary of our findings by creditor. We will continue to pursue the four outstanding items and will report to you when our work is complete.

Very truly yours,

PEAT, MARWICK, MITCHELL & CO.

Thomas J. Stahlschmidt

Thomas J. Stahlschmidt, Partner

Enclosures

TJS:cmj

02040351433

Schedule 1

COMMITTEE FOR FAUNTROY

Summary of Findings

Credit	Amount per Schedule D	Disposition	Amount per creditor
Digital Management Corporation	$ 1,442.20	Company has changed its name to Datatel Minicomputer Company. Accounting manager believes that this amount plus two additional invoices totaling $406.00 are currently payable.	$ 1,848.20
The Capital Hilton	975.88	Written confirmation received. No balance due.	-
Matthew S. Watson, Esq.	12.00	Received letter from Mr. Watson stating that $12.00 is due to him for a 1972 incorporation fee.	12.00
Roger R. Way	250.00	Mr. Way has verbally confirmed that nothing is due him. Awaiting written confirmation	-
Joslyn N. Williams	100.00	Mr. Williams verbally confirmed that the Committee owes him $100.	100.00
Council Press, Inc.	133.00	Comptroller verbally confirmed that the Company has no record of this debt. Awaiting written confirmation.	-
Roberta Flack Enterprises, Inc.	300.00	Awaiting written confirmation. Attorney would not confirm verbally.	unknown
Merkle Press	951.96	Written confirmation received. No balance due.	-
McLean Company, Inc.	550.00	Company is in bankruptcy. Mr. Alphonse McLean cannot be located.	unknown
Barton, Duer & Koch Paper Co.	140.36	Verbally confirmed nothing due. Awaiting written confirmation.	-
Peggy Brown/Political Parties, Inc.	38.26	Unable to locate	unknown
William H. Link, II	100.00	Mr. Link has confirmed in writing that the Committee owes him $100.	100.00
Rev. Aaron McCombs	200.00	Rev. McCombs is deceased. Widow has no recollection of debt and Rev. Ishmael Shaw, current pastor of Paramount Baptist Church has searched church records and found no indication of a debt to either the church or Rev. McCombs.	-

(Continued)

8204031434

COMMITTEE FOR FAUNTROY

Summary of Findings, Continued

Credit	Amount per Schedule D	Disposition	Amount per creditor
TWA Market Air	$ 110.29	Company is researching this item. Awaiting written confirmation.	unknown
Anita D. Bonds	200.00	Written confirmation received. No balance due.	-
Alice Holmes	150.00	Ms. Holmes has verbally confirmed that nothing is due her. Awaiting written confirmation.	-
Barry Lenoir	100.00	Written confirmation received. No balance due.	-
Congressional Liquors	38.66	Verbally confirmed nothing due. Awaiting written confirmation.	-
South Capital Press	572.00	Verbally confirmed nothing due. Awaiting written confirmation.	-
Mary C. Barry	100.00	Ms. Barry has verbally confirmed that nothing is due her. Awaiting written confirmation.	-

COMMITTEE FOR FAUNTROY
JOSEPH B. DANZANSKY, CHAIRMAN
DORSEY EVANS, TREAS.
1025 CONN. AVE., NW., SUITE 506
WASHINGTON, D.C. 20036

429

March 27, 19 79 15-7/540 23

Pay to the Order of THE CAPITAL HILTON $ 975.88

Nine Hundred Seventy-five and 88/100---------- DOLLARS

DATE	DISTRIBUTION	PARTICULARS	AMOUNT
8/28/78		Fundraiser at Trader Vic's (Lee Elder)	

BY ENDORSEMENT THIS CHECK WHEN PAID IS ACCEPTED IN FULL PAYMENT OF THE ABOVE ACCOUNT.

The National Bank of Washington
WASHINGTON'S OLDEST BANK
WASHINGTON, D.C.
17TH & L ST.

5851040760

⑈0004 29⑈ ⑆0540⑉0007⑆ 1⑉022 53 9⑈ ⑈0000097588⑈

COMMITTEE FOR FAUNTROY
JOSEPH B. DANZANSKY, CHAIRMAN
DORSEY EVANS, TREAS.
1025 CONN. AVE., NW., SUITE 506
WASHINGTON, D.C. 20036

522

April 14, 80 15-7/540 23

Datatel 1,848.20

One Thousand Eight Hundred Forty-eight and 20/100----------

4/14/80 Date processing $1,848.20

NOT NEGOTIABLE

The National Bank of Washington
WASHINGTON'S OLDEST BANK
WASHINGTON, D.C.
17TH & L ST.

⑆0540⑉0007⑆ 1⑉022 53 9⑈

8204036 1436

SUTHERLAND, ASBILL & BRENNAN
1666 K STREET, N. W.
WASHINGTON, D. C. 20006

Ms. Susan Donaldson
General Counsel's Office
Federal Election Commission
Washington, D.C. 20436

82 OCT 15 P5:02
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Acc# 8586

LAW OFFICES
SUTHERLAND, ASBILL & BRENNAN
1666 K STREET, N. W.
WASHINGTON, D. C. 20006
(202) 872-7800

CABLE: SUTAB WASHINGTON
TELEX: 89-501
TELECOPIER: (202) 872-7798
(202) 887-3444
(202) 872-0305

THE FIRST ATLANTA TOWER
ATLANTA, GEORGIA 30383
(404) 658-8700

October 4, 1982

Charles N. Steele, Esquire
General Counsel
Federal Election Commission
Washington, D.C. 20436

Attention: Susan Donaldson

RE: MUR 1465

Dear Mr. Steele:

This letter is to demonstrate why the Federal Election Commission (the "Commission") should take no action against the Committee for Fauntroy (the "Committee") in connection with MUR 1465. The Committee is registered as the principal campaign committee of Walter E. Fauntroy, who is a candidate for reelection as delegate from the District of Columbia. The complaint in MUR 1465 in essence alleges that certain items reported by the Committee as debts constituted contributions and expenditures, and as such were prohibited corporate contributions and/or improperly reported contributions and expenditures by individuals.

As explained below, the items reported as debts clearly do not constitute contributions or expenditures by corporations or individuals, and thus there has been no violation as alleged. Moreover, the complaint in MUR 1465, filed by an individual associated with Delegate Fauntroy's purported write-in candidate

82040301438

opponent (see Exhibit A), is frivolous and unwarranted. Apparently, it was filed as a publicity ploy (see Press Release in Exhibit A), and its disclosure may well have violated the strict confidentiality provisions of the Act and Commission regulations. See 2 U.S.C. 437g(a)(12); Regulations §111.21(a). Therefore, the Commission should dismiss the complaint in MUR 1465 and take no action against the Committee.

BACKGROUND

The Committee's periodic reports filed with the Commission have reflected on the Schedule of Debts and Obligations (the "Schedule") certain items as outstanding debts incurred in prior campaigns. These old debts fall into two categories: (1) items originating in 1978; and (2) items originating in 1972. As explained below, the 1978 items appear to have already been paid. These payments were reported as disbursements by the Committee, but due to a bookkeeping oversight, these items were not removed from the Schedule's listing of debts. With respect to the 1972 items, the present Committee has questioned the validity of these debts. These 1972 "debts," to the extent they exist, were incurred in the 1972 election by the former Committee for the Election of McGovern, Shriver and Fauntroy, and by the Committee to Re-Elect Walter E. Fauntroy. Prior to the filing of the instant complaint, the Committee had already determined to have these debts verified, after which any and all unpaid obligations are to be paid by the Committee.

5204036439

1978 Items

The 1978 items listed on the Schedule involve two creditors. The debts to both creditors appear to have been paid earlier and reported as disbursements, but due to inadvertent oversights were not removed from the Schedule.

A debt of $975.88 is listed in the Schedule as being owed to the Capital Hilton for expenses incurred with respect to a political fundraiser during the 1978 primary. This debt was paid in full on March 27, 1979, and was properly reported as a disbursement on the April 10, 1979 Quarterly Report. (See Exhibit B.)

The Schedule also reflects three 1978 debts totalling $1,442.20 as owed to the Digital Management Corporation ("Digital") for data processing services rendered to the Committee in 1978. I have been advised by Committee personnel that the charge for these services was originally disputed as excessive, and payment was not made immediately. After the debts were incurred, Digital transferred its receivables to Datatel Mini Computer Company. The Committee's records indicate that the three debts in question, together with other subsequent data processing charges, were paid in full to Datatel. This payment to Datatel is reflected in a disbursement of $1,848.20 that is properly reported on the Committee's January 31, 1980 Year End Report. (See Exhibit C.)

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I have asked Committee officials to provide copies of canceled checks which verify payments of these apparently extinguished 1978 debts, and after receiving such, will promptly prepare an amendment for the Committee to file with the Commission to reflect that these debts have been paid.

1972 Items

The second category of debts in question relate to items connected with the 1972 election. Some of these 1972 items were carried over to the Committee from the former Committee for the Election of McGovern, Shriver and Fauntroy ("McGovern Committee") while other items were incurred in 1972 by the Committee to Re-Elect Walter E. Fauntroy. I have been advised by Committee personnel that when the Committee was reorganized in 1973, the recordkeeping relating to the 1972 campaign of the previous Fauntroy Committee and of the McGovern Committee was considered inadequate, and it was unclear whether the 1972 "debts" in fact were owed as reflected in the existing records. However, since the McGovern Committee and the original Fauntroy Committee benefited Delegate Fauntroy's 1972 election campaign, the Committee felt it proper to pay any outstanding obligations associated with the 1972 campaign, even though it did not necessarily have a legal obligation to do so. The Committee concurs with the Commission's stated position that "a debt or obligation for purposes of the Act is anything owed ...

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by the Committee whether or not legally enforceable." FEC Advisory Opinion 1975-44, Fed. Election Camp. Fin. Guide (CCH) ¶5179; see also FEC Advisory Opinion 1977-41, Fed. Election Camp. Fin. Guide (CCH) ¶5267 (approving retirement of 1969 debts in 1977 by use of a 1976 Committee's surplus campaign funds). The Committee also felt that, in keeping with the federal election law's spirit of full disclosure, if it were possible that a debt might exist, the item should be listed as a "debt" on the report. This procedure was thus adopted with respect to these disputed items, and appears to be in accordance with Commission policy. See, e.g., FEC Advisory Opinion 1976-85, Fed. Election Camp. Fin. Guide (CCH) ¶5223; see also FEC Informational Letter dated November 30, 1976, Fed. Election Camp. Fin. Guide (CCH) ¶6058.

Insofar as present Committee officials are aware, none of the individuals or organizations to whom these 1972 items may be owed sought payment from the Committee. The Committee, however, continued to reflect these possible obligations as "debts" in its Schedule. */

---

*/ The Committee reiterates that, to the best of its knowledge, none of the 1972 debts has been forgiven. If the silence of these "creditors" reflected forgiveness of the debts, however, the forgiveness would have occurred at a time far beyond the three-year statute of limitations mandated by the Act, 26 U.S.C. §455.

6204036 1442

The Committee membership and its principal officer (its Chairman) has changed several times since 1973. After I became counsel to the Committee, I recommended to Committee officials that the status of the old debts should be determined, and any outstanding obligations paid as soon as the Committee's finances would allow.

In early September of 1980, I contacted Brad Litchfield, an attorney in the General Counsel's Office of the Commission, with whom I have worked on various matters, and discussed how a reasonable procedure might be devised for confirming the status of these old debts and advising the Commission of any change in their reported status. After this discussion with Mr. Litchfield, I recommended that, in accordance with accepted accounting procedures, the Committee write each person to whom a debt might be owed to ask that the person promptly confirm whether any such debt was owed by the Committee. Any person who responded affirmatively within a 30-day period was to have been promptly paid in full; persons who failed to respond affirmatively would be considered as not being owed any obligation by the Committee. Appropriate amendments were to have been filed by the Committee with the Commission explaining this procedure. However, although Committee officials readily agreed to adopt this procedure to resolve the status of these old debts, it was not promptly implemented as intended. This appears to have resulted from a breakdown in communication and misunderstandings

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that occurred between the Committee and its outside accounting firm as to who had principal internal responsibility for various tasks associated with the Committee recordkeeping and reporting obligations, including sending of the proposed letter with respect to the questioned old debts.

Subsequently, Committee personnel met with Delegate Fauntroy and were directed by him to take appropriate steps to ensure its bookkeeping procedures were adequate. It was suggested that a new accountant be retained to assist in preparing reports and that a new Chairman be appointed. Accordingly, prior to the filing of the complaint in MUR 1465, a new Committee chairman was appointed, and Committee officials determined the best way to resolve the continuing misunderstandings and its dissatisfaction over the past retained bookkeeping and reporting services was to retain a new certified public accounting firm. This has been done, and this new firm, Peat, Marwick, Mitchell & Co., is now seeking to contact the persons to whom the noted 1972 debts may be owed. Any obligation that is found to be outstanding by these accountants will be promptly paid by the Committee. The Committee has been and remains willing to pay any legitimate debt from the 1972 campaign, including 1972 debts that may not be legally enforceable. As noted earlier, the Committee feels obligated to honor debts incurred to elect Delegate Fauntroy. As soon as its accountants advise the Committee of their findings,

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the Committee will notify the Commission which debts in fact are owed, will pay such debts as soon as campaign funds are available, and will amend its reports accordingly.

Good Faith Reporting of Debts

The complaint in MUR 1465 in essence alleges that the reported debts are contributions or expenditures. This position is apparently based on the theory that the Committee has had no intent to pay legitimate debts from prior campaigns. As explained above, the facts clearly demonstrate that this theory is totally inaccurate. These questioned items always have been considered disputed debts and fully disclosed. The Committee clearly has been operating in good faith, and its full and repeated disclosure of these disputed items to the Commission, the very agency charged with enforcement of the Act, is persuasive evidence of a lack of intent to violate the Act. See American Federation of Labor v. Federal Election Commission, 628 F.2d 97, 101 (D.C. Cir. 1980), cert. denied, 101 S. Ct. 397. It is clear that political campaign debts can be and often are outstanding for a number of years without being deemed contributions. See, e.g., Advisory Opinion 1977-41, supra; Advisory Opinion 1980-43, Fed. Election Camp. Fin. Guide (CCH) ¶5496 (approving assumption of 1974 debt by 1980 committee). Moreover, the Committee has not settled nor attempted to settle any of the questioned debts for less than face value, nor has it sought or assumed forgive-

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ness of any such debt. Clearly, the Committee's treatment of these items as debts demonstrates that the Committee has deemed them as such and in no way considered them to be contributions or expenditures.

In sum, no 1972 item reported on the Committee's Schedule of Debts and Obligations should or can be considered a contribution or expenditure. As noted, the Committee is currently investigating which 1972 items represent actual debts. Any confirmed debt will be promptly paid by the Committee. Amendments reflecting the disposition of the 1972 items will be filed as soon as the status of those "debts" is established by the independent accounting firm. The Committee also will file an amendment to remove from the Schedule the 1978 items that already have been paid.

Therefore, the Committee strongly asserts that there has been no violation of the Act with respect to these items. Moreover, the Committee has taken appropriate measures to ensure that its recordkeeping procedures are improved, thereby avoiding future problems under the Act. Accordingly, the Committee respectfully requests the Commission to dismiss the complaint in MUR 1465.

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If you have further questions or desire additional data, please contact me. I will be in further communication after receiving the accountant's report.

Sincerely,

Wright H. Andrews Jr

Wright H. Andrews
Counsel
Committee for Fauntroy

cc: Committee for Fauntroy
Robert Washington, Chairman
Dorsey Evans, Treasurer

62040301447

EXHIBIT A-1

OOC

GCC # 8343

82 AUG 27 P4:01

82 AUG 30 A8:24

Dr. Guy C. McCombs III
6221 Kansas Av N.E.
Washington, D.C. 20011

August 20, 1982

Mr. Alan Clutter
Staff Director
Federal Election Commission
1325 K Street, N.W.
Washington, D.C.

Dear Mr. Clutter:

This letter is a formal complaint against Delegate Walter E. Fauntroy of the District of Columbia because he has failed to pay campaign debts totalling more than $6,700 over the past ten years. This should be considered a complaint pursuant to Section 437g of the Federal Election Campaign Act of 1971, as amended.

A review of Congressman Fauntroy's and his political committee's, Committee for Fauntroy, Schedule C-Debts and Obligations, reflect that campaign debts incurred during the period of 1972 through 1982 have remained unpaid. This is an inordinate period of time. It is my feeling that those debts incurred during each primary and general election period since 1972 constitute contributions and expenditures to the election of Congressman Fauntroy to the political office of Delegate to the U.S. House of Representatives for the District of Columbia.

Thus, Congressman Fauntroy and his political campaign committees have received contributions and expenditures from corporations in violation of 441-b of the Act, and have also violated sections 433 and 434 of the Act for not reporting contributions and expenditures of individuals listed in the reports filed with the Federal Election Commission.

Sincerely,

Guy C. McCombs III

SUBSCRIBED AND SWORN TO ME, IN MY PRESENCE, THIS 26 DAY OF August 1986, A NOTARY PUBLIC IN AND FOR THE (COUNTY) (STATE) OF Prince George's

Russell E. Johnson
(SIGNATURE) NOTARY PUBLIC

MY COMMISSION EXPIRES 7/1, 1986

02040301448

EXHIBIT A-2

Marie Bembery Delivers

Marie Bembery for Delegate Committee
1315 Pennsylvania Avenue, S.E. Washington, D.C. 20003

Marie Bembery, Candidate 882-6534
Kelvin Young, Manager 726-6309

James J. Millet, Treasurer
Muriel "M.T." Dow, Appointments Secretary
Yolanda Kearse, Volunteers Coordinator
Charles Luther, Press Secretary
Guy McCombs, Pollster

Dr. Smallwood Achiss
Valerie Achiss
Dr. Alvis Adair
Jeffrey Blake
Herb Cooper
Brian Dillard, Esq.
Danny Everett
Marcello Fernandez
Dr. George Gillespie
Billie Jean Gostley
Rev. Marshall Grigsby
Sr. Mary Ann Justin
Mary Miller
Rev. James E. Nichols
Carmen Torruella Quander
Mary Sears
Donald Smith
Gloria Raynor Smith
Helen Smackum
Charles Stinson
Clifton "Skeeter" West

NEWS RELEASE

FOR IMMEDIATE RELEASE CONTACT:HARRIETT HUNTER
AUGUST 31,1982 543-6441

Washington, D.C.- On August 27, 1982, formal letters of complaint were filed, pursuant to Section 437g, Federal Election Campaign Act of 1971, as amended (FECA), against Walter E. Fauntroy, Delegate to the United States House of Representatives for the District of Columbia, and the Committee for Fauntroy, FEC I.D. #005941 for violation of section 441b of the FECA.

A review of Congressman Fauntroy's and his political committee's, Committee for Fauntroy, Schedule C-Debts and Obligations, reflect that campaign debts incurred during the period of 1972 through 1982 have remained unpaid. This is an inordinate period of time. It is felt that those debts incurred during each primary and general election period since 1972 constitute contributions and expenditures to the election of Congressman Fauntroy to the political office of Delegate to the U.S. House of Representatives for the District of Columbia.

The complaint stated that Congressman Fauntroy and his political campaign committees have received contributions and expenditures from corporations in violation of 441-b of the Act, and have also violated sections 433 and 434 of the Act for not reporting contributions and expenditures of individuals listed in the reports filed with the Federal Election Commission.

(more)

Paid for by the MARIE BEMBERY for Delegate Committee; 1315 Pennsylvania Avenue, S.E.; Washington, D.C. 20003. James Millet, Treasurer. A copy of our report is to be filed with the Federal Elections Commission.

EXHIBIT A-3

.mt5

Add One - FEC Complaints

Documentationregarding some of the afore-mentioned corporate contributions and expenditures were provided to The Honorable John W. McGarry, Chairman, Federal Election Commission.

Marie Bembery, who is challenging Fauntroy as a write-in candidate in the Democratic Primary, said, "It is obvious that the Delegate had no intention of paying these obligations. Ten years is long enough to pay your bills or at least to pay a portion of those outstanding bills. It serves as an example his lack of responsibility in honoring his commitments."

6204036 1450

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

EXHIBIT B

Supporting Lines 22a, 21, and 22a, 22b and 22c of FEC FORM 3

From April 10, 1979, Quarterly Report

Name of Candidate or Committee in Full
COMMITTEE FOR FAUNTROY

Full Name, Mailing Address and ZIP Code	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
D. C. Department of Labor D. C. Unemployment Compensation Board, 6th & Pa., Ave., N.W. Washington, D. C. 20001	Employer's Quarterly Contribution Report, Calendar Year Quarter Ended 12/31/78 Expenditure for: ☐ Primary ☐ General ☒ Other	3/7/79	223.93
Internal Revenue Service Philadelphia, Pa. 19155	Employer's Annual Federal Unemployment Tax Fiscal Year ended 12/31/78 Expenditure for: ☐ Primary ☐ General ☒ Other	3/7/79	58.06
Leola Bynum 1785 Florida Avenue, N. W. Washington, D. C. 20009	Ward One Meeting Refreshments 3/13/79, Political Meeting Expenditure for: ☒ Primary ☐ General ☐ Other	3/12/79	25.00
The Capital Hilton P. O. Box 1734 Washington, D. C. 20013	Fundraiser at Trader Vic's (Lee Elder) Expenditure for: ☒ Primary ☐ General ☐ Other	3/27/79	975.88
Guy Draper 2950 Van Ness Street, N. W. Apt. #801 Washington, D. C. 20008	Partial Payment - Mardi Gras - Coordinator Expenditure for: ☒ Primary ☐ General ☐ Other	3/30/79	1,000.00
	Expenditure for: ☐ Primary ☐ General ☐ Other		
	Expenditure for: ☐ Primary ☐ General ☐ Other		
	Expenditure for: ☐ Primary ☐ General ☐ Other		

SUBTOTAL of expenditures this page (optional)	$ 2,282.87
TOTAL this period (last page this line number only)	$ 18,615.64

EXHIBIT C From January 31, 1980, Year End Report

Page 2 of 6 for
LINE NUMBER 17
(Use separate schedule(s) for each category of the Detailed Summary Page)

SCHEDULE B **ITEMIZED DISBURSEMENTS**

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full)
Committee for Fauntroy

Full Name, Mailing Address and ZIP Code	Purpose of Disbursement / Disbursement for: ☐ Primary ☒ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
A. C & P Telephone 1325 G Street, N.W. Washington, D.C. 20001	Telephone Service	4/9/80	$453.00
B. Guy Draper 2950 Van Ness Street, N.W. Washington, D.C. 20008	Flyers and Brochures	4/14/80	$500.00
C. Datatel 3700 Mount Vernon Avenue Alexandria, Virginia 22305	Data Processing Serv	4/14/80	$1,848.20
D. Free Spirit, Inc. 11 15th Street, N.E. Washington, D.C.	Printing of Flyers	4/29/80	$1,000.00
E. Free Spirity, Inc. 11 15th Street, N.E. Washington, D.C.	Printing of Flyers	5/2/80	$1,000.00
F. Catterton Company, Inc. 918 16th Street, N.W. Washington, D.C. 20006	Printing Services	5/2/80	$ 291.15
G. Guy Draper 2950 Van Ness Street, N.W. Washington, D.C. 20008	Designing of Flyers	5/2/80	$ 400.00
H. Alexander Grant & Company 2000 L Street, N.W. Washington, D.C. 20036	Accounting & Book-keeping Services	5/7/80	$ 550.00
I.			

SUBTOTAL of Disbursements This Page (optional) ..... Period 1/1/80 to 12/31/80 ..... $6,042.35

TOTAL This Period (last page this line number only) .....

SUTHERLAND, ASBILL & BRENNAN
1666 K STREET, N. W.
WASHINGTON, D. C. 20006

RECEIVED AT THE FEC
82 SEP 24 P 3: 08

BY MESSENGER

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

HAND DELIVERED

203743

RECEIVED AT THE FEC
Gcc#8467
82 SEP 15 A8:21

LAW OFFICES
SUTHERLAND, ASBILL & BRENNAN
1666 K STREET, N. W.
WASHINGTON, D. C. 20006
(202) 872-7800

CABLE: SUTAB WASHINGTON
TELECOPIER: (202) 872-7798
(202) 293-1254
TELEX: 89-501

THE FIRST ATLANTA TOWER
ATLANTA, GEORGIA 30383
(404) 658-8700

WRIGHT H. ANDREWS, JR.
DIRECT LINE: (202) 872-7815

82 SEP 15 P1:53

September 14, 1982

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

Re: MUR 1465

Dear Ms. Donaldson:

Pursuant to our discussion yesterday, I am hereby requesting an extension of time to respond in MUR 1465. As I indicated, I anticipate it will take approximately two weeks to gather the necessary factual data and prepare a response. Therefore, I am requesting an extension of time to file the Committee's response until September 27, 1982. If I see that additional time is necessary, I will, of course, notify you.

In addition, I am enclosing a copy of a news release which I understand was prepared and distributed by the Marie Bembery for Delegate Committee. Ms. Bembery purports to be a candidate for the office of Delegate of the District of Columbia. You will note that Mr. Guy McCombs is listed on the news release as being a part of the Bembery campaign organization. This Mr. McCombs appears to be the same individual who filed the complaint against the Fauntroy Committee in MUR 1465.

On its face, it appears that this news release may violate the confidentiality provisions contained in 2 U.S.C. §437g(a)(12) and Section 111.21 of the Commission's regulations. I would appreciate being advised if the Commission considers the news release to violate the above noted provisions, and if so, what action the Commission intends to take with respect to this breach of confidentiality.

Sincerely,

Wright H. Andrews, Jr.

Wright H. Andrews, Jr.

WHA/rmb

82040301454

20289

RECEIVED AT THE FEC
Bcc# 8527
82 SEP 24 P 3: 08

LAW OFFICES
SUTHERLAND, ASBILL & BRENNAN
1666 K STREET, N. W.
WASHINGTON, D. C. 20006
(202) 872-7800

CABLE: SUTAB WASHINGTON
TELECOPIER: (202) 872-7798
(202) 293-1254
TELEX: 89-501

THE FIRST ATLANTA TOWER
ATLANTA, GEORGIA 30383
(404) 658-8700

WRIGHT H. ANDREWS, JR.
DIRECT LINE: (202) 872-7815

September 23, 1982

82 SEP 24 P 3: 45

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

Re: MUR 1465

Dear Ms. Donaldson:

As Michael Thornton discussed on the phone with you this afternoon, due to the old age of many of the items involved in the complaint against the Committee for Fauntroy, we have experienced difficulty in marshalling the facts needed for our response. Some of the persons most conversant with the 1972 items are currently out of town or otherwise unavailable. Consequently, you have agreed to extend the filing date of our response until Monday, October 4, 1982. We assure you that a response will be in your office by that date. Of course, if any necessary data is still unavailable as of that date, we will file a supplemental response as soon as the data becomes available.

Thank you for your help and understanding.

Sincerely,

Wright

Wright H. Andrews, Jr.

WHA:jc

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OGC Case # 8343

82 AUG 27 P4:01

2 AUG 30 A8:24

Dr. Guy C. McCombs III
6221 Kansas Av N.E.
Washington, D.C. 20011

August 20, 1982

Mr. Alan Clutter
Staff Director
Federal Election Commission
1325 K Street, N.W.
Washington, D.C.

Dear Mr. Clutter:

This letter is a formal complaint against Delegate Walter E. Fauntroy of the District of Columbia because he has failed to pay campaign debts totalling more than $6,700 over the past ten years. This should be considered a complaint pursuant to Section 437g of the Federal Election Campaign Act of 1971, as amended.

A review of Congressman Fauntroy's and his political committee's, Committee for Fauntroy, Schedule C-Debts and Obligations, reflect that campaign debts incurred during the period of 1972 through 1982 have remained unpaid. This is an inordinate period of time. It is my feeling that those debts incurred during each primary and general election period since 1972 constitute contributions and expenditures to the election of Congressman Fauntroy to the political office of Delegate to the U.S. House of Representatives for the District of Columbia.

Thus, Congressman Fauntroy and his political campaign committees have received contributions and expenditures from corporations in violation of 441-b of the Act, and have also violated sections 433 and 434 of the Act for not reporting contributions and expenditures of individuals listed in the reports filed with the Federal Election Commission.

Sincerely,

Guy C. McCombs III

SUBSCRIBED AND SWORN TO ME, IN MY PRESENCE, THIS 26 DAY OF August 1926, A NOTARY PUBLIC IN AND FOR THE (COUNTY) (STATE) Prince Georges

Jurnell E. Johnson
(SIGNATURE) NOTARY PUBLIC

MY COMMISSION EXPIRES 7/1, 1986

92040301456

Marie Bembery Delivers

Marie Bembery for Delegate Committee
1315 Pennsylvania Avenue, S.E. Washington, D.C. 20003

Marie Bembery, Candidate 882-6534
Kelvin Young, Manager 726-6309

James J. Millet, Treasurer
Muriel "M.T." Dow, Appointments Secretary
Yolanda Kearse, Volunteers Coordinator
Charles Luther, Press Secretary
Guy McCombs, Pollster

Dr. Smallwood Ackiss
Valerie Ackiss
Dr. Alvis Adair
Jeffrey Blake
Herb Cooper
Brian Dillard, Esq.
Danny Everett
Marcello Fernandez
Dr. George Gillespie
Billie Jean Goatley
Rev. Marshall Grigsby
Sr. Mary Ann Justiz
Mary Miller
Rev. James E. Nichols
Carmen Torruella Quander
Mary Sears
Donald Smith
Gloria Raynor Smith
Helen Smackum
Charles Stinson
Clifton "Skeeter" West

9 2 0 4 0 3 0 1 4 5 7

NEWS RELEASE

FOR IMMEDIATE RELEASE CONTACT:HARRIETT HUNTER
AUGUST 31,1982 543-6441

Washington, D.C.- On August 27, 1982, formal letters of complaint were filed, pursuant to Section 437g, Federal Election Campaign Act of 1971, as amended (FECA), against Walter E. Fauntroy, Delegate to the United States House of Representatives for the District of Columbia, and the Committee for Fauntroy, FEC I.D. #005941 for violation of section 441b of the FECA.

A review of Congressman Fauntroy's and his political committee's, Committee for Fauntroy, Schedule C-Debts and Obligations, reflect that campaign debts incurred during the period of 1972 through 1982 have remained unpaid. This is an inordinate period of time. It is felt that those debts incurred during each primary and general election period since 1972 constitute contributions and expenditures to the election of Congressman Fauntroy to the political office of Delegate to the U.S. House of Representatives for the District of Columbia.

The complaint stated that Congressman Fauntroy and his political campaign committees have received contributions and expenditures from corporations in violation of 441-b of the Act, and have also violated sections 433 and 434 of the Act for not reporting contributions and expenditures of individuals listed in the reports filed with the Federal Election Commission.

(more)

Paid for by the MARIE BEMBERY for Delegate Committee; 1315 Pennsylvania Avenue, S.E.; Washington, D.C. 20003. James Millet, Treasurer. A copy of our report is to be filed with the Federal Elections Commission.

.mt5

Add One - FEC Complaints

Documentationregarding some of the afore-mentioned corporate contributions and expenditures were provided to The Honorable John W. McGarry, Chairman, Federal Election Commission.

Marie Bembery, who is challenging Fauntroy as a write-in camdidate in the Democratic Primary, said, "It is obvious that the Delegate had no intention of paying these obligations. Ten years is long enough to pay your bills or at least to pay a portion of those outstanding bills. It serves as an example his lack of responsibility in honoring his commitments."

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or prevent the violation by informal methods of conference conciliation and persuasion, and shall attempt to reach a tentative conciliation agreement with the respondent.

(b) A conciliation agreement is not binding upon either party unless and until it is signed by the respondent and by the General Counsel upon approval by the affirmative vote of four (4) members of the Commission.

(c) If the probable cause to believe finding is made within forty-five days prior to any election, such conciliation attempt shall continue for at least fifteen (15) days from the date of such finding. In all other cases such attempts by the Commission shall continue for at least thirty (30) days, not to exceed ninety (90) days.

(d) Nothing in these regulations shall be construed to prevent the Commission from entering into a conciliation agreement with a respondent prior to a Commission finding of probable cause if a respondent indicates by letter to the General Counsel a desire to enter into negotiations directed towards reaching such a conciliation agreement. However, the Commission is not required to enter into any negotiations directed towards reaching a conciliation agreement unless and until it makes a finding of probable cause to believe. Any conciliation agreement reached under this subsection is subject to the provisions of subsection (b) of this section and shall have the same force and effect as a conciliation agreement reached after a Commission finding of probable cause to believe.

(e) If a conciliation agreement is reached between the Commission and the respondent, the General Counsel shall send a copy of the signed agreement to both complainant and respondent.

[¶ 889]

§ 111.19 Civil proceedings (2 U.S.C. 437g(a)(6)).

(a) If no conciliation agreement is finalized within the applicable minimum period specified by 11 CFR 111.18(c) the General Counsel may recommend to the Commission that the Commission authorize a civil action for relief in an appropriate court of the United States.

(b) Upon recommendation of the General Counsel, the Commission may, by an affirmative vote of four (4) of its members, authorize the General Counsel to commence a civil action for relief in an appropriate court of the United States.

(c) The provisions of 11 CFR 111.18(c) shall not preclude the Commission upon request of a respondent, from entering into a conciliation agreement even after a recommendation to file a civil action has been made pursuant to this section. Any conciliation agreement reached under this subsection is subject to the provisions of 11 CFR 111.18(b) and shall have the same force and effect as a conciliation agreement reached under 11 CFR 111.18(c).

[¶ 890]

§ 111.20 Public disclosure of Commission action (2 U.S.C. 437g(a)(4)).

(a) If the Commission makes a finding of no reason to believe or no probable cause to believe or otherwise terminates its proceedings, it shall make public such action and the basis therefor no later than thirty (30) days from the date on which the required notifications are sent to complainant and respondent.

(b) If a conciliation agreement is finalized, the Commission shall make public such conciliation agreement forthwith.

[¶ 891]

§ 111.21 Confidentiality (2 U.S.C. 437g(a)(12)).

(a) Except as provided in 11 CFR 111.20, no complaint filed with the Commission, nor any notification sent by the Commission, nor any investigation conducted by the Commission, nor any findings made by the Commission shall be made public by the Commission or by any person or entity without the written consent of the respondent with respect to whom the complaint was filed, the notification sent, the investigation conducted, or the finding made.

(b) Except as provided in 11 CFR 111.20(b), no action by the Commission

or by any person, and no information derived in connection with conciliation efforts pursuant to 11 CFR 111.18, may be made public by the Commission except upon a written request by respondent and approval thereof by the Commission.

(c) Nothing in these regulations shall be construed to prevent the introduction of evidence in the courts of the United States which could properly be introduced pursuant to the Federal Rules of Evidence or Federal Rules of Civil Procedure.

[¶ 892]

§ 111.22 Ex parte communications.

(a) In order to avoid the possibility of prejudice, real or apparent, to the public interest in enforcement actions pending before the Commission pursuant to 11 CFR Part 111, except to the extent required for the disposition of ex parte matters as required by law (for example, during the normal course of an investigation or a conciliation effort), no interested person outside the agency shall make or cause to be made to any Commissioner or any member of any Commissioner's staff any ex parte communication relative to the factual or legal merits of any enforcement action, nor shall any Commissioner or member of any Commissioner's staff make or entertain any such ex parte communications.

(b) The prohibition of this regulation shall apply from the time a complaint is filed with the Commission pursuant to 11 CFR Part 111 or from the time that the Commission determines on the basis of information ascertained in the normal course of its supervisory responsibilities that it has reason to believe that a violation has occurred or may occur pursuant to 11 CFR Part 111, and remains in force until the Commission has finally concluded all action with respect to the enforcement matter in question.

(c) Nothing in this section shall be construed to prohibit contact between a respondent or respondent's attorney and any attorney or staff member of the Office of General Counsel in the course of representing the Commission or the respondent with respect to an enforcement proceeding or civil action. No statement made by such a Commission attorney or staff member during any such communication shall bind or estop the Commission in any way.

[¶ 893]

§ 111.23 Representation by counsel; notification.

(a) If a respondent wishes to be represented by counsel with regard to any matter pending before the Commission, respondent shall so advise the Commission by sending a letter of representation signed by the respondent, which letter shall state the following:

(1) The name, address, and telephone number of the counsel;

(2) A statement authorizing such counsel to receive any and all notifications and other communications from the Commission on behalf of respondent.

(b) Upon receipt of a letter of representation, the Commission shall have no contact with respondent except through the designated counsel unless authorized in writing by respondent.

[¶ 894] Explanation and Justification for Part 111

§ 111.1 Scope.

The compliance regulations provide procedures for processing possible violations of the Federal Election Campaign Act of 1971 as amended (2 USC 431, *et seq.*), the Presidential Primary Matching Payment Account Act, as amended (26 USC 9031, *et seq.*) and the Presidential General Election Campaign Fund Act, as amended (26 USC 9001, *et seq.*) (chapters 95 and 96 of the Internal Revenue Code of 1954). The procedures set forth below essentially follow 2 USC 437g and explain the steps by which the Commission exercises its power to investigate, conciliate and

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2 USC §437g

(8)(A) Any party aggrieved by an order of the Commission dismissing a complaint filed by such party under paragraph (1), or by a failure of the Commission to act on such complaint during the 120-day period beginning on the date the complaint is filed, may file a petition with the United States District Court for the District of Columbia.

(B) Any petition under subparagraph (A) shall be filed, in the case of a dismissal of a complaint by the Commission, within 60 days after the date of the dismissal.

(C) In any proceeding under this paragraph the court may declare that the dismissal of the complaint or the failure to act is contrary to law, and may direct the Commission to conform with such declaration within 30 days, failing which the complainant may bring, in the name of such complainant, a civil action to remedy the violation involved in the original complaint.

(9) Any judgment of a district court under this subsection may be appealed to the court of appeals, and the judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(10) Any action brought under this subsection shall be advanced on the docket of the court in which filed, and put ahead of all other actions (other than other actions brought under this subsection or under section 310 [¶ 130] of this Act).

(11) If the Commission determines after an investigation that any person has violated an order of the court entered in a proceeding brought under paragraph (6), it may petition the court for an order to hold such person in civil contempt, but if it believes the violation to be knowing and willful it may petition the court for an order to hold such person in criminal contempt.

(12)(A) Any notification or investigation made under this section shall not be made public by the Commission or by any person without the written consent of the person receiving such notification or the person with respect to whom such investigation is made.

(B) Any member or employee of the Commission, or any other person, who violates the provisions of subparagraph (A) shall be fined not more than $2,000. Any such member, employee, or other person who knowingly and willfully violates the provisions of subparagraph (A) shall be fined not more than $5,000.

(b) Before taking any action under subsection (a) against any person who has failed to file a report required under section 304(a)(2)(A)(iii) [¶ 112] for the calendar quarter immediately preceding the election involved, or in accordance with section 304(a)(2)(A)(i) [¶ 112] the Commission shall notify the person of such failure to file the required reports. If a satisfactory response is not received within 4 business days after the date of notification, the Commission shall, pursuant to section 311(a)(7) [¶ 131], publish before the election the name of the person and the report or reports such person has failed to file.

(c) Whenever the Commission refers an apparent violation to the Attorney General, the Attorney General shall report to the Commission any action taken by the Attorney General regarding the apparent violation. Each report shall be transmitted within 60 days after the date the Commission refers an apparent violation, and every 30 days thereafter until the final disposition of the apparent violation.

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Cat # 8434
82 SEP 10 P1:06

LAW OFFICES
DORSEY EVANS

DORSEY EVANS *
SAMUEL J. LOWE
GORDON J. ORENBUCH

*D. C. & KANS. BARS

SUITE 1040 1301 PENNSYLVANIA AVE., N. W.
WASHINGTON, D. C. 20004
202 393-4800

September 9, 1982

82 SEP 10 P4:58
RECEIVED
OFFICE OF THE
GENERAL COUNSEL

Mr. Charles N. Steele
General Counsel
c/o Kenneth A. Gross
Associate General Counsel
Federal Election Commission
Washington, D. C. 20463

RE: MUR 1465

Dear Sir:

With reference to your letter dated August 31, 1982, please note that we have secured legal representation with reference to this matter with, Wright Andrews, Esquire, of Sutherland, Asbill, and Brennan at 1666 K Street, N.W., Washington, D.C. 20006 at 872-7815.

Mr. Wright Andrews will be responding to this letter within the 15-day period.

Please accept this as official authorization to send any notification and other communication from the Commission to our counsel, Mr. Wright Andrews.

Very truly yours,

Dorsey Evans

DORSEY EVANS, Treasurer
Committee for Fauntroy

DE/fed

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STATEMENT OF DESIGNATION OF COUNSEL

NAME OF COUNSEL: Wright Andrews, Esquire

ADDRESS: 1666 K Street, N.W., Washington, D.C. 20006

TELEPHONE: 872-7815

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

Date 9/9/82

Dorsey Evans
Signature

NAME: Dorsey Evans Treasurer, Committee for Fauntroy

ADDRESS: 1301 Pennsylvania Avenue, Suite 1040, Washington, D.C. 20004

HOME PHONE: 244-6015

BUSINESS PHONE: 393-4800

82040351463

ROUTING SLIP

____ Improper Complaint ltr.

____ No Jurisdiction ltr.

X Respondent Notification ltr. (1)

X Complainant Notification ltr. (1)

____ Other:

To MC from DB on 8/31/82 for signature

To Docket from [illegible] on 8/31/82 for mailing

82040301 4

WALTER FAUNTROY - D.C. DELEGATE

2040361465

cc: Walter E. Fauntroy
2350 Rayburn House Office Building
Washington, DC 20515

Respondent

Committee for Fauntroy
c/o Dorsey Evans, Esquire
1301 Pennsylvania Ave, N.W., Suite 1040
Washington, DC 20004

LAW OFFICES
DORSEY EVANS, J. D.
SUITE 1040
1301 PENNSYLVANIA AVE., N. W.
WASHINGTON, D. C. 20004

WASHINGTON, DC 200
PM
9 SEP
1982

Fire Pumper
1860s
USA 20c

WORLD POSTAL DAY
USA OCT

Mr. Charles N. Steele
General Counsel
c/o Kenneth A. Gross
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463

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82 SEP 10 P 1:06

2040351146

SUTHERLAND, ASBILL & BRENNAN
1666 K STREET, N. W.
WASHINGTON, D. C. 20006

RECEIVED AT THE FEC
82 SEP 15 A 9:22

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

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 31, 1982

Dr. Guy C. McCombs III
6221 Kansas Avenue, NE
Washington, D.C. 20011

Dear Mr. McCombs:

This letter is to acknowledge receipt of your complaint of August 20, 1982, against Delegate Walter E. Fauntroy which alleges violations of the Federal Election Campaign laws. A staff emmber has been assigned to analyze your allegations. The respondent will be notified of this complaint within five days.

You will be notified as soon as the Commission takes final action on your complaint. Should you have or receive any additional information in this matter, please forward it to this office. We suggest that this information be sworn to in the same manner as your original complaint. For your information, we have attached a brief description of the Commission's procedure for handling complaints. If you have any questions, please contact Steven Barndollar at (202) 523-4073.

Sincerely,

Charles N. Steele
General Counsel

By Kenneth A. Gross
Associate General Counsel

Enclosure

82040361468

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 31, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Committee for Fauntroy
Dorsey Evans
1301 Pennsylvania Avenue, NW
Suite 1040
Washington, D.C. 20004

Re: MUR 1465

Dear Mr. Evans:

This letter is to notify you that on August 30, 1982 the Federal Election Commission received a complaint which alleges that your Committee may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act") or Chapters 95 and 96 of Title 26, U.S. Code. A copy of this complaint is enclosed. We have numbered this matter MUR 1465. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate, in writing, that no action should be taken against your Committee in connection with this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain 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 matter to be made public.

If you intend to be represented by counsel in this matter, please advise the Commission by sending a letter of representation 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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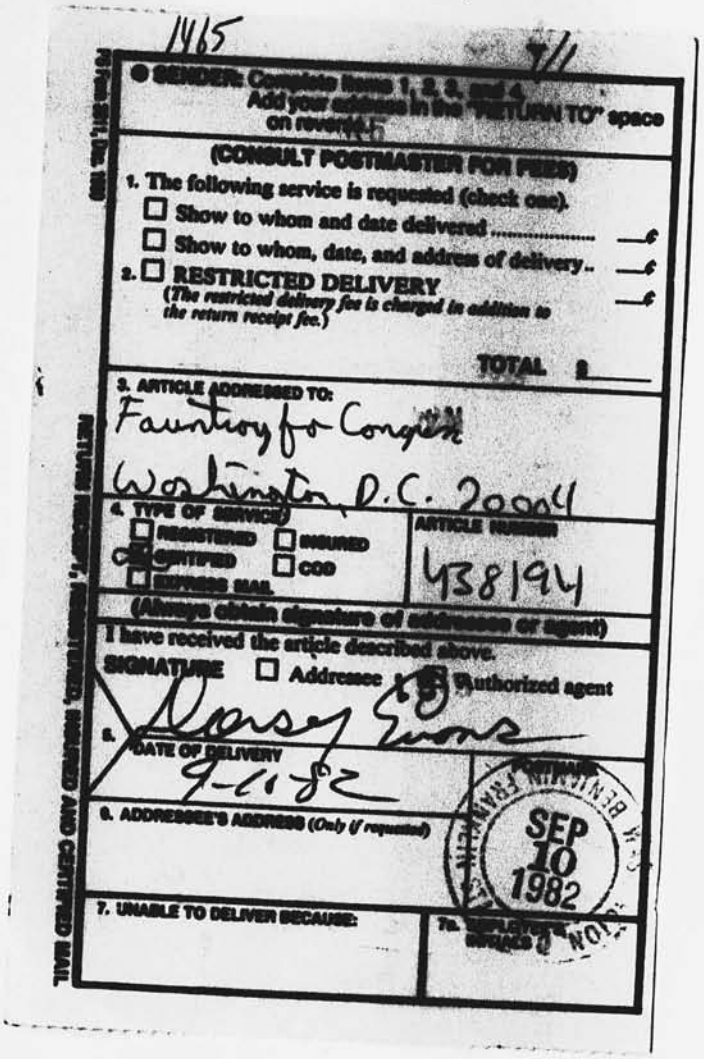
If you have any questions, please contact Susan Donaldson the staff member assigned to this matter at (202) 523-4057. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

By Kenneth A. Gross
Associate General Counsel



1465

7/1

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

(CONSULT POSTMASTER FOR FEES)

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

TOTAL $ ___

3. ARTICLE ADDRESSED TO:
Fauntroy for Congress
Washington, D.C. 20004

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

ARTICLE NUMBER
438194

(Always obtain signature of addressee or agent)

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

5. Dorsey Evans

DATE OF DELIVERY
9-10-82

POSTMARK
SEP 10 1982

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:

7a. EMPLOYEE'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

Enclosures

cc: Honorable Walter Fauntroy

8 2 0 4 0 3 6 1 4 7 0

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

82 AUG 30 A8:24

OGC

RECEIVED
GCC# 8343

82 AUG27 P4:01

Dr.Guy C. McCombs III
6221 Kansas Av N.E.
Washington, D.C. 20011

August 20, 1982

Mr. Alan Clutter
Staff Director
Federal Election Commission
1325 K Street, N.W.
Washington, D.C.

Dear Mr. Clutter:

This letter is a formal complaint against Delegate Walter E. Fauntroy of the District of Columbia because he has failed to pay campaign debts totalling more than $6,700 over the past ten years. This should be considered a complaint pursuant to Section 437g of the Federal Election Campaign Act of 1971, as amended.

A review of Congressman Fauntroy's and his political committee's, Committee for Fauntroy, Schedule C-Debts and Obligations, reflect that campaign debts incurred during the period of 1972 through 1982 have remained unpaid. This is an inordinate period of time. It is my feeling that those debts incurred during each primary and general election period since 1972 constitute contributions and expenditures to the election of Congressman Fauntroy to the political office of Delegate to the U.S. House of Representatives for the District of Columbia.

Thus, Congressman Fauntroy and his political campaign committees have received contributions and expenditures from corporations in violation of 441-b of the Act, and have also violated sections 433 and 434 of the Act for not reporting contributions and expenditures of individuals listed in the reports filed with the Federal Election Commission.

Sincerely,

Guy C. McCombs III

SUBSCRIBED AND SWORN TO ME, IN MY PRESENCE, THIS 26 DAY OF August 1926, A NOTARY PUBLIC IN AND FOR THE (COUNTY) (STATE) OF Prince Georges

Purnell E. Johnson
(SIGNATURE) NOTARY PUBLIC

MY COMMISSION EXPIRES 7/1, 1986

32040301471

FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 1465

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

Cameraman SPC