



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20543

THIS IS THE END OF TAP # 1745

Date Filmed 7/26/85 Camera No. --- 2

Cameraman J.A.Q.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 20, 1985

The Larryann Willis for Congress  
Committee  
Route, Box 2574  
Vale, Oregon 97918

RE: MUR 1745  
The Larryann Willis for  
Congress Committee and  
Cyndy Smith, as treasurer

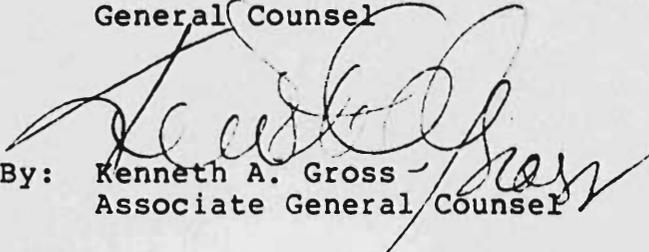
Dear Ms. Willis:

On June 12, 1985, the Commission accepted the conciliation agreement signed by you, and a civil penalty in settlement of a violation of 2 U.S.C. § 434(b)(8), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it will become a part of the public record within thirty days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

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

Sincerely,

Charles N. Steele  
General Counsel

By:   
Kenneth A. Gross  
Associate General Counsel

Enclosure  
Conciliation Agreement

85040532210



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 20, 1985

Randy Wilhelm, President  
Wilhelm Inc.  
59 G. Street, S.W.  
Washington, D.C. 20024

RE: MUR 1745

Dear Mr. Wilhelm:

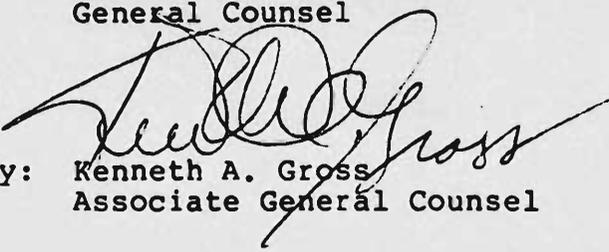
This is in reference to the complaint you filed with the Commission on July 24, 1984, concerning a possible prohibited corporate contribution received by the Larryann Willis for Congress Committee and its treasurer ("Respondents").

After conducting an investigation in this matter the Commission determined there was probable cause to believe that Respondents violated 2 U.S.C. § 434(b)(8), a provision of the Federal Election Campaign Act of 1971, as amended. On June 12, 1985, a conciliation agreement signed by the respondents was accepted by the Commission, thereby concluding the matter. A copy of this agreement is enclosed for your information.

The file number in this matter is MUR 1745. If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 523-4143.

Sincerely,

Charles N. Steele  
General Counsel

  
By: Kenneth A. Gross  
Associate General Counsel

Enclosure  
Conciliation Agreement

85040532211

RECEIVED AT THE FEC

BEFORE THE FEDERAL ELECTION COMMISSION

85 JUN 4 1972  
JUN 5 1972 13:48  
RECEIVED  
OFFICE OF THE  
GENERAL COUNSEL

In the Matter of )  
The Larryann Willis for ) MUR 1745  
Congress Committee )  
Cyndy Smith, as treasurer )

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that the Larryann Willis for Congress Committee and its treasurer ("Respondents") violated 2 U.S.C. § 434(b)(8) by failing to continuously disclose and outstanding debt.

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

- I. The Commission has jurisdiction over the Respondents, and the subject matter of this proceeding.
- II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondents enter voluntarily into this Agreement with the Commission.
- IV. The pertinent facts in this matter are as follows:
  - 1. Respondent, the Larryann Willis for Congress Committee, is the authorized political committee of Larryann Willis.
  - 2. Respondent, Cyndy Smith, is the treasurer of the Larryann Willis Committee.

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3. Respondents contend that the Committee hired Wilhelm Inc. ("the Corporation") during the 1982 primary election. The terms of the oral agreement were that the Committee agreed to pay the Corporation \$2,000 if it raised \$20,000 and would have no obligation to pay the Corporation if it raised less than \$20,000. Wilhelm Inc. raised approximately \$2,000. A dispute arose regarding the debt and obligations owed between these parties.
4. The Respondents did not report any debts to Wilhelm, Inc. on the required reports during 1982 and 1983.
5. The Respondents did report a debt owed to Wilhelm Inc. on the 1984 July Quarterly Report and 1984 October Quarterly Report.
6. On the Committee's 1984 Post General Report the Respondents are no longer reporting this debt on Schedule D as required. The FEC was informed that this debt was disputed.
7. The failure of the Respondents to continuously report this outstanding debt is a violation of 2 U.S.C. § 434(b).

V.1. Respondents will pay a civil penalty to the Treasurer of the United States in the amount of One Hundred Dollars (\$100), pursuant to 2 U.S.C. § 437g(a)(5)(A).

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2. Respondents will file full debt settlement statements with the Commission for debts reported as "settled" on the Committee's 1984 Post General Report.

VI. Respondents agree that they 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.

VII. 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.

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

IX. Respondents 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.

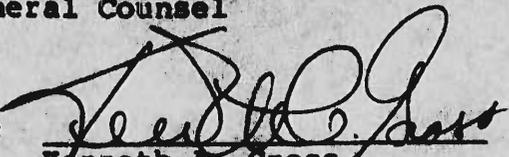
X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or

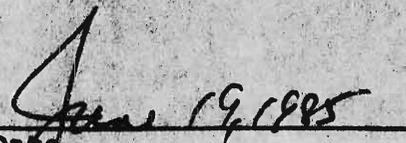
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oral, made by either party or by agents of either party, that is not contained in this written agreement shall be valid.

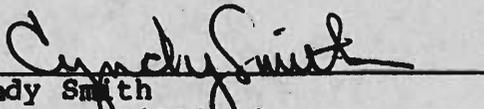
FOR THE COMMISSION:

Charles N. Steele  
General Counsel

BY:   
Kenneth A. Gross  
Associate General Counsel

  
Date

FOR RESPONDENT:

  
Cyndy Smith  
Larryann Willis for  
Congress Committee

5-25-85  
Date

85040532215

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1745
The Larryann Willis for Congress	)	
Committee and Cyndy Smith,	)	
as treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 17, 1985, the Commission decided by a vote of 6-0 to take the following actions in MUR 1745:

1. Accept the conciliation agreement attached to the General Counsel's Report signed June 12, 1985.
2. Approve the letters attached to the General Counsel's Report signed June 12, 1985.
3. Close the file.

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

Attest:

6-18-85  
Date

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

Received in Office of Commission Secretary:	6-13-85, 10:26
Circulated on 48 hour tally basis:	6-13-85, 4:00

85040532216

RECEIVED  
OFFICE OF THE FEC  
COMMISSION SECRETARY

In the Matter of )  
 )  
The Larryann Willis for Congress )  
Committee and Cyndy Smith, )  
as treasurer )

25 JUN 13 A10:26  
MUR 1745

**SENSITIVE**

**GENERAL COUNSEL REPORT**

**I. BACKGROUND**

On May 14, 1985, the Commission authorized the Office of the General Counsel to file a civil suit against the Larryann Willis for Congress Committee and Cyndy Smith, as treasurer ("Respondents")

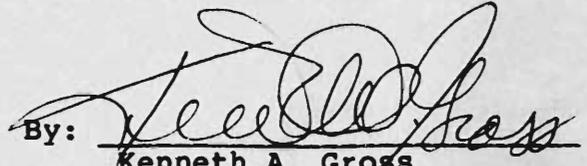
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**RECOMMENDATION**

The Office of the General Counsel recommends the Commission accept this agreement, approve the attached letters and close the file.

Charles N. Steele  
General Counsel

June 12, 1985  
Date

By:   
Kenneth A. Gross  
Assistant General Counsel

Attachments

1. Conciliation Agreement
2. Photocopy of Civil Penalty Check
3. Proposed letters (2)

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First Interstate Bank  
of Oregon, N.A.  
Federal Reserve Bank  
of Portland, Oregon  
Member FDIC

LARRYANN WILLIS FOR CONGRESS COMMITTEE  
ROUTE 2, BOX 2574, 473-2133  
VALE, OREGON 97918

2452

24-12/1230 515

PAY  
TO THE  
ORDER  
OF

One hundred <sup>no</sup> ~~and~~ <sub>and</sub>

May 20 1985

DOLLARS \$ 100-

FEC - U.S. Treasurer  
Washington D.C.

*Larry Willis*

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

May 21, 1985

Cyndy Smith, as Treasurer  
The Larryann Willis for Congress Committee  
Route 2 Box 2574  
Vale, Oregon 97918

RE: Mar 1745  
The Larryann Willis for  
Congress Committee and  
Cyndy Smith, as treasurer

Dear Ms. Smith:

You were previously notified that on January 15, 1985, the Federal Election Commission found probable cause to believe that The Larryann Willis for Congress Committee and you, as treasurer violated 2 U.S.C. § 434(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with the captioned matter.

As a result of our inability to settle this matter through conciliation within the allowable time period, the Commission has authorized the institution of a civil action for relief in the U.S. District Court.

Should you have any questions, or should you wish to settle this matter prior to suit, please contact Ivan Rivera, the attorney handling this case, at (202) 523-4343 within 5 days of receiving this letter.

Sincerely,

Charles N. Steele  
General Counsel

cc: Larryann Willis

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
The Larryann Willis for )  
Congressman Committee and )  
Cyndy Smith, as treasurer )

MUR 1745

CERTIFICATION

I, Mary W. Dove, recording secretary for the Federal Election Commission executive session of May 14, 1985, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 1745:

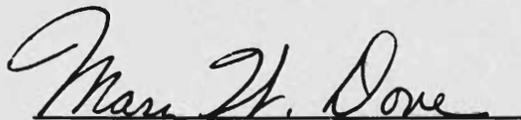
1. Reject the counter proposal of the Larryann Willis for Congress Committee and Cyndy Smith, as treasurer.
2. Authorize the Office of the General Counsel to file a civil suit in the United States District Court against: The Larryann Willis for Congress Committee and Cyndy Smith, as treasurer.

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

Attest:

5-15-85

Date



Mary W. Dove  
Recording Secretary

8 5 0 4 0 5 3 2 2 2 1



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Randy Wilhelm, President  
Wilhelm Inc.  
59 G. Street, S.W.  
Washington, D.C. 20024

RE: MUR 1745

Dear Mr. Wilhelm:

This is in reference to the complaint you filed with the Commission on July 24, 1984, concerning a possible prohibited corporate contribution received by the Larryann Willis for Congress Committee and its treasurer ("Respondents").

After conducting an investigation in this matter the Commission determined there was probable cause to believe that Respondents violated 2 U.S.C. § 434(b)(8), a provision of the Federal Election Campaign Act of 1971, as amended. On , a conciliation agreement signed by the respondents was accepted by the Commission, thereby concluding the matter. A copy of this agreement is enclosed for your information.

The file number in this matter is MUR 1745. If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 523-4143.

Sincerely,

Charles N. Steele  
General Counsel

By: Kenneth A. Gross  
Associate General Counsel

Enclosure  
Conciliation Agreement

ATTACHMENT #3

8504053222



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

The Larryann Willis for Congress  
Committee  
Route, Box 2574  
Vale, Oregon 97918

RE: MUR 1745  
The Larryann Willis for  
Congress Committee and  
Cyndy Smith, as treasurer

Dear Ms. Willis:

On \_\_\_\_\_, 1985, the Commission accepted the conciliation agreement signed by you, and a civil penalty in settlement of a violation of 2 U.S.C. § 434(b)(8), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it will become a part of the public record within thirty days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

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

Sincerely,

Charles N. Steele  
General Counsel

By: Kenneth A. Gross  
Associate General Counsel

Enclosure  
Conciliation Agreement

85040532223



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Cyndy Smith, as Treasurer  
The Larryann Willis for Congress Committee  
Route 2 Box 2574  
Vale, Oregon 97918

RE: Mur 1745  
The Larryann Willis for  
Congress Committee and  
Cyndy Smith, as treasurer

Dear Ms. Smith:

You were previously notified that on January 15, 1985, the Federal Election Commission found probable cause to believe that The Larryann Willis for Congress Committee and you, as treasurer violated 2 U.S.C. § 434(b)(8), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with the captioned matter.

As a result of our inability to settle this matter through conciliation within the allowable time period, the Commission has authorized the institution of a civil action for relief in the U.S. District Court.

Should you have any questions, or should you wish to settle this matter prior to suit, please contact Patty Reilly, the attorney handling this case, at (202) 523-4143 within 5 days of receiving this letter.

Sincerely,

Charles N. Steele  
General Counsel

cc: Larryann Willis

ATTACHMENT #5

85040532224

85040532225

for Congress  
Bx 2574  
N 97918



05 MAR 21 20 AM '66

FIRST CLASS

Federal Elections Commission

1325 "K" Street

Washington DC. 20463

FIRST CLASS

**SENSITIVE**

*Exempted*

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of )  
 )  
The Larryann Willis for )  
Congressman Committee and )  
Cyndy Smith, as treasurer )

MUR 17453 75:16

**EXECUTIVE SESSION**

**GENERAL COUNSEL'S REPORT**

**MAY 14 1985**

**I. BACKGROUND**

The Office of the General Counsel received a complaint on July 24, 1984, from Wilhelm, Inc. alleging the failure of Larryann Willis and the Larryann Willis for Congress Committee ("the Committee") to pay an outstanding debt had "forced" the complainant to improperly extend credit in violation of 2 U.S.C. § 441b. The Commission voted on October 10, 1984, to find no reason to believe the candidate or her committee had violated this provision. The Commission did find reason to believe that the committee and its treasurer, violated 2 U.S.C. § 434(b)(8) by failing to report this two year old debt until the 1984 July Quarterly Report. On January 15, 1985 the Commission found probable cause to believe the Respondents violated this section of the Act, app  
civil penalty a

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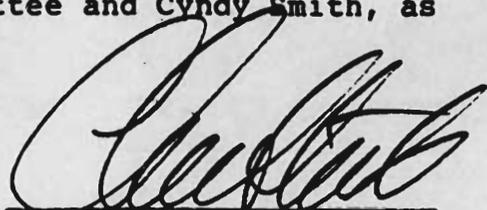
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**III. RECOMMENDATIONS**

1. Reject the counter proposal of the Larryann Willis for Congress Committee and Cyndy Smith, as treasurer.

2. Authorize the Office of the General Counsel to file a civil suit in the United States District Court against: The Larryann Willis for Congress Committee and Cyndy Smith, as treasurer.

2 May 1985  
Date

  
Charles N. Steele  
General Counsel

**Attachments**

1. Commission Approved Conciliation Agreement
2. Proposed Conciliation Agreement #1
3. Proposed Conciliation Agreement #2
4. Debt Settlement materials.
5. Proposed Letter to Respondent



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

March 6, 1985

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Larryann Willis for Congress Committee  
Cyndy Smith, Treasurer  
Route 2, Box 2574  
Vale, Oregon 97918

Re: MUR 1745

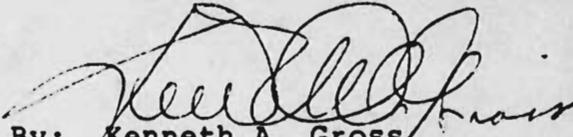
Dear Ms. Smith:

Pursuant to a telephone conversation between Larryann Willis and Patty Reilly of this Office, it has come to our attention that you are unable to verify receiving certain correspondence from the Commission. Enclosed please find copies of letters dated January 18, February 26, and March 1, 1985. Also enclosed is a conciliation agreement approved by the Commission (an attachment to the January 18, 1985 letter) and an unapproved conciliation agreement incorporating changes suggested by Ms. Willis (an attachment to the March 1, 1985 letter).

Please verify receiving these materials by contacting Ms. Patty Reilly at 800-424-9530.

Sincerely,

Charles N. Steele  
General Counsel

  
By: Kenneth A. Gross  
Associate General Counsel

Enclosures

Commission approved conciliation agreement  
Unapproved conciliation agreement with changes

85040532228



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

February 26, 1985

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Ms. Cyndy Smith  
Larryann Willis for Congress Committee  
Route 2, Box 2574  
Vale, Oregon 97918

Re: MUR 1745

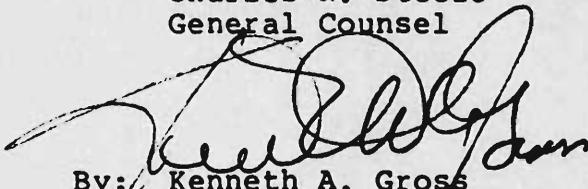
Dear Ms. Smith:

Pursuant to your telephone conversation with Patty Reilly of this Office, enclosed please find a copy of the Commission's letter of January 18, 1985, which you state you are unable to verify receiving. This letter notified you of the Commission's determination that there is probable cause to believe the Larryann Willis for Congress Committee and you, as treasurer, violated 2 U.S.C. § 434(b)(8), a provision of the Federal Election Campaign Act of 1971, as amended. Also enclosed is a conciliation agreement this Office is prepared to recommend to the Commission.

If you have any questions, please contact Ms. Reilly at 202-523-4143.

Sincerely,

Charles N. Steele  
General Counsel

  
By: Kenneth A. Gross  
Associate General Counsel

Enclosures

cc: Larryann Willis

85040532229

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
The Larryann Willis for ) MUR 1745  
Congress Committee )  
and Cyndy Smith, as )  
treasurer )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of January 15, 1985, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 1745:

1. Find probable cause to believe that the Larryann Willis for Congress Committee and Cyndy Smith, as treasurer, violated 2 U.S.C. § 434(b) (8).
2. Approve the letters attached to the General Counsel's report dated January 7, 1985.

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

Attest:

1-16-85

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary of the Commission

85040532230



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 18, 1985

The Larryann Willis for Congress  
Committee and Cyndy Smith, as treasurer  
Route 2, Box 2574  
Vale, Oregon 97918

RE: MUR 1745  
The Larryann Willis for  
Congress Committee and Cyndy  
Smith, as treasurer

Dear Ms. Smith:

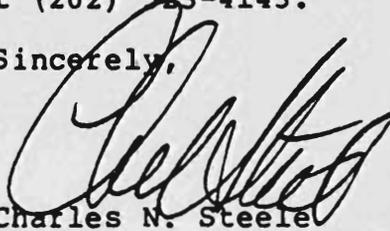
On January 15, 1985, the Commission determined that there is probable cause to believe the Larryann Willis for Congress Committee and you, as treasurer, committed a violation of 2 U.S.C. § 434(b)(8), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with your failure to consistently report a debt owed to Wilhelm Inc.

The Commission has a duty to attempt to correct such violations for a period of thirty to ninety days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. If we are unable to reach an agreement during that period, the Commission may institute civil suit in United States District Court and seek payment of a civil penalty.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission 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 within ten days. I will then recommend that the Commission approve the agreement. Please make your check for the civil penalty payable to the U.S. Treasurer.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Patty Reilly the attorney assigned to this matter, at (202) 523-4143.

Sincerely,

  
Charles N. Steele  
General Counsel

Enclosure  
Conciliation Agreement

85040532231



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RECEIVED  
OFFICE OF THE FEC  
COMMISSION SECRETARY

85 JAN 11 P 3:01

January 11, 1985

MEMORANDUM

**SENSITIVE**

TO: THE COMMISSION

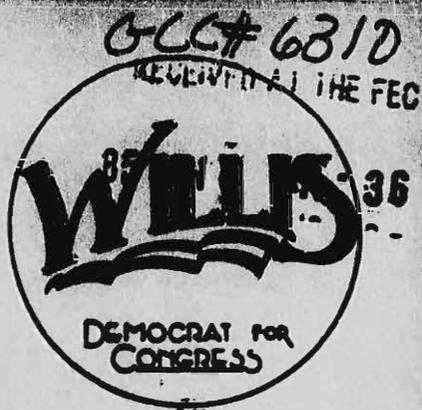
FROM: CHARLES N. STEELE  
GENERAL COUNSEL

KENNETH A. GROSS  
ASSOCIATE GENERAL COUNSEL *KAG*

SUBJECT: MUR 1745 GENERAL COUNSEL'S REPORT  
Signed JANUARY 7, 1985

Attached is a notarized statement from the treasurer of the Larryann Willis for Congress Committee received by this Office on January 9, 1985. Page two of the General Counsel's Report signed January 7, 1985, noted that this statement had not yet been received.

85040532232



Larryann Willis For Congress Committee, Rt. 2, Box 2574, Vale, OR 97918  
Bill Sparks, Campaign Manager - Phone (503) 473-2133

December 18, 1984

General Counsel  
FEC  
1325 K St  
Washington D.C. 20463

REC'D  
FEB 23 1985

Dear Sir:

As Treasurer of the Larryann Willis for Congress Committee I am writing in regard to MUR 1745.

I am the Treasurer who made the error on the C & E report covering the period 10/1/84 to 10/17/84, in which I accidentally entered Randy Wilhelm, Inc as a debt owed by the campaign on page 6 of 6 of the Debts & Obligations section. I should not have reported it as a debt.

The error occurred because Diana Allen had been the Treasurer and I was not familiar with her bookkeeping. Instead of taking the previous C & E report done by Ms. Allen I took her ledger sheets and assumed that everything there was debts owed if there was an outstanding balance. I was not aware of the fact that the Wilhelm records were of a disputed debt against which nuisance payments were being made until the matter was settled.

The Campaign Manager, Martha Filer, finally reached an agreement with Mr. Wilhelm who agreed to settle for \$500.00 which was paid and reported on my 10/18/84 to 11/26/84 report on page 10 of 10 of Itemized Disbursements.

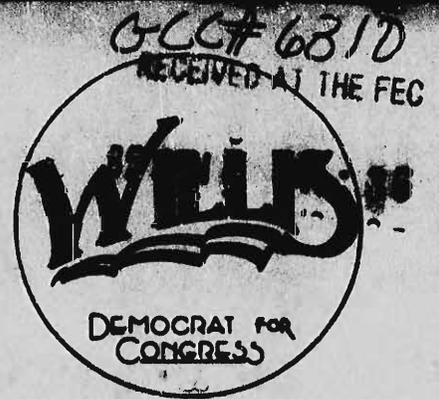
None of us were employed by the Larryann Willis for Congress Committee at the time the disputed debt occurred so we have all been somewhat confused by the sequence of events and the background of the dispute as well as proper reporting of the disputed debt. However, I can assure you that the debt has been settled to the satisfaction of all parties involved.

Sincerely,  
*Cyndy Smith*  
Cyndy Smith, Treasurer

*Arline Patten*  
ARLINE PATTEN  
NOTARY PUBLIC-OREGON  
M. Commission Expires 9-10-85

85040532233

SUBSCRIBED TO AND SWORN TO THIS 3<sup>rd</sup> DAY OF January 1985



Larryann Willis For Congress Committee, Rt. 2, Box 2574, Vale, OR 97918  
Bill Sparks, Campaign Manager - Phone (503) 473-2183

December 18, 1984

General Counsel  
FEC  
1325 K St  
Washington D.C. 20463

JAN 8 12:38  
GENERAL COUNSEL

Dear Sir:

As Treasurer of the Larryann Willis for Congress Committee I am writing in regard to MUR 1745.

I am the Treasurer who made the error on the C & E report covering the period 10/1/84 to 10/17/84, in which I accidentally entered Randy Wilhelm, Inc as a debt owed by the campaign on page 6 of 6 of the Debts & Obligations section. I should not have reported it as a debt.

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The Campaign Manager, Martha Filer, finally reached an agreement with Mr. Wilhelm who agreed to settle for \$500.00 which was paid and reported on my 10/18/84 to 11/26/84 report on page 10 of 10 of Itemized Disbursements.

None of us were employed by the Larryann Willis for Congress Committee at the time the disputed debt occurred so we have all been somewhat confused by the sequence of events and the background of the dispute as well as proper reporting of the disputed debt. However, I can assure you that the debt has been settled to the satisfaction of all parties involved.

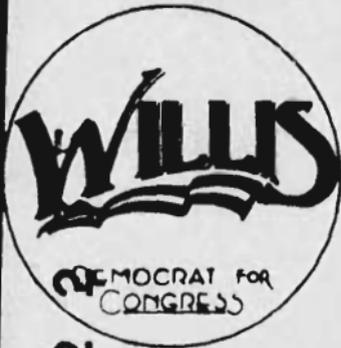
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Sincerely,

*Cyndy Smith*  
Cyndy Smith, Treasurer

*Arline Patten*  
ARLINE PATTEN  
NOTARY PUBLIC-OREGON  
My Commission Expires 9-10-85

SUBSCRIBED TO AND SWORN TO THIS 3<sup>rd</sup> DAY OF January 1985



Larryann Willis  
For Congress Committee  
Rt. 2 / Box 2574,  
Vale, Ore. 97918



General Counsel

FEC

1325 K St

Washington D.C. 20463

Attention: Patty Reilly



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All: 36

RECEIVED BY THE FEC

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**SENSITIVE**

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED  
OFFICE OF THE FEC  
COMMISSION SECRETARY

In the Matter of )  
 )  
The Larryann Willis for )  
Congress Committee and )  
Cyndy Smith, as treasurer )

25 JAN 7 P3:27  
MUR 1745

**EXECUTIVE SESSION**

**GENERAL COUNSEL'S REPORT JAN 15 1985**

**I. BACKGROUND**

The Office of the General Counsel received a complaint on July 24, 1984, from Wilhelm, Inc. alleging the failure of Larryann Willis and the Larryann Willis for Congress Committee ("the Committee") to pay an outstanding debt had "forced" the complainant to improperly extend credit in violation of 2 U.S.C. § 441b. The Commission voted on October 10, 1984, to find no reason to believe the candidate or her committee had violated this provision. The Commission did find reason to believe that the committee and Diana Allen, as treasurer, violated 2 U.S.C. § 434(b)(8) by failing to report this two year old debt until the 1984 July Quarterly Report.<sup>1/</sup> Since the Commission's findings, the Committee reported this debt on Schedule D of its 1984 Pre-General Report, and on Schedule B of its 1984 Post-General Report. This latter entry also contained a notation that the \$500 payment was for "debt settlement". This report did not contain the Wilhelm debt on Schedule D as required. <sup>2/</sup>

<sup>1/</sup> Ms. Allen has resigned her position as treasurer. Ms. Cyndy Smith, the new treasurer, has been named as respondent.

<sup>2/</sup> It is the opinion of the Office of the General Counsel that this debt has been settled in a commercially reasonable manner as required by 11 C.F.R. § 114.10(c). Accordingly, the settlement has not resulted in a prohibited corporate contribution.

85040532236

The candidate and the Committee did not respond to the Commission's notification of a finding of reason to believe the Act had been violated. After the Office of General Counsel indicated its intention to proceed to the probable cause to believe stage of the investigation, Ms. Willis telephoned the assigned staff member, stating she was unable to locate the reason to believe notifications. Copies of these letters were provided and a responsive brief followed. Additionally, RAD has contacted Ms. Willis, indicating the notations of "debt settlement" for payments listed on Schedule B to Wilhelm and three other debtors, does not meet the Act's debt settlement requirements. Moreover, RAD cautioned the Committee to continue to report all debts pending review of the ~~terms~~ of the debt settlement.

## II. LEGAL ANALYSIS

### 1. Facts

The candidate states that a debt was never owed to Wilhelm Inc. because promised services were never delivered. Wilhelm's account is said to have appeared on the 1984 October Quarterly Report and Pre-General Reports through the inadvertance of the new treasurer who was unfamiliar with the controversy between the Committee and Wilhelm. The candidate has promised to produce a notartized letter from the new treasurer attesting to this account but to date has not done so. Additionally, the candidate has stated she considers this debt dispute to be at its unhappy conclusion following the settlement noted in the 1984 Post General Report.

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2. Analysis

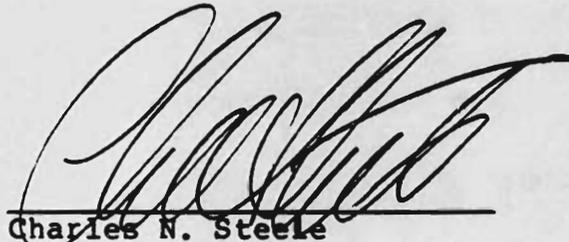
The Act requires continuous reporting of outstanding debts and obligations. 2 U.S.C. § 434(b)(8). Although the candidate denies ever owing Wilhelm Inc. any money, copies of the candidate's correspondence from May 1984 indicates the Committee maintained a ledger of accounts showing an outstanding balance to Wilhelm Inc. Additionally, the candidate has not met the requirements of the Act for a debt settlement which mandates continuous reporting of outstanding debts and obligations pending Commission review. See 11 C.F.R. § 114.10(c)(3).

III. DISCUSSION OF CONCILIATION & CIVIL PENALTY

IV. RECOMMENDATIONS

1. Find probable cause to believe that the Larryann Willis for Congress Committee and Cyndy Smith, as treasurer, violated 2 U.S.C. § 434(b)(8).
2. Approve the attached letters.

7 January 1985  
Date

  
\_\_\_\_\_  
Charles N. Steele  
General Counsel

Attachments

1. Proposed Conciliation Agreement
2. Letter to Respondent
3. Copy of Letter from Diana Allen to Mr. Richard Halberstein

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REGULAR MAIL

Larryann Willis For Congress Committee, Rt. 2, Box 2574, Vale, OR 97010  
Bill Sparks, Campaign Manager - Phone (503) 473-2133



May 16, 1984

Mr. Richard Halberstein  
625 North Carolina Ave. S.E.  
Washington, D.C. 20003

RECEIVED  
OFFICE OF THE CLERK  
U.S. HOUSE OF REPRESENTATIVES  
MAY 25 AM 10 57

Dear Mr. Halberstein,

097462

Reference you letter of May 10, 1984.

Enclosed please find a copy of our ledger for Wilhelm, Inc. As shown by the ledger the Willis for Congress Committee has been making regular payments to Wilhelm, Inc. Our records show a balance of \$1235.00 owed to Wilhelm, Inc.

If verification on this account is necessary we will send copies of all cancelled checks, front and back, with the exception of check numbers 1666 and 1825 which have not yet cleared our bank.

If you wish to negotiate a settlement on this account, please contact our Campaign Manager, Bill Sparks, at (503) 473-2133.

Sincerely,

*Diana Allen*

Diana Allen  
Office Manager  
Willis for Congress Committee

cc FEC  
Wilhelm, Inc.  
Bill Sparks

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

December 20, 1984

Larryann Willis  
Larryann Willis for Congress  
Committee and Cyndy Smith, as treasurer  
Route 2, Box 2574  
Vale, Oregon 97918

Re: MUR 1745  
The Larryann Willis for Congress  
Committee and Cyndy Smith,  
as treasurer

Dear Ms. Willis:

This is in response to your telephone conversations of December 10 and 11, 1984, in which you stated that you are unable to locate certain correspondence from the Federal Election Commission ("the Commission") addressed to you and the Larryann Willis for Congress Committee ("the Committee"). Enclosed are copies of two letters sent by the Commission on October 12, 1984. The letter addressed to you states the Commission found no reason to believe that you had violated 2 U.S.C. § 441b of the Federal Election Campaign Act of 1971, as amended ("the Act"). The letter addressed to the treasurer of the Committee also states the Commission found no reason to believe that the Committee and Ms. Allen, its treasurer, had violated this section of the Act. \*/ Additionally, this letter states the Commission found reason to believe that the Committee and its treasurer violated 2 U.S.C. § 434(b)(8). The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is also attached.

In our letter dated December 4, 1984, the Office of the General Counsel indicated that it was prepared to recommend that the Commission proceed to a vote of probable cause to believe a violation has occurred. It is our understanding that you are currently preparing a reply brief for the Commission. This brief is due on Monday, December 24, 1984.

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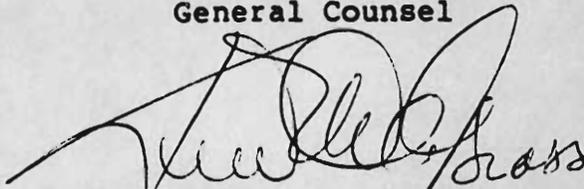
\*/ Ms. Cyndy Smith, the Committee's current treasurer, is now a named respondent, replacing former treasurer, Diana Allen.

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If you have any questions please contact Patty Reilly, the staff member assigned to this matter, at 202-523-4143.

Sincerely,

Charles N. Steele  
General Counsel

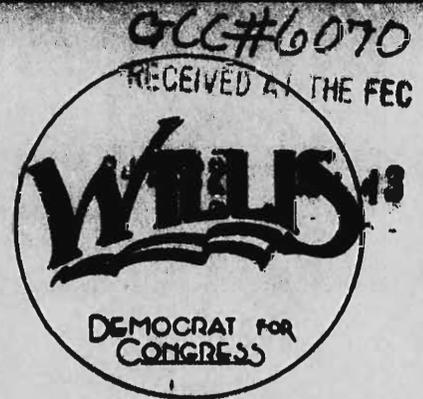


By: Kenneth A. Gross  
Associate General Counsel

Enclosures

- October 12, 1984, letter to Larryann Willis
- October 12, 1984, letter to the Larryann Willis for Congress Committee
- General Counsel's Legal and Factual Analysis

85040532241



Larryann Willis For Congress Committee, Rt. 2, Box 2574, Vale, OR 97918  
Bill Sparks, Campaign Manager - Phone (503) 473-2133

December 15, 1984

General Counsel  
Federal Election Commission  
1325 "K" St NW  
Washington D.C. 20463

RECEIVED  
DEC 24 11:05  
GENERAL COUNSEL

Dear Sir:

This letter constitutes a responsive brief to MUR 1745. The reason the first letter was not responded to is that I never received the letter. I have no record of it ever arriving either at my campaign headquarters at 115 Oregon Ave, Bend, Oregon (no longer in existence) or at Rt 2, Box 2574, Vale, Ore 97918 (still in use). Because my district is the third largest in the United States consisting of 76,000 square miles, I, as the Candidate, could not be in the office. As a result, I left the administration of this campaign up to my staff. I have no idea whether or not the original letter was received—I never saw it—nor do I know why it was not responded to if it was received. I can say it would have arrived at the height of the campaign activities and my overworked staff may have lost it in the shuffle.

You have in your files a letter from me to Randy Wilhelm dated October 7, 1982. This letter makes it absolutely clear that there was an intense disagreement between Mr. Wilhelm and myself as to the validity of any claim Mr. Wilhelm thought he had against my Committee. I know of NO provision in the Federal Election Code that requires a Candidate to pay a con artist who is attempting to blackmail the Candidate!!!!!! Mr. Wilhelm is nothing more than a low class crook who attempted to use the FEC to extort money from a Federal Candidate.

Let me re-emphasise...THERE IS NOT and NEVER WAS any outstanding debt to Mr. Randy Wilhelm. My Committee is NOT under obligation to report the claims of crooks. I have previously provided the details of the dispute to the Federal Election Commission.

There was an error made by my NEW Treasurer Cyndy Smith on the 10/1/84 to 10/17/84 report. When she took over the books from Diana Allen, Ms. Smith was unfamiliar with the Wilhelm blackmail attempt. Ms. Allen had Mr. Wilhelm's claim listed on a ledger along with nuisance payments we had been making which you have been aware of. Because of my heavy campaign schedule, I was not available to explain the situation to Ms. Smith. My Campaign Manager, Martha Filer, was also new and not familiar with the extortion attempt. Neither Cyndy Smith nor Martha Filer were with the 1982 campaign when the Wilhelm claim was initiated.

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Diana Allen was proper in not reporting a debt NOT owed. Cyndy Smith, the new Treasurer, made the error of misinterpreting Ms. Allen's ledger and misreporting the disputed debt. I have asked Treasurer Smith to send you a notarized letter explaining the situation and stating that she reported the disputed debt in error. You should be receiving that letter under a separate cover soon.

My Campaign Manager Martha Filer, succeeded in reaching a settlement with Randy Wilhelm. He was paid \$500.00 (reported in the 10/18/84 to 11/26/84 C & E report under itemized disbursements) and he considers the dispute settled. I personally was not happy with the settlement as I feel Wilhelm succeeded in blackmailing my Committee and I would like to sue him to recover the money plus damages. I AM FURIOUS THAT MY COMMITTEE WAS PUT IN A POSITION OF PAYING HIM 2/3 OF HIS FICTITIOUS CLAIM TO AVOID LITIGATION AT THE HEIGHT OF THE CAMPAIGN. We need legislation to protect Candidates from this type of blackmail!

If the cost wasn't so great and the distance wasn't so far, I would be suing Mr. Wilhelm for damages. I may yet sue him if I can locate a D.C. attorney who will handle the case reasonably.

I will be in D.C. the end of January. If this case has not been dismissed by then, I would be most happy to come to your office in person with Mr. Wilhelm and have it out once and for all with him in front of your attorneys.

Sincerely,

Larryann Willis

Certified Receipt Requested

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**Larryann Willis**  
**For Congress Committee**  
**Rt. 2 / Box 2574,**  
**Vale, Ore. 97918**



General Counsel

FEC

1325 "K" St NW

Washington D.C. 20463

Attention : Patty Reilly



A10: 43

30  
Paid for by the Larryann Willis For Congress Committee, Cyndy Smith, Treasurer, Rt. 2, Box 2574, Vale, OR 97918



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

December 4, 1984

Larryann Willis for Congress  
Committee  
Diana Allen, as treasurer  
O'Kane Building  
115 Oregon Street, Suite 16  
Bend, Oregon 97701

Re: MUR 1745  
Larryann Willis for Congress  
Committee  
Diana Allen, as treasurer

Dear Ms. Allen:

Based on a complaint filed with the Commission on July 24, 1984, and information supplied by you the Commission determined on October 10, 1984, that there was reason to believe that Larryann Willis for Congress Committee and you, as treasurer, had violated 2 U.S.C. § 434(b)(8), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

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 probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

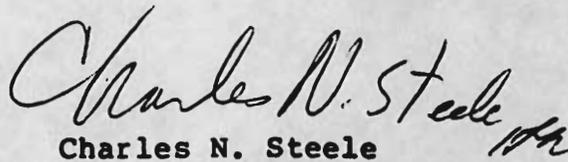
85040532245

Letter to Diana Allen  
Page 2

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

Should you have any questions, please contact Patty Reilly, the staff member assigned to handle this matter, at (202)523-4143.

Sincerely,

  
Charles N. Steele  
General Counsel

Enclosure  
Brief

85040532246

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Larryann Willis for Congress ) MUR 1745  
Committee )  
Diana Allen, as treasurer )

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

The Office of the General Counsel received a complaint on July 24, 1984, from Wilhelm, Inc. alleging the failure of Larryann Willis and the Larryann Willis for Congress Committee to pay an outstanding debt had "forced" the complainant to improperly extend credit in violation of 2 U.S.C. § 441b. The Commission voted on October 10, 1984, to find no reason to believe the candidate or her committee had violated this provision. The Commission did find reason to believe that the committee and Diana Allen, as treasurer, violated 2 U.S.C. § 434(b)(8) by failing to report this two year old debt until the 1984 July Quarterly Report. The Committee has not responded to this notification.

II. Legal Analysis

The Act requires a political committee to report the amount and nature of outstanding debts. 2 U.S.C. § 434(b)(8). The Larryann Willis for Congress Committee and Diana Allen, as treasurer, have only recently begun to report a two year old debt. Therefore, it appears the Committee is in violation of the Act.

85040532247

**III. General Counsel's Recommendations**

1. Find probable cause to believe the Larryann Willis for Congress Committee and Diana Allen, as treasurer, violated 2 U.S.C. § 434(b) (8).
2. Approve the attached letter.

12/4/84  
Date

Charles N. Steele  
Charles N. Steele  
General Counsel

Attachment  
Letter

85040532248



**SENSITIVE**

FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RECEIVED  
OFFICE OF THE FEC  
SECRETARY

84 DEC 4 P 2:59  
December 4, 1984

MEMORANDUM TO: The Commission  
FROM: Charles N. Steele *CNS/AM*  
General Counsel  
SUBJECT: MUR 1745

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 probable cause to believe was mailed on December 4, 1984. 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

85040532249

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of	)	
	)	
Larryann Willis for Congress	)	MUR 1745
Committee	)	
Diana Allen, as treasurer	)	

**GENERAL COUNSEL'S BRIEF**

**I. Statement of the Case**

The Office of the General Counsel received a complaint on July 24, 1984, from Wilhelm, Inc. alleging the failure of Larryann Willis and the Larryann Willis for Congress Committee to pay an outstanding debt had "forced" the complainant to improperly extend credit in violation of 2 U.S.C. § 441b. The Commission voted on October 10, 1984, to find no reason to believe the candidate or her committee had violated this provision. The Commission did find reason to believe that the committee and Diana Allen, as treasurer, violated 2 U.S.C. § 434(b)(8) by failing to report this two year old debt until the 1984 July Quarterly Report. The Committee has not responded to this notification.

**II. Legal Analysis**

The Act requires a political committee to report the amount and nature of outstanding debts. 2 U.S.C. § 434(b)(8). The Larryann Willis for Congress Committee and Diana Allen, as treasurer, have only recently begun to report a two year old debt. Therefore, it appears the Committee is in violation of the Act.

85040532250

**III. General Counsel's Recommendations**

1. Find probable cause to believe the Larryann Willis for Congress Committee and Diana Allen, as treasurer, violated 2 U.S.C. § 434(b)(8).
2. Approve the attached letter.

12/4/84  
Date

Charles N. Steele  
Charles N. Steele  
General Counsel

Attachment  
Letter

85040532251



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

December 4, 1984

Larryann Willis for Congress  
Committee  
Diana Allen, as treasurer  
O'Kane Building  
115 Oregon Street, Suite 16  
Bend, Oregon 97701

Re: MUR 1745  
Larryann Willis for Congress  
Committee  
Diana Allen, as treasurer

Dear Ms. Allen:

Based on a complaint filed with the Commission on July 24, 1984, and information supplied by you the Commission determined on October 10, 1984, that there was reason to believe that Larryann Willis for Congress Committee and you, as treasurer, had violated 2 U.S.C. § 434(b)(8), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

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 probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

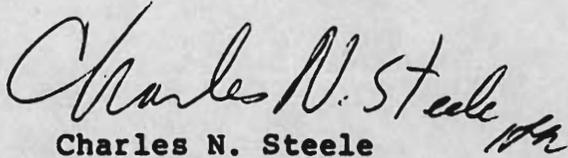
85040532253

Letter to Diana Allen  
Page 2

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

Should you have any questions, please contact Patty Reilly, the staff member assigned to handle this matter, at (202)523-4143.

Sincerely,

  
Charles N. Steele  
General Counsel

Enclosure  
Brief

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 12, 1984

Larryann Willis  
Route 2, Box 2574  
Vale, Oregon 97918

RE: MUR 1745  
Larryann Willis

Dear Ms. Willis:

The Federal Election Commission notified you on August 9, 1984, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended, ("the Act"). A copy of the complaint was forwarded to you at that time. We acknowledge receipt of your explanation of this matter which was dated August 17, 1984.

Upon further review of the allegations contained in the complaint and information supplied by you, the Commission, on October 10, 1984, determined that there is no reason to believe that you have violated 2 U.S.C. § 441b, a provision of the Act. Hence, the Commission has determined to close its file as it pertains to you.

The file will be made part of the public record within 30 days after this matter had been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days of your receipt of this letter.

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

85040532254

Letter to Larryann Willis  
Page 2

If you have any questions, please contact Patty Reilly, the staff member assigned to this matter, at (202)523-4143.

Sincerely,

  
Lee Ann Elliott  
Chairman

Enclosures  
Procedures

85040532255



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 12, 1984

Diana Allen, Treasurer  
Larryann Willis for Congress Committee  
O'Kane Building  
115 Oregon St. Suite 16  
Bend, Oregon 97701

RE: MUR 1745

Dear Ms. Allen:

The Federal Election Commission notified you on August 9, 1984, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended, ("the Act"). A copy of the complaint was forwarded to you at that time. We acknowledge receipt of an explanation of this matter which was dated August 17, 1984.

Upon further review of the allegations contained in the complaint and information supplied, the Commission, on October 10, 1984, determined that there is no reason to believe that Larryann Willis for Congress Committee and you, as treasurer, have violated 2 U.S.C. 441b, a provision of the Act.

The Commission did find reason to believe that the Larryann Willis for Congress Committee and Diana Allen as treasurer, violated 2 U.S.C. § 434(b)(8) by failing to continuously report an outstanding debt. The General Counsel's Factual and Legal analysis which formed a basis for the Commission's finding is attached for your information. You may submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Please submit any such response within ten days of your receipt of this notification.

The Office of General Counsel would like to settle this matter through conciliation prior to a finding of probable cause; however, in the absence of any information which demonstrates that no further action should be taken against the committee and you, as treasurer, the Office of General Counsel must proceed

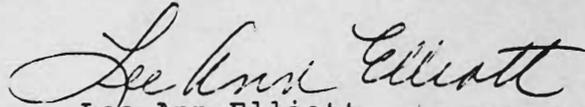
85040532256

Letter to Diana Allen  
Page 2

to the next compliance stage as noted on page 2, paragraph 2 of the enclosed procedures.

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 have any questions, please contact Patty Reilly, the staff member assigned to this matter, at (202)523-4143.

Sincerely,



Lee Ann Elliott  
Chairman

Enclosures  
Procedures  
General Counsel's Legal and Factual Analysis

85040532257

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Wilhelm Inc. )  
Larryann Willis )  
Larryann Willis for )  
Congress Committee )  
Diana Allen, as treasurer )

MUR 1745

CERTIFICATION

I, Mary W. Dove, Recording Secretary of the Federal Election Commission Executive Session on October 10, 1984, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 1745:

1. Find no reason to believe that Wilhelm, Inc., Larryann Willis, the Larryann Willis for Congress Committee and Diana Allen, as treasurer, violated 2 U.S.C. § 441b.
2. Find reason to believe that the Larryann Willis for Congress Committee and Diana Allen, as treasurer, violated 2 U.S.C. 434(b)(8).
3. Approve and send the letters attached to the General Counsel's Report of September 27, 1984.

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

Attest:

10-10-84  
Date

Mary W. Dove  
Mary W. Dove  
Recording Secretary

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

RECEIVED  
OFFICE OF THE FEC  
COMMISSION SECRETARY

84 SEP 27 P2:42

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL  
BY OGC TO THE COMMISSION 9/27/84-2:45

MUR 1745  
**SENSITIVE**  
DATE COMPLAINT RECEIVED  
BY OGC July 24, 1984  
DATE OF NOTIFICATION TO  
RESPONDENT July 31, 1984  
STAFF MEMBER P. Reilly

Complainant's Name: Wilhelm Inc.  
Respondent's Name: Wilhelm Inc.  
Larryann Willis  
Larryann Willis for  
Congress Committee  
Diana Allen, as treasurer  
Relevant Statute: 2 U.S.C. § 441b  
2 U.S.C. § 434(b)(8)  
Internal Reports Checked: Political committee's  
reporting statements, 1982  
year end thru July quarterly 1984

SUMMARY OF ALLEGATIONS

A complaint was filed with the Commission on June 24, 1984, by complainant, Wilhelm Inc., through its principal officer Mr. Randy Wilhelm, against the notified respondents: Larryann Willis, the Larryann Willis for Congress Committee ("the Committee"), and Diana Allen, as treasurer. The complainant alleges the respondents have violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 114.10 by receiving contributions from a corporation.

85040532259

**FACTUAL AND LEGAL ANALYSIS**

The complainant, Wilhelm Inc., a Virginia corporation, alleges that respondents engaged the services of the corporation during the 1982 primary race for a seat in the House of Representatives. Wilhelm Inc., asserts it provided services to the candidate and advanced out-of-pocket expenses totaling \$3,700. A negotiated settlement between complainant, and respondent Willis' campaign manager was said to have followed, with the amount owed reduced to \$2,000. Complainant admits receiving small payments, but states that over \$1,200 is still past due to the corporation. As such, complainant argues that they are being "forced" to improperly extend credit to the candidate and her committee; the corporation alleges it is not in the business of extending credit to clients.

The respondents have indicated the situation really involves a debt dispute and not the repayment of a loan. Respondents admit both hiring Wilhelm Inc., as a fundraiser, and failing to pay the presented bill. Payments were not made because promised services were not performed. The irregular payments of the campaign were intended "to deal with the nuisance factor" of Wilhelm's repeated claims for payment. A \$2,000 "payment plan" was a result of a promise by the candidate to pay this amount if Wilhelm took a personal interest in the campaign. The respondents assert this never occurred.

85040532260

Title 2 Section 441b prohibits a corporation from making a contribution or expenditure in connection with any election. Candidates and political committees are prohibited from knowingly receiving such contributions. A contribution is defined to include any direct or indirect payments, loans or advances. 2 U.S.C. § 431(8)(A)(i). Section 114.10 of the Regulations sets the parameters for a permitted extension of credit to a candidate or political committee. It permits credit to be extended to a candidate or political committee provided the credit is extended in the ordinary course of the corporation's business and terms of the debt are substantially the same as those for a non-political debt.

It does not appear from the facts that the transactions between the complainant corporation and the respondents constitute a prohibited corporate contribution. Pursuant to 11 C.F.R. 114.10, in order for Wilhelm Inc. to be liable for making such a contribution, it must extend credit or settle a debt in a manner favorable to the political candidate or committee because of their political status. The corporation must act inconsistently with the ordinary course of business and market demands.

Here, the corporation has indicated that it is "pursuing its remedies against the candidate and committee in a manner similar in intensity to that employed by the corporation in pursuit of a non political debtor." Complaint at page 2.

850405322261

The corporation has not stopped trying to recoup the debt the committee owes it. Such action is consistent with the ordinary business practice and illustrates that Wilhelm, Inc. is not extending credit in a manner favorable to the committee because of its political status. It appears that it is not willingly extending credit at all.

Complainant corporation states that respondent political committee received the corporation's services in 1982, and at least \$1,235 in payments remains outstanding. This obligation was first reported by the Committee on the Quarterly Report (July 15, 1984), Schedule D. Prior reports have not indicated the existence of this debt. The Committee appears not to have met the reporting requirements of 2 U.S.C. § 434(b)(8), which requires the reporting of outstanding debt and/or settlement of value. Accordingly, it appears that there is reason to believe the committee and Diana Allen, as treasurer, have violated 2 U.S.C. §434(b)(8).

**RECOMMENDATIONS**

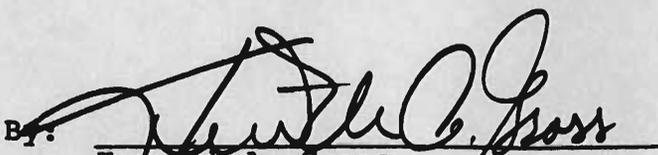
1. Find no reason to believe that Wilhelm, Inc., Larryann Willis, the Larryann Willis for Congress Committee and Diana Allen, as treasurer, violated 2 U.S.C. § 441b.

85040532262

2. Find reason to believe that the Larryann Willis for Congress Committee and Diana Allen, as treasurer, violated 2 U.S.C. 434(b)(8).
3. Approve and send the attached letters.

Charles N. Steele  
General Counsel

September 27, 1984  
Date

By:   
Kenneth A. Gross  
Associate General Counsel

**Attachments**

1. General Counsel's Factual and Legal Analysis
2. Letter to Ms. Diana Allen, treasurer
3. Letter to Ms. Larryann Willis
4. Response of Respondent

85040532263

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1745  
Staff Member Reilly

Respondent: Larryann Willis for Congress Committee and  
Diana Allen as treasurer

Source of MUR: INTERNALLY GENERATED

The Larryann Willis for Congress Committee and Diana Allen as treasurer, failed to continuously report a debt owed to Wilhelm Inc. The Committee first reported the debt in its July 1984 Quarterly Report, showing a payment of \$1,250 and an outstanding balance of \$1,135 at the close of the period. Although this debt stemmed from services rendered in 1982, this is the first time the Committee has reported the existence of this debt.

Pursuant to 2 U.S.C. § 434(b)(8) a political committee must report the amount and nature of outstanding debts. The Larryann Willis for Congress Committee and Diana Allen have only recently begun to report a two year old debt. Therefore it is recommended that the Commission find reason to believe the Committee and its treasurer violated 2 U.S.C. § 434(b)(8).

85040532264

Attachment Number 1



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Diana Allen, Treasurer  
Larryann Willis for Congress Committee  
O'Kane Building  
115 Oregon St. Suite 16  
Bend, Oregon 97701

RE: MUR 1745

Dear Ms. Allen:

The Federal Election Commission notified you on August 9, 1984, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended, ("the Act"). A copy of the complaint was forwarded to you at that time. We acknowledge receipt of an explanation of this matter which was dated August 17, 1984.

Upon further review of the allegations contained in the complaint and information supplied, the Commission, on 1984, determined that there is no reason to believe that Larryann Willis for Congress Committee and you, as treasurer, have violated 2 U.S.C. 441b, a provision of the Act.

The Commission did find reason to believe that the Larryann Willis for Congress Committee and Diana Allen as treasurer, violated 2 U.S.C. § 434(b)(8) by failing to continuously report an outstanding debt. The General Counsel's Factual and Legal analysis which formed a basis for the Commission's finding is attached for your information. You may submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Please submit any such response within ten days of your receipt of this notification.

The Office of General Counsel would like to settle this matter through conciliation prior to a finding of probable cause; however, in the absence of any information which demonstrates that no further action should be taken against the committee and you, as treasurer, the Office of General Counsel must proceed

Attachment ~~3~~ 2

85040532265

Letter to Diana Allen  
Page 2

to the next compliance stage as noted on page 2, paragraph 2 of the enclosed procedures.

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 have any questions, please contact Patty Reilly, the staff member assigned to this matter, at (202)523-4143.

Sincerely,

Enclosures  
Procedures

850405322266

Attachment Number 2



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Larryann Willis  
Route 2, Box 2574  
Vale, Oregon 97918

RE: MUR 1745  
Larryann Willis

Dear Ms. Willis:

The Federal Election Commission notified you on August 9, 1984, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended, ("the Act"). A copy of the complaint was forwarded to you at that time. We acknowledge receipt of your explanation of this matter which was dated August 17, 1984.

Upon further review of the allegations contained in the complaint and information supplied by you, the Commission, on , 1984, determined that there is no reason to believe that you have violated 2 U.S.C. § 441b, a provision of the Act. Hence, the Commission has determined to close its file as it pertains to you.

The file will be made part of the public record within 30 days after this matter had been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days of your receipt of this letter.

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

*Attachment 3*

85040532267

Letter to Larryann Willis  
Page 2

If you have any questions, please contact Patty Reilly, the staff member assigned to this matter, at (202)523-4143.

Sincerely,

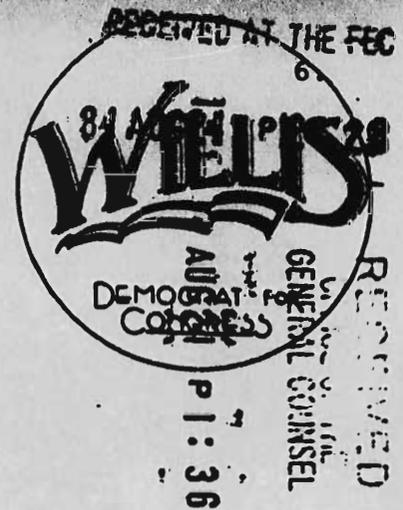
Enclosures  
Procedures

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Attachment Number 3

Larryann Willis For Congress Committee, Rt. 2, Box 2574, Vale, OR 97918  
Bill Sparks, Campaign Manager - Phone (503) 473-2133

August 17, 1984



CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

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

Re: MUR 1745

Dear Sirs:

This letter is in response to a complaint filed against the Larryann Willis for Congress Committee by Wilhelm Inc., MUR 1745.

I dispute the legitimacy of Wilhelm Inc.'s claim against the 1982 Primary Larryann Willis for Congress Committee.

Enclosed is a July 6, 1982 bill from Wilhelm Inc. Please note the 8/18/82 notation on the bill by Treasurer Karen Probst which states, "Original Agreement-- Above fee payable if \$20,000.00 was raised; actual results were less than \$20,000.00 (ie almost nil) so no fee to be paid per Bill Garrett, Campaign Chairman."

Mr. Wilhelm was hired as a fundraiser for the Larryann Willis for Congress Committee during the 1982 primary. He failed to provide the services agreed to. The Committee NEVER signed any agreement with Wilhelm Inc.---especially one to pay \$3,700.00 for services not performed.

On October 1, 1982, we received the enclosed letter from Wilhelm Inc. claiming to have agreed to a settlement with Mr. Garrett, Campaign Chairman, when our books showed no money was owed to Wilhelm Inc.

On October 7, 1982, I sent the enclosed reply to the Wilhelm letter in which I spelled out our grievances against Wilhelm Inc. In that communication I qualified any committment to pay Wilhelm \$2,000.00, "If you start taking a personal interest in this campaign and Adam continues to do a good job then you have my personal guarantee that I will pay you the \$2,000.00 primary bill."

In fact Mr. Wilhelm did not show the personal interest or involvement demanded so the Committee feels no money is owed.

No payment plan was ever agreed to by Wilhelm Inc. and the Larryann Willis for Congress Committee before the work was performed. The reason Mr. Wilhelm did not receive a primary fee is simply that he did not raise enough money to cover the costs he incurred.

Attachment 4

85040532269

Since the end of the 1982 campaign, the Larryann Willis for Congress Committee has been subjected to continued harassment by Wilhelm Inc. The Committee considers payments made to Wilhelm Inc. not as payment for services rendered but payments to deal with the nuisance factor.

To date the following payments have been made by the Larryann Willis for Congress Committee:

2/20/83	Check # 1153	\$190.00
4/1/83	Check # 1194	100.00
5/1/83	Check # 1266	100.00
6/1/83	Check # 1291	100.00
8/1/83	Check # 1321	50.00
9/1/83	Check # 1353	50.00
9/30/83	Check # 1400	25.00
11/4/83	Check # 1431	25.00
12/13/83	Check # 1468	25.00
1/4/84	Check # 1512	25.00
1/30/84	Check # 1565	25.00
3/9/84	Check # 1666	25.00
4/30/84	Check # 1825	25.00
5/23/84	Check # 1946	50.00
7/2/84	Check # 1949	50.00
7/23/84	Check # 1990	50.00
8/15/84	Check # 2045	50.00
	<b>Total</b>	<b>965.00</b>

It is obvious that the Larryann Willis for Congress Committee has been making nuisance value payments on this disputed claim and that any accusations by Wilhelm Inc. that we have accepted a corporate contribution is an absolute falsehood.

It is my impression that Wilhelm Inc. is attempting to use the FEC to pressure a Federal candidate into paying rather than settling a disputed debt. I hope the FEC will support the candidate and not allow such devious use of rules set up, in part, to protect candidates from this sort of harassment.

Sincerely,

Larryann Willis  
Candidate U.S. Congress Oregon Second District

85040532270

W

8.

WILHELM, INC.  
59 G STREET, S.W.  
WASHINGTON, D. C. 20024  
202-498-4146

July 6, 1982

Larryann Willis  
Willis for Congress Committee  
745 S. Central  
Suite 108  
Medford, OR 97501

85040532271

Fundraising consultation fee for primary campaign \$2,000.00

ORIGINAL AGREEMENT - Above fee payable if \$20,000 was raised;  
Actual results were less than \$20,000 (i.e. almost nil)  
so no fee to be paid per Bill Garrett, Campaign  
Chairman

7/10/82

W

9.

WILHELM, INC.  
59 G STREET, S.W.  
WASHINGTON, D. C. 20024  
202-498-4146

October 1, 1982

Ms. Larryann Willis  
Larryann Willis for Congress Committee  
724 S. Central-Suite 108  
Medford, Or. 97501

Dear Larryann:

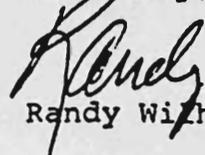
We all make mistakes. I sure hope I didn't make one with you. I remember when we first met in March how taken I was with you. I was convinced you would be a great candidate and I was convinced that you could win.

The rest is history. I flew to Oregon, spent a couple of days, and drafted a fundraising plan. We scheduled you into Washington, talked with hundreds of PAC's, arranged an excellent accomodation with N.C.E.C. and did everything we said we would. But you didn't.

My accountant was here yesterday. He raised the question of your account. I was as embarrassed then as I am writing this now. As you know, I settled out your bill at \$2000.00 to show my good faith and because I was confident that when you raised additional dollars I would be somewhere on your priority list. Now I am looking at a potential F.E.C. problem. As you know corporations such as mine are expressly forbidden to make campaign contributions. That's the reason the telephone company makes campaigns pay in advance. I've never made that a practice because I pride myself on judging good people; doing what I say I will do; and figure if I'm working for a future member of Congress, I am going to get a fair shake. But it's not working out that way.

Good people here have worked hard for you--I know this because I've supervised their work and I've signed their pay checks. There must be some way we can settle this because the \$2000.00 represents money that I spent out of my pocket on your behalf and I just can't afford to operate without it. I would appreciate your prompt response.

Sincerely,

  
Randy Wilhelm

85040532272

Larryann Willis For Congress, 724 S. Central, Medford, Ore. 97501

(503) 772-9228



October 7, 1982

Mr. Randy Wilhelm  
Wilhelm, Inc.  
59 G Street, S.W.  
Washington, D.C.  
20024

Dear Randy:

We all make mistakes, I sure hope I didn't make one with you. I remember when we first met in March how taken I was with you. I was convinced you would be a great fundraiser and I was convinced that you would devote personal attention to my race.

The rest is history. You flew to Oregon, spent a couple of days, and drafted a fundraising plan. You staff scheduled me into Washington and had me bouncing all over the city from one side to the other. I think Liza was a little too inexperienced to co-ordinate the trips well. The first one was a little short notice but the repeats should have been arranged far enough in advance to eliminate the time wasted running from one side of town to the other. I have no evidence that you talked to hundreds of PACs. I called hundreds of PACs myself because there wasn't any evidence that you or your staff was doing much. If you were you weren't accomplishing anything. I have about \$10,000.00 in phone calls that are itemized that will show you that we had to do most of the work because you weren't.

I felt that the poor job of fundraising during the primary was merely a problem of too many candidates with no one sure who the front runner was. Perhaps it was. But I KNOW that the problem in the general is that you had an amateur doing your job and you were not supervising her. You weren't even in town for my fundraiser that was a flop. You can't even take credit for money that was raised there because virtually all of it came from people who I had contacted all by myself because you people weren't on the job. Your staff was so bad that I had to have Chairman Manatt, Weaver and Wyden make calls for me, which they did.

I told Bill Garrett to tell you that unless your performance improved substantially and you took a personal interest in the campaign that I wanted him to notify NCEC to terminate the arrangement with you. He was hesitant to do so because, quite frankly, we didn't want it to appear that we were having difficulties with our fundraising operation. However, after the fiasco that happened with our fundraiser, it's well known that you did a lousy job for us. There were several people who commented on it including Mr. Heminway of NCEC.

The only reason that we have not terminated our relationship with you is that Clayton Klein was impressed by Adam Schwartz and asked that he be given a chance to see if he can deliver for us. He appears to be doing the job now so I would like to continue the business agreement. I have

85040532273

instructed my finance chair Meredith Coopley-Wood to be in daily contact with Adam.

If you start taking a personal interest in this campaign and Adam continues to do a good job then you have my personal guarantee that I will pay you the \$2,000.00 primary bill.

If, on the other hand, you feel that you can not deliver, or if you would prefer not to work with my staff, please notify me immediately so that I can terminate with NCEC.

I do agree that Peter Toll was not a good campaign manager and was not a help to you. That is why I fired him. However, the reason I hired you was that I did not have time, in this huge district, to spend the time on the phone necessary to raise money and still campaign. It is a very tough district. I was willing to make important calls but Liza had me doing all the calling. There was absolutely no direction from you at all. We did not hear from you for months and when I called to talk to you, you were always out of town.

Randy, I do not feel that I let you down.....I feel you let me down.

WE ARE going to win this race!!!

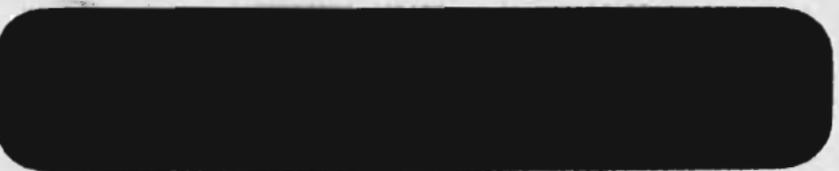
We are within \$10,000 of making all of our media buys. We are now within 5% of my opponent in name recognition. Bob Smith has slipped 2% in the last week in Jackson and Deschutes Counties. I fully expect to be serving in Congress next year. I won't forget the kind of job you do for me.

I would appreciate it greatly if you stick it out and come through.

Sincerely,

Larryann Willis

275



RECEIVED AT THE  
MAILGRAM  
Collected Charges  
PAID  
Western Union  
84 AUG 20 12:02

Western Union **Mailgram**



85040

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



LARRY N WILLIS  
115 OREGON ST SUITE 16  
BEND OR 97701 18AM

Western Union Mailgram

4-0273548231 08/16/84 ICS IPMRNCZ CBP WHBB  
5033898539 MGMB TDRN BEND OR 43 08-16 0430P EST

GCC  
#4389

KENNETH GROSS  
FEDERAL ELECTION COMMISSION  
1325 K ST NORTHWEST  
WASHINGTON DC 20463

THIS IS TO NOTIFY YOU THAT THE WILLIS FOR CONGRESS COMMITTEE HAS  
REPLIED TO MUR1745 WITHIN THE PRESCRIBED TIME AND YOU'LL BE RECEIVING  
A CERTIFIED LETTER THIS WEEK  
LARRY N WILLIS

16129 EST

MGMCOMP

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Larryann Willis For Congress Committee, Rt. 2, Box 2574, Vale, OR 97918  
Bill Sparks, Campaign Manager -- Phone (503) 473-2183

August 17, 1984

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

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

Re: MUR 1745

Dear Sirs:

This letter is in response to a complaint filed against the Larryann Willis for Congress Committee by Wilhelm Inc., MUR 1745.

I dispute the legitimacy of Wilhelm Inc.'s claim against the 1982 Primary Larryann Willis for Congress Committee.

Enclosed is a July 6, 1982 bill from Wilhelm Inc. Please note the 8/18/82 notation on the bill by Treasurer Karen Probst which states, "Original Agreement-- Above fee payable if \$20,000.00 was raised; actual results were less than \$20,000.00 (ie almost nil) so no fee to be paid per Bill Garrett, Campaign Chairman."

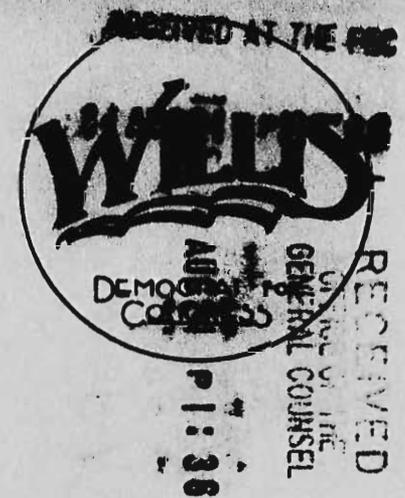
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On October 7, 1982, I sent the enclosed reply to the Wilhelm letter in which I spelled out our grievances against Wilhelm Inc. In that communication I qualified any committment to pay Wilhelm \$2,000.00, "If you start taking a personal interest in this campaign and Adam continues to do a good job then you have my personal guarantee that I will pay you the \$2,000.00 primary bill."

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No payment plan was ever agreed to by Wilhelm Inc. and the Larryann Willis for Congress Committee before the work was performed. The reason Mr. Wilhelm did not receive a primary fee is simply that he did not raise enough money to cover the costs he incurred.



85040532277



Since the end of the 1982 campaign, the Larryann Willis for Congress Committee has been subjected to continued harassment by Wilhelm Inc. The Committee considers payments made to Wilhelm Inc. not as payment for services rendered but payments to deal with the nuisance factor.

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8/15/84	Check # 2045	<u>50.00</u>
	Total	965.00

It is obvious that the Larryann Willis for Congress Committee has been making nuisance value payments on this disputed claim and that any accusations by Wilhelm Inc. that we have accepted a corporate contribution is an absolute falsehood.

It is my impression that Wilhelm Inc. is attempting to use the FEC to pressure a Federal candidate into paying rather than settling a disputed debt. I hope the FEC will support the candidate and not allow such devious use of rules set up, in part, to protect candidates from this sort of harassment.

Sincerely,



Larryann Willis  
Candidate U.S. Congress Oregon Second District

8 5 0 4 0 5 3 2 2 7 8

W

WILHELM, INC.  
59 G STREET, S.W.  
WASHINGTON, D. C. 20024  
202-498-4146

July 6, 1982

Larryann Willis  
Willis for Congress Committee  
745 S. Central  
Suite 108  
Medford, OR 97501

Fundraising consultation fee for primary campaign \$2,000.00

ORIGINAL AGREEMENT - Above fee payable if \$20,000 was raised;  
Actual results were less than \$20,000 (i.e. almost nil)  
so no fee to be paid per Bill Bennett, Campaign  
Chairman

8/10/82

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W

WILHELM, INC.  
59 G STREET, S.W.  
WASHINGTON, D. C. 20024  
202-488-4146

October 1, 1982

Ms. Larryann Willis  
Larryann Willis for Congress Committee  
724 S. Central-Suite 108  
Medford, Or. 97501

Dear Larryann:

We all make mistakes. I sure hope I didn't make one with you. I remember when we first met in March how taken I was with you. I was convinced you would be a great candidate and I was convinced that you could win.

The rest is history. I flew to Oregon, spent a couple of days, and drafted a fundraising plan. We scheduled you into Washington, talked with hundreds of PAC's, arranged an excellent accomodation with N.C.E.C. and did everything we said we would. But you didn't.

My accountant was here yesterday. He raised the question of your account. I was as embarrassed then as I am writing this now. As you know, I settled out your bill at \$2000.00 to show my good faith and because I was confident that when you raised additional dollars I would be somewhere on your priority list. Now I am looking at a potential F.E.C. problem. As you know corporations such as mine are expressly forbidden to make campaign contributions. That's the reason the telephone company makes campaigns pay in advance. I've never made that a practice because I pride myself on judging good people; doing what I say I will do; and figure if I'm working for a future member of Congress, I am going to get a fair shake. But it's not working out that way.

Good people here have worked hard for you--I know this because I've supervised their work and I've signed their pay checks. There must be some way we can settle this because the \$2000.00 represents money that I spent out of my pocket on your behalf and I just can't afford to operate without it. I would appreciate your prompt response.

Sincerely,

  
Randy Wilhelm

85040532280

Larryann Willis For Congress, 724 S. Central, Medford, Ore. 97501

(503) 772-9228



October 7, 1982

Mr. Randy Wilhelm  
Wilhelm, Inc.  
59 G Street, S.W.  
Washington, D.C.  
20024

Dear Randy:

We all make mistakes, I sure hope I didn't make one with you. I remember when we first met in March how taken I was with you. I was convinced you would be a great fundraiser and I was convinced that you would devote personal attention to my race.

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85040532281

instructed my finance chair Meredith Coopley-Wood to be in daily contact with Adam.

If you start taking a personal interest in this campaign and Adam continues to do a good job then you have my personal guarantee that I will pay you the \$2,000.00 primary bill.

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Randy, I do not feel that I let you down.....I feel you let me down.

WE ARE going to win this race!!!

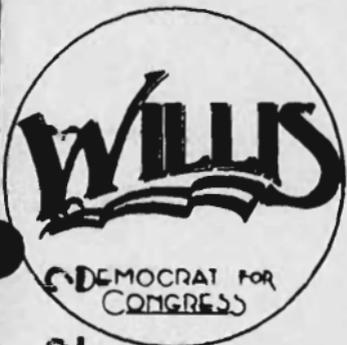
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I would appreciate it greatly if you stick it out and come through.

Sincerely,

Larryann Willis

85040532282



Larryann Willis  
For Congress Committee  
Rt. 2 / Box 2574,  
Vale, Ore. 97918

Kenneth A. Gross  
Federal Election Commission  
1325 K Street NW  
Washington D.C. 20463

**CERTIFIED**

P 715 207 871

**MAIL**

RECEIVED BY THE POST

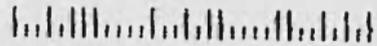


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P 1:36

GENERAL  
INSEL





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 31, 1984

Richard Halberstein, Esquire  
625 North Carolina Avenue, S.E.  
Washington, D.C. 20003

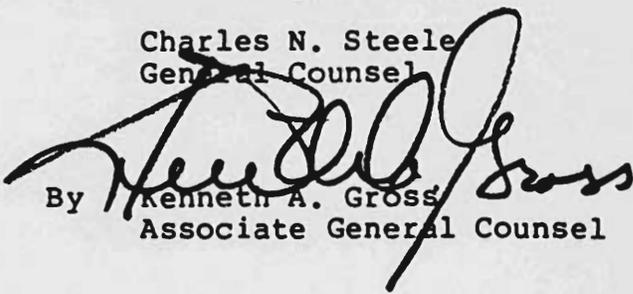
Dear Mr. Halberstein:

This letter is to acknowledge receipt of the complaint of your client, Wilhelm, Inc., which we received on July 24, 1984, against Larryann Willis, Larryann Willis for Congress Committee, and Diana Allen, which alleges violations of the Federal Election Campaign laws. A staff member 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 Barbara A. Johnson at (202) 523-4143.

Sincerely,

Charles N. Steele  
General Counsel

By   
Kenneth A. Gross  
Associate General Counsel

Enclosure

85040532284



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 31, 1984

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Diana Allen  
Treasurer  
Larryann Willis for  
Congress Committee  
O'Kane Building  
115 Oregon Street, Suite 16  
Bend, Oregon 97701

Re: MUR 1745

Dear Ms. Allen:

This letter is to notify you that on July 24, 1984 the Federal Election Commission received a complaint which alleges that the committee and you, as treasurer, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 1745. 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 the committee and you, as treasurer, 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 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.

85040532285

If you have any questions, please contact Lois Lerner, the attorney assigned to this matter at (202) 523-4143. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele  
General Counsel

*Handwritten signature of Kenneth A. Gross*  
By Kenneth A. Gross  
Associate General Counsel

Enclosures

- 1. Complaint
- 2. Procedures
- 3. Designation of Counsel Statement

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Form 3811, Dec. 1980

MMK 1745 Lerner

● 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: DIDNA ALLEN, II.  
 KARYANN WILLIS for Congress Cmte  
 O'Kane Building  
 115 Oregon Street, Suite 16  
 Bend, Oregon 97701

4. TYPE OF SERVICE: ARTICLE NUMBER  
 REGISTERED  INSURED  
 CERTIFIED  COD 943286  
 EXPRESS MAIL

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

5. DATE OF DELIVERY: 8/9/84

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:

POST OFFICE  
 AUG 9 1984

Ludaway 7/31/84



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 31, 1984

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Larryann Willis  
Route 2, Box 2574  
Vale, Oregon 97918

Re: MUR 1745

Dear Ms. Willis:

This letter is to notify you that on July 24, 1984 the Federal Election Commission received a complaint which alleges that you, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 1745. 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 you, 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 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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If you have any questions, please contact Lois Lerner, the attorney assigned to this matter at (202) 523-4143. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele  
General Counsel

*[Handwritten Signature]*  
By: Kenneth A. Gross  
Associate General Counsel

Enclosures

- 1. Complaint
- 2. Procedures
- 3. Designation of Counsel Statement

85040532288

*MURK 1745 LERNER*

Form 3811, Dec. 1980

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

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one).

Show to whom and date delivered ..... —

Show to whom, date, and address of delivery. —

2.  **RESTRICTED DELIVERY** ..... —  
*(The restricted delivery fee is charged in addition to the return receipt fee.)*

TOTAL \$ \_\_\_\_\_

3. ARTICLE ADDRESSED TO: *Larryann Willis*  
*Rt 2, Box*  
*Vale, Oregon 97918*

4. TYPE OF SERVICE:      ARTICLE NUMBER

REGISTERED       INSURED

CERTIFIED       COD

EXPRESS MAIL

**943293**

**(Always obtain signature of addressee or agent)**

I have received the article described above.

SIGNATURE       Addressee       Authorized agent

*[Handwritten Signature]*

5. DATE OF DELIVERY

**8-6-89**

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:

7a. EMPLOYEE INITIALS

*[Handwritten Initials]*

*7/3/89*

**RICHARD HALBERSTEIN**  
ATTORNEY AT LAW  
625 NORTH CAROLINA AVENUE, S.E.  
WASHINGTON, D. C. 20003

RECEIVED AT THE FEB  
300/4/40  
04 JUL 84 11:30

(202) 546-1111

MUR  
1745

1112 P 111

July 20, 1984

Kenneth Gross  
Associate General Counsel  
Federal Elections Commission  
Washington, D.C. 20463

Sir:

Please find enclosed an original and three copies (all notarized) of a Complaint to be filed pursuant to 2 U.S.C. sec. 437g (a) (1), and Regulations 11 C.F.R. sec. 111.4.

By this letter, I certify that as counsel for the complaining party, I have mailed an exact copy of this Complaint to the respondents postage prepaid, addressed to the name and address as listed in point 2 of the Complaint (both respondents in same envelope).

If there is need for further information, please contact me.

Sincerely,



Richard Halberstein

RH: bhs  
Encl:  
cc: Mr. R. Wilhelm  
Respondents

85040532289

MUR  
1745

TO: Federal Elections Commission  
FROM: Wilhelm, Inc.  
RE: Complaint against LARRYANN WILLIS, candidate for U.S. House of Representatives, and LARRYANN WILLIS FOR CONGRESS, COMMITTEE.

COMPLAINT

JUL 24 11:41

Wilhelm, Inc., a Virginia corporation, through its principal officer, Mr. Randy Wilhelm, pursuant to 2 U.S.C. Section 437g (a)(1), and the Regulations thereunder, 11 C.F.R. 111.4, desires to file a Complaint with the Federal Elections Commission against the above named person and entity, as follows:

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1. Full name and address of entity making Complaint:

Wilhelm, Inc.  
59 "G" Street, S.W.,  
Washington, D.C. 20024  
c/o R. Wilhelm, President

2. Full names and addresses of respondents alleged to have committed a violation:

Larryann Willis  
Rt. 2, Box 2574,  
Vale, Oregon 97918

Larryann Willis for Congress Committee  
(same address)

3. Source of information upon which Complaint is based:

Personal knowledge of Randy Wilhelm, President of Wilhelm, Inc., Complainant, and records of such corporation.

4. Clear and concise recitation of the facts describing the violation of a statute or law over

which the Commission has jurisdiction:

The Complainant corporation is in the business of consulting and fundraising for political candidates and their campaign committees; Larryann Willis was, during 1982, a candidate for U.S. House of Representatives (not elected), and is currently again a candidate for the House. The Complainant corporation was engaged by Ms. Willis and the Committee for consulting and fund-raising services during Ms. Willis' primary election race during 1982. Such services were performed and out-of-pocket expenses were advanced by the Complainant for this primary race. (Other services for the general election in 1982 are not involved). The original bill from Wilhelm, Inc. was \$3,700 for services and reimbursement for expenses. After discussions and negotiations with the candidate's manager, this sum was reduced by Wilhelm, Inc., to \$2,000. As part of this negotiated settlement of the amount, Ms. Willis agreed with Wilhelm, Inc., that since the bill in question represented about 20% of outstanding debts, that whenever funds were raised subsequently, 20% of such funds would be forwarded to Wilhelm, Inc., until the debt was paid. To date, this promise has not been kept. Small payments have in fact been made, but to date there is still over \$1,200 owed to the corporation.

The Complainant believes there has been a violation of 2 U.S.C. Section 441b (a), and the Regulations Part 114, and especially Section 114.10, in that the Complainant has in effect been forced to extend credit to the candidate and her committee unwillingly, in connection with the federal election in 1982. The Complainant corporation does not extend such credit to clients (candidates or committees) in the regular course of its business, nor does it extend such credit to non-political clients. There was no prior agreement between the candidate or committee and Complainant, regarding extension of credit of any type, except as finally negotiated and described above (regarding the tender-of-20%-of-receipts proposal). Complainant does not believe that the respondents (either of them) have as yet taken

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all "commercially reasonable efforts to satisfy the outstanding debt" to Complainant, as required by Regulations Section 114.10(c)(2).

The Complainant corporate creditor, is now pursuing its remedies against the candidate and committee "in a manner similar in intensity to that employed by the corporation in pursuit of a non-political debtor, including lawsuits. . . ." as contemplated in Regulations Section 114.10(c)(3).

5. Supporting documentation, if known and available to the Complainant: See attached.

6. Telephone numbers of parties:

Complainant: (202) 488-4146;

Respondents: (503) 473-2133.

Respectfully submitted, this 17<sup>th</sup> day of June, 1984.

WILHELM, INC., COMPLAINANT

By:

Randy Wilhelm, Pres.  
Randy Wilhelm, President

ATTEST:

Randy Wilhelm  
Corporate Secretary

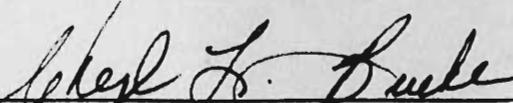
SEAL

Washington, D.C. )ss:

85040532292

Washington, D.C. )ss:

I, a Notary Public for the District of Columbia, hereby certify that RANDY WILHELM, President of Wilhelm, Inc., came before me, and is personally known to me to be the person who signed the above COMPLAINT in such capacity, as officer of the corporation, and who acknowledged such Complaint to be true to the best of his personal knowledge and belief, and that same was his free act and deed, this \_\_\_ day of June, 1984.

  
\_\_\_\_\_  
NOTARY PUBLIC



My Commission Expires: My Commission Expires May 30, 1988

85040532293



FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 1745

Date Filmed 7/26/85 Camera No. --- 2

Cameraman J.A.O.

85040532294