FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 1768

Date Filmed 4/17/85 Camera No. --- 3

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MUR 1768

FEDERAL ELECTION COMMISSION

Referrals from audit

Blue cards

letters and documents concerning conciliation agreement

12 Day report and Comments

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

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

Signed [signature]

date April 15, 1985

FEC 9-21-77

8504052528

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 25, 1985

James H. Rowe, III, Esquire
Curtis, Mallet-Prevost, Colt and
Mosle
1735 I Street, N.W.
Suite 715
Washington, D.C. 20006

RE: MUR 1768
Hollings For President, Inc. by
its treasurer, Rene Debacker
Citizens Committee For Ernest F.
Hollings by its treasurer,
Rene Debacker

Dear Mr. Rowe:

On March 21, 1985, the Commission accepted the conciliation agreements signed by Mr. Rene Debacker, as treasurer of Hollings For President, Inc., and as treasurer of the Citizens Committee For Ernest F. Hollings in settlement of violations of 2 U.S.C. §§ 441a(f) and 434(b), and 2 U.S.C. §§ 441a(a)(1) and 434(b) respectively, provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it will become a part of the public record within thirty days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondents 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 fully executed copies of the final conciliation agreements for your files.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Enclosures
Conciliation Agreements (2)

3 5 0 4 0 5 2 2 5 2 9

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1768
Hollings for President, Inc. and its treasurer, Rene Debacker	)	
Citizens Committee for Ernest F. Hollings and its treasurer, Rene Debacker	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on March 21, 1985, the Commission decided by a vote of 5-0 to take the following actions in MUR 1768:

1. Accept the proposed conciliation agreement with the Citizens Committee for Ernest F. Hollings and its treasurer, Rene Debacker, as attached to the General Counsel's Report signed March 18, 1985.

2. Accept the proposed conciliation agreement with Hollings for President, Inc. and its treasurer, Rene Debacker, as submitted with the General Counsel's Report signed March 18, 1985.

3. Close the file.

4. Approve the letter attached to the General Counsel's Report signed March 18, 1985.

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

Attest:

3-22-85
Date

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

3504052253 0

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens Committee For Ernest F. Hollings by its treasurer, Rene Debacker	)	MUR 1768

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 reason to believe that the Citizens Committee for Ernest F. Hollings by its treasurer, Rene Debacker ("Respondent"), violated 2 U.S.C. § 441a(a) by making an excessive contribution and 2 U.S.C. § 434(b) for failing to report the contribution.

NOW, THEREFORE, the Commission and Respondent, 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 Respondent, and the subject matter of this proceeding.

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

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

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

1. Respondent, Citizens Committee for Ernest F. Hollings, is the authorized political committee of Senator Ernest F. Hollings.

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2. Respondent, Rene Debacker, is the treasurer of the Citizens Committee for Ernest F. Hollings.

3. Respondent Citizens Committee For Ernest F. Hollings by its treasurer Rene Debacker guaranteed a $35,000 bank loan to Hollings For President, Inc.

4. The loan was repaid in 31 days.

5. This guarantee of a loan was an excessive contribution (hereinafter "excessive contribution").

6. Respondent Citizens Committee for Ernest F. Hollings by its treasurer Rene Debacker violated 2 U.S.C. §441a(a)(1) by making that excessive contribution in the amount of $34,000 to Hollings For President, Inc.

7. Although Hollings For President, Inc., by its treasurer Rene Debacker disclosed the bank loan in a timely manner, the Respondent Citizens Committee by its treasurer Rene Debacker violated 2 U.S.C. § 434(b) by failing to report that excessive contribution to Hollings for President, Inc.

V. Respondent Citizens Committee for Ernest F. Hollings will pay a civil penalty to the Treasurer of the United States in the amount of Two Thousand Dollars ($2,000), pursuant to 2 U.S.C. §437g(a)(4)(A).

VI. Respondent agrees that it shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

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

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

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

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FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Kenneth A. Gross — March 25, 1985
Kenneth A. Gross — Date
Associate General Counsel

FOR THE RESPONDENT:

Rene Debacker — Feb 26, 1985
For Respondent Citizens Committee
for Ernest F. Hollings
By Rene Debacker, Treasurer

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Hollings For President, Inc. by its treasurer, Rene Debacker	)	MUR 1768

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 reason to believe that Respondent Hollings For President, Inc., by its treasurer, Rene Debacker ("Respondent"), violated 2 U.S.C. § 441a(f) by accepting an excessive contribution and 2 U.S.C. § 434(b) for failure to report the contribution.

NOW, THEREFORE, the Commission and Respondent, 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 Respondent, and the subject matter of this proceeding.

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

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

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

1. Respondent, Hollings For President, Inc., is the authorized political committee of Ernest F. Hollings.

2. Respondent, Rene Debacker, is the treasurer of

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Hollings for President, Inc.

3. The Citizens Committee For Ernest F. Hollings by its treasurer Rene Debacker guaranteed a $35,000 bank loan to the Respondent Hollings for President, Inc.

4. The loan was repaid in 31 days.

5. This guarantee of a loan was an excessive contribution (hereinafter "excessive contribution").

6. The Citizens Committee For Ernest F. Hollings made that excessive contribution in the amount of $34,000 to Respondent Hollings for President, Inc.

7. Respondent Hollings for President, Inc. by its treasurer Rene Debacker accepted that excessive contribution in violation of 2 U.S.C. § 441a(f).

8. Respondent Hollings for President, Inc. by its treasurer Rene Debacker disclosed the bank loan in a timely manner but violated 2 U.S.C. § 434(b) by failing to report that excessive contribution in the amount of $34,000 to Hollings for President, Inc.

V. Respondent Hollings for President, Inc. will pay a civil penalty to the Treasurer of the United States in the amount of Two Thousand Dollars ($2,000), pursuant to 2 U.S.C. § 437g(a)(4)(A).

VI. Respondent agrees that it shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

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

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

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

3504052253 6

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Kenneth A. Gross — March 25, 1985
Kenneth A. Gross — Date
Associate General Counsel

FOR THE RESPONDENT:

Rene Debacker — 2/26/85
For Respondent Hollings for President, Inc. — Date
By Rene Debacker, Treasurer

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1768
Hollings for President, Inc.	)	
and its treasurer, Rene Debacker	)	
Citizens Committee for Ernest F.	)	
Hollings and its treasurer,	)	
Rene Debacker	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on December 19, 1984, the Commission decided by a vote of 6-0 to take the following actions in MUR 1768:

1. Authorize the Office of General Counsel to enter into pre-probable cause conciliation with Hollings for President, Inc. and its treasurer, Rene Debacker, and the Citizens Committee for Ernest F. Hollings and its treasurer, Rene Debacker.

2. Approve the conciliation agreement with Hollings for President, Inc. and its treasurer, Rene Debacker, as submitted with the General Counsel's Report signed December 14, 1984.

3. Approve the conciliation agreement with the Citizens Committee for Ernest F. Hollings and its treasurer, Rene Debacker, as submitted with the General Counsel's Report signed December 14, 1984.

(Continued)

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4. Approve the letter attached to the General Counsel's Report signed December 14, 1984.

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

Attest:

12-20-84
Date

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

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Received in Office of Commission Secretary: 12-17-84, 12:13
Circulated on 48 hour tally basis: 12-17-84, 4:00

TIZENS AND SOUTHERN NATIONAL BANK
TH CAROLINA, P. O. BOX 10608, CHARLESTON, S. C. 29411

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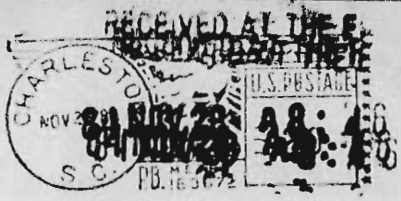

Mr. Charles N. Steele
General Counsel
Federal Election Commission
Washington, D.C. 20463

RECEIVED AT THE FEC
GCC#5804
84 NOV 28 A 8: 47

THE CITIZENS AND SOUTHERN NATIONAL BANK OF SOUTH CAROLINA, P. O. BOX 10606, CHARLESTON, S. C. 29411
A SUBSIDIARY OF THE CITIZENS AND SOUTHERN CORPORATION

November 26, 1984

84 NOV 28 A 9: 17
RECEIVED
GENERAL COUNSEL

Mr. Charles N. Steele
General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1768

Dear Mr. Steele:

In reference to your letter of November 16, 1984 to Mr. Hugh C. Lane, Jr., enclosed are the answers to the questions submitted by you.

If you should have any other questions, I may be reached at A/C 803, 745-8274.

Sincerely,

M. Milton Sanders
Vice President

MMS:aki

Enclosure

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WRITTEN QUESTIONS

Documents received by the Office of General Counsel indicate that on or about August 12, 1983, the Citizens and Southern National Bank of South Carolina and Mr. Rene Debacker, treasurer for Hollings For President, entered into a commercial bank note in the amount of $50,000. The following questions pertain to that commercial bank note.

Question 1. What was the total amount of money advanced under the note?

$35,000.

Question 2. Was the bank note satisfied?

Yes

Question 3a. Was the note secured by collateral?

Yes

3b. If the answer to 3a was yes, please describe the collateral.

$50,000 FNMA 13% Due 1-10-86

Question 4a. Does the original or a copy of the security agreement exist?

No

4b. If the security agreement does exist, please attach a copy of the agreement to your answers.

N/A

4c. If the answer to 4a is no, please describe in detail why a copy of the security agreement is no longer in existence.

Note paid on 9-12-83

Question 5. What is the standard policy of the Citizens and Southern National Bank of South Carolina in regards to maintaining copies of security agreements?

Once obligation is satisfied, we no longer maintain any papers in reference to the obligation.

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RTIS, MALLET-PREVOST, COLT & MOSLE
1735 I STREET N. W., WASHINGTON, D. C. 20006

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MAIL EAR
FOR CHRISTMAS

Mr. Chris Petersen
Office of the General Counsel
Federal Election Commission
Washington, D.C. 20463

84 NOV23 A9:

RECEIVED AT THE FEC
GCC#5767
84 NOV 23 A 9:

CURTIS, MALLET-PREVOST, COLT & MOSLE
ATTORNEYS AND COUNSELLORS AT LAW
1735 I STREET N.W.
WASHINGTON, D.C. 20006

NEW YORK OFFICE
101 PARK AVENUE
NEW YORK, N.Y. 10178-0061
TELEPHONE (212) 696-6000
CABLE: MIGNIARD NEWYORK

TELEPHONE: (202) 331-9797
CABLE: MIGNIARD WASHINGTON, D.C.
TELEX: ITT: 440379 CMPUI
TWX: 7108229317

MEXICO CITY, MEXICO
LONDON, ENGLAND
PARIS, FRANCE

84 NOV 23 A10: 52
RECEIVED
OFFICE OF THE
GENERAL COUNSEL

November 21, 1984

Chris Petersen, Esq.
Office of the General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1768

Dear Mr. Petersen:

As counsel for both Hollings for President, Inc. and Citizens Committee for Ernest F. Hollings, I hereby notify you, pursuant to 11 C.F.R. §111.18, that the respondents wish to enter into discussions regarding the possibility of reaching a conciliation agreement.

Please call me at (202) 331-9797 to arrange a time.

Thank you for your cooperation.

Sincerely,

James H. Rowe, III

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 16, 1984

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Hugh C. Lane, Jr.
The Citizens and Southern National
Bank of South Carolina
P.O. Box 10608
Charleston, South Carolina 29411

RE: MUR 1768

Dear Mr. Lane:

I am enclosing a set of written questions, and Order of the Commission, directed to The Citizens and Southern National Bank of South Carolina. It is my understanding that you are the chief officer at the Charleston branch and these materials have therefore been mailed to you for answers on its behalf.

I would like to remind you of the provisions of 2 U.S.C. § 437g(a)(12) which prohibits making public any Commission investigation without the written consent of the person with respect to whom such investigation is made. You are advised that no such consent has been given in this case.

If you have any questions, please call Chris Petersen at (202) 523-4000, the staff member assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Enclosures
Order to Submit Written Answers
Written Questions

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1768
Hollings For President, Inc.)

ORDER TO SUBMIT WRITTEN ANSWERS

TO: The Citizens and Southern National
Bank of South Carolina
Mr. Hugh C. Lane, Jr.
P.O. Box 10608
Charleston, South Carolina 29411

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

Such answers must be submitted under oath and should be made by the individual or individuals having knowledge of the subject matter of the questions. Such answers must be forwarded to the Commission within ten (10) days of your receipt of this Order/Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand on November 15 1984.

Lee Ann Elliott
Lee Ann Elliott
Chairman

ATTEST:

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

Attachment

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WRITTEN QUESTIONS

Documents received by the Office of General Counsel indicate that on or about August 12, 1983, the Citizens and Southern National Bank of South Carolina and Mr. Rene Debacker, treasurer for Hollings For President, entered into a commercial bank note in the amount of $50,000. The following questions pertain to that commercial bank note.

Question 1. What was the total amount of money advanced under the note?

Question 2. Was the bank note satisfied?

Question 3a. Was the note secured by collateral?

3b. If the answer to 3a was yes, please describe the collateral.

Question 4a. Does the original or a copy of the security agreement exist?

4b. If the security agreement does exist, please attach a copy of the agreement to your answers.

4c. If the answer to 4a is no, please describe in detail why a copy of the security agreement is no longer in existence.

Question 5. What is the standard policy of the Citizens and Southern National Bank of South Carolina in regards to maintaining copies of security agreements?

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 15, 1984

Mr. Rene Debacker
Hollings For President, Inc.
174 Meeting Street
Charleston, South Carolina 29401

RE: MUR 1768
Hollings For President, Inc.

Dear Mr. Debacker:

On November 13, 1984, the Federal Election Commission determined that there is reason to believe that Hollings For President, Inc. and you, as treasurer, violated 2 U.S.C. § 434(b) and 2 U.S.C. § 441a(f), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within ten days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

We have received your letter of September 20, 1984, designating James H. Rowe as counsel under 11 C.F.R. § 111.23; hereafter, all communications involving this matter will be directed to Mr. Rowe on behalf of you and Hollings For President, Inc.

85040522547

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Chris Petersen, the staff member assigned to this matter, at (202)523-4000.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

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GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1768

RESPONDENT Hollings For President, Inc.
Rene Debacker, Treasurer

SUMMARY OF ALLEGATIONS

On August 28, 1984, the Commission approved a final audit report for Hollings For President, Inc. The Commission also approved an Audit Division recommendation to refer to this Office a matter involving a bank loan received by Hollings' Presidential Committee. The Audit Division reported that the Citizens Committee For Ernest F. Hollings ("Senate Committee") guaranteed a $35,000 loan to Hollings For President, Inc. ("Presidential Committee" or "Committee"). In the interim report, and in the Audit Division's referral to this Office, the guarantee of the loan has been questioned as an excessive contribution to the Presidential Committee in violation of 2 U.S.C. § 441a(a)(1).

FACTUAL BASIS AND LEGAL ANALYSIS

A. Facts

Pursuant to 26 U.S.C. § 9038(a), the Audit Division conducted an audit of Hollings For President, Inc. During the course of the audit, the Audit Division noted that the Committee had apparently received a $35,000 loan received on August 12, 1983, from the Citizens and Southern National Bank of South Carolina.1/ In reviewing the Committee's records, the Audit

---

1/ It should be noted that the loan agreement and the bond pledged as security were both in the amount of $50,000. However, only $35,000 was drawn on the loan.

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Division noted that the loan agreement was stamped paid on September 14, 1983, by the bank. The audit report also stated that a Committee check dated September 12, 1983, was used to extinguish the loan, which was outstanding for no more than 34 days.

The loan agreement listed the loan as being secured. Mr. Debacker, the Committee treasurer, informed the Audit Division staff that the loan was secured by the funds of the Senate Committee. Since the Presidential Committee's files did not contain a copy of the security agreement, the Audit Division requested that it obtain a copy from the bank. Mr. Debacker stated that he contacted a bank official who informed him that due to a change in procedures at the bank, the document relating to the loan had been destroyed.

In the interim audit report, a request was made that the Committee submit for review documentation for the security pledged as collateral for the loan. On July 30, 1984, Mr. Debacker submitted the attached letter and document. In the letter he reiterated that the bank did not maintain a file of security agreements after a loan is paid and that he was unable to locate his copy. Mr. Debacker again stated that the security provided was a bond held by the bank for the Senate Committee. In addition, Mr. Debacker was able to obtain a document entitled Pledge of Bond which indicates that the Senate Committee bond was used to secure the obligation.

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B. Legal Analysis

The Hollings Presidential Committee does not argue the point that the Hollings Senate Committee guaranteed the loan to the Presidential Committee in the amount of $35,000. Section 441a(a)(1), Title 2, United States Code, states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000. Further, Section 431(11), Title 2, United States Code, defines "person" to include a committee. In addition, Section 100.7(a)(1)(i), Title 11, Code of Federal Regulations, states that a loan, including a guarantee, endorsement, and other form of security, is a contribution. A loan which exceeds the contribution limitations of 2 U.S.C. § 441a(a) and 11 C.F.R. Part 110 is unlawful whether or not it is repaid. 11 C.F.R. § 100.7(a)(1)(i)(A). Thus, it appears that the Senate Committee made an excessive contribution of $34,000 to the Presidential Committee.

Section 441a(f), Title 2, United States Code, states that "no candidate or political committee shall knowingly accept any contribution . . . in violation of the provisions of this section." As indicated by the treasurer for both committees, Hollings For President, Inc. knowingly accepted the contribution from the Senate Committee.

Accordingly, the Office of Genera Counsel recommends that the Commission find reason to believe that Hollings For

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President, Inc., and Rene Debacker, as treasurer, violated 2 U.S.C. § 441a(f).

Section 434(b), Title 2, United States Code, requires that political committees report all contributions received. See 11 C.F.R. § 104.3(a). Section 434(b) also requires political committees to report contributions made to other political committees. See 11 C.F.R. § 104.3(b). Hollings For President, Inc. did not report the contribution from the Citizens Committee For Ernest F. Hollings.

Therefore, the Office of General Counsel recommends the Commission find reason to believe that Hollings For President, Inc., and Rene Debacker, as treasurer, violated 2 U.S.C. § 434(b).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 15, 1984

Mr. Rene Debacker
Citizens Committee For
Ernest F. Hollings
P.O. Box 135
Charleston, South Carolina 29402

RE: MUR 1768
Citizens Committee For Ernest F. Hollings

Dear Mr. Debacker:

On November 13, 1984, the Federal Election Commission determined that there is reason to believe that the Citizens Committee For Ernest F. Hollings and you, as treasurer, violated 2 U.S.C. § 434(b) and 2 U.S.C. § 441a(a), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within ten days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

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

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Chris Petersen, the staff member assigned to this matter, at (202)523-4000.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

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

35040522554

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1768

RESPONDENT Citizens Committee For
Ernest F. Hollings
Rene Debacker, Treasurer

SUMMARY OF ALLEGATIONS

On August 28, 1984, the Commission approved a final audit report for Hollings For President, Inc. The Commission also approved an Audit Division recommendation to refer to this Office a matter involving a bank loan received by Hollings' Presidential Committee. The Audit Division reported that the Citizens Committee For Ernest F. Hollings ("Senate Committee") guaranteed a $35,000 loan to Hollings For President, Inc. ("Presidential Committee" or "Committee"). In the interim report, and in the Audit Division's referral to this Office, the guarantee of the loan has been questioned as an excessive contribution to the Presidential Committee in violation of 2 U.S.C. § 441a(a)(1).

FACTUAL BASIS AND LEGAL ANALYSIS

A. Facts

Pursuant to 26 U.S.C. § 9038(a), the Audit Division conducted an audit of Hollings For President, Inc. During the course of the audit, the Audit Division noted that the Committee had apparently received a $35,000 loan received on August 12, 1983, from the Citizens and Southern National Bank of South Carolina.1/ In reviewing the Committee's records, the Audit

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1/ It should be noted that the loan agreement and the bond pledged as security were both in the amount of $50,000. However, only $35,000 was drawn on the loan.

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Division noted that the loan agreement was stamped paid on September 14, 1983, by the bank. The audit report also stated that a Committee check dated September 12, 1983, was used to extinguish the loan, which was outstanding for no more than 34 days.

The loan agreement listed the loan as being secured. Mr. Debacker, the Committee treasurer, informed the Audit Division staff that the loan was secured by the funds of the Senate Committee. Since the Presidential Committee's files did not contain a copy of the security agreement, the Audit Division requested that it obtain a copy from the bank. Mr. Debacker stated that he contacted a bank official who informed him that due to a change in procedures at the bank, the document relating to the loan had been destroyed.

In the interim audit report, a request was made that the Committee submit for review documentation for the security pledged as collateral for the loan. On July 30, 1984, Mr. Debacker submitted the attached letter and document. In the letter he reiterated that the bank did not maintain a file of security agreements after a loan is paid and that he was unable to locate his copy. Mr. Debacker again stated that the security provided was a bond held by the bank for the Senate Committee. In addition, Mr. Debacker was able to obtain a document entitled Pledge of Bond which indicates that the Senate Committee bond was used to secure the obligation.

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B. Legal Analysis

The Hollings Presidential Committee does not argue the point that the Hollings Senate Committee guaranteed the loan to the Presidential Committee in the amount of $35,000. Section 441a(a)(1), Title 2, United States Code, states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000. Further, Section 431(11), Title 2, United States Code, defines "person" to include a committee. In addition, Section 100.7(a)(1)(i), Title 11, Code of Federal Regulations, states that a loan, including a guarantee, endorsement, and other form of security, is a contribution. A loan which exceeds the contribution limitations of 2 U.S.C. § 441a(a) and 11 C.F.R. Part 110 is unlawful whether or not it is repaid. 11 C.F.R. § 100.7(a)(1)(i)(A). Thus, it appears that the Senate Committee made an excessive contribution of $34,000 to the Presidential Committee.

Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that the Citizens Committee For Ernest F. Hollings, and Rene Debacker, as treasurer, violated 2 U.S.C. § 441a(a).

Section 434(b), Title 2, United States Code, requires that political committees report all contributions received. See 11 C.F.R. § 104.3(a). Section 434(b) also requires political committees to report contributions made to other political committees. See 11 C.F.R. § 104.3(b). The Citizens Committee

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For Ernest F. Hollings did not report the contribution made to Hollings For President, Inc.

Therefore, the Office of General Counsel recommends the Commission find reason to believe that the Citizens Committee for Ernest F. Hollings, and Rene Debacker, as treasurer, violated 2 U.S.C. § 434(b).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 15, 1984

The Honorable Ernest F. Hollings
United States Senate
Washington, D.C. 20510

RE: MUR 1768
Citizens Committee For Ernest F. Hollings

Dear Senator Hollings:

This is to advise you that on November 13, 1984, the Federal Election Commission found reason to believe that your committee, Citizens Committee For Ernest F. Hollings and Rene Debacker, as treasurer of the committee, violated 2 U.S.C. § 434(b) and 2 U.S.C. § 441a(a), provisions of the Act, by making an excessive campaign contribution to Hollings For President, Inc. and for failing to report the contribution.

Although the committee treasurer is responsible for the acceptance of contributions made to a federal committee, we believe that you, as the candidate, should be made aware of this development. A copy of our letter to your committee treasurer is enclosed.

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

If you have any questions, please contact Chris Petersen, the staff member assigned to this matter, at (202) 523-4000. We have numbered this matter MUR 1768.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosure
Letter to committee treasurer

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 15, 1984

The Honorable Ernest F. Hollings
United States Senate
Washington, D.C. 20510

RE: MUR 1768
Hollings For President, Inc.

Dear Senator Hollings:

This is to advise you that on November 13 , 1984, the Federal Election Commission found reason to believe that your committee, Hollings For President, Inc. and Rene Debacker, as treasurer of the committee, violated 2 U.S.C. § 434(b) and 2 U.S.C. § 441a(f), provisions of the Act, by knowingly accepting an excessive campaign contribution from the Citizens Committee For Ernest F. Hollings and for failing to report the contribution.

Although the committee treasurer is responsible for the acceptance of contributions made to a federal committee, we believe that you, as the candidate, should be made aware of this development. A copy of our letter to your committee treasurer is enclosed.

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

If you have any questions, please contact Chris Petersen, the staff member assigned to this matter, at (202) 523-4000. We have numbered this matter MUR 1768.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosure
Letter to committee treasurer

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 15, 1984

James H. Rowe, III, Esquire
Curtis, Mallet-Prevost, Colt
and Mosle
1735 I Street, N.W.
Suite 715
Washington, D.C. 20006

RE: MUR 1768
Hollings For President, Inc.

Dear Mr. Rowe:

On November 13 , 1984, the Federal Election Commission determined that there is reason to believe that Hollings For President, Inc. and its treasurer, violated 2 U.S.C. § 434(b) and 2 U.S.C. § 441a(f), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, your clients have an opportunity to demonstrate that no action should be taken against them. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within ten days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against your clients, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

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

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Chris Petersen, the staff member assigned to this matter, at (202)523-4000.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

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GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1768

RESPONDENT Hollings For President, Inc.
Rene Debacker, Treasurer

SUMMARY OF ALLEGATIONS

On August 28, 1984, the Commission approved a final audit report for Hollings For President, Inc. The Commission also approved an Audit Division recommendation to refer to this Office a matter involving a bank loan received by Hollings' Presidential Committee. The Audit Division reported that the Citizens Committee For Ernest F. Hollings ("Senate Committee") guaranteed a $35,000 loan to Hollings For President, Inc. ("Presidential Committee" or "Committee"). In the interim report, and in the Audit Division's referral to this Office, the guarantee of the loan has been questioned as an excessive contribution to the Presidential Committee in violation of 2 U.S.C. § 441a(a)(1).

FACTUAL BASIS AND LEGAL ANALYSIS

A. Facts

Pursuant to 26 U.S.C. § 9038(a), the Audit Division conducted an audit of Hollings For President, Inc. During the course of the audit, the Audit Division noted that the Committee had apparently received a $35,000 loan received on August 12, 1983, from the Citizens and Southern National Bank of South Carolina.1/ In reviewing the Committee's records, the Audit

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1/ It should be noted that the loan agreement and the bond pledged as security were both in the amount of $50,000. However, only $35,000 was drawn on the loan.

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Division noted that the loan agreement was stamped paid on September 14, 1983, by the bank. The audit report also stated that a Committee check dated September 12, 1983, was used to extinguish the loan, which was outstanding for no more than 34 days.

The loan agreement listed the loan as being secured. Mr. Debacker, the Committee treasurer, informed the Audit Division staff that the loan was secured by the funds of the Senate Committee. Since the Presidential Committee's files did not contain a copy of the security agreement, the Audit Division requested that it obtain a copy from the bank. Mr. Debacker stated that he contacted a bank official who informed him that due to a change in procedures at the bank, the document relating to the loan had been destroyed.

In the interim audit report, a request was made that the Committee submit for review documentation for the security pledged as collateral for the loan. On July 30, 1984, Mr. Debacker submitted the attached letter and document. In the letter he reiterated that the bank did not maintain a file of security agreements after a loan is paid and that he was unable to locate his copy. Mr. Debacker again stated that the security provided was a bond held by the bank for the Senate Committee. In addition, Mr. Debacker was able to obtain a document entitled Pledge of Bond which indicates that the Senate Committee bond was used to secure the obligation.

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B. Legal Analysis

The Hollings Presidential Committee does not argue the point that the Hollings Senate Committee guaranteed the loan to the Presidential Committee in the amount of $35,000. Section 441a(a)(1), Title 2, United States Code, states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000. Further, Section 431(11), Title 2, United States Code, defines "person" to include a committee. In addition, Section 100.7(a)(1)(i), Title 11, Code of Federal Regulations, states that a loan, including a guarantee, endorsement, and other form of security, is a contribution. A loan which exceeds the contribution limitations of 2 U.S.C. § 441a(a) and 11 C.F.R. Part 110 is unlawful whether or not it is repaid. 11 C.F.R. § 100.7(a)(1)(i)(A). Thus, it appears that the Senate Committee made an excessive contribution of $34,000 to the Presidential Committee.

Section 441a(f), Title 2, United States Code, states that "no candidate or political committee shall knowingly accept any contribution . . . in violation of the provisions of this section." As indicated by the treasurer for both committees, Hollings For President, Inc. knowingly accepted the contribution from the Senate Committee.

Accordingly, the Office of Genera Counsel recommends that the Commission find reason to believe that Hollings For

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President, Inc., and Rene Debacker, as treasurer, violated 2 U.S.C. § 441a(f).

Section 434(b), Title 2, United States Code, requires that political committees report all contributions received. See 11 C.F.R. § 104.3(a). Section 434(b) also requires political committees to report contributions made to other political committees. See 11 C.F.R. § 104.3(b). Hollings For President, Inc. did not report the contribution from the Citizens Committee For Ernest F. Hollings.

Therefore, the Office of General Counsel recommends the Commission find reason to believe that Hollings For President, Inc., and Rene Debacker, as treasurer, violated 2 U.S.C. § 434(b).

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1768
Hollings for President, Inc.	)	
and its treasurer, Rene Debacker	)	
Citizens Committee for Ernest F.	)	
Hollings and its treasurer,	)	
Rene Debacker	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on November 13, 1984, the Commission decided by a vote of 6-0 to take the following actions in MUR 1768:

1. Find reason to believe that the Citizens Committee for Ernest F. Hollings and its treasurer, Rene Debacker, violated 2 U.S.C. §§ 441a(a)(1) and 434(b).

2. Find reason to believe that Hollings for President, Inc. and its treasurer, Rene Debacker violated 2 U.S.C. §§ 441a(f) and 434(b)

3. Approve the letters, questions, and General Counsel's Factual and Legal Analyses attached to the First General Counsel's Report dated November 8, 1984.

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

Attest:

11-13-84
Date

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

Received in Office of Commission Secretary: 11-8-84, 9:37
Circulated on 48 hour tally basis: 11-8-84, 4:00

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

RECEIVED
OFFICE OF THE FEC
SECRETARY

FIRST GENERAL COUNSEL'S REPORT

84 NOV 8 A 9:37

DATE AND TIME OF TRANSMITTAL BY
OGC TO THE COMMISSION 11/8/84 - 9:40

MUR NO. 1768
STAFF MEMBER
Chris Petersen

SENSITIVE

SOURCE OF MUR: INTERNALLY GENERATED

RESPONDENTS' NAMES: Hollings For President, Inc., and its treasurer, Rene Debacker
Citizens Committee For Ernest F. Hollings and its treasurer, Rene Debacker

RELEVANT STATUTES: 2 U.S.C. § 431(11)
§ 434(b)
§ 441a(a)(1)
§ 441a(f)
11 C.F.R. § 100.7(a)(1)
§ 104.3(a)
§ 104.3(b)
§ 110.9(a)

INTERNAL REPORTS CHECKED: The Final Audit Report of the Audit Division on Hollings For President, Inc.

8504052258

GENERATION OF MATTER

This matter was referred to the Office of General Counsel on August 30, 1984, by the Audit Division (Attachment 1).

SUMMARY OF ALLEGATIONS

On August 28, 1984, the Commission approved a final audit report for Hollings For President, Inc. The Commission also approved an Audit Division recommendation to refer to this Office a matter involving a bank loan received by Hollings' Presidential Committee. The Audit Division reported that the Citizens Committee For Ernest F. Hollings ("Senate Committee") guaranteed

a $35,000 loan to Hollings For President, Inc. ("Presidential Committee" or "Committee"). In the interim report, and in the Audit Division's referral to this Office, the guarantee of the loan has been questioned as an excessive contribution to the Presidential Committee in violation of 2 U.S.C. § 441a(a)(1).

FACTUAL AND LEGAL ANALYSIS

A. Facts

Pursuant to 26 U.S.C. § 9038(a), the Audit Division conducted an audit of Hollings For President, Inc. During the course of the audit, the Audit Division noted that the Committee had apparently received a $35,000 loan received on August 12, 1983, from the Citizens and Southern National Bank of South Carolina.1/ In reviewing the Committee's records, the Audit Division noted that the loan agreement was stamped paid on September 14, 1983, by the bank. The audit report also stated that a Committee check dated September 12, 1983, was used to extinguish the loan, which was outstanding for no more than 34 days.

The loan agreement listed the loan as being secured. Mr. Debacker, the Committee treasurer, informed the Audit Division staff that the loan was secured by the funds of the Senate Committee. Since the Presidential Committee's files did not contain a copy of the security agreement, the Audit Division requested that it obtain a copy from the bank. Mr. Debacker

1/ It should be noted that the loan agreement and the bond pledged as security were both in the amount of $50,000. However, only $35,000 was drawn on the loan.

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stated that he contacted a bank official who informed him that due to a change in procedures at the bank, the document relating to the loan had been destroyed.

In the interim audit report, a request was made that the Committee submit for review documentation for the security pledged as collateral for the loan. On July 30, 1984, Mr. Debacker submitted the attached letter and document. (Attachments 2 and 3). In the letter he reiterated that the bank did not maintain a file of security agreements after a loan is paid and that he was unable to locate his copy. Mr. Debacker again stated that the security provided was a bond held by the bank for the Senate Committee. In addition, Mr. Debacker was able to obtain a document entitled Pledge of Bond which indicates that the Senate Committee bond was used to secure the obligation.2/

B. Legal Analysis

The Hollings Presidential Committee does not argue the point that the Hollings Senate Committee guaranteed the loan to the Presidential Committee in the amount of $35,000. Section 441a(a)(1), Title 2, United States Code, states that no person

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2/ Statements by Mr. Debacker are the main source of information available to the Office of General Counsel concerning the security interest in the Presidential Committee's loan. The General Counsel's Office feels it should obtain more detailed information pertaining to the loan and its collateral from the bank. Accordingly, the Office of General Counsel recommends that questions be sent to the Citizens and Southern National Bank of South Carolina to ascertain the circumstances under which the loan was made. (See Attachment 9).

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shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000. Further, Section 431(11), Title 2, United States Code, defines "person" to include a committee. In addition, Section 100.7(a)(1)(i), Title 11, Code of Federal Regulations, states that a loan, including a guarantee, endorsement, and other form of security, is a contribution. A loan which exceeds the contribution limitations of 2 U.S.C. § 441a(a) and 11 C.F.R. Part 110 is unlawful whether or not it is repaid. 11 C.F.R. § 100.7(a)(1)(i)(A). Thus, it appears that the Senate Committee made an excessive contribution of $34,000 to the Presidential Committee.

Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that the Citizens Committee For Ernest F. Hollings, and Rene Debacker, as treasurer, violated 2 U.S.C. § 441a(a).

Section 441a(f), Title 2, United States Code, states that "no candidate or political committee shall knowingly accept any contribution . . . in violation of the provisions of this section." As indicated by the treasurer for both committees, Hollings For President, Inc. knowingly accepted the contribution from the Senate Committee.

Accordingly, the Office of Genera Counsel recommends that the Commission find reason to believe that Hollings For President, Inc., and Rene Debacker, as treasurer, violated 2 U.S.C. § 441a(f).

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Section 434(b), Title 2, United States Code, requires that political committees report all contributions received. See 11 C.F.R. § 104.3(a). Section 434(b) also requires political committees to report contributions made to other political committees. See 11 C.F.R. § 104.3(b). Hollings For President, Inc. did not report the contribution from the Citizens Committee For Ernest F. Hollings. The Citizens Committee For Ernest F. Hollings did not report the contribution made to Hollings For President, Inc.

Therefore, the Office of General Counsel recommends the Commission find reason to believe that Hollings For President, Inc., and Rene Debacker, as treasurer, and the Citizens Committee for Ernest F. Hollings, and Rene Debacker, as treasurer, violated 2 U.S.C. § 434(b).

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RECOMMENDATIONS

The Office of General Counsel recommends that the Commission:

1. Find reason to believe that the Citizens Committee For Ernest F. Hollings and its treasurer, Rene Debacker, violated 2 U.S.C. §§ 441a(a)(1) and 434(b);

2. Find reason to believe that Hollings For President, Inc. and its treasurer, Rene Debacker, violated 2 U.S.C. §§ 441a(f) and 434(b); and

3. Approve the attached letters, questions, and General Counsel's Factual and Legal Analyses.

Charles N. Steele
General Counsel

Nov. 7, 1984
Date

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

Attachments

Hollings
PRESIDENT

84 JUL 30 P1:59

July 25, 1984

Mr. Robert J. Costa,
Assistant Staff Director, Audit Division
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Dear Mr. Costa:

This is in reply to your letter dated June 27, copy enclosed. You will find, attached, whatever documents the C and S Bank was able to gather, regarding the loan that I obtained on August 12, 1983 from that bank.

When your auditor and I requested a copy of the security agreement from the bank, we were told that it does not keep them, once a loan is paid; in no way, shape or form did I get the impression that this policy was a recent change. It seems to me to make a lot of sense. Similarly, I am unable to locate my copy of it, and confess that my interest in it had ceased once the loan was paid off, one month later: September 12.

You will find, herewith, copies of bank documents confirming my statement to your auditor, to the effect that the Citizens Committee for Ernest F. Hollings (Senate Committee) had pledged a bond it owned as security for the loan to the Hollings for President Committee; this bond had been held for safekeeping at the bank. The loan was to be repaid from presidential campaign funds. At the time, the presidential committee had collected enough contributions to file a threshold report way in excess of the $50,000 loan that was requested from the the bank, but against which only $35,000 was ever drawn; we had not done so yet, due solely to our desire to send you all as defect-free a threshold request as it is humanly possible to do. Hence, there was no question in my mind that we had, potentially, the wherewithal to repay the bank, and I, likely, conveyed that confidence to our banker. The threshold report was submitted to you in early September, requesting $279,683 in matching funds.

My non-legal understanding of the purposes of your supervision of federal political campaigns includes prohibiting banks from lending funds to a campaign committee without tangible assurance of repayment; thus, I would not have had the gall to go ask our banker for a political loan, without offering some tangible guarantee, though I knew that it would not be needed for repaying the loan.

I feel that my approach was part of the good, sound, and clean business methods practiced by Senator Hollings' campaign; you may find that it was a violation of the act you are administering, and if so, I am, and plead, guilty; in my heart, however, I still find myself to have been within both the spirit and the intent of the law, in that we did not hold a bank up to losses, and Senator Hollings' philosophy favoring balanced budgets was carried out in his own campaign.

I will be awaiting your conclusion and, in the meantime, I remain

very sincerely yours,

Ron Collins

Suite 318, 400 N. Capital St., N.W., Washington D.C. 20001, Phone (202) 393-1984

Attachment 2

Paid for by The Hollings for President Committee

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PLEDGE OF BOND

Date: August 12, 1983

Citizens Committee for Hollin

Customer Hollings for Presiden Committee

Loan No.

Type Bond FNMA
Par Amount $50,000.00
Coupon Rate 13%
Maturity of Bond January 10, 1986

TO: The Investment Department

The above referenced individual has pledged the captioned security as collateral for a commercial loan.

Although interest/dividend payments may be made to the borrower, there will be no payment or release of any portion of the principal amount (par Amount) without the authorization of the appropriate officer of the Commercial Loan Department.

Acknowledge to us that the bond(s) and any renewals, rollovers, and proceeds thereof are pledged to secure our loan by signing and returning the enclosed copy of this pledge to the Commercial Loan Department, Charleston (City).

Lender Vice President

Enclosure

ACKNOWLEDGED BY CUSTOMER:
CITIZENS COMMITTEE FOR HOLLINGS

Signature of Owner Date 8/12/83

ACKNOWLEDGED BY BOND DEPARTMENT:

Signature of Officer Date 8/15/8

TO: The Investment Department

The above note has been paid in full. Please release the pledge.

Signed

Date

Attachment 3

8504052574

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Mr. Rene Debacker
Hollings For President, Inc.
174 Meeting Street
Charleston, South Carolina 29401

RE: MUR 1768
Hollings For President, Inc.

Dear Mr. Debacker:

On , 1984, the Federal Election Commission determined that there is reason to believe that Hollings For President, Inc. and you, as treasurer, violated 2 U.S.C. § 434(b) and 2 U.S.C. § 441a(f), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within ten days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

We have received your letter of September 20, 1984, designating James H. Rowe as counsel under 11 C.F.R. § 111.23; hereafter, all communications involving this matter will be directed to Mr. Rowe on behalf of you and Hollings For President, Inc.

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Chris Petersen, the staff member assigned to this matter, at (202)523-4000.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

85040522576

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1768

RESPONDENT Hollings For President, Inc.
Rene Debacker, Treasurer

SUMMARY OF ALLEGATIONS

On August 28, 1984, the Commission approved a final audit report for Hollings For President, Inc. The Commission also approved an Audit Division recommendation to refer to this Office a matter involving a bank loan received by Hollings' Presidential Committee. The Audit Division reported that the Citizens Committee For Ernest F. Hollings ("Senate Committee") guaranteed a $35,000 loan to Hollings For President, Inc. ("Presidential Committee" or "Committee"). In the interim report, and in the Audit Division's referral to this Office, the guarantee of the loan has been questioned as an excessive contribution to the Presidential Committee in violation of 2 U.S.C. § 441a(a)(1).

FACTUAL BASIS AND LEGAL ANALYSIS

A. Facts

Pursuant to 26 U.S.C. § 9038(a), the Audit Division conducted an audit of Hollings For President, Inc. During the course of the audit, the Audit Division noted that the Committee had apparently received a $35,000 loan received on August 12, 1983, from the Citizens and Southern National Bank of South Carolina.1/ In reviewing the Committee's records, the Audit

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1/ It should be noted that the loan agreement and the bond pledged as security were both in the amount of $50,000. However, only $35,000 was drawn on the loan.

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Division noted that the loan agreement was stamped paid on September 14, 1983, by the bank. The audit report also stated that a Committee check dated September 12, 1983, was used to extinguish the loan, which was outstanding for no more than 34 days.

The loan agreement listed the loan as being secured. Mr. Debacker, the Committee treasurer, informed the Audit Division staff that the loan was secured by the funds of the Senate Committee. Since the Presidential Committee's files did not contain a copy of the security agreement, the Audit Division requested that it obtain a copy from the bank. Mr. Debacker stated that he contacted a bank official who informed him that due to a change in procedures at the bank, the document relating to the loan had been destroyed.

In the interim audit report, a request was made that the Committee submit for review documentation for the security pledged as collateral for the loan. On July 30, 1984, Mr. Debacker submitted the attached letter and document. In the letter he reiterated that the bank did not maintain a file of security agreements after a loan is paid and that he was unable to locate his copy. Mr. Debacker again stated that the security provided was a bond held by the bank for the Senate Committee. In addition, Mr. Debacker was able to obtain a document entitled Pledge of Bond which indicates that the Senate Committee bond was used to secure the obligation.

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B. Legal Analysis

The Hollings Presidential Committee does not argue the point that the Hollings Senate Committee guaranteed the loan to the Presidential Committee in the amount of $35,000. Section 441a(a)(1), Title 2, United States Code, states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000. Further, Section 431(11), Title 2, United States Code, defines "person" to include a committee. In addition, Section 100.7(a)(1)(i), Title 11, Code of Federal Regulations, states that a loan, including a guarantee, endorsement, and other form of security, is a contribution. A loan which exceeds the contribution limitations of 2 U.S.C. § 441a(a) and 11 C.F.R. Part 110 is unlawful whether or not it is repaid. 11 C.F.R. § 100.7(a)(1)(i)(A). Thus, it appears that the Senate Committee made an excessive contribution of $34,000 to the Presidential Committee.

Section 441a(f), Title 2, United States Code, states that "no candidate or political committee shall knowingly accept any contribution . . . in violation of the provisions of this section." As indicated by the treasurer for both committees, Hollings For President, Inc. knowingly accepted the contribution from the Senate Committee.

Accordingly, the Office of Genera Counsel recommends that the Commission find reason to believe that Hollings For

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President, Inc., and Rene Debacker, as treasurer, violated 2 U.S.C. § 441a(f).

Section 434(b), Title 2, United States Code, requires that political committees report all contributions received. See 11 C.F.R. § 104.3(a). Section 434(b) also requires political committees to report contributions made to other political committees. See 11 C.F.R. § 104.3(b). Hollings For President, Inc. did not report the contribution from the Citizens Committee For Ernest F. Hollings.

Therefore, the Office of General Counsel recommends the Commission find reason to believe that Hollings For President, Inc., and Rene Debacker, as treasurer, violated 2 U.S.C. § 434(b).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Mr. Rene Debacker
Citizens Committee For
Ernest F. Hollings
P.O. Box 135
Charleston, South Carolina 29402

RE: MUR 1768
Citizens Committee For Ernest F. Hollings

Dear Mr. Debacker:

On , 1984, the Federal Election Commission determined that there is reason to believe that the Citizens Committee For Ernest F. Hollings and you, as treasurer, violated 2 U.S.C. § 434(b) and 2 U.S.C. § 441a(a), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within ten days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

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

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Chris Petersen, the staff member assigned to this matter, at (202)523-4000.

Sincerely,

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

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GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1768

RESPONDENT Citizens Committee For
Ernest F. Hollings
Rene Debacker, Treasurer

SUMMARY OF ALLEGATIONS

On August 28, 1984, the Commission approved a final audit report for Hollings For President, Inc. The Commission also approved an Audit Division recommendation to refer to this Office a matter involving a bank loan received by Hollings' Presidential Committee. The Audit Division reported that the Citizens Committee For Ernest F. Hollings ("Senate Committee") guaranteed a $35,000 loan to Hollings For President, Inc. ("Presidential Committee" or "Committee"). In the interim report, and in the Audit Division's referral to this Office, the guarantee of the loan has been questioned as an excessive contribution to the Presidential Committee in violation of 2 U.S.C. § 441a(a)(1).

FACTUAL BASIS AND LEGAL ANALYSIS

A. Facts

Pursuant to 26 U.S.C. § 9038(a), the Audit Division conducted an audit of Hollings For President, Inc. During the course of the audit, the Audit Division noted that the Committee had apparently received a $35,000 loan received on August 12, 1983, from the Citizens and Southern National Bank of South Carolina.1/ In reviewing the Committee's records, the Audit

1/ It should be noted that the loan agreement and the bond pledged as security were both in the amount of $50,000. However, only $35,000 was drawn on the loan.

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Division noted that the loan agreement was stamped paid on September 14, 1983, by the bank. The audit report also stated that a Committee check dated September 12, 1983, was used to extinguish the loan, which was outstanding for no more than 34 days.

The loan agreement listed the loan as being secured. Mr. Debacker, the Committee treasurer, informed the Audit Division staff that the loan was secured by the funds of the Senate Committee. Since the Presidential Committee's files did not contain a copy of the security agreement, the Audit Division requested that it obtain a copy from the bank. Mr. Debacker stated that he contacted a bank official who informed him that due to a change in procedures at the bank, the document relating to the loan had been destroyed.

In the interim audit report, a request was made that the Committee submit for review documentation for the security pledged as collateral for the loan. On July 30, 1984, Mr. Debacker submitted the attached letter and document. In the letter he reiterated that the bank did not maintain a file of security agreements after a loan is paid and that he was unable to locate his copy. Mr. Debacker again stated that the security provided was a bond held by the bank for the Senate Committee. In addition, Mr. Debacker was able to obtain a document entitled Pledge of Bond which indicates that the Senate Committee bond was used to secure the obligation.

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B. Legal Analysis

The Hollings Presidential Committee does not argue the point that the Hollings Senate Committee guaranteed the loan to the Presidential Committee in the amount of $35,000. Section 441a(a)(1), Title 2, United States Code, states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000. Further, Section 431(11), Title 2, United States Code, defines "person" to include a committee. In addition, Section 100.7(a)(1)(i), Title 11, Code of Federal Regulations, states that a loan, including a guarantee, endorsement, and other form of security, is a contribution. A loan which exceeds the contribution limitations of 2 U.S.C. § 441a(a) and 11 C.F.R. Part 110 is unlawful whether or not it is repaid. 11 C.F.R. § 100.7(a)(1)(i)(A). Thus, it appears that the Senate Committee made an excessive contribution of $34,000 to the Presidential Committee.

Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that the Citizens Committee For Ernest F. Hollings, and Rene Debacker, as treasurer, violated 2 U.S.C. § 441a(a).

Section 434(b), Title 2, United States Code, requires that political committees report all contributions received. See 11 C.F.R. § 104.3(a). Section 434(b) also requires political committees to report contributions made to other political committees. See 11 C.F.R. § 104.3(b). The Citizens Committee

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For Ernest F. Hollings did not report the contribution made to Hollings For President, Inc.

Therefore, the Office of General Counsel recommends the Commission find reason to believe that the Citizens Committee for Ernest F. Hollings, and Rene Debacker, as treasurer, violated 2 U.S.C. § 434(b).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

The Honorable Ernest F. Hollings
United States Senate
Washington, D.C. 20510

RE: MUR 1768
Hollings For President, Inc.

Dear Senator Hollings:

This is to advise you that on , 1984, the Federal Election Commission found reason to believe that your committee, Hollings For President, Inc. and Rene Debacker, as treasurer of the committee, violated 2 U.S.C. § 434(b) and 2 U.S.C. § 441a(f), provisions of the Act, by knowingly accepting an excessive campaign contribution from the Citizens Committee For Ernest F. Hollings and for failing to report the contribution.

Although the committee treasurer is responsible for the acceptance of contributions made to a federal committee, we believe that you, as the candidate, should be made aware of this development. A copy of our letter to your committee treasurer is enclosed.

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

If you have any questions, please contact Chris Petersen, the staff member assigned to this matter, at (202) 523-4000. We have numbered this matter MUR 1768.

Sincerely,

Enclosure
Letter to committee treasurer

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Mr. Rene Debacker
Hollings For President, Inc.
174 Meeting Street
Charleston, South Carolina 29401

RE: MUR 1768
Hollings For President, Inc.

Dear Mr. Debacker:

On , 1984, the Federal Election Commission determined that there is reason to believe that Hollings For President, Inc. and you, as treasurer, violated 2 U.S.C. § 434(b) and 2 U.S.C. § 441a(f), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within ten days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

We have received your letter of September 20, 1984, designating James H. Rowe as counsel under 11 C.F.R. § 111.23; hereafter, all communications involving this matter will be directed to Mr. Rowe on behalf of you and Hollings For President, Inc.

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Chris Petersen, the staff member assigned to this matter, at (202)523-4000.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

The Honorable Ernest F. Hollings
United States Senate
Washington, D.C. 20510

RE: MUR 1768
Citizens Committee For Ernest F. Hollings

Dear Senator Hollings:

This is to advise you that on , 1984, the Federal Election Commission found reason to believe that your committee, Citizens Committee For Ernest F. Hollings and Rene Debacker, as treasurer of the committee, violated 2 U.S.C. § 434(b) and 2 U.S.C. § 441a(a), provisions of the Act, by making an excessive campaign contribution to Hollings For President, Inc. and for failing to report the contribution.

Although the committee treasurer is responsible for the acceptance of contributions made to a federal committee, we believe that you, as the candidate, should be made aware of this development. A copy of our letter to your committee treasurer is enclosed.

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

If you have any questions, please contact Chris Petersen, the staff member assigned to this matter, at (202) 523-4000. We have numbered this matter MUR 1768.

Sincerely,

Enclosure
Letter to committee treasurer

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

Mr. Rene Debacker
Citizens Committee For
Ernest F. Hollings
P.O. Box 135
Charleston, South Carolina 29402

RE: MUR 1768
Citizens Committee For Ernest F. Hollings

Dear Mr. Debacker:

On , 1984, the Federal Election Commission determined that there is reason to believe that the Citizens Committee For Ernest F. Hollings and you, as treasurer, violated 2 U.S.C. § 434(b) and 2 U.S.C. § 441a(a), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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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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Sincerely,

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

James H. Rowe, III, Esquire
Curtis, Mallet-Prevost, Colt
and Mosle
1735 I Street, N.W.
Suite 715
Washington, D.C. 20006

RE: MUR 1768
Hollings For President, Inc.

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Dear Mr. Rowe:

On , 1984, the Federal Election Commission determined that there is reason to believe that Hollings For President, Inc. and its treasurer, violated 2 U.S.C. § 434(b) and 2 U.S.C. § 441a(f), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, your clients have an opportunity to demonstrate that no action should be taken against them. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within ten days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against your clients, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

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Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

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GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1768

RESPONDENT Hollings For President, Inc.
Rene Debacker, Treasurer

SUMMARY OF ALLEGATIONS

On August 28, 1984, the Commission approved a final audit report for Hollings For President, Inc. The Commission also approved an Audit Division recommendation to refer to this Office a matter involving a bank loan received by Hollings' Presidential Committee. The Audit Division reported that the Citizens Committee For Ernest F. Hollings ("Senate Committee") guaranteed a $35,000 loan to Hollings For President, Inc. ("Presidential Committee" or "Committee"). In the interim report, and in the Audit Division's referral to this Office, the guarantee of the loan has been questioned as an excessive contribution to the Presidential Committee in violation of 2 U.S.C. § 441a(a)(1).

FACTUAL BASIS AND LEGAL ANALYSIS

A. Facts

Pursuant to 26 U.S.C. § 9038(a), the Audit Division conducted an audit of Hollings For President, Inc. During the course of the audit, the Audit Division noted that the Committee had apparently received a $35,000 loan received on August 12, 1983, from the Citizens and Southern National Bank of South Carolina.1/ In reviewing the Committee's records, the Audit

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1/ It should be noted that the loan agreement and the bond pledged as security were both in the amount of $50,000. However, only $35,000 was drawn on the loan.

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Division noted that the loan agreement was stamped paid on September 14, 1983, by the bank. The audit report also stated that a Committee check dated September 12, 1983, was used to extinguish the loan, which was outstanding for no more than 34 days.

The loan agreement listed the loan as being secured. Mr. Debacker, the Committee treasurer, informed the Audit Division staff that the loan was secured by the funds of the Senate Committee. Since the Presidential Committee's files did not contain a copy of the security agreement, the Audit Division requested that it obtain a copy from the bank. Mr. Debacker stated that he contacted a bank official who informed him that due to a change in procedures at the bank, the document relating to the loan had been destroyed.

In the interim audit report, a request was made that the Committee submit for review documentation for the security pledged as collateral for the loan. On July 30, 1984, Mr. Debacker submitted the attached letter and document. In the letter he reiterated that the bank did not maintain a file of security agreements after a loan is paid and that he was unable to locate his copy. Mr. Debacker again stated that the security provided was a bond held by the bank for the Senate Committee. In addition, Mr. Debacker was able to obtain a document entitled Pledge of Bond which indicates that the Senate Committee bond was used to secure the obligation.

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B. Legal Analysis

The Hollings Presidential Committee does not argue the point that the Hollings Senate Committee guaranteed the loan to the Presidential Committee in the amount of $35,000. Section 441a(a)(1), Title 2, United States Code, states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000. Further, Section 431(11), Title 2, United States Code, defines "person" to include a committee. In addition, Section 100.7(a)(1)(i), Title 11, Code of Federal Regulations, states that a loan, including a guarantee, endorsement, and other form of security, is a contribution. A loan which exceeds the contribution limitations of 2 U.S.C. § 441a(a) and 11 C.F.R. Part 110 is unlawful whether or not it is repaid. 11 C.F.R. § 100.7(a)(1)(i)(A). Thus, it appears that the Senate Committee made an excessive contribution of $34,000 to the Presidential Committee.

Section 441a(f), Title 2, United States Code, states that "no candidate or political committee shall knowingly accept any contribution . . . in violation of the provisions of this section." As indicated by the treasurer for both committees, Hollings For President, Inc. knowingly accepted the contribution from the Senate Committee.

Accordingly, the Office of Genera Counsel recommends that the Commission find reason to believe that Hollings For

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President, Inc., and Rene Debacker, as treasurer, violated 2 U.S.C. § 441a(f).

Section 434(b), Title 2, United States Code, requires that political committees report all contributions received. See 11 C.F.R. § 104.3(a). Section 434(b) also requires political committees to report contributions made to other political committees. See 11 C.F.R. § 104.3(b). Hollings For President, Inc. did not report the contribution from the Citizens Committee For Ernest F. Hollings.

Therefore, the Office of General Counsel recommends the Commission find reason to believe that Hollings For President, Inc., and Rene Debacker, as treasurer, violated 2 U.S.C. § 434(b).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Hugh C. Lane, Jr.
The Citizens and Southern National
Bank of South Carolina
P.O. Box 10608
Charleston, South Carolina 29411

RE: MUR 1768

Dear Mr. Lane:

I am enclosing a set of written questions, and Order of the Commission, directed to The Citizens and Southern National Bank of South Carolina. It is my understanding that you are the chief officer at the Charleston branch and these materials have therefore been mailed to you for answers on its behalf.

I would like to remind you of the provisions of 2 U.S.C. § 437g(a)(12) which prohibits making public any Commission investigation without the written consent of the person with respect to whom such investigation is made. You are advised that no such consent has been given in this case.

If you have any questions, please call Chris Petersen at (202) 523-4000, the staff member assigned to this matter.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Enclosures
Order to Submit Written Answers
Written Questions

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WRITTEN QUESTIONS

Documents received by the Office of General Counsel indicate that on or about August 12, 1983, the Citizens and Southern National Bank of South Carolina and Mr. Rene Debacker, treasurer for Hollings For President, entered into a commercial bank note in the amount of $50,000. The following questions pertain to that commercial bank note.

Question 1. What was the total amount of money advanced under the note?

Question 2. Was the bank note satisfied?

Question 3a. Was the note secured by collateral?

3b. If the answer to 3a was yes, please describe the collateral.

Question 4a. Does the original or a copy of the security agreement exist?

4b. If the security agreement does exist, please attach a copy of the agreement to your answers.

4c. If the answer to 4a is no, please describe in detail why a copy of the security agreement is no longer in existence.

Question 5. What is the standard policy of the Citizens and Southern National Bank of South Carolina in regards to maintaining copies of security agreements?

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FEDERAL ELECTION COMMISSION

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

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THIS IS THE BEGINNING OF MUR # 1768

Date Filmed 4/17/85 Camera No. --- 3

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