



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 1840

DATE FILMED 10/12/92 CAMERA NO. 2

CAMERAMAN AS

20040301490

ATTACHMENT I

REPORTS ANALYSIS REFERRAL
TO
OFFICE OF GENERAL COUNSEL

DATE: 27 July 1984

ANALYST: Pat Sheppard

I. COMMITTEE: Ted Haley Congressional Committee
C00148221
L.T. Murray Jr., Treasurer^{1/}
#7 Plaza Medical Center
Lakewood Villa Plaza
Tacoma, WA 98499

II. RELEVANT STATUTE: 2 U.S.C. 441a(f)

III. BACKGROUND:

The Ted Haley Congressional Committee's ("the Committee") 1982 April Quarterly, July Quarterly, October Quarterly, 30 Day Post-General and 1983 Mid-Year Reports disclosed the receipt of contributions from six (6) individuals apparently totalling \$52,300^{2/} (Chart and Attachments 2a - 2e). The contributions, in the form of direct contributions, one (1) \$1,000 loan and loan endorsements for one (1) \$50,000 loan, were received between November 20, 1981 and March 11, 1983, and resulted in the receipt of apparent excessive contributions totalling \$39,500 which required further review.

The new and amended 1983 Mid-Year Reports disclosed the receipt of a \$50,000 loan from the Puget Sound National Bank on March 11, 1983 with a February 1984 due date and an interest rate of 13 3/4%. The loan was endorsed by six (6) individuals with \$9,000 of the loan designated to retire 1982 primary debts and \$41,000 of the loan designated to retire 1982 general debts. When combined with additional contributions and loans made by some of the same individuals for the 1982 primary and general elections, the amount of the apparent excessive contributions ranged between \$800 and \$7,500 per person per election (Chart).

^{1/} The treasurer of record is L.T. Murray Jr.; however, the 1983 reports have been signed by George Edman for L.T. Murray Jr.

^{2/} This total is derived from the contributions itemized by the Committee on Schedules A and C rather than from the aggregate year-to-date totals reported by the Committee.

140,0014

THE TED HALEY CONGRESSIONAL COMMITTEE
REPORTS ANALYSIS OGC REFERRAL
PAGE 2

From March 31, 1983 to December 31, 1983, the Committee made four (4) loan repayments on the \$50,000 loan for principal and interest totalling \$51,719.74 (Attachments 3a and 3b).^{3/}

A Request For Additional Information ("RFAI") was sent to the Committee on March 27, 1984 (Attachment 4). The RFAI noted the receipt of the excessive contributions, the repayment of the loan, and advised the Committee to either amend its report if the loan had been incorrectly reported or provide additional clarifying information, if appropriate.^{4/} The response received on May 22, 1984 stated that the individuals did co-sign the loan in order to pay campaign debts and that Ted Haley (the candidate) repaid the loan (Attachment 6).

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

^{3/} The date December 31, 1983 is used because the Committee did not provide a supporting Schedule B on the 1983 Year End/Termination Report disclosing the date of the final loan repayment totalling \$10,243. In a cover letter received with the report, the Committee stated that the candidate had repaid this outstanding balance from his personal funds.

^{4/} A Second Notice was sent to the Committee on April 19, 1984 for failure to respond to other matters noted in the RFAI.

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CANDIDATE COMMITTEEMENT	OFFICE/SOCIETY	PARTY	RECEIPTS		DISBURSEMENTS		COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
			PRIMARY	GENERAL	PRIMARY	GENERAL			
WY, THOMAS REUBEN MD	HOUSE 06	REPUBLICAN PARTY			WASHINGTON		1982 ELECTION	ID# H2WA06012	
STATEMENT OF CANDIDATE							2MAR82	1	82HSE/211/0437
STATEMENT OF CANDIDATE							19APR82	1	82HSE/214/3198
CANDIDATE REPORTS OF RECEIPTS & EXPENDITURES									
PRINCIPAL CAMPAIGN COMMITTEE:									
1ED DAILY CONGRESSIONAL COMMITTEE:							ID# C00148221	HOUSE	
1981 STATEMENT OF ORGANIZATION							24DEC81	1	81HSE/206/1024
1982 48 HOUR CONTRIBUTION NOTICE							8SEP82	1	82HSE/225/3996
48 HOUR CONTRIBUTION NOTICE							16SEP82	1	82HSE/226/0372
48 HOUR CONTRIBUTION NOTICE							20OCT82	1	82HSE/231/3187
48 HOUR CONTRIBUTION NOTICE							1NOV82	1	82HSE/235/334
APRIL QUARTERLY			40,301		44,697		2NOV81 - 31MAR82	30	82HSE/213/1529
APRIL QUARTERLY - AMENDMENT			49,124		44,697		2NOV81 - 31MAR82	4	82HSE/224/0
APRIL QUARTERLY - AMENDMENT			49,124		45,420		2NOV81 - 31MAR82	2	82HSE/225/1
REQUEST FOR ADDITIONAL INFORMATION							2NOV81 - 31MAR82	2	82FEC/238/0872
FIRST LETTER INFORMATIONAL NOTICE							2NOV81 - 31MAR82	1	82FEC/255/4810
JULY QUARTERLY			45,615		36,025		1APR82 - 30JUN82	31	82HSE/220/2621
JULY QUARTERLY - AMENDMENT			45,615		36,025		1APR82 - 30JUN82	2	82HSE/225/1779
JULY QUARTERLY - AMENDMENT			-		-		1APR82 - 30JUN82	9	82HSE/228/1862
REQUEST FOR ADDITIONAL INFORMATION							1APR82 - 30JUN82	2	82FEC/245/2319
FRE PRIMARY			36,546		45,840		1JUL82 - 25AUG82	34	82HSE/225/1680
FRE PRIMARY - AMENDMENT			-		-		1JUL82 - 25AUG82	9	82HSE/228/1853
FIRST LETTER INFORMATIONAL NOTICE							1JUL82 - 25AUG82	1	82FEC/245/3774
OCTOBER QUARTERLY				28,610		29,628	26AUG82 - 30SEP82	35	82HSE/228/2575
OCTOBER QUARTERLY - AMENDMENT				-		29,628	26AUG82 - 30SEP82	2	82HSE/232/2412
OCTOBER QUARTERLY - AMENDMENT				-		29,628	26AUG82 - 30SEP82	3	83HSE/243/02
OCTOBER QUARTERLY - AMENDMENT				28,610		29,628	26AUG82 - 30SEP82	37	83HSE/246/30
REQUEST FOR ADDITIONAL INFORMATION							26AUG82 - 30SEP82	2	83FEC/273/0763
REQUEST FOR ADDITIONAL INFORMATION 2ND							26AUG82 - 30SEP82	1	83FEC/274/4401
FRE GENERAL				10,757		10,281	1OCT82 - 12OCT82	25	82HSE/232/3651
FRE GENERAL - AMENDMENT				11,153		10,281	1OCT82 - 12OCT82	25	83HSE/246/3130
REQUEST FOR ADDITIONAL INFORMATION							1OCT82 - 12OCT82	2	83FEC/273/076
REQUEST FOR ADDITIONAL INFORMATION 2ND							1OCT82 - 12OCT82	6	83FEC/274/289
POST-GENERAL				23,425		26,345	13OCT82 - 22NOV82	39	82HSE/237/0
POST-GENERAL - AMENDMENT				-		-	13OCT82 - 22NOV82	1	83HSE/246/3
FIRST LETTER INFORMATIONAL NOTICE							13OCT82 - 22NOV82	1	83FEC/273/1332
FIRST LETTER INFORMATIONAL NOTICE							13OCT82 - 22NOV82	1	83FEC/283/0498
YEAR-END				3,437		3,826	23NOV82 - 31DEC82	28	83HSE/243/0292
YEAR-END - AMENDMENT				3,437		3,826	23NOV82 - 31DEC82	28	83HSE/246/3065
YEAR-END - AMENDMENT				-		-	23NOV82 - 31DEC82	1	83HSE/249/4533
REQUEST FOR ADDITIONAL INFORMATION							23NOV82 - 31DEC82	1	83FEC/273/0766
REQUEST FOR ADDITIONAL INFORMATION 2ND							23NOV82 - 31DEC82	1	83FEC/274/4402
REQUEST FOR ADDITIONAL INFORMATION							23NOV82 - 31DEC82	2	83FEC/281/0674
REQUEST FOR ADDITIONAL INFORMATION 2ND							23NOV82 - 31DEC82	1	83FEC/282/3156
TOTAL			131,285	66,625	127,285	70,080		374	TOTAL PAGES

Ending cash-on-hand as of 12/31/82: \$147
 Outstanding debts owed to the committee as of 12/31/82: \$0
 Outstanding debts owed by the committee as of 12/31/82: \$104,632
 All reports have been reviewed.

CANDIDATE COMMITTEE / DOCUMENT	OFFICE / SOURCE	PARTY	RECEIPTS		DISBURSEMENTS		COVERAGE DATES	# OF PAGES TYPE OF FILER	MICROFILM LOCATION
			PRIMARY	GENERAL	PRIMARY	GENERAL			
HALLEY, TED (FORMER DELEGATE MD)	HOUSE OF REPRESENTATIVES	REPUBLICAN PARTY			WASHINGTON		1982 ELECTION	ID# H2WA06012	
1. STATEMENT OF CANDIDATE									
1982 DISAVOWAL NOTICE							23DEC83		2 83FEC/289/5147
1984 DISAVOWAL RESPONSE							1FEB84		1 84HSE/253/0650
2. CANDIDATE REPORTS OF RECEIPTS & EXPENDITURES									
3. PRINCIPAL CAMPAIGN COMMITTEE									
TED HALLEY CONGRESSIONAL COMMITTEE								ID# C00148221 HOUSE	
1982 MID-YEAR REPORT			99,377					99,241	14 83HSE/248/3326
MID-YEAR REPORT - AMENDMENT			-					-	1 84HSE/260/4381
REQUEST FOR ADDITIONAL INFORMATION									1 84FEC/306/2511
REQUEST FOR ADDITIONAL INFORMATION 2ND									1 84FEC/311/3011
YEAR-END - TERMINATED			13,754						5 84HSE/255/04
YEAR-END - AMENDMENT			-						1 84FEC/315/4044
YEAR-END - AMENDMENT			-						1 84HSE/261/7544
REQUEST FOR ADDITIONAL INFORMATION									1 84FEC/306/2511
REQUEST FOR ADDITIONAL INFORMATION 2ND									1 84FEC/312/1430
TOTAL			13,754	99,377				14,037	99,241
4. AUTHORIZED COMMITTEES									31 TOTAL PAGES
4B. TRANSFERS IN FROM JOINT FUNDRAISING COMMITTEES									

All reports have been reviewed.

Ending cash-on-hand as of 12/31/83: \$0

Outstanding debts owed to the committee as of 12/31/83: \$0

Outstanding debts owed by the committee as of 12/31/83: \$0

The attached chart is an alphabetical listing of six (6) individuals contributing in excess of \$1,000 for the 1982 primary and general elections. There are separate categories for the name, date, amount, election designation, excessive amount and the amount repaid. The category for the attachments references the supporting documentation for the contributions received and repaid.

20040801495

NAME OF CONTRIBUTOR	AMOUNT RECEIVED/ ELECTION DESIGNATION	DATE RECEIVED ^{1/}	ATTACHMENT NUMBER	APPARENT EXCESSIVE AMOUNT	AMOUNT REPAYED ^{2/}	DATE REPAYED	ATTACHMENT NUMBER
Alvarez, JoAnne	\$1,800 / P	3/11/83	2E, page 2	\$ 800 / P	\$7,951.60	6/30/83	3A, pages 1 & 2
	8,200 / G	3/11/83	" "	7,200 / G \$8,000	7,048.60	12/31/83	3B
Baine, Sallie	\$ 900 / P	3/11/83	2E, page 2		\$3,925.70	6/30/83	3A, pages 1 & 2
	4,100 / G	3/11/83	" "	\$3,100 / G	1,026.30	12/31/83	3B
Carlson, Donna	\$1,000 / P ^{3/}	6/25/82	2B		\$1,000.00	3/16/83	3A, pages 1 & 2
	1,800 / P	3/11/83	2E, page 2	\$ 800 / P ^{4/}	7,951.60	6/30/83	" "
	8,200 / G	3/11/83	" "	7,200 / G \$8,000	7,048.60	12/31/83	3B
Ehman, George	\$ 900 / P	3/11/83	2E, page 2		\$3,925.70	6/30/83	3A, pages 1 & 2
	4,100 / G	3/11/83	" "	\$3,100 / G	1,026.30	12/31/83	3B
Haley, Fred	\$ 75 / P	11/20/81	2A				
	475 / P	3/10/82	"				
	250 / G	11/28/82	2D				
	50 / G ^{5/}	1/08/83	2E, page 1	\$1,300 / P	\$7,951.60	6/30/83	3A, pages 1 & 2
	1,800 / P	3/11/83	2E, page 2	7,500 / G	7,048.60	12/31/83	3B
8,200 / G	3/11/83	" "	\$8,000				
Haley, Richard	\$ 250 / P	1/26/82	2A				
	250 / P	9/08/82	2C				
	1,800 / P	3/11/83	2E, page 2	\$1,300 / P	\$7,951.60	6/30/83	3A, pages 1 & 2
8,200 / G	3/11/83	" "	7,200 / G \$8,000	7,048.60	12/31/83	3B	

^{1/} The contributions received on March 11, 1983 were in the form of loan endorsements for a \$50,000 loan from the Puget Sound National Bank. In an amendment received on June 26, 1986, the Committee noted that \$9,000 of the loan was to retire 1982 primary debts and \$41,000 of the loan was to retire 1982 general debts (Attachments 7 and 8). The Reports Analysis Division (RAD) analyst has therefore calculated the amounts of the excessive contributions by attributing 18% of the amount of each loan endorsement to retire 1982 primary debts and 82% of the amount of each loan endorsement to retire 1982 general debts.

^{2/} The amount repaid was also calculated by the RAD analyst. The Committee disclosed three (3) loan repayments on March 31, May 2 and June 8, 1983 totalling \$41,476.76. In an amendment received on May 22, 1986, the Committee noted that the amount of the principal repaid on the \$50,000 loan was \$39,757 as of June 30, 1983 (Attachment 6). The balance of the principal and interest was disclosed as repaid on the 1983 Year End Report.

^{3/} This contribution was in the form of a loan. On the 1982 July Quarterly Report, the Committee disclosed the receipt of the loan designated for the 1982 primary. The new and amended 1983 Mid-Year Reports disclosed the receipt of an \$1,800 loan endorsement also designated for the 1982 primary. This resulted in the receipt of an apparent excessive contribution of \$1,800 for the 1982 primary as of March 11, 1983. On March 16, 1983, the Committee showed the repayment of the initial \$1,000 loan, thereby reducing the amount of the apparent excessive contribution to \$800 for the 1982 primary.

^{4/} Ibid.

^{5/} The Committee reported the receipt of a \$100 contribution from Mr. and Mrs. Fred Haley but did not designate how much should be attributed to each individual for the 1982 general election. RAD has therefore attributed one-half of the amount of the contribution to each individual.

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Name of Contributor or Firm			
Ted Haley Congressional Committee.			
A. Full Name, Billing Address and ZIP Code Robert Gore 6901 TOPAZ Drive TACOMA, WASHINGTON 98449	Name of Employer Self	Date Month, day, year 12-31-82 1-8-82	Amount of Cash Received This Period 300.00 300.00
Occupation Physician	Amount Year-to-Date \$6,125.00		
B. Full Name, Billing Address and ZIP Code Chauncey Griggs 300 Middle Waterway TACOMA, WASHINGTON 98421	Name of Employer Paston Mills	Date Month, day, year 3-31-82	Amount of Cash Received This Period 1500.00
Occupation Owner	Amount Year-to-Date \$2,250.00		
C. Full Name, Billing Address and ZIP Code Fred Haley 3015 N Puget Sound TACOMA, WASHINGTON 98407	Name of Employer Brown + Haley Candy Company	Date Month, day, year 11-30-81 3-30-82	Amount of Cash Received This Period 875.00 425.00
Occupation President	Amount Year-to-Date \$500.00		
D. Full Name, Billing Address and ZIP Code Richard Haley 3936 N MASON TACOMA, WASHINGTON 98407	Name of Employer	Date Month, day, year 1-26-82	Amount of Cash Received This Period 250.00
Occupation Retired	Amount Year-to-Date \$950.00		
E. Full Name, Billing Address and ZIP Code William Jackson Puget Sound Medical Bldg. TACOMA, WASHINGTON 98402	Name of Employer Self	Date Month, day, year 11-2-81 1-6-82	Amount of Cash Received This Period 250.00 200.00
Occupation Doctor	Amount Year-to-Date \$225.00		
F. Full Name, Billing Address and ZIP Code Robert Kicin A-236 ALLENHURST Med Center TACOMA, WASHINGTON 98406	Name of Employer Self	Date Month, day, year 11-2-81 1-2-82 2-27-82	Amount of Cash Received This Period 500.00 100.00 600.00
Occupation Doctor	Amount Year-to-Date \$775.00		
G. Full Name, Billing Address and ZIP Code Thomas B. Hawley 9216 International Dr SW TACOMA, WASHINGTON 98449	Name of Employer Self	Date Month, day, year 11-2-81 12-30-81 1-11-82	Amount of Cash Received This Period 50.00 110.00 110.00
Occupation Physician	Amount Year-to-Date \$270.00		
TOTAL of funds raised by this committee			\$3005.00

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PHS

SCHEDULE A

STANDARD RECEIPT

1982 30 Day Post-General Report

WASH STATE COMMISSION ON GOVERNMENT ETHICS
OFFICE OF THE CLERK
SUNSHINE FUND

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

Name of Committee (or Party)
TED HALEY CONGRESSIONAL COMMITTEE

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Anderson, Charles 15415 Beach Drive NE Seattle, Wa. 98155 Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (Specify):	Occupation Aggregate Year-to-Date \$ 300.00	11/1/82	\$300.00
B. Full Name, Mailing Address and ZIP Code Finnigan, Maurice 7916 Sapphire Ct. SW Tacoma, Wa. 98498 Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (Specify):	Name of Employer Occupation Aggregate Year-to-Date \$ 125.00	Date (month, day, year) 11/1/82	Amount of Each Receipt This Period \$125.00
C. Full Name, Mailing Address and ZIP Code Fisher, Kenneth 1920 Shenandoah Dr. E Seattle, Wa. 98112 Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (Specify):	Name of Employer Occupation Aggregate Year-to-Date \$ 100.00	Date (month, day, year) 11/1/82	Amount of Each Receipt This Period \$100.00
D. Full Name, Mailing Address and ZIP Code Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (Specify):	Name of Employer Occupation Aggregate Year-to-Date \$	Date (month, day, year)	Amount of Each Receipt This Period
E. Full Name, Mailing Address and ZIP Code Gayton, John H. 2002 Sullivan Drive The Dalles, Wa. 98335 Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (Specify):	Name of Employer Occupation Aggregate Year-to-Date \$ 25.00	Date (month, day, year) 10/29/82	Amount of Each Receipt This Period \$25.00
F. Full Name, Mailing Address and ZIP Code Girod, Ray 8017 75th St. SW Tacoma, Wa. 98498 Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (Specify):	Name of Employer Occupation Aggregate Year-to-Date \$ 250.00	Date (month, day, year) 10/27/82	Amount of Each Receipt This Period \$250.00
G. Full Name, Mailing Address and ZIP Code Haley, Fred 3018 N. Puget Sound Tacoma, Wa. 98407 Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (Specify):	Name of Employer Occupation Aggregate Year-to-Date \$ 250.00	Date (month, day, year) 10/28/82	Amount of Each Receipt This Period \$250.00 PPS
TOTAL This Period (not page #s & number only)			1050

2013-11-01 10:20 AM 2013-11-01 10:20 AM

SCHEDULE

ITEMIZED RECEIPTS

1983 Mid-Year Report

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

Name of Committee (in Full)			
A. Full Name, Mailing Address and ZIP Code Duquard Stewart 31 Westlake Ave SW Tacoma, WA 98408	Name of Employer Occupation	Date (month, day, year) 1-6-83	Amount of Each Receipt This Period \$50.00
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Appropriate Year to Date—\$ 100.00		
B. Full Name, Mailing Address and ZIP Code Mrs. L.T. Murray 135 Interstate Pkwy Suite 1750 Tacoma, WA 98402	Name of Employer Occupation	Date (month, day, year) 1-6-83	Amount of Each Receipt This Period \$100.00
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Appropriate Year to Date—\$ 100.00		
C. Full Name, Mailing Address and ZIP Code Robert - Baker II P.O. Box 11600 Tacoma, WA 98411	Name of Employer Occupation	Date (month, day, year) 1-7-83	Amount of Each Receipt This Period \$50.00
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Appropriate Year to Date—\$ 50.00		
D. Full Name, Mailing Address and ZIP Code Dale Smythe P.O. Box 1600 Bell Scabie, WA 9819	Name of Employer Occupation	Date (month, day, year) 1-	Amount of Each Receipt This Period \$100.00
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Appropriate Year to Date—\$ 100.00		
E. Full Name, Mailing Address and ZIP Code Mrs. Mrs. Fred Valley 5218 N. Pacific Street Tacoma, WA 98403	Name of Employer Occupation	Date (month, day, year) 1-6-83	Amount of Each Receipt This Period \$100.00
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Appropriate Year to Date—\$ 100.00		
F. Full Name, Mailing Address and ZIP Code Seafirst Assoc PNC Joe Garrison P.O. Box 3583 Seattle, WA 98124	Name of Employer Occupation	Date (month, day, year) 1-6-83	Amount of Each Receipt This Period \$100.00
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Appropriate Year to Date—\$ 100.00		
G. Full Name, Mailing Address and ZIP Code Mrs. Virginia Lewis Jones 4 Forest Glen Ln Tacoma, WA 98498	Name of Employer Self Occupation: Contractor	Date (month, day, year) 1-8-83	Amount of Each Receipt This Period \$400.00
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Appropriate Year to Date—\$ 1000.00		
TOTAL of Receipts This Page (optional)			\$650.00
TOTAL This Period (for page filing number only)			

13012483329

Name of Committee (in full) Fred Haley Congressional Committee

A. Full Name, Mailing Address and ZIP Code of Loan Source <u>Payt Sound Bank National Bank 6202 Mount Tabana Dr. Tacoma, Wa 98449</u>	Original Amount of Loan <u>50,000</u>	Cumulative Payment To Date <u>39,757</u>	Balance Outstanding at Close of This Period <u>10,243</u>
Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): <u>non-election</u>			
Terms: Date Incurred <u>3/4/83</u> Date Due <u>2/84</u> Interest Rate <u>13 3/4 % (apr)</u> <input type="checkbox"/> Secured			

List All Endorsers or Guarantors (if any) to Item A

1. Full Name, Mailing Address and ZIP Code <u>Fred Haley 3018 N. Payt Sound Tacoma, Wa 98416</u>	Name of Employer <u>Brown & Haley</u>
	Occupation <u>Fin. Inst.</u>
	Amount Guaranteed Outstanding <u>\$ 10,000</u>
2. Full Name, Mailing Address and ZIP Code <u>Dona Lusk 1239 G. Regal St. Olympia, Wa 98505</u>	Name of Employer <u>N/A</u>
	Occupation <u>N/A</u>
	Amount Guaranteed Outstanding <u>\$ 10,000</u>
3. Full Name, Mailing Address and ZIP Code <u>Richard Haley 3435 W. Aurora Tacoma, Wa 98407</u>	Name of Employer <u>Retired</u>
	Occupation <u>N/A</u>
	Amount Guaranteed Outstanding <u>\$ 10,000</u>

B. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (apr) <input type="checkbox"/> Secured			

List All Endorsers or Guarantors (if any) to Item B

1. Full Name, Mailing Address and ZIP Code <u>Richard Piper 2000 Santa Parkway Tacoma, Wa 98403</u>	Name of Employer <u>N/A</u>
	Occupation <u>N/A</u>
	Amount Guaranteed Outstanding <u>\$ 10,000</u>
2. Full Name, Mailing Address and ZIP Code <u>Sally's Binn 509 Monterey Lane Tacoma, Wa 98465</u>	Name of Employer <u>Victor Lynn Keller</u>
	Occupation <u>Secretary</u>
	Amount Guaranteed Outstanding <u>\$ 5,000</u>
3. Full Name, Mailing Address and ZIP Code <u>George Simon 807 S. 546 St Tacoma, Wa 98405</u>	Name of Employer <u>State of Wash.</u>
	Occupation <u>Legislative Aide</u>
	Amount Guaranteed Outstanding <u>\$ 5,000</u>

TOTALS This Period (This Page (optional))	<u>10,243</u>
TOTALS This Period (last page in this line only)	<u>10,243</u>

Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.

40301502

1983 Mid-Year Report

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Any address marked with asterisks and a checkmark may not be paid by any person for the purpose of making the collection of the amount of postage. Any postage for such an address will be considered as a gift. If you are not the recipient of the postage, you should return it to the post office.

Ted K. Coopers and Lybrand

A. Post Office, Billing Address and ZIP Code	Purpose of Disbursement	Date Month day, year	Amount of Cash Disbursement This Period
<i>David Martin 12708 Highline Rd SW Tacoma WA 98402</i>	<i>Disbursement for Primary Disbursement Other (Specify):</i>	<i>3-14-83</i>	<i>\$ 40.00</i>
<i>David Martin 1234 N. Highline Olympia, WA 98502</i>	<i>Disbursement for Primary Disbursement Other (Specify):</i>	<i>3-14-83</i>	<i>\$ 100.00</i>
<i>David Martin 1234 N. Highline Olympia, WA 98502</i>	<i>Disbursement for Primary Disbursement Other (Specify):</i>	<i>4-5-83</i>	<i>\$.50</i>
<i>Bank charge</i>	<i>Disbursement for Primary Disbursement Other (Specify):</i>	<i>4-5-83</i>	<i>\$ 1.00</i>
<i>Bank charge</i>	<i>Disbursement for Primary Disbursement Other (Specify):</i>	<i>4-21-83</i>	<i>\$ 2.90</i>
<i>Star Printing P.O. Box 9006 Tacoma WA 98402</i>	<i>Disbursement for Primary Disbursement Other (Specify):</i>	<i>4-28-83</i>	<i>\$ 38.04</i>
<i>P.O. Box rental 1102 A St. Tacoma, WA</i>	<i>Disbursement for Primary Disbursement Other (Specify):</i>	<i>6-27-83</i>	<i>\$ 22.50</i>
<i>US Post Office 1102 A St. Bullman Tacoma, WA</i>	<i>Disbursement for Primary Disbursement Other (Specify):</i>	<i>6-27-83</i>	<i>40.00</i>
<i>Page One National Bank 110 Pacific Ave Tacoma, WA 98402</i>	<i>Disbursement for Primary Disbursement Other (Specify):</i>	<i>3-5-83</i>	<i>1.10</i>

TOTAL OF DISBURSEMENTS THIS PERIOD: *\$ 215.04*

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Page 6 of 8
 This report is submitted for each
 session of the District
 Executive Board

14

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

Name of Committee (in Full)
Ted Foley Congressional Comm -

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
P. S. N. B. 1119 A. J. Ave Tampa, Fla 33602	Bank fee Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify)	5-22-83	3151.74
P. S. N. B. 1119 A. J. Ave Tampa, Fla 33602	Bank fee Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify)	6-8-83	37,160 -
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
SUBTOTAL of Disbursements This Page (optional)			41,316.21
TOTAL This Period (list page this line number only)			97,501.53

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(16)



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

27 March 1984 RQ-2

George Edman, Treasurer
Ted Haley Congressional Committee
#7 Plaza Medical Center
Lakewood Villa Plaza
Tacoma, WA 98499

Identification Number: C00148221

Reference: Mid-Year (1/1/83-6/30/83) and Year End Termination
(7/1/83-12/31/83) Reports

Dear Mr. Edman:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-The total loan repayments itemized on Schedule B are greater than the total disbursements itemized on Schedule C. Please explain the discrepancies in the payments made to the Puget Sound National Bank.

-Commission Regulations require the continuous reporting of all outstanding debts/loans. Review of this report indicates an omission of debts itemized on your previous report(s). (11 CFR 104.3(d) and 104.11) Please amend your report to indicate the current status of these omitted debts:

Ted Haley \$43,634.75
National Outdoor Advertising \$1,958.34
Campaign Management Association \$2,056.30

-Schedule C of your report (pertinent portion attached) discloses a contribution(s) which appears to exceed the limits set forth in the Act. An individual or a political committee, other than a multicandidate committee, may not make contributions to a candidate for Federal office in excess of \$1,000 per election. (2 U.S.C. 441a(a) and (f))

The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or

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(17)

anything of value made by any person for the purpose of influencing any election for Federal office.

If the contribution in question was incorrectly reported or you have additional information regarding the contributor, you may wish to submit documentation for the public record.

Although the Commission may take further legal steps concerning the acceptance of an excessive contribution, your repayment of the excessive amount(s) will be taken into consideration.

An amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 523-4048.

Sincerely,

Pat Sheppard
Reports Analyst
Reports Analysis Division

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20541

RQ-3

April 19, 1984

George Edman, Treasurer
Ted Haley Congressional Committee
#7 Plaza Medical Center
Lakewood Villa Plaza
Tacoma, WA 98499

Identification Number: C00148221

Reference: Mid-Year (1/1/83-6/30/83) and Year-End Termination
(7/1/83-12/31/83) Reports

Dear Mr. Edman:

This letter is to inform you that as of April 18, 1984, the Commission has not received your response to our request for additional information, dated March 27, 1984. That notice requested information essential to full public disclosure of your Federal election financial activity and to ensure compliance with provisions of the Federal Election Campaign Act (the Act). A copy of our original request is enclosed.

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact Pat Sheppard on our toll-free number (800) 424-9530 or our local number (202) 523-4048.

Sincerely,

John D. Gibson
Assistant Staff Director
Reports Analysis Division

Enclosure

23540301503

MAY 18 1984
REGULAR MAIL

19

ATTACHMENT = 6
Page 1 of 1

Pat Sheppard
Reports Analyst
Reports Analysis Division
Federal Election Commission
Clerk of the House of Representatives
1036 Longworth House Office Building
Washington, D.C. 20515

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MAY 16 1984

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Dear Pat,

Regarding your first question on your March 27th letter to the Ted Haley Congressional Committee - Total Loan Repayment: In reading Schedule C, the box marked "Cumulative Payment to Date" I misread that to mean cumulative principal payments. The difference between the \$39,757 shown in the box and the total payments on Schedule B to Puget Sound National Bank was attributable to interest.

Principal Payments:	\$39,757
Interest Payments:	<u>\$ 2,719.74</u>
	\$42,476.74

Regarding question 2 there are no loans outstanding. Both the loan by Campaign Management Association of \$2,056.30 and the loan by Outdoor Advertising of \$1,958.34 were paid off. The loan by Ted Haley, the candidate was cancelled by him.

Regarding question 3: the names on Schedule C that appear in the box marked "amount guaranteed outstanding" are the names of individuals who cosigned a loan to help pay off the campaign debts. Ted Haley paid off the loan and relieved no money from these individual cosignors.

I hope that this information clears up any discrepancies. Please write if you have further questions.

Sincerely,

George Edman
George Edman
Ted Haley Congressional Committee
Plaza Medical Center
Lakewood Villa Plaza
Tacoma, Wa 98499

130982218391

MEMORANDUM FOR FILES:TELECON

SUBJECT: 441a

DATE: 6/19/84

FROM: George Edman

TO: Pat Sheppard

NAME OF COMMITTEE: Help for Congress Committee/ WA
(206) 357-9301

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Mr. Edman returned my call to discuss the Receipt of a \$50,000 loan that was endorsed by six (6) individuals. I asked Mr. Edman if he knew what the election designation of the loan was. Mr. Edman said that he was sure that most of the money was used to retire the general debts but that some of it was probably used for some primary debts that was outstanding. He said that he would check into it and give me a call back or send in a statement to clarify the matter.

SENSITIVE

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

RECEIVED
OFFICE OF THE FEC
SECRETARY

FIRST GENERAL COUNSEL'S REPORT

84 OCT 24 All: 43

DATE AND TIME OF TRANSMITTAL RAD 84L-20
BY OGC TO THE COMMISSION: 10/24/84 11:45am STAFF MEMBER: Marty Romney
SOURCE OF REFERRAL: I N T E R N A L L Y G E N E R A T E D
SUBJECT: Referral of the Ted Haley Congressional Committee
RELEVANT STATUTES: 2 U.S.C. §441a(a)(2)(a)
2 U.S.C. § 441a(f)
INTERNAL REPORTS CHECKED: None
FEDERAL AGENCIES CHECKED: None

BACKGROUND

On July 27, 1984, the Reports Analysis Division ("RAD") referred to the Office of General Counsel the Ted Haley Congressional Committee ("Haley Committee") for receipt of excessive contributions.

FACTUAL AND LEGAL ANALYSIS

The Ted Haley Congressional Committee's 1982 April Quarterly, July Quarterly, October Quarterly, 30 Day Post-General and 1983 Mid-Year Reports disclosed the receipt of excessive contributions from six individuals, JoAnne Algier, Sallie Baine, Dona Carlson, George Edman, Fred Haley and Richard Haley. The contributions were in the form of direct contributions, a loan of \$1,000, and loan endorsements for one \$50,000 loan.

The Haley Committee received the \$50,000 loan on March 11, 1983, from the Puget Sound National Bank with a February 1984 due date and an interest rate of 13 3/4%. The loan was endorsed by the six individuals listed above with \$9,000 of the loan designated to retire 1982 primary debts and \$41,000 of the loan

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designated to retire 1982 general debts. From March 31, 1983, to December 31, 1983, the Committee made four loan repayments on the \$50,000 loan, including principal and interest, totalling \$51,719.74.

A Request for Additional Information ("RFAI") was sent to the Committee on March 27, 1984. The RFAI noted the receipt of the excessive contributions, the repayment of the loan, and advised the Committee to either amend its report if the loan had been incorrectly reported or provide additional clarifying information, if appropriate. The response received on May 22, 1984, stated that the individuals did co-sign the loan in order to pay campaign debts and that the candidate, Ted Haley, repaid the loan.

2 U.S.C. § 431(8)(A) provides that the term "contribution" includes a loan made to a political committee. 11 C.F.R. § 100.7(a)(1)(i) states that the term "loan" includes a guarantee, endorsement, or any other form of security. Thus, a person who guarantees or endorses a loan to a political committee has made a contribution to that committee.

2 U.S.C. § 441a(a)(1)(A) provides that no person shall make contributions to any candidate and his authorized political committees with respect to any federal election which in the aggregate, exceed \$1,000.

2 U.S.C. § 441a(f) provides that no candidate or political committee shall knowingly accept any contribution in violation of the contributions limitations of 2 U.S.C. § 441a(a).

2 3 4 0 3 0 1 5 1 3

The Office of General Counsel recommends that the Ted Haley Congressional Committee, and L.T. Murray, as treasurer, violated 2 U.S.C. § 441a(f) by accepting excessive contributions from JoAnne Algier, Sallie Baine, Dona Carlson, George Edman, Fred Haley and Richard Haley. Further, the Office of General Counsel recommends that JoAnne Algier, Sallie Baine, Dona Carlson, George Edman, Fred Haley and Richard Haley violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Ted Haley Congressional Committee.

The following chart indicates the amount of excessive contributions made by JoAnne Algier, Sallie Baine, Dona Carlson, George Edman, Fred Haley and Richard Haley to the Ted Haley Congressional Committee:

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NAME OF CONTRIBUTOR	AMOUNT RECEIVED/ ELECTION DESIGNATION	DATE RECEIVED	APPARENT EXCESSIVE AMOUNT	AMOUNT REPAYED	DATE REPAYED
Algier, JoAnne	\$1,800 / P ^{1/}	3/11/83	\$ 800 / P	\$7,951.40 ^{2/}	6/30/83
	8,200 / G ^{1/}	3/11/83	7,200 / G	2,048.60 ^{2/}	12/31/83
			\$8,000		
Baine, Sallie	\$ 900 / P ^{1/}	3/11/83		\$3,975.70 ^{2/}	6/30/83
	4,100 / G ^{1/}	3/11/83	\$3,100 / G	1,024.30 ^{2/}	12/31/83
Carlson, Dona	\$1,000 / P ^{3/}	4/25/82		\$1,000.00	3/14/83
	1,800 / P ^{1/}	3/11/83	\$1,800 / P ^{3/}	7,951.40 ^{2/}	6/30/83
	8,200 / G ^{1/}	3/11/83	7,200 / G	2,048.60 ^{2/}	12/31/83
			\$10,000		
Edman, George	\$ 900 / P ^{1/}	3/11/83		\$3,975.70 ^{2/}	6/30/83
	4,100 / G ^{1/}	3/11/83	\$3,100 / G	1,024.30 ^{2/}	12/31/83
Haley, Fred	\$ 75 / P	11/20/81			
	425 / P	3/10/82			
	250 / G	11/28/82			
	50 / G ^{4/}	1/08/83			
	1,800 / P ^{1/}	3/11/83	\$1,300 / G	\$7,951.40 ^{2/}	6/30/83
8,200 / G ^{1/}	3/11/83	7,500	2,048.60 ^{2/}	12/31/83	
			\$8,800		
Haley, Richard	\$ 250 / P	1/26/82			
	250 / P	9/08/82			
	1,800 / P ^{1/}	3/11/83	\$1,300 / P	\$7,951.40 ^{2/}	6/30/83
8,200 / G ^{1/}	3/11/83	7,200 / G	2,048.60 ^{2/}	12/31/83	
			\$8,500		

^{1/} The contributions received on March 11, 1983 were in the form of loan endorsements for a \$50,000 loan from the Puget Sound National Bank. In an amendment received on June 26, 1984, the Committee noted that \$9,000 of the of the loan was to retire 1982 primary debts and \$41,000 of the loan was to retire 1982 general debts. The Reports Analysis Division calculated the amounts of the excessive contributions by attributing 10% of the amount of each loan endorsement to retire 1982 primary debts and 82% of the amount of each loan endorsement to retire 1982 general debts.

^{2/} The amount repaid was also calculated by the Reports Analysis Division. The Committee disclosed three (3) loan repayments on March 31, May 2 and June 8, 1983 totalling \$41,476.74. In an amendment received on May 22, 1984, the Committee noted that the amount of the principal repaid on the \$50,000 loan was \$39,757 as of June 30, 1983. The balance of the principal and interest was disclosed as repaid on the 1983 Year End Report.

3/ This contribution was in the form of a loan. On the 1982 July Quarterly Report, the Committee disclosed the receipt of the loan designated for the 1982 primary. The new and amended 1983 Mid-Year Reports disclosed the receipt of an \$1,800 loan endorsement also designated for the 1982 primary. This resulted in the receipt of an apparent excessive contribution of \$1,800 for the 1982 primary as of March 11, 1983. On March 14, 1983, the Committee showed the repayment of the initial \$1,000 loan.

4/ The Committee reported the receipt of a \$100 contribution from Mr. and Mrs. Fred Haley but did not designate how much should be attributed to each individual for the 1982 general election. The Reports Analysis Division has therefore attributed one-half of the amount of the contribution to each individual.

RECOMMENDATIONS

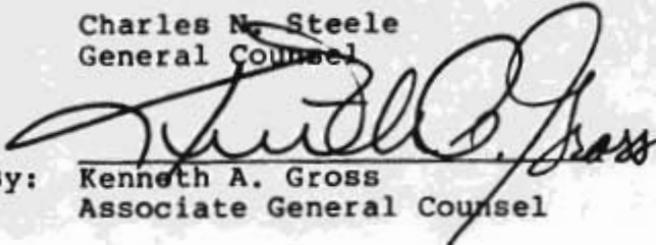
1. Open a MUR.
2. Find reason to believe that the Ted Haley Congressional Committee, and L.T. Murray, as treasurer, violated 2 U.S.C. § 441a(f) by accepting excessive contributions from JoAnne Algier, Sallie Baine, Dona Carlson, George Edman, Fred Haley and Richard Haley.
3. Find reason to believe that JoAnne Algier violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Ted Haley Congressional Committee.
4. Find reason to believe that Sallie Baine violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Ted Haley Congressional Committee.
5. Find reason to believe that Dona Carlson violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Ted Haley Congressional Committee.
6. Find reason to believe that George Edman violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Ted Haley Congressional Committee.
7. Find reason to believe that Fred Haley violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Ted Haley Congressional Committee.
8. Find reason to believe that Richard Haley violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Ted Haley Congressional Committee.

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9. Approve and authorize sending the attached letters and General Counsel's Legal and Factual Analysis.

Charles N. Steele
General Counsel

Oct. 24, 1984
Date


By: Kenneth A. Gross
Associate General Counsel

Attachments

1. RAD referral
2. Letters to respondents
3. Factual and legal analysis

4003153



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

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

DATE: OCTOBER 26, 1984

SUBJECT: OBJECTION - RAD REFERRAL 84L-20
First General Counsel's Report
signed October 24, 1984

The above-named document was circulated to the Commission on Wednesday, October 24, 1984 at 4:00.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens	_____
Commissioner Elliott	_____
Commissioner Harris	_____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Reiche	_____ X _____

This matter will be placed on the Executive Session agenda for Tuesday, October 30, 1984.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Ted Haley Congressional Committee) RAD 84L-20

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of October 30, 1984, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in the above-captioned matter:

1. Open a MUR.
2. Find reason to believe that the Ted Haley Congressional Committee, and L. T. Murray, as treasurer, violated 2 U.S.C. § 441a(f) by accepting excessive contributions from JoAnne Algier, Sallie Baine, Dona Carlson, George Edman, Fred Haley and Richard Haley.
3. Find reason to believe that JoAnne Algier violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Ted Haley Congressional Committee.
4. Find reason to believe that Sallie Baine violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Ted Haley Congressional Committee.

(continued)

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5. Find reason to believe that Dona Carlson violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Ted Haley Congressional Committee.
6. Find reason to believe that George Edman violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Ted Haley Congressional Committee.
7. Find reason to believe that Fred Haley violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Ted Haley Congressional Committee.
8. Find reason to believe that Richard Haley violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Ted Haley Congressional Committee.
9. Approve and authorize sending the letters and General Counsel's Legal and Factual Analysis attached to the General Counsel's report dated October 24, 1984.

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

Attest:

10-30-84

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 7, 1984

Richard Haley
3935 N. Mason
Tacoma, Washington 98107

Re: MUR 1840

Dear Mr. Haley:

On October 30, 1984, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(2)(A), a provision 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. 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. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if 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.

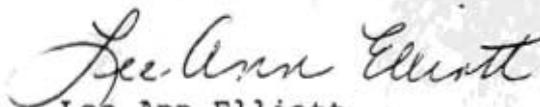
9 140301522

Richard Haley
Page 2

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

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

Sincerely,


Lee Ann Elliott
Chairman

Enclosures

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

40031523

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1840
STAFF MEMBER & TELEPHONE NO.
Marty Romney (202) 523-4000

RESPONDENT: Richard Haley

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Reports Analysis Division ("RAD").

The Ted Haley Congressional Committee's 1982 April Quarterly, July Quarterly, October Quarterly, 30 Day Post-General and 1983 Mid-Year Reports disclosed the receipt of excessive contributions. The contributions were in the form of direct contributions and loan endorsements for one \$50,000 loan.

The Haley Committee received the \$50,000 loan on March 11, 1983, from the Puget Sound National Bank with a February 1984 due date and an interest rate of 13 3/4%. The loan was endorsed by six individuals with \$9,000 of the loan designated to retire 1982 primary debts and \$41,000 of the loan designated to retire 1982 general debts. From March 31, 1983, to December 31, 1983, the Committee made four loan repayments on the \$50,000 loan, including principal and interest, totalling \$51,719.74.

A Request for Additional Information ("RFAI") was sent to the Committee on March 27, 1984. The RFAI noted the receipt of the excessive contributions, the repayment of the loan, and advised the Committee to either amend its report if the loan had

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been incorrectly reported or provide additional clarifying information, if appropriate. The response received on May 22, 1984, stated that the individuals did co-sign the loan in order to pay campaign debts and that the candidate, Ted Haley, repaid the loan.

2 U.S.C. § 431(8)(A) provides that the term "contribution" includes a loan made to a political committee. 11 C.F.R. § 100.7(a)(1)(i) states that the term "loan" includes a guarantee, endorsement, or any other form of security. Thus, a person who guarantees or endorses a loan to a political committee has made a contribution to that committee.

2 U.S.C. § 441a(a)(1)(A) provides that no person shall make contributions to any candidate and his authorized political committees with respect to any federal election which in the aggregate, exceed \$1,000.

2 U.S.C. § 441a(f) provides that no candidate or political committee shall knowingly accept any contribution in violation of the contributions limitations of 2 U.S.C. § 441a(a).

The Office of General Counsel recommends that the Commission find reason to believe that Richard Haley violated 2 U.S.C. § 441(a)(1)(A) by making excessive contributions to the Ted Haley Congressional Committee.

The following chart indicates the amount of excessive contribution made by Richard Haley:

40301525

NAME OF CONTRIBUTOR	AMOUNT RECEIVED/ ELECTION DESIGNATION	DATE RECEIVED	APPARENT EXCESSIVE AMOUNT	AMOUNT REPAID	DATE REPAID
Haley, Richard	\$ 250 / P	1/26/82			
	250 / P	9/08/82			
	1,800 / P ^{1/}	3/11/83	\$1,300 / P	\$7,951.40 ^{2/}	6/30/83
	8,200 / G ^{1/}	3/11/83	7,200 / G	2,048.60 ^{2/}	12/31/83
			\$8,500		

^{1/} The contributions received on March 11, 1983 were in the form of loan endorsements for a \$50,000 loan from the Puget Sound National Bank. In an amendment received on June 26, 1984, the Committee noted that \$9,000 of the of the loan was to retire 1982 primary debts and \$41,000 of the loan was to retire 1982 general debts. The Reports Analysis Division calculated the amounts of the excessive contributions by attributing 18% of the amount of each loan endorsement to retire 1982 primary debts and 82% of the amount of each loan endorsement to retire 1982 general debts.

^{2/} The amount repaid was also calculated by the Reports Analysis Division. The Committee disclosed three (3) loan repayments on March 31, May 2 and June 8, 1983 totalling \$41,476.74. In an amendment received on May 22, 1984, the Committee noted that the amount of the principal repaid on the \$50,000 loan was \$39,757 as of June 30, 1983. The balance of the principal and interest was disclosed as repaid on the 1983 Year End Report.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 7, 1984

Fred Haley
3018 N. Puget Sound
Tacoma, Washington 98407

Re: MUR 1840

Dear Mr. Haley:

On October 30, 1984, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(2)(A), a provision 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. 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. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if 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.

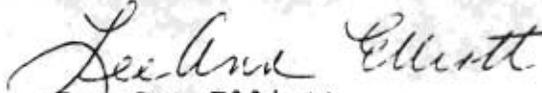
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Fred Haley
Page 2

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

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

Sincerely,


Lee Ann Elliott
Chairman

Enclosures

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

2025-01-13-3

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1840
STAFF MEMBER & TELEPHONE NO.
Marty Romney (202) 523-4000

RESPONDENT: Fred Haley

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Reports Analysis Division ("RAD").

The Ted Haley Congressional Committee's 1982 April Quarterly, July Quarterly, October Quarterly, 30 Day Post-General and 1983 Mid-Year Reports disclosed the receipt of excessive contributions. The contributions were in the form of direct contributions and loan endorsements for one \$50,000 loan.

The Haley Committee received the \$50,000 loan on March 11, 1983, from the Puget Sound National Bank with a February 1984 due date and an interest rate of 13 3/4%. The loan was endorsed by six individuals with \$9,000 of the loan designated to retire 1982 primary debts and \$41,000 of the loan designated to retire 1982 general debts. From March 31, 1983, to December 31, 1983, the Committee made four loan repayments on the \$50,000 loan, including principal and interest, totalling \$51,719.74.

A Request for Additional Information ("RFAI") was sent to the Committee on March 27, 1984. The RFAI noted the receipt of the excessive contributions, the repayment of the loan, and advised the Committee to either amend its report if the loan had

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been incorrectly reported or provide additional clarifying information, if appropriate. The response received on May 22, 1984, stated that the individuals did co-sign the loan in order to pay campaign debts and that the candidate, Ted Haley, repaid the loan.

2 U.S.C. § 431(8)(A) provides that the term "contribution" includes a loan made to a political committee. 11 C.F.R. § 100.7(a)(1)(i) states that the term "loan" includes a guarantee, endorsement, or any other form of security. Thus, a person who guarantees or endorses a loan to a political committee has made a contribution to that committee.

2 U.S.C. § 441a(a)(1)(A) provides that no person shall make contributions to any candidate and his authorized political committees with respect to any federal election which in the aggregate, exceed \$1,000.

2 U.S.C. § 441a(f) provides that no candidate or political committee shall knowingly accept any contribution in violation of the contributions limitations of 2 U.S.C. § 441a(a).

The Office of General Counsel recommends that the Commission find reason to believe that Fred Haley violated 2 U.S.C. § 441(a)(1)(A) by making excessive contributions to the Ted Haley Congressional Committee.

The following chart indicates the amount of excessive contribution made by Fred Haley:

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NAME OF CONTRIBUTOR	AMOUNT RECEIVED/ ELECTION DESIGNATION	DATE RECEIVED	APPARENT EXCESSIVE AMOUNT	AMOUNT REPAYED	DATE REPAYED
Haley, Fred	\$ 75 / P	11/20/81			
	425 / P	3/10/82			
	250 / G	11/28/82			
	50 / G ^{3/}	1/08/83			
	1,800 / P ^{1/}	3/11/83	\$1,300 / G	\$7,951.40 ^{2/}	6/30/83
	8,200 / G ^{1/}	3/11/83	7,500	2,048.60 ^{2/}	12/31/83
		\$8,800			

1/ The contributions received on March 11, 1983 were in the form of loan endorsements for a \$50,000 loan from the Puget Sound National Bank. In an amendment received on June 26, 1984, the Committee noted that \$9,000 of the of the loan was to retire 1982 primary debts and \$41,000 of the loan was to retire 1982 general debts. The Reports Analysis Division calculated the amounts of the excessive contributions by attributing 18% of the amount of each loan endorsement to retire 1982 primary debts and 82% of the amount of each loan endorsement to retire 1982 general debts.

2/ The amount repaid was also calculated by the Reports Analysis Division. The Committee disclosed three (3) loan repayments on March 31, May 2 and June 8, 1983 totalling \$41,476.74. In an amendment received on May 22, 1984, the Committee noted that the amount of the principal repaid on the \$50,000 loan was \$39,757 as of June 30, 1983. The balance of the principal and interest was disclosed as repaid on the 1983 Year End Report.

3/ The Committee reported the receipt of a \$100 contribution from Mr. and Mrs. Fred Haley but did not designate how much should be attributed to each individual for the 1982 general election. The Reports Analysis Division has therefore attributed one-half of the amount of the contribution to each individual.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 7, 1984

George Edman
801 S. Stub Street
Tacoma, Washington 98405

Re: MUR 1840

Dear Mr. Edman:

On October 30, 1984, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(2)(A), a provision 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. 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. Statements should be submitted under oath.

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

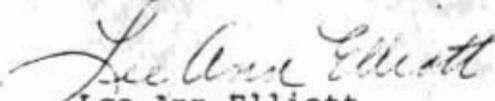
If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

George Edman
Page 2

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

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

Sincerely,


Lee Ann Elliott
Chairman

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 1840
STAFF MEMBER & TELEPHONE NO.
Marty Romney (202) 523-4000

RESPONDENT: George Edman

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Reports Analysis Division ("RAD").

The Ted Haley Congressional Committee's 1982 April Quarterly, July Quarterly, October Quarterly, 30 Day Post-General and 1983 Mid-Year Reports disclosed the receipt of excessive contributions. The contributions were in the form of loan endorsements for one \$50,000 loan.

The Haley Committee received the \$50,000 loan on March 11, 1983, from the Puget Sound National Bank with a February 1984 due date and an interest rate of 13 3/4%. The loan was endorsed by six individuals with \$9,000 of the loan designated to retire 1982 primary debts and \$41,000 of the loan designated to retire 1982 general debts. From March 31, 1983, to December 31, 1983, the Committee made four loan repayments on the \$50,000 loan, including principal and interest, totalling \$51,719.74.

A Request for Additional Information ("RFAI") was sent to the Committee on March 27, 1984. The RFAI noted the receipt of the excessive contributions, the repayment of the loan, and advised the Committee to either amend its report if the loan had

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been incorrectly reported or provide additional clarifying information, if appropriate. The response received on May 22, 1984, stated that the individuals did co-sign the loan in order to pay campaign debts and that the candidate, Ted Haley, repaid the loan.

2 U.S.C. § 431(8)(A) provides that the term "contribution" includes a loan made to a political committee. 11 C.F.R. § 100.7(a)(1)(i) states that the term "loan" includes a guarantee, endorsement, or any other form of security. Thus, a person who guarantees or endorses a loan to a political committee has made a contribution to that committee.

2 U.S.C. § 441a(a)(1)(A) provides that no person shall make contributions to any candidate and his authorized political committees with respect to any federal election which in the aggregate, exceed \$1,000.

2 U.S.C. § 441a(f) provides that no candidate or political committee shall knowingly accept any contribution in violation of the contributions limitations of 2 U.S.C. § 441a(a).

The Office of General Counsel recommends that the Commission find reason to believe that George Edman violated 2 U.S.C. § 441(a)(1)(A) by making excessive contributions to the Ted Haley Congressional Committee.

The following chart indicates the amount of excessive contribution made by George Baine:

2025 01 15 15 35

NAME OF CONTRIBUTOR	AMOUNT RECEIVED/ ELECTION DESIGNATION	DATE RECEIVED	APPARENT EXCESSIVE AMOUNT	AMOUNT REPAYED	DATE REPAYED
Edman, George	\$ 900 / P1/ 4,100 / Q1/	3/11/83 3/11/83	\$3,100 / G	\$3,975.702/ 1,024.302/	6/30/83 12/31/83

1/ The contributions received on March 11, 1983 were in the form of loan endorsements for a \$50,000 loan from the Puget Sound National Bank. In an amendment received on June 26, 1984, the Committee noted that \$9,000 of the of the loan was to retire 1982 primary debts and \$41,000 of the loan was to retire 1982 general debts. The Reports Analysis Division calculated the amounts of the excessive contributions by attributing 18% of the amount of each loan endorsement to retire 1982 primary debts and 82% of the amount of each loan endorsement to retire 1982 general debts.

2/ The amount repaid was also calculated by the Reports Analysis Division. The Committee disclosed three (3) loan repayments on March 31, May 2 and June 8, 1983 totalling \$41,476.74. In an amendment received on May 22, 1984, the Committee noted that the amount of the principal repaid on the \$50,000 loan was \$39,757 as of June 30, 1983. The balance of the principal and interest was disclosed as repaid on the 1983 Year End Report.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 7, 1984

Dona Carlson
1239 C Rogers Ct. S.W.
Olympia, Washington 98502

Re: MUR 1840

Dear Ms. Carlson:

On October 30, 1984, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(2)(A), a provision 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. 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. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if 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.

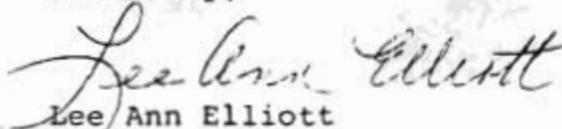
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Dona Carlson
Page 2

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

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

Sincerely,


Lee Ann Elliott
Chairman

Enclosures

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

20240801533

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1840
STAFF MEMBER & TELEPHONE NO.
Marty Romney (202) 523-4000

RESPONDENT: Dona Carlson

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Reports Analysis Division ("RAD").

The Ted Haley Congressional Committee's 1982 April Quarterly, July Quarterly, October Quarterly, 30 Day Post-General and 1983 Mid-Year Reports disclosed the receipt of excessive contributions. The contributions were in the form of a loan of \$1,000 and loan endorsements for one \$50,000 loan.

The Haley Committee received the \$50,000 loan on March 11, 1983, from the Puget Sound National Bank with a February 1984 due date and an interest rate of 13 3/4%. The loan was endorsed by six individuals with \$9,000 of the loan designated to retire 1982 primary debts and \$41,000 of the loan designated to retire 1982 general debts. From March 31, 1983, to December 31, 1983, the Committee made four loan repayments on the \$50,000 loan, including principal and interest, totalling \$51,719.74.

A Request for Additional Information ("RFAI") was sent to the Committee on March 27, 1984. The RFAI noted the receipt of the excessive contributions, the repayment of the loan, and advised the Committee to either amend its report if the loan had

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been incorrectly reported or provide additional clarifying information, if appropriate. The response received on May 22, 1984, stated that the individuals did co-sign the loan in order to pay campaign debts and that the candidate, Ted Haley, repaid the loan.

2 U.S.C. § 431(8)(A) provides that the term "contribution" includes a loan made to a political committee. 11 C.F.R. § 100.7(a)(1)(i) states that the term "loan" includes a guarantee, endorsement, or any other form of security. Thus, a person who guarantees or endorses a loan to a political committee has made a contribution to that committee.

2 U.S.C. § 441a(a)(1)(A) provides that no person shall make contributions to any candidate and his authorized political committees with respect to any federal election which in the aggregate, exceed \$1,000.

2 U.S.C. § 441a(f) provides that no candidate or political committee shall knowingly accept any contribution in violation of the contributions limitations of 2 U.S.C. § 441a(a).

The Office of General Counsel recommends that the Commission find reason to believe that Dona Carlson violated 2 U.S.C. § 441(a)(1)(A) by making excessive contributions to the Ted Haley Congressional Committee.

The following chart indicates the amount of excessive contribution made by Dona Carlson:

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NAME OF CONTRIBUTOR	AMOUNT RECEIVED/ PL CTION DESIGNATION	DATE RECEIVED	APPARENT EXCESSIVE AMOUNT	AMOUNT REPAID	DATE REPAID
Carlson, Dona	\$1,000 / P3/	4/25/82		\$1,000.00	3/14/83
	1,800 / P1/	3/11/83	\$1,800 / P3/	7,951.40 ^{2/}	6/30/83
	8,200 / G1/	3/11/83	7,200 / G	2,048.60 ^{2/}	12/31/83
			\$ 9,000		

1/ The contributions received on March 11, 1983 were in the form of loan endorsements for a \$50,000 loan from the Puget Sound National Bank. In an amendment received on June 26, 1984, the Committee noted that \$9,000 of the loan was to retire 1982 primary debts and \$41,000 of the loan was to retire 1982 general debts. The Reports Analysis Division calculated the amounts of the excessive contributions by attributing 18% of the amount of each loan endorsement to retire 1982 primary debts and 82% of the amount of each loan endorsement to retire 1982 general debts.

2/ The amount repaid was also calculated by the Reports Analysis Division. The Committee disclosed three (3) loan repayments on March 31, May 2 and June 8, 1983 totalling \$41,476.74. In an amendment received on May 22, 1984, the Committee noted that the amount of the principal repaid on the \$50,000 loan was \$39,757 as of June 30, 1983. The balance of the principal and interest was disclosed as repaid on the 1983 Year End Report.

3/ This contribution was in the form of a loan. On the 1982 July Quarterly Report, the Committee disclosed the receipt of the loan designated for the 1982 primary. The new and amended 1983 Mid-Year Reports disclosed the receipt of an \$1,800 loan endorsement also designated for the 1982 primary. This resulted in the receipt of an apparent excessive contribution of \$1,800 for the 1982 primary as of March 11, 1983. On March 14, 1983, the Committee showed the repayment of the initial \$1,000 loan.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 7, 1984

Sallie Baine
509 Monterey Lane
Tacoma, Washington 98465

Re: MUR 1840

Dear Ms. Baine:

On October 30, 1984, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(2)(A), a provision 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. 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. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if 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.

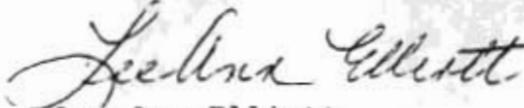
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Sallie Baine
Page 2

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

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

Sincerely,



Lee Ann Elliott
Chairman

Enclosures

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

20040901543

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1840
STAFF MEMBER & TELEPHONE NO.
Marty Romney (202) 523-4000

RESPONDENT: Sallie Baine

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Reports Analysis Division ("RAD").

The Ted Haley Congressional Committee's 1982 April Quarterly, July Quarterly, October Quarterly, 30 Day Post-General and 1983 Mid-Year Reports disclosed the receipt of excessive contributions. The contributions were in the form of loan endorsements for one \$50,000 loan.

The Haley Committee received the \$50,000 loan on March 11, 1983, from the Puget Sound National Bank with a February 1984 due date and an interest rate of 13 3/4%. The loan was endorsed by six individuals with \$9,000 of the loan designated to retire 1982 primary debts and \$41,000 of the loan designated to retire 1982 general debts. From March 31, 1983, to December 31, 1983, the Committee made four loan repayments on the \$50,000 loan, including principal and interest, totalling \$51,719.74.

A Request for Additional Information ("RFAI") was sent to the Committee on March 27, 1984. The RFAI noted the receipt of the excessive contributions, the repayment of the loan, and advised the Committee to either amend its report if the loan had

been incorrectly reported or provide additional clarifying information, if appropriate. The response received on May 22, 1984, stated that the individuals did co-sign the loan in order to pay campaign debts and that the candidate, Ted Haley, repaid the loan.

2 U.S.C. § 431(8)(A) provides that the term "contribution" includes a loan made to a political committee. 11 C.F.R. § 100.7(a)(1)(i) states that the term "loan" includes a guarantee, endorsement, or any other form of security. Thus, a person who guarantees or endorses a loan to a political committee has made a contribution to that committee.

2 U.S.C. § 441a(a)(1)(A) provides that no person shall make contributions to any candidate and his authorized political committees with respect to any federal election which in the aggregate, exceed \$1,000.

2 U.S.C. § 441a(f) provides that no candidate or political committee shall knowingly accept any contribution in violation of the contributions limitations of 2 U.S.C. § 441a(a).

The Office of General Counsel recommends that the Commission find reason to believe that Sallie Baine violated 2 U.S.C. § 441(a)(1)(A) by making excessive contributions to the Ted Haley Congressional Committee.

The following chart indicates the amount of excessive contribution made by Sallie Baine:

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NAME OF CONTRIBUTOR	AMOUNT RECEIVED/ ELECTION DESIGNATION	DATE RECEIVED	APPARENT EXCESSIVE AMOUNT	AMOUNT REPAYED	DATE REPAYED
Baine, Sallie	\$ 900 / P1/ 4,100 / G1/	3/11/83 3/11/83	\$3,100 / G	\$3,975.702/ 1,024.302/	6/30/83 12/31/83

1/ The contributions received on March 11, 1983 were in the form of loan endorsements for a \$50,000 loan from the Puget Sound National Bank. In an amendment received on June 26, 1984, the Committee noted that \$9,000 of the of the loan was to retire 1982 primary debts and \$41,000 of the loan was to retire 1982 general debts. The Reports Analysis Division calculated the amounts of the excessive contributions by attributing 18% of the amount of each loan endorsement to retire 1982 primary debts and 82% of the amount of each loan endorsement to retire 1982 general debts.

2/ The amount repaid was also calculated by the Reports Analysis Division. The Committee disclosed three (3) loan repayments on March 31, May 2 and June 8, 1983 totalling \$41,476.74. In an amendment received on May 22, 1984, the Committee noted that the amount of the principal repaid on the \$50,000 loan was \$39,757 as of June 30, 1983. The balance of the principal and interest was disclosed as repaid on the 1983 Year End Report.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 7, 1984

JoAnne Algier
2102 Schuster Parkway
Tacoma, Washington 98403

Re: MUR 1840

Dear Ms. Algier:

On October 30, 1984, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(2)(A), a provision 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. 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. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if 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.

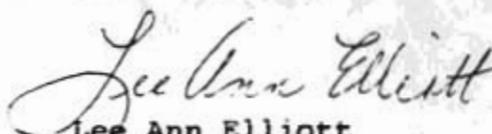
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JoAnne Algier
Page 2

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

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

Sincerely,


Lee Ann Elliott
Chairman

Enclosures

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

20040301543

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1840
STAFF MEMBER & TELEPHONE NO.
Marty Romney (202) 523-4000

RESPONDENT: JoAnne Algier

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Reports Analysis Division ("RAD").

The Ted Haley Congressional Committee's 1982 April Quarterly, July Quarterly, October Quarterly, 30 Day Post-General and 1983 Mid-Year Reports disclosed the receipt of excessive contributions. The contributions were in the form of loan endorsements for one \$50,000 loan.

The Haley Committee received the \$50,000 loan on March 11, 1983, from the Puget Sound National Bank with a February 1984 due date and an interest rate of 13 3/4%. The loan was endorsed by six individuals with \$9,000 of the loan designated to retire 1982 primary debts and \$41,000 of the loan designated to retire 1982 general debts. From March 31, 1983, to December 31, 1983, the Committee made four loan repayments on the \$50,000 loan, including principal and interest, totalling \$51,719.74.

A Request for Additional Information ("RFAI") was sent to the Committee on March 27, 1984. The RFAI noted the receipt of the excessive contributions, the repayment of the loan, and advised the Committee to either amend its report if the loan had

been incorrectly reported or provide additional clarifying information, if appropriate. The response received on May 22, 1984, stated that the individuals did co-sign the loan in order to pay campaign debts and that the candidate, Ted Haley, repaid the loan.

2 U.S.C. § 431(8)(A) provides that the term "contribution" includes a loan made to a political committee. 11 C.F.R. § 100.7(a)(1)(i) states that the term "loan" includes a guarantee, endorsement, or any other form of security. Thus, a person who guarantees or endorses a loan to a political committee has made a contribution to that committee.

2 U.S.C. § 441a(a)(1)(A) provides that no person shall make contributions to any candidate and his authorized political committees with respect to any federal election which in the aggregate, exceed \$1,000.

2 U.S.C. § 441a(f) provides that no candidate or political committee shall knowingly accept any contribution in violation of the contributions limitations of 2 U.S.C. § 441a(a).

The Office of General Counsel recommends that the Commission find reason to believe that JoAnne Algier violated 2 U.S.C. § 441(a)(1)(A) by making excessive contributions to the Ted Haley Congressional Committee.

The following chart indicates the amount of excessive contribution made by JoAnne Algier:

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NAME OF CONTRIBUTOR	AMOUNT RECEIVED/ ELECTION DESIGNATION	DATE RECEIVED	APPARENT EXCESSIVE AMOUNT	AMOUNT REPAYED	DATE REPAYED
Algier, JoAnne	\$1,800 / P ^{1/}	3/11/83	\$ 800 / P	\$7,951.40 ^{2/}	6/30/83
	8,200 / G ^{1/}	3/11/83	7,200 / G	2,048.60 ^{2/}	12/31/83
			\$8,000		

^{1/} The contributions received on March 11, 1983 were in the form of loan endorsements for a \$50,000 loan from the Puget Sound National Bank. In an amendment received on June 26, 1984, the Committee noted that \$9,000 of the of the loan was to retire 1982 primary debts and \$41,000 of the loan was to retire 1982 general debts. The Reports Analysis Division calculated the amounts of the excessive contributions by attributing 18% of the amount of each loan endorsement to retire 1982 primary debts and 82% of the amount of each loan endorsement to retire 1982 general debts.

^{2/} The amount repaid was also calculated by the Reports Analysis Division. The Committee disclosed three (3) loan repayments on March 31, May 2 and June 8, 1983 totalling \$41,476.74. In an amendment received on May 22, 1984, the Committee noted that the amount of the principal repaid on the \$50,000 loan was \$39,757 as of June 30, 1983. The balance of the principal and interest was disclosed as repaid on the 1983 Year End Report.



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 7, 1984

L.T. Murray, Jr., Treasurer
Ted Haley Congressional Committee
#7 Plaza Medical Center
Lakewood Villa Plaza
Tacoma, Washington 98499

Re: MUR 1840
Ted Haley Congressional
Committee

Dear Mr. Murray:

On October 30, 1984, the Federal Election Commission determined that there is reason to believe Ted Haley Congressional Committee and you, as treasurer, violated 2 U.S.C. § 441a(f), a provision 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. Statements should be submitted under oath.

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).

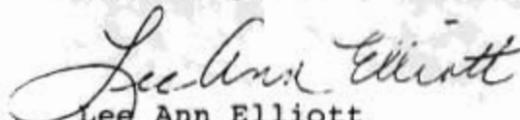
If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

L.T. Murray, Jr., Treasurer
Page 2

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

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

Sincerely,


Lee Ann Elliott
Chairman

Enclosures

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

20040401553

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1840
STAFF MEMBER & TELEPHONE NO.
Marty Romney (202) 523-4000

RESPONDENT: Ted Haley Congressional Committee and
L. T. Murray, as treasurer

SUMMARY OF ALLEGATIONS

This matter was referred to the Office of General Counsel by the Reports Analysis Division ("RAD").

The Ted Haley Congressional Committee's 1982 April Quarterly, July Quarterly, October Quarterly, 30 Day Post-General and 1983 Mid-Year Reports disclosed the receipt of excessive contributions from six individuals, JoAnne Algier, Sallie Baine, Dona Carlson, George Edman, Fred Haley and Richard Haley. The contributions were in the form of direct contributions, a loan of \$1,000, and loan endorsements for one \$50,000 loan.

The Haley Committee received the \$50,000 loan on March 11, 1983, from the Puget Sound National Bank with a February 1984 due date and an interest rate of 13 3/4%. The loan was endorsed by the six individuals listed above with \$9,000 of the loan designated to retire 1982 primary debts and \$41,000 of the loan designated to retire 1982 general debts. From March 31, 1983, to December 31, 1983, the Committee made four loan repayments on the \$50,000 loan, including principal and interest, totalling \$51,719.74.

A Request for Additional Information ("RFAI") was sent to the Committee on March 27, 1984. The RFAI noted the receipt of the excessive contributions, the repayment of the loan, and advised the Committee to either amend its report if the loan had

40301554

been incorrectly reported or provide additional clarifying information, if appropriate. The response received on May 22, 1984, stated that the individuals did co-sign the loan in order to pay campaign debts and that the candidate, Ted Haley, repaid the loan.

2 U.S.C. § 431(8)(A) provides that the term "contribution" includes a loan made to a political committee. 11 C.F.R. § 100.7(a)(1)(i) states that the term "loan" includes a guarantee, endorsement, or any other form of security. Thus, a person who guarantees or endorses a loan to a political committee has made a contribution to that committee.

2 U.S.C. § 441a(a)(1)(A) provides that no person shall make contributions to any candidate and his authorized political committees with respect to any federal election which in the aggregate, exceed \$1,000.

2 U.S.C. § 441a(f) provides that no candidate or political committee shall knowingly accept any contribution in violation of the contributions limitations of 2 U.S.C. § 441a(a).

The Office of General Counsel recommends that the Commission find reason to believe that the Ted Haley Congressional Committee, and L.T. Murray, as treasurer, violated 2 U.S.C. § 441a(f) by accepting excessive contributions from JoAnne Algier, Sallie Baine, Dana Carlson, George Edman, Fred Haley and Richard Haley.

The following chart indicates the amount of excessive contributions made by JoAnne Algier, Sallie Baine, Dona Carlson, George Edman, Fred Haley and Richard Haley to the Ted Haley Congressional Committee:

NAME OF CONTRIBUTOR	AMOUNT RECEIVED/ ELECTION DESIGNATION	DATE RECEIVED	APPARENT EXCESSIVE AMOUNT	AMOUNT REPAID	DATE REPAID
Algier, JoAnne	\$1,800 / P ¹ / 8,200 / G ¹ /	3/11/83 3/11/83	\$ 800 / P 7,200 / G \$8,000	\$7,951.40 ² / 2,048.60 ² /	6/30/83 12/31/83
Baine, Sallie	\$ 900 / P ¹ / 4,100 / G ¹ /	3/11/83 3/11/83	\$3,100 / G	\$3,975.70 ² / 1,024.30 ² /	6/30/83 12/31/83
Carlson, Dona	\$1,000 / P ³ / 1,800 / P ¹ / 8,200 / G ¹ /	4/25/82 3/11/83 3/11/83	\$1,800 / P ³ / 7,200 / G 9,000	\$1,000.00 7,951.40 ² / 2,048.60 ² /	3/14/83 6/30/83 12/31/83
Edman, George	\$ 900 / P ¹ / 4,100 / G ¹ /	3/11/83 3/11/83	\$3,100 / G	\$3,975.70 ² / 1,024.30 ² /	6/30/83 12/31/83
Haley, Fred	\$ 75 / P	11/20/81	\$1,300 / G 7,500 \$8,800	\$7,951.40 ² / 2,048.60 ² /	6/30/83 12/31/83
	425 / P	3/10/82			
	250 / G	11/28/82			
	50 / G ⁴ /	1/08/83			
	1,800 / P ¹ / 8,200 / G ¹ /	3/11/83 3/11/83			
Haley, Richard	\$ 250 / P	1/26/82	\$1,300 / P 7,200 / G \$8,500	\$7,951.40 ² / 2,048.60 ² /	6/30/83 12/31/83
	250 / P	9/08/82			
	1,800 / P ¹ / 8,200 / G ¹ /	3/11/83 3/11/83			

1/ The contributions received on March 11, 1983 were in the form of loan endorsements for a \$50,000 loan from the Puget Sound National Bank. In an amendment received on June 26, 1984, the Committee noted that \$9,000 of the of the loan was to retire 1982 primary debts and \$41,000 of the loan was to retire 1982 general debts. The Reports Analysis Division calculated the amounts of the excessive contributions by attributing 18% of the amount of each loan endorsement to retire 1982 primary debts and 82% of the amount of each loan endorsement to retire 1982 general debts.

2/ The amount repaid was also calculated by the Reports Analysis Division. The Committee disclosed three (3) loan repayments on March 31, May 2 and June 8, 1983 totalling \$41,476.74. In an amendment received on May 22, 1984, the Committee noted that the amount of the principal repaid on the \$50,000 loan was \$39,757 as of June 30, 1983. The balance of the principal and interest was disclosed as repaid on the 1983 Year End Report.

3/ This contribution was in the form of a loan. On the 1982 July Quarterly Report, the Committee disclosed the receipt of the loan designated for the 1982 primary. The new and amended 1983 Mid-Year Reports disclosed the receipt of an \$1,800 loan endorsement also designated for the 1982 primary. This resulted in the receipt of an apparent excessive contribution of \$1,800 for the 1982 primary as of March 11, 1983. On March 14, 1983, the Committee showed the repayment of the initial \$1,000 loan.

4/ The Committee reported the receipt of a \$100 contribution from Mr. and Mrs. Fred Haley but did not designate how much should be attributed to each individual for the 1982 general election. The Reports Analysis Division has therefore attributed one-half of the amount of the contribution to each individual.

11/15/84

RECEIVED AT THE FEC
GCC#5710
34 NOV 19 P12:13

Marty Romney
Federal Election Commission
Wash. D.C. 20463

Re: MUR 1840

4 NOV 19 P12:56

Dear Ms Romney:

In response to your letter of 11/7/84,
I am responding as requested.

Your letter came as a shock to me as
I was totally unaware of making an
error.

I co-signed the loan taking out by
Ted Haley to support & help a friend
in need. In no way did I know that
it would be a political contribution.

The loan was repaid & no money
changed hands. The candidate didn't
even win two years ago.

This was my first, & last, experience
with a political campaign and if I

made a mistake, it was certainly
not on purpose

I would ask your help in
dropping any charges as this was
done in such innocence on my
part.

Most Sincerely

Sallie Baine
540 Monteu Lane
Tacoma, Wa 98466

On this 16th day of November, Sallie Baine personally appeared before me
and signed her name as a free and voluntary act.

Paula R. Virell
Notary Public, State of Washington
Residing in Tacoma

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 1840

NAME OF COUNSEL: Jeff Haley

ADDRESS: 2525 15th International Center
3rd + Marion
Suite 2525

TELEPHONE: Seattle, Wa 98104

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

11/15/84
Date

Sally Baine
Signature

RESPONDENT'S NAME: Sally Baine

ADDRESS: 540 Monterey Lane
Tacoma, Wa 98466

HOME PHONE: 564-6621

BUSINESS PHONE: 572-3200 - Ext 7244

20040301560

BCC# 5723

**DONA
CARLSON**

84 NOV 19 P 4: 08

November 14, 1984

Lee Ann Elliott, Chairman
Federal Election Commission
Washington, D.C. 20463

84 NOV 19 P 4: 52

Dear Ms. Elliott:

I am answering your letter of November 7, Re: MUR 1840.

I do not believe any further action should be taken against me for my co-signature of a note for Dr. Ted Haley. It was understood at the time that this was his personal debt to be paid solely by him - and that is what has happened. Dr. Haley paid off his debt without any help from his co-signators.

Further, we were never aware that we were in violation of any federal regulation.

Thank you for your consideration.

Sincerely,

Dona Carlson

Dona Carlson
1239 C Rogers Court SW
Olympia, WA 98502

40801561

RE
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COMM

ED
FEC
LETARY

600#5724

34 NOV 19 P 4: 09
November 14, 1984

Lee Ann Elliott, Chairman
Federal Election Commission
Washington, D.C. 20463

34 NOV 19 P 4: 52

FEDERAL ELECTION COMMISSION

Dear Ms. Elliott,

I am responding to your letter of November 7, re: MUR 1840.

I would like to protest any further action being taken against me by the Federal Election Commission. Dr. Ted Haley paid the note that we co-signed out of his own personal funds, as we had agreed, and we did not advance him any money whatsoever. I did not know that my co-signature would be in violation of any FEC regulation.

I do hope that this takes care of the matter as I am unclear about what is to happen next.

Sincerely,
Joanne Alger
Joanne Alger
2002 Schuster Parkway
Tacoma, WA 98403

20040301562

RECEIVED AT THE FEC
GCC#5770
84 NOV 23 411:02

November 19, 1984

Federal Elections Commission
Washington, D. C. 20463

MUR 1840

Gentlemen:

This is in response to your letter of November 7, 1984.

Your letter came as a great surprise and shock. In trying to compose a letter in reply, I am still upset and confused.

Until your letter spelled out the relationship of "guarantee" and "loan" and "contribution" as provided by the Federal Election Campaign Act and subsequent regulations, I was ignorant nor was I informed of such a connection. I did not realize that guaranteeing a note to the extent of \$5,000, executed in March 1983, some four months after the general election, giving Ted Haley time to work off his debts, would be illegal. This probably looks stupid, but such was the case. Ted Haley is a brother, younger by three years, one of four brothers. In years past when I was in financial straits and when asked, Ted readily responded and came to my aid with financial assistance. So it was "turn about" when he needed help. When asked why he needed a guarantee, he said he had debts because of his campaign and needed some time to work them off. Ted and I don't always agree particularly on political matters, but this is a favorite brother. I recognize that ignorance of the law is no excuse, but this whole affair was motivated by that close brotherly relationship.

In reviewing the Report Analysis Division figures and data in your letter, I am very confused. I don't understand the \$8,500 figure and the percentage data and repayment amounts. I do note that Ted Haley's note was repaid by year end 1983. The guarantee of the note was never taken up by the bank and, to my knowledge, never called.

The State of Washington is a community property state. As I understand it, I may make a contribution and my wife may do likewise. Therefore, together we could make a \$2,000 contribution in a primary election campaign and an additional \$2,000 contribution in a general election campaign, a total of \$4,000. Between the two of us, Mrs. Haley and I actually contributed \$500. The guarantee or "endorsement" of Ted Haley's note was for a maximum of only \$5,000. That \$5,000 guarantee has never been called, but according to the Report Analysis Division, was repaid. Therefore I am led to believe our total contribution was \$500.

May the commission please be advised that there never was nor would be intention

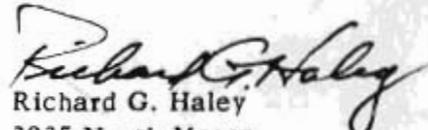
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MUR 1840
NOV 23 1984
PAGE 1 OF 1

to circumvent the Federal Election Campaign Act and/or any regulations outgrowth to the act. As the conciliation process proceeds, recognizing and taking into account the above, I petition the commission to take no further action against me and dismiss the matter.

Thank you.

Sincerely,


Richard G. Haley
3935 North Mason
Tacoma, Washington 98407

Subscribed and sworn before me this 19th day of November, 1984.


Notary Public

20040801564

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1840

NAME OF COUNSEL: Jeffrey T. Haley

ADDRESS: 999 Third Avenue, First Interstate Center
Suite 2525
Seattle, Washington 98104

TELEPHONE: 206-382-2600

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

November 19, 1984
Date

Richard G. Haley
Signature

RESPONDENT'S NAME: Richard G. Haley

ADDRESS: 3935 North Mason
Tacoma, Washington 98407

HOME PHONE: 206-759-0984

BUSINESS PHONE: _____

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6CC # 5800
84 NOV 27 P12:00

SIMBURG, KETTER, HALEY,
SHEPPARD & PURDY, P.S.

ATTORNEYS AT LAW
2525 FIRST INTERSTATE CENTER
THIRD AND MARION
SEATTLE, WASHINGTON 98104

(206) 382-2600
TELEX 4740128
CABLE SIMBURG SEATTLE

JEFFREY T. HALEY
DAVID E. KETTER
GEORGE A. PURDY
KENNETH A. SHEPPARD
MELVYN JAY SIMBURG

14 NOV 27 P12:43

November 21, 1984

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

Re: MUR 1840 Ted Haley Congressional Committee

Dear Mr. Steele:

Enclosed are a copy of the Committee's designation of counsel statement, an Affidavit of T. R. Haley, and a letter to the FEC requesting the withdrawal of L. T. Murray, Jr., and substitution of Theodore R. Haley as the treasurer and responsible individual for the Committee. The Commission will soon receive statements from each of the six individual respondents in this MUR designating me as their attorney.

The Committee and the six individual respondents hereby request an extension of time to submit factual or legal materials that are relevant to the Commission's consideration of this matter. The extension is needed for three reasons.

First, Thanksgiving falls within the allowed fifteen days. Numerous respondents will be unavailable for substantial portions of the fifteen days.

Second, the six respondents and I live in different cities. Our mail communications often require three days. The number of respondents presents coordination difficulties.

Third, necessary legal research will require more time because my law clerk, who is a law school student, is affected by the Thanksgiving holidays.

All respondents in this MUR request an extension to December 13, thirty days after they received their notices from the FEC.

Sincerely,

Jeffrey T. Haley
Jeffrey T. Haley

JTH:kh
Enclosures

9 1 1 4 0 3 0 1 5 6 5

SIMBURG, KETTER, HALEY,
SHEPPARD & PURDY, P.S.

ATTORNEYS AT LAW
2825 FIRST INTERSTATE CENTER
THIRD AND MARION
SEATTLE, WASHINGTON 98104

(206) 382-2600
TELEX 4740128
CABLE SIMBURG SEATTLE

JEFFREY T. HALEY
DAVID E. KETTER
GEORGE A. PURDY
KENNETH A. SHEPPARD
MELVYN JAY SIMBURG

November 21, 1984

Federal Election Commission
Ms. Lee Ann Elliott, Chairman
1325 "K" Street N. W.
Washington, D. C. 20463

Re: MUR 1840 Ted Haley Congressional Committee

Dear Ms. Elliott:

Enclosed please find a statement of designation of counsel for the above referenced MUR from the Ted Haley Congressional Committee. Soon, you will also receive designation of counsel forms from the six individual respondents who allegedly made improper contributions to the Campaign Committee.

The Committee requests that the FEC withdraw the name of L. T. Murray, Jr., as the individual responsible for the actions of the committee. The Committee requests that Theodore R. Haley be substituted as the responsible individual. An Affidavit of Theodore R. Haley in support of this request is enclosed. The affidavit also designates Theodore R. Haley treasurer of the Campaign Committee for all future FEC matters.

Please respond to our request to withdraw the name of L. T. Murray, Jr., and substitute Theodore R. Haley as soon as possible.

Respectfully submitted,

JTH
Jeffrey T. Haley

JTH:kh
cc: Mr. Charles Steele

BR9-hal2

90040501567

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1840

NAME OF COUNSEL: Jeffrey T. Haley

ADDRESS: Simburg, Ketter, Haley,
Sheppard & Purdy
2525 First Interstate Center
Seattle, Washington 98104

TELEPHONE: (206) 382-2600

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

4/22/84
Date

T. R. Haley
Signature

RESPONDENT'S NAME: Ted Haley Congressional Committee

ADDRESS: c/o Theodore R. Haley, Treasurer
#7 Plaza Medical Center
Tacoma, Washington 98499

HOME PHONE: 582-4900

BUSINESS PHONE: _____

21040921569

FIRST AFFIDAVIT OF THEODORE R. HALEY

TO: Federal Election Commission

RE: MUR 1840

DATE: November 22, 1984

1. I, Theodore R. Haley, was a candidate for Congress in the 6th District of Washington in 1982. Since that time, I have not sought a federal office. My present intentions and plans exclude ever again seeking federal office.

2. When my campaign committee was formed in late 1981 and early 1982, my supporters concluded that a respected figure in the financial community should be designated as treasurer, solely for the purpose of public relations. In fact, I personally supervised all campaign financial matters. No one exercised authority or responsibility higher than myself. L.T. Murray, Jr., was designated treasurer. He accepted the post with the understanding that I would personally undertake the duties of treasurer. L. T. Murray did not review my actions as treasurer.

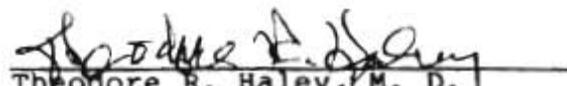
3. I fulfilled all duties of the treasurer both during the campaign and to date. Since I am the candidate as well,

and ultimately responsible for all aspects of my campaign, I should be the designated responsible individual for the present Matter Under Review. The name of L. T. Murray, Jr., should be withdrawn from this matter.

4. As I am personally managing all finances of the campaign committee, I hereby amend the designation of treasurer for the Ted Haley Congressional Committee to myself.

I certify under penalty of perjury of the laws of the United States of America that the foregoing is true and correct.

EXECUTED ON 11/22/84.


Theodore R. Haley, M. D.

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CC#5812 Kleinfield
RECEIVED
FEC
NOV 28 P 2:01
12061 382-2600
TELEX 4740128
CABLE SIMBURG SEATTLE

SIMBURG, KETTER, HALEY,
SHEPPARD & PURDY, P.S.

ATTORNEYS AT LAW

2525 FIRST INTERSTATE CENTER
THIRD AND MARION
SEATTLE, WASHINGTON 98104

JEFFREY T. HALEY
DAVID E. KETTER
GEORGE A. PURDY
KENNETH A. SHEPPARD
MELVYN JAY SIMBURG

November 21, 1984

Federal Election Commission
Ms. Lee Ann Elliott, Chairman
1325 "K" Street N. W.
Washington, D. C. 20463

Re: MUR 1840 Ted Haley Congressional Committee

Dear Ms. Elliott:

Enclosed please find a statement of designation of counsel for the above referenced MUR from the Ted Haley Congressional Committee. Soon, you will also receive designation of counsel forms from the six individual respondents who allegedly made improper contributions to the Campaign Committee.

The Committee requests that the FEC withdraw the name of L. T. Murray, Jr., as the individual responsible for the actions of the committee. The Committee requests that Theodore R. Haley be substituted as the responsible individual. An Affidavit of Theodore R. Haley in support of this request is enclosed. The affidavit also designates Theodore R. Haley treasurer of the Campaign Committee for all future FEC matters.

Please respond to our request to withdraw the name of L. T. Murray, Jr., and substitute Theodore R. Haley as soon as possible.

Respectfully submitted,

Jeffrey T. Haley
Jeffrey T. Haley

JTH:kh
cc: Mr. Charles Steele

BR9-hal2

9 3 5 4 0 3 0 1 5 7 1

NOV 28 P 3:51
GENERAL COUNSEL

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1840

NAME OF COUNSEL: Jeffrey T. Haley

ADDRESS: Simburg, Ketter, Haley,
Sheppard & Purdy
2525 First Interstate Center

Seattle, Washington 98104

TELEPHONE: (206) 382-2600

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

11/22/84
Date

Theodore A. Haley
Signature

RESPONDENT'S NAME: Ted Haley Congressional Committee

ADDRESS: c/o Theodore R. Haley, Treasurer

#7 Plaza Medical Center

Tacoma, Washington 98499

HOME PHONE: 582-4900

BUSINESS PHONE: _____

90040301572

FIRST AFFIDAVIT OF THEODORE R. HALEY

TO: Federal Election Commission

RE: MUR 1840

DATE: November 22, 1984

1. I, Theodore R. Haley, was a candidate for Congress in the 6th District of Washington in 1982. Since that time, I have not sought a federal office. My present intentions and plans exclude ever again seeking federal office.

2. When my campaign committee was formed in late 1981 and early 1982, my supporters concluded that a respected figure in the financial community should be designated as treasurer, solely for the purpose of public relations. In fact, I personally supervised all campaign financial matters. No one exercised authority or responsibility higher than myself. L.T. Murray, Jr., was designated treasurer. He accepted the post with the understanding that I would personally undertake the duties of treasurer. L. T. Murray did not review my actions as treasurer.

3. I fulfilled all duties of the treasurer both during the campaign and to date. Since I am the candidate as well,

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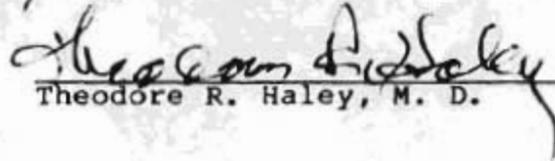
and ultimately responsible for all aspects of my campaign, I should be the designated responsible individual for the present Matter Under Review. The name of L. T. Murray, Jr., should be withdrawn from this matter.

4. As I am personally managing all finances of the campaign committee, I hereby amend the designation of treasurer for the Ted Haley Congressional Committee to myself.

I certify under penalty of perjury of the laws of the United States of America that the foregoing is true and correct.

EXECUTED ON

11/22/84


Theodore R. Haley, M. D.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 3, 1984

Mr. Jeffrey T. Haley
Simburg, Ketter, Haley
Sheppard & Purdy, P.S.
2525 First Interstate Center
Third and Marion
Seattle, Washington 98104

Re: MUR 1840
Ted Haley Congressional
Committee

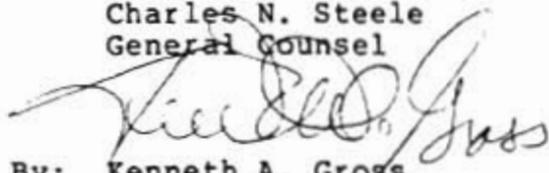
Dear Mr. Haley:

This is in reference to your letter dated November 21, 1984, requesting an extension of 15 days to respond to the Commission's allegations. After considering the circumstances presented in your letter, we have determined to grant you your requested extension. Accordingly, your response will be due on December 13, 1984.

If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

9 J J 4 0 3 0 1 5 7 5

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1840

NAME OF COUNSEL: Jeffrey T. Haley

ADDRESS: Simburg, Ketter, Haley,
Sheppard & Purdy
2525 First Interstate Center
Seattle, Washington 98104

TELEPHONE: (206) 382-2600

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

11/27/04
Date

Salli Lavin
Signature

RESPONDENT'S NAME: Salli Lavin

ADDRESS: 540 Montrose Lane
Tacoma, WA
98466

HOME PHONE: 206 564-6621

BUSINESS PHONE: 206 572-3200

70040301576

RECEIVED AT THE FEC
GCC #5920

84 DEC 10 P 1: 28

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1840

NAME OF COUNSEL: Jeffrey T. Haley

ADDRESS: Simburg, Ketter, Haley,
Sheppard & Purdy
2525 First Interstate Center

Seattle, Washington 98104

TELEPHONE: (206) 382-2600

4
11
A 9: 33
GENERAL COUNSEL

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

12/4/84
Date

Jeanne Alger
Signature

RESPONDENT'S NAME: Jeanne Alger

ADDRESS: 2002 Schuster Pkwy
Tacoma, wa. 98402

HOME PHONE: 206-627-6988

BUSINESS PHONE: _____

21040801577

STATEMENT OF DESIGNATION OF COUNSEL

84 DEC 17 9:33

MUR 1840

NAME OF COUNSEL: Mr. Jeff Haley

ADDRESS: Simberg, Ketter, Haley, et al.

First Interstate Center

Seattle, Washington 98104

TELEPHONE: 1-206-382-2600

17 p12:07

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

November 15, 1984
Date

George W. Edman II
Signature

RESPONDENT'S NAME: George W. Edman II

ADDRESS: 314 N. Yakima

Tacoma, Wa. 98403

HOME PHONE: 1-206-272-9421

BUSINESS PHONE: 1-206-383-4351

9 J U 4 0 9 0 1 5 7 3

George W. Edman II
314 N. Yakima
Tacoma, WA 98403

December 10, 1984

Ms. Martha Romney
Federal Election Commission
Office of the General Counsel
Washington, D.C. 20463

Re: M.U.R. 1840

Dear Ms. Romney:

The Office of the General Counsel of the Federal Election Commission has asked for my response in M.U.R. 1840 to the alleged violations of 2 U.S.C. 441 (a)(1)(A) (i.e. making excessive contributions to the Ted Haley Congressional Committee).

In consideration of my defense I would like to submit the following points for the Commission's consideration:

1. I was a member of the staff of the Ted Haley Congressional Committee in 1982 and 1983. I have personal knowledge of most of the Committee's financial affairs.
2. The creditors who were owed money at the close of the campaign included: two printers, a political list supplier, two billboard companies, a TV ad maker, a campaign consultant, the telephone company, the landlord for the campaign headquarters, and campaign staff who needed money to live on. I know that no representations were made to any of these creditors that a loan might be obtained after the election to pay them off. Also, I know of no evidence to suggest that any of these creditors extended to us more credit or upon better terms than to their other customers.

20040301579

Ms. Martha Romney
December 10, 1984
Page Two

3. The loan was closed several months after the November, 1982 General Election. None of the guarantors of the loan were approached with the idea of making a guarantee until several months after the General Election.
4. It was clear to me (as a good friend of Ted Haley's) that Ted was not going to run for public office again in the foreseeable future. This determination was present before the inception of the loan.
5. After the General Election, the campaign staff conducted numerous fund raising efforts in an attempt to pay creditors. However, the fund raising after the election was very slow and difficult.
6. Campaign creditors were very anxious for Ted to pay them their past due bills.
7. Ted's bank required guarantors before they would lend Ted the necessary funds. I was happy to sign a guarantee, as a friend, for Ted.
8. I had every confidence that Ted, or his estate, would pay off the loan in a timely manner (as he did), and knew that the committee could still raise more funds to pay off the loan if Ted could not.
9. The Ted Haley Congressional Committee and Ted Haley have made every effort to cooperate with the F.E.C. Reports Analysis Division. Neither Ted, nor any of the other guarantors, nor myself had any intention to violate the intent or purpose of the Federal Election Campaign Act.
10. I read the F.E.C. regulations to determine whether the requested loan guarantees might be inappropriate. I found the regulations so long and complicated that I was not able to determine for sure whether the guarantees were appropriate. However, since the guarantees were made long after the election, to a candidate who was certain to repay the loan, and since the purpose of the loan was only to pay creditors in need, I was certain that the guarantees would not violate the spirit or purpose of the campaign laws.

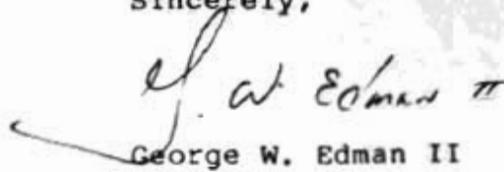
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Ms. Martha Romney
December 10, 1984
Page Three

11. I certify that the above statements are true under penalty of perjury under the laws of the United States of America.

I ask the Commission to recognize our honesty and good intentions and dismiss M.U.R. 1840.

Sincerely,



George W. Edman II

Enclosure

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GCL# 6005

F. OFI
BROWN & COMLEY
TACOMA, WASHINGTON

DEC 12 1984

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December 12, 1984

FREDERICK T. HALLEY
PRESIDENT

Federal Election Commission
Ms. Lee Ann Elliott, Chairman
1325 K Street NW
Washington, D. C. 20463

Re: MUR 1840 Ted Haley Congressional Committee

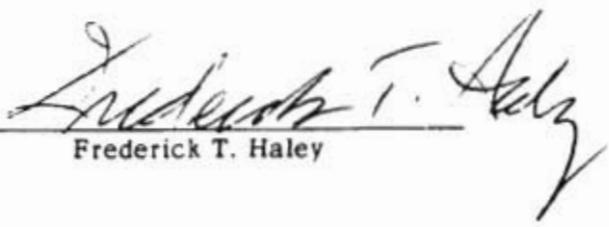
Dear Ms. Elliott:

I submit the following factual statement for the consideration of the FEC in this matter.

1. Prior to the general election, neither my brother, Ted Haley, nor anyone on his campaign staff, nor anyone else suggested or discussed with me my guaranteeing a portion of a loan to pay off campaign debts. This was first suggested to me by Ted Haley more than three months after the election.
2. The loan was personally issued to my brother, Ted Haley. I knew that he would be able to repay this loan in a short period of time from his income as a surgeon and that the loan could be repaid from his estate in the event of his death or disability. My brother assured me that the guarantee would not be called and stated that it was simply a formality required by his bank. I had no intent for the guarantee to become a contribution to his campaign or to influence in any way any election for federal office.
3. I had no clues or reason to know that the FEC would object to my guarantee, which I was confident would not be called, of a loan to my brother, four months after the election, for the purpose of consolidating his campaign debts in a bank loan and paying off creditors who were genuinely in need of prompt payment.

I certify that the above statements are true under penalty of perjury under the laws of the United States of America.

EXECUTED on this 13th day of December, 1984.


Frederick T. Haley

93040301582

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1840

NAME OF COUNSEL: Jeffrey T. Haley

ADDRESS: Simburg, Ketter, Haley,
Sheppard & Purdy
2525 First Interstate Center

Seattle, Washington 98104

TELEPHONE: 206-382-2600

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

11/27/84
Date

Frederick T. Haley
Signature

RESPONDENT'S NAME: Frederick T. Haley

ADDRESS: 3018 North Puget Sound
Tacoma, Washington 98407

HOME PHONE: 206-759-8406

BUSINESS PHONE: 206-593-3066

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FEDERAL ELECTION COMMISSION

MATTER UNDER REVIEW: 1840

**BRIEF OF TED HALEY CONGRESSIONAL COMMITTEE
AND ALL LOAN GUARANTORS
PRIOR TO FINDING OF PROBABLE CAUSE**

DEC 17 P 3:23

OUTLINE

I. SUMMARY OF FACTS

II. ARGUMENT

A. These loan guarantees should not be considered improper because they are consistent with the purposes of the Federal Election Campaign Act and public policy.

B. Both the Federal Election Campaign Act and the Regulations contain "purpose" limitations which make them implicable to these loan guarantees.

C. Properly construed and applied to this case, the "purpose" limitation is not a loophole to the Federal Election Campaign Act or the Regulations.

D. This Matter Under Review illustrates the dangers of overbroad application of the Federal Election Campaign Act, as predicted by members of Congress.

III. CONCLUSION

I. SUMMARY OF FACTS

The relevant facts are amply stated in the Second Affidavit of Theodore R. Haley, the statement of George W. Edman, and the statement of Frederick T. Haley. These statements are not long and should be read before continuing. Certain key facts from those statements are summarized below.

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First, prior to the general election, no suggestions or representations, implied or explicit, were made to any person who was considering extending credit to the campaign that substantial loan guarantees would be received after the election to obtain a loan with which to pay campaign debts.

Second, the loan was made by a national bank, a publically regulated institution.

Third, no one approached the bank or the guarantors, or made any suggestions to them regarding the loan or the guarantees prior to the general election.

Fourth, the candidate himself was personally and primarily liable to repay the loan.

Fifth, there is no evidence that the candidate, the committee, or the guarantors expected any of the guarantees to be called or intended any of the guarantees to enhance the financial position of this candidate or committee or any other candidate or committee for this or any other election.

Sixth, the loan was fully repaid by the candidate sooner than required under the terms of the loan.

Seventh, neither the candidate or his committee has made any "expenditure" for any other election for Federal office.

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II. ARGUMENT

A. These loan guarantees should not be considered improper because they are consistent with the purposes of the Federal Election Campaign Act and public policy.

The legislative history of the contribution limitations, which were introduced by the 1974 amendments, identified four purposes that the limitations were intended to serve. The House Report, No. 93-1239, at page 3, which the Senate Conference Report, No. 93-1237, agreed with on page 4, contained the following statements of purpose:

[T]he absence of any limits on contributions means that candidates with wealthy or special interest supporters have a decided advantage in Federal elections.

...

The unchecked rise in campaign expenditures, coupled with the absence of limitations on contributions and expenditures, has increased the dependence of candidates on special interest groups and large contributors. Under the present law the impression persists that a candidate can buy an election by simply spending large sums in a campaign.

...

Such a system is not only unfair to candidates, in general, but even more so to the electorate. The electorate is entitled to base its judgment on a straightforward presentation of a candidate's qualifications for public office and his program for the Nation rather than on a sophisticated advertising program which is encouraged by the infusion of vast amounts of money.

As an additional purpose of the Act, the minority view states on page 115 :

Contribution limitations should restore public confidence by eliminating or reducing public suspicion that candidates are being "bought" or influenced by large campaign contributions.

To summarize, the four purposes of the Act as stated in the legislative history are (1) to reduce the advantage of candidates with wealthy supporters, (2) to decrease the dependency of candidates on large contributors, (3) to allow the electorate a fair view of each candidate with a minimum of slick advertising, and (4) to reduce public suspicion that candidates are being influenced by large contributors. The six loan guarantees made in this case are not inconsistent with these purposes.

The loan guarantees did not create an advantage for any candidate in any election. Because the loan guarantees were made long after the election was over and no suggestions were made to creditors that loans would be obtained to pay them, the guarantees made in this case did not give the candidate any additional advantage in this election. Because the candidate repaid the loans from his own funds and no expenditures were made for another election, the guarantees did not give this candidate, or any other candidate, an additional advantage in any other election.

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The loan guarantees did not increase this candidate's or any other candidates' dependence on special interest groups or large contributors. The guarantees were not transfers of cash or other value and did not become such transfers. The candidate did not become beholden to any of the guarantors because the debts were not reduced. The candidate was financially worse off as a result of this transaction because he became personally and primarily liable for the debts. It should be noted that none of the guarantors even made regular contributions to the maximum of \$1,000 per campaign for each of the husband and the wife. Because the guarantees were made after the general election, they did not enhance the strength of the campaign. The opposing candidate, therefore, could not have felt an additional need to raise campaign contributions in response.

For the reasons stated above, the loan guarantees made in this case did not increase the ability of the Ted Haley Congressional Committee to purchase advertising. The guarantees, therefore, did not adversely affect the fairness of the presentation of the two candidates to the electorate.

Because no money or value was transferred to the candidate, there could be no public suspicion that the candidate was being influenced by large contributions. And, in this case, there could have been no affect on the appearance of fair-mindedness of a public official, because the candidate did not win the election.

Public Policy

The FEC's characterization of the loan guarantees as excessive contributions is inconsistent with public policy. From a cursory examination of the commercial and welfare laws, it is clear that the public policy of this country favors the payment of debt to creditors, the avoidance of bankruptcies, and the avoidance of individuals becoming a public charge for lack of income. These were the objectives of the candidate in obtaining the loan with the six guarantees. In furtherance of these objectives, the candidate placed his sense of moral and ethical duties above his personal wealth by assuming personal liability for the debts.

By bringing an adversary action against the committee and the guarantors, the FEC is working against public policy. To further public policy, the FEC should encourage candidates to obtain bank loans after a campaign is over to pay off campaign debts. The FEC should allow these loans to be guaranteed in amounts exceeding the contribution limitations, provided the loans are repaid from regular small contributions to the candidate's committee before the candidate again runs for public office and before the committee makes any expenditure for any other election.

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B. Both the Federal Election Campaign Act and the Regulations contain "purpose" limitations which make them inapplicable to these loan guarantees.

Considering that public policy favors the loan guarantees that were made in this case and the guarantees are not inconsistent with the purposes of the Federal Election Campaign Act, it seems unlikely that Congress could have intended such loan guarantees to be considered excessive contributions under the Act. Not surprisingly, the Act contains a limitation on the definition of "contribution" which precludes these loan guarantees from being considered contributions.

2 USC §431(8)(A)(i) states :

The term "contribution" includes - (i) any gift, subscription, loan, advance, or deposit or money or anything of value made by any person for the purpose of influencing any election for Federal office

(Emphasis added).

Although the statutory language does not contain the word "guarantee", another provision of the Act makes the "purpose" limitation equally applicable to guarantees.

§431(8)(B)(vii)(I) states: "any loan ... shall be considered a loan by each endorser or guarantor ... ". Under the Act, a guarantee is a loan, and a loan is a contribution, if it is made for the purpose of influencing any election for Federal office.

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This same "purpose" limitation has been incorporated into the Regulations as well. Section 100.7(a)(1) states that a loan "made by any person for the purpose of influencing any election for Federal office is a contribution" (emphasis added). The next sentence states that "the term 'loan' includes a guarantee ... ". Like the purpose limitation in the statute, this purpose limitation prevents the guarantees from being considered contributions under the regulations.

From the record in this case, it is clear that these loan guarantees were not made for the purpose of influencing any election. The record shows that the guarantees were only made out of friendship and to allow the payment of campaign creditors. Because the loan and guarantees were not conceived or made before the general election, they could not possibly have influenced this election. And, because all of the loan proceeds were used to pay creditors, the loan has been repaid, and no expenditures have been made by the candidate or the committee for another election, the loan and the guarantees could not possibly have influenced any other election.

C. Properly construed and applied to this case, the "purpose" limitation is not a loophole to the Federal Election Campaign Act or the Regulations.

Public policy and the purposes of the Act suggest that that the guarantees made in this case should not be considered

improper. Because the guarantees were not made for the purpose of influencing any election, the Act and the Regulations do not apply to these guarantees. Therefore, the respondents are entitled to a decision by the FEC in their favor.

Nevertheless, this is a difficult case for the FEC. If the Act and the Regulations do not apply to the guarantees made in this case, where should the line be drawn between these guarantees and other guarantees to avoid allowing a loophole which might be improperly used? How can a committee and guarantors establish that particular guarantees are not made for the purpose of influencing an election?

Whether the purpose is appropriate must turn on the intent of the parties in each case. Because we cannot probe the minds of individuals, their intent can only be determined by objective facts surrounding the transaction. The law assumes that people intend the foreseeable consequences of their action. Although lack of the requisite intent might be shown from numerous fact patterns, the FEC must draw a rule for this case which is sufficiently narrow that, when the rule is met in any other case, the FEC can be certain that the inappropriate intent was not present.

Suppose the Commission were to rule that all guarantees of loans made to a candidate or his committee after an election for the purpose of repaying debts shall not be considered contributions made for the purpose of influencing an

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election. What would be the possible abuses of such a rule?

First, during the campaign, potential creditors might be induced to extend credit on the assurances that certain wealthy parties will guarantee a loan to the candidate or the committee after the election to pay the debts. Of course, the assurances from the wealthy parties could be considered a "form of security" and therefore a loan under the Regulations, §100.7(a)(1)(i). However, if the assurance is merely oral rather than in writing, it might not be reported to the FEC. This possible abuse can be avoided by narrowing the rule of this case to include requirements that, prior to the election, no representative of the campaign made any such suggestion or representation, implied or explicit, to any potential creditor and no representative of the campaign approached any party about making or guaranteeing such a loan.

Second, a wealthy individual or organization might guarantee a large loan after the election to pay off past campaign debts, without intending for the committee or the candidate to repay the loan in the near future, if ever. This would allow the candidate and the committee to be free from debt and obtain strong credit from past creditors. All new small contributions could then be used for the next campaign. The subsequent campaign would therefore be much stronger than it would have been without the large loan guarantee. The appropriate remedy to avoid this abuse would be the addition of

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two requirements. There must be no evidence that the candidate, the committee, or the guarantors expected any of the guarantees to be called or intended any of the guarantees to enhance the financial position of this candidate or committee, or any other candidate, for this or any other election. And, all loans obtained with excessive guarantees to pay campaign debts after an election must be paid off from appropriate contributions before the candidate or the committee makes any expenditure in support of the candidate's next election campaign or the campaign of any other candidate.

Third, a wealthy individual or organization might develop a reputation for ensuring, through loan guarantees, that creditors of candidates endorsed by the individual or organization will be paid after an election. The creditors would be paid from the loan and the guarantor would repay the loan when the candidate or the committee defaults. Believing they would be paid after the election, even though no representations were made, creditors might extend large amounts of credit to the endorsed candidate, strengthening his campaign. In this case, the loan guarantees would clearly be made for the purpose of influencing an election. Although the additional requirements already suggested above could curb his abuse, the FEC could add two additional requirements. The candidate himself must be personally and primarily liable on the loan. And, the loan must be repaid without presentment of

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a demand to any guarantor and without payment by any guarantor.

Finally, to be sure that the loaned money is coming from a source that is not making the loan as a favor, the rule of this case could require that the loan be made by a publically regulated institution, such as those listed in the Act and the Regulations.

To summarize, the rule of this case concerning loan guarantees made after an election to pay off campaign debts might be stated as follows:

Such guarantees are not contributions under the Act unless they are made for the purpose of influencing an election for Federal office. Lack of this purpose at the time the guarantees are made may be subsequently conclusively demonstrated by the existence of the following facts:

1. Prior to the election, no suggestions or representations, implied or explicit, were made to any person who was considering extending credit to the campaign that substantial loan guarantees would be received after the election to obtain a loan with which to pay campaign debts.
2. The loan is made by a regulated institution as specified in 2 USC §431(8)(B)(vii) or 11 CFR §100.7(b)(11).
3. Neither the lender nor the guarantors were approached by anyone on behalf of the candidate or the committee regarding the loan or the guarantees prior to the election.
4. The candidate himself is personally and primarily liable to repay the loan.
5. There is no evidence that the candidate, the committee, or the guarantors expected any of the guarantees to be called or intended any of the guarantees to enhance the financial position of this candidate or committee or any other candidate or committee for this or any other election.

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6. The loan is repaid without presentment of a demand to any guarantor and without payment by any guarantor.

7. The loan is fully repaid before the candidate or the committee makes any "expenditure" for any other election for Federal office.

D. This Matter Under Review illustrates the dangers of overbroad application of the Federal Election Campaign Act, as predicted by members of Congress.

In the House Report on the contribution limitation amendments to the Federal Election Campaign Act, the Minority predicted some of the problems illustrated by this Matter Under Review. The Minority report stated:

Many people, when confronted with the complexity of this legislation, may become overwhelmed and give up politics in disgust. There will be ample potential for unintentional violations of the law. Many people may worry about going to jail or being fined for an inadvertent violation

...
The complexity of this law may limit candidacies only to lawyers or to those who can afford to pay lawyers for their time.

...
The Minority urges the administrators and enforcers of the law to take every action possible to simplify reporting procedures and to make regulations easy to understand and intelligible to those not well versed in the law. In addition, services should be provided to candidates who do not understand the law or who are unable to understand the legal jargon used in the law and regulations so that they will not be found in violation of the law.

House Report No. 93-1239 at 120-21.

In this case, the candidate and his staff found the law and Regulations so complex that they could not determine for sure whether the guarantees would be proper. In response, the FEC

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has overbroadly applied the Act and Regulations by commencing an adversary action against the respondents in contravention of the "purposes" limitation. As a result, the individual respondents have been seriously worried about going to jail or being fined for an inadvertent violation.

Upon discovery of a possible violation, the FEC could have looked at the matter from the point of view of the respondents and noticed that treating these guarantees as violations would not further the purposes of the Act. With their extensive familiarity with the Act and the Regulations, the FEC staff might then have noticed that the "purpose" limitation applies in this case. This would have fulfilled the request contained in the Minority report that services should be provided to candidates so that they will not be found in violation of the law. Instead, the FEC took an adversarial approach, forcing the respondents to retain a lawyer to present their defense, and fulfilling the predictions of the Minority report.

CONCLUSION

The loan guarantees made in this case were consistent with all of the purposes of the Federal Election Campaign Act. The public policies of this country were served when the candidate obtained a bank loan to consolidated his campaign debts and pay the campaign creditors who were in need of funds. It would be contrary to public policy, and would not serve the purposes of the Federal Election Campaign Act, to construe the Act or Regulations as prohibiting the guarantees that made the loan possible.

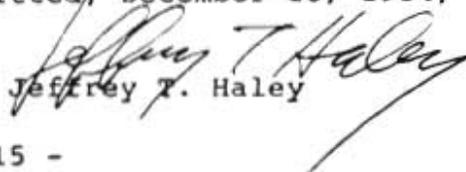
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The facts of this case show that the loan guarantees were not made "for the purpose of influencing any election for Federal office". The Federal Election Campaign Act and the Regulations contain a limitation in the definition of contribution which prevents these guarantees from being considered contributions under the Act.

Because the purpose of a particular transaction depends upon the mental intent of the parties, lack of a purpose is difficult to establish in a proceeding. A decision maker must rely upon objective demonstrable indicia of that intent. Although the facts of this case show that an improper purpose was not present, the agency is presented with the difficult task of articulating which objective facts are sufficient to prove the lack of purpose so that other cases which present different facts can be properly decided consistently with this case. The respondents submit that the requisite lack of purpose should be considered conclusively shown when the facts listed in the argument, on pages 12-13 above, are present.

The respondents request that the Federal Election Commission exonerate their actions and affirmatively decide that the guarantees made in this case were not contributions under the Act or Regulations because they were not made for the purpose of influencing any election for Federal office.

Respectfully Submitted, December 13, 1984,


Jeffrey T. Haley

BR7-jthbrief

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DEC 17 P 1: 24

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1840

NAME OF COUNSEL: Jeffrey T. Haley

ADDRESS: Simburg, Ketter, Haley,
Sheppard & Purdy
2525 First Interstate Center
Seattle, Washington 98104

TELEPHONE: (206) 382-2600

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

12-10-84
Date

Dona Carlson
Signature

RESPONDENT'S NAME: Dona Carlson

ADDRESS: 1239 C Rogers Crt SW
Olympia, WA 98502

HOME PHONE: 206-357-7370

BUSINESS PHONE: _____

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DEC 17 P 3: 23

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**SIMBURG, KETTER, HALEY,
SHEPPARD & PURDY, P.S.**

ATTORNEYS AT LAW
2525 FIRST INTERSTATE CENTER
THIRD AND MARION
SEATTLE, WASHINGTON 98104

JEFFREY T. HALEY
DAVID E. KETTER
GEORGE A. PURDY
KENNETH A. SHEPPARD
MELVYN JAY SIMBURG

(206) 382-2600
TELEX 474012B
CABLE SIMBURG SEATTLE

December 17, 1984

Mr. Eric Kleinfeld
Office of the General Counsel
Federal Election Commission
1325 "K" Street NW
Washington, D.C. 20463

11:46

VIA FEDERAL EXPRESS

Re: MUR 1840 Ted Haley Congressional Committee

Dear Mr. Kleinfeld:

Enclosed is the second Affidavit of Theodore R. Haley. I certify under penalty of perjury that this Affidavit was originally mailed to you with a postmark date of December 13, 1984. Unfortunately, the address on the envelope was incorrect and it was returned to my office.

By now you should have received both designation of counsel forms and statements from the Ted Haley Congressional Committee and all six guarantors in this matter. If you are missing any of these documents, please let me know.

Very truly yours,

Jeffrey T. Haley
Jeffrey T. Haley

JTH:jf
Enc.

20040301300

SECOND AFFIDAVIT OF THEODORE R. HALEY

TO: Federal Election Commission
RE: MUR 1040
DATE: December 12, 1984

1. By the day of the general election in 1982, my campaign had yet to pay for goods and services received on credit from more than eighteen different suppliers. On January 1, 1983, the committee was depleted of funds and more than \$50,000 remained to be paid to these creditors.

2. Prior to the general election in 1982, neither I nor my committee received from anyone any suggestions, assurances, or offers to make contributions or guarantee loans to the committee after the election to help pay off the campaign debts. To my knowledge, no one connected with the campaign made any representations to creditors that loans would be obtained or particular contributions would be received to pay creditors. I know of no evidence which suggests that any of the creditors extended to the committee more credit or better terms than they extended to their other customers.

3. During the months following the election, my campaign staff and I conducted fund raising efforts to raise the money

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to pay the creditors. We found that it was difficult and the return on the time and effort expended was small.

4. By late February, the creditors were exerting strong pressure to be paid. A printer who had incurred substantial costs on our account threatened legal action and insisted that he would he would face bankruptcy if he were not paid soon. Campaign staff, who I assured would be paid, had nothing to live on. I felt a strong moral and ethical obligation to find the money to pay these creditors.

5. I approached my banker about obtaining a loan to pay the campaign debts. I requested a personal loan with simply a promissory note signed by myself, but the bank insisted on guarantees from other individuals to cover the entire amount.

6. I asked my staff whether there might be any problems with campaign laws in my accepting guarantees on a personal loan which would be used to pay off these campaign debts. Reading the regulations, my staff was not able to answer the questions with certainty, but they were certain that such loan guarantees would not violate the spirit or any of the purposes of the campaign laws. Since I knew they were correct regarding the purposes of the campaign laws, I concluded that it would not be cost justifiable to hire an attorney for advice on this transaction.

7. I approached at least six individuals who were close to me, requesting a guarantee for a portion of the loan as a

personal favor. None of these six individuals were approached regarding the loan guarantee before the election or, for that matter, within three months after the election. The six individuals guaranteed a loan to me rather than to my committee. They all had personal knowledge that my assets were sufficient to cover the loan in the event of my death or disability and they all knew that my income as a surgeon was sufficient to repay the loan in a short period of time.

8. The guarantors of my loan had no intent to influence any federal election. They only intended, out of friendship, to help to treat my creditors fairly. They did not view their guarantees as a contribution to my campaign or anything that could become a contribution to my campaign.

9. Upon receipt of the loan funds, I transferred the entire amount to my campaign committee which used the money to pay campaign debts.

10. Had I known that the FEC might object to these loan guarantees, I could have, and certainly would have, obtained the loans by other means. For example, with considerable costs, trouble and paperwork, I could have offered my interest in a medical building, worth at least \$50,000, and my interest in payments on a real estate contract, worth at least \$60,000, as security. Alternatively, I could have solicited fifty \$1,000 guarantees from many friends. The fact that I could have achieved the same result by other means gave me further

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reason to believe that the guarantees would not be considered improper.

11. The effect of the FEC's view of this matter is to tell candidates like myself that they should delay payment to their creditors, perhaps imposing poverty or bankruptcy, rather than do what they can to help these people by consolidating the debts into a bank loan.

I certify under penalty of perjury of the laws of the United States of American that the foregoing is true and correct.

EXECUTED ON

13 Dec 84.

Theodore R. Haley
Theodore R. Haley, M.D.

BR9-haley5

20040001604



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 20, 1984

Mr. Jeffrey T. Haley
Simburg, Ketter, Haley,
Sheppard & Purdy, P.S.
2525 First Interstate Center
Third and Marion
Seattle, Washington 98104

Re: MUR 1840
Ted Haley Congressional Committee

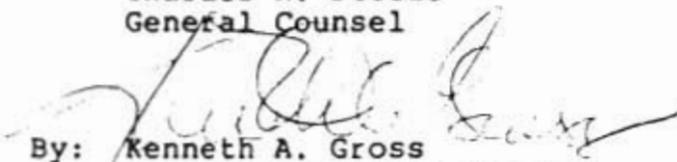
Dear Mr. Haley:

This is in reference to your letter of November 21, 1984, indicating your desire to have Theodore R. Haley designated treasurer of the Ted Haley Congressional Committee. We have no objection to this change, however, we ask that you complete the enclosed Statement of Organization designating Theodore R. Haley as Treasurer. The original should be filed with the House of Representatives, according to the instructions on the back of the form, and we would appreciate having a copy sent to us at the Office of General Counsel.

If you have any further questions, please contact Eric Kleinfeld, the attorney assigned to this matter at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosure

91140301605

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
Ted Haley Congressional)	MUR 1840
Committee)	
L.T. Murray, Treasurer)	

October 28 11:17

OFFICE OF THE
COMMISSIONER
FEC

COMPREHENSIVE INVESTIGATIVE REPORT #1

On October 30, 1984, the Federal Election Commission ("the Commission") determined that there is reason to believe that the Ted Haley Congressional Committee and L.T. Murray, as treasurer, violated 2 U.S.C. § 441a(f) of the Federal Election Campaign Act ("the Act") by accepting excessive contributions from six individual Respondents, JoAnne Alger, Sallie Baine, Dona Carlson, George Edman, Fred Haley and Richard Haley. Additionally, the Commission determined that there is reason to believe that these six individual Respondents violated 2 U.S.C. § 441a(a)(1)(A) of the Act by making excessive contributions to the Ted Haley Congressional Committee in the form of loan guarantees.

As of December 18, 1984, responses have been received from all seven Respondents, which the Office of General Counsel is in the process of reviewing. (See Attachments). Respondents do not indicate any desire to seek pre-probable cause conciliation, but instead urge that this matter be "dismissed." Following the conclusion of our review, this Office will be submitting to the

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Commission a brief stating the position of the General Counsel on the legal and factual issues of the case.

Charles N. Steele
General Counsel

Dec. 28, 1961
Date

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

Attachments
Responses

23040801607



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL *MWE*

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

DATE: JANUARY 2, 1985

SUBJECT: MUR 1840 - Comprehensive Investigative
Report #1 signed December 28, 1984

The above-captioned matter was circulated to the Commission on a 24 hour no-objection basis at 11:00, December 31, 1984.

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

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SENSITIVE



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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February 14, 1985

MEMORANDUM TO: The Commission

FROM: Charles N. Steele *CNS*
General Counsel

SUBJECT: MUR 1840

Attached for the Commission's review are the briefs stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. Copies of these briefs and a letter notifying the respondents of the General Counsel's intent to recommend to the Commission a finding of probable cause to believe was mailed on February 14, 1985. Following receipt of the Respondents' reply to this notice, this Office will make a further report to the Commission.

Attachments

1. Briefs
2. Letters to Respondents

40301509



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1985

Jeffrey T. Haley, Esquire
Simburg, Ketter, Haley
Sheppard & Purdy, P.S.
2525 First Interstate Center
Third and Marion
Seattle, Washington 98104

RE: MUR 1840
Richard Haley

Dear Mr. Haley:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on October 30, 1984, found reason to believe that your client had violated 2 U.S.C. § 441a(a)(1)(A), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find 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.

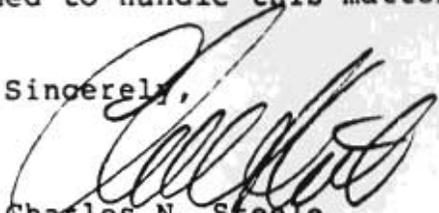
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Jeffrey T. Haley, Esquire
Page 2

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 Eric Kleinfeld, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,


Charles N. Steele
General Counsel

Enclosure
Brief

4020611

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Richard Haley) MUR 1840

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter was referred to the Office of General Counsel by the Reports Analysis Division ("RAD") on July 27, 1984.

The Ted Haley Congressional Committee's 1982 April Quarterly, July Quarterly, October Quarterly, 30 Day Post-General and 1983 Mid-Year Reports disclosed the receipt of excessive contributions. The contributions were in the form of loan endorsements for one \$50,000 loan.

The Haley Committee received the \$50,000 loan on March 11, 1983, from the Puget Sound National Bank with a February 1984 due date and an interest rate of 13 3/4%. The loan was endorsed by six individuals with \$9,000 of the loan designated to retire 1982 primary debts and \$41,000 of the loan designated to retire 1982 general debts. From March 31, 1983, to December 31, 1983, the Committee made four loan repayments on the \$50,000 loan, including principal and interest, totalling \$51,719.74.

On October 30, 1984, the Federal Election Commission ("the Commission") determined that there is reason to believe that Richard Haley violated 2 U.S.C. § 441a(a)(1)(A) of the Act by making an excessive contribution to the Ted Haley Congressional Committee in the form of a loan guarantee.

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II. LEGAL ANALYSIS

Section 431(8) (A) of Title 2, United States Code, provides that the term "contribution" includes a loan made to a political committee. 11 C.F.R. § 100.7(a)(1)(i) states that the term "loan" includes a guarantee, endorsement, or any other form of security. Thus, a person who guarantees or endorses a loan to a political committee has made a contribution to that committee.

Section 441a(a)(1)(A) of Title 2 provides that no person shall make contributions to any candidate and his authorized political committees with respect to any federal election which in the aggregate, exceed \$1,000.

Section 441a(f) of Title 2 provides that no candidate or political committee shall knowingly accept any contribution in violation of the contribution limitations of 2 U.S.C. § 441a(a).

The making of the guarantees is not in dispute. Respondent guaranteed \$10,000 of the \$50,000 loan. RAD calculated the amount of the excessive contribution by attributing 18 percent of the amount of each loan endorsement to retire 1982 primary debts and 82 percent of the amount of each loan endorsement to retire 1982 general debts. The resulting excessive contribution made by Respondent was \$8,500. (See Attachment A).

Respondent denies both knowledge that the law was violated and intent to do so. In asking for dismissal of this matter, Respondent argues that to qualify as a contribution, a loan guarantee (or any other type of contribution) must be made "for

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the purpose of influencing any election for Federal office." 2 U.S.C. § 431(8) (A) (i). Respondent contends that because the idea of a loan endorsement did not arise until after the election, this manifests a lack of intent to influence a Federal election.

In making this argument, Respondent misconstrues the Act. It has long been established that post-election loans which are related to retiring campaign debts, are subject to the contribution limits of the election for which the loan was obtained. See the Commission's Regulations governing contributions by persons at 11 C.F.R. § 110.1(g) (2):

Contributions made to retire debts resulting from elections held after December 31, 1974 are subject to the limitations of this Part 110.

Therefore, the mere fact that the loan guarantees in the present case were made after the election does not in any way exempt them from the Act's limitations. A person who guarantees a loan to a candidate or political committee in order to retire election debts has made a contribution to that candidate or committee and must abide by the statutory limitations placed on the amount of such contribution.

Respondent's argument that Congress did not intend for contributions such as the loan guarantees here to be included within the contribution limitations of the Act is also without merit. The United States Supreme Court reaffirmed Congressional intent to subject all § 431(8) (A) contributions to the limitations of § 441a and considered the inclusion of all such

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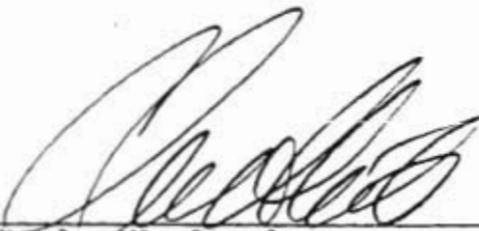
forms of financial support within the contribution limitations as integral to the Act's scheme of preventing political corruption. California Medical Association v. Federal Election Commission, 101 S.Ct. 2712 at 2723 n. 19 (1981).

In light of the facts of this case, the General Counsel recommends that the Commission find probable cause to believe that Richard Haley violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Ted Haley Congressional Committee.

III. GENERAL COUNSEL'S RECOMMENDATION

1. Find probable cause to believe that Richard Haley violated 2 U.S.C. § 441a(a)(1)(A).

14 February 1985
Date



Charles N. Steele
General Counsel

Attachment

A. Calculation of Excessive Contribution

40301615

37

ATTACHMENT A

NAME OF CONTRIBUTOR	AMOUNT RECEIVED/ ELECTION DESIGNATION	DATE RECEIVED	APPARENT EXCESSIVE AMOUNT	AMOUNT REPAID	DATE REPAID
Haley, Richard	\$ 250 / P	1/26/82			
	250 / P	9/08/82			
	1,800 / P ¹ / ₁	3/11/83	\$1,300 / P	\$7,951.40 ² / ₁	6/30/83
	8,200 / G ¹ / ₁	3/11/83	7,200 / G	2,048.60 ² / ₁	12/31/83
			\$8,500		

1/ The contributions received on March 11, 1983 were in the form of loan endorsements for a \$50,000 loan from the Puget Sound National Bank. In an amendment received on June 26, 1984, the Committee noted that \$9,000 of the of the loan was to retire 1982 primary debts and \$41,000 of the loan was to retire 1982 general debts. The Reports Analysis Division calculated the amounts of the excessive contributions by attributing 18% of the amount of each loan endorsement to retire 1982 primary debts and 82% of the amount of each loan endorsement to retire 1982 general debts.

2/ The amount repaid was also calculated by the Reports Analysis Division. The Committee disclosed three (3) loan repayments on March 31, May 2 and June 8, 1983 totalling \$41,476.74. In an amendment received on May 22, 1984, the Committee noted that the amount of the principal repaid on the \$50,000 loan was \$39,757 as of June 30, 1983. The balance of the principal and interest was disclosed as repaid on the 1983 Year End Report.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1985

Jeffrey T. Haley, Esquire
Simburg, Ketter, Haley
Sheppard & Purdy, P.S.
2525 First Interstate Center
Third and Marion
Seattle, Washington 98104

RE: MUR 1840
Fred Haley

Dear Mr. Haley:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on October 30, 1984, found reason to believe that your client had violated 2 U.S.C. § 441a(a)(1)(A), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find 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.

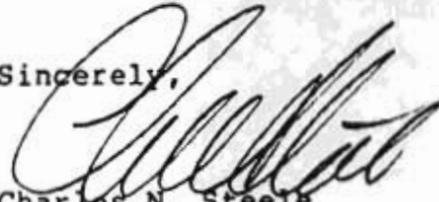
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Jeffrey T. Haley, Esquire
Page 2

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 Eric Kleinfeld, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Brief

20040801613

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Fred Haley) MUR 1840

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter was referred to the Office of General Counsel by the Reports Analysis Division ("RAD") on July 27, 1984.

The Ted Haley Congressional Committee's 1982 April Quarterly, July Quarterly, October Quarterly, 30 Day Post-General and 1983 Mid-Year Reports disclosed the receipt of excessive contributions. The contributions were in the form of loan endorsements for one \$50,000 loan.

The Haley Committee received the \$50,000 loan on March 11, 1983, from the Puget Sound National Bank with a February 1984 due date and an interest rate of 13 3/4%. The loan was endorsed by six individuals with \$9,000 of the loan designated to retire 1982 primary debts and \$41,000 of the loan designated to retire 1982 general debts. From March 31, 1983, to December 31, 1983, the Committee made four loan repayments on the \$50,000 loan, including principal and interest, totalling \$51,719.74.

On October 30, 1984, the Federal Election Commission ("the Commission") determined that there is reason to believe that Fred Haley violated 2 U.S.C. § 441a(a)(1)(A) of the Act by making an excessive contribution to the Ted Haley Congressional Committee in the form of a loan guarantee.

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II. LEGAL ANALYSIS

Section 431(8) (A) of Title 2, United States Code, provides that the term "contribution" includes a loan made to a political committee. 11 C.F.R. § 100.7(a) (1) (i) states that the term "loan" includes a guarantee, endorsement, or any other form of security. Thus, a person who guarantees or endorses a loan to a political committee has made a contribution to that committee.

Section 441a(a) (1) (A) of Title 2 provides that no person shall make contributions to any candidate and his authorized political committees with respect to any federal election which in the aggregate, exceed \$1,000.

Section 441a(f) of Title 2 provides that no candidate or political committee shall knowingly accept any contribution in violation of the contribution limitations of 2 U.S.C. § 441a(a).

The making of the guarantees is not in dispute. Respondent guaranteed \$10,000 of the \$50,000 loan. RAD calculated the amount of the excessive contribution by attributing 18 percent of the amount of each loan endorsement to retire 1982 primary debts and 82 percent of the amount of each loan endorsement to retire 1982 general debts. The resulting excessive contribution made by Respondent was \$8,800. (See Attachment A).

Respondent denies both knowledge that the law was violated and intent to do so. In asking for dismissal of this matter, Respondent argues that to qualify as a contribution, a loan guarantee (or any other type of contribution) must be made "for

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the purpose of influencing any election for Federal office." 2 U.S.C. § 431(8) (A) (i). Respondent contends that because the idea of a loan endorsement did not arise until after the election, this manifests a lack of intent to influence a Federal election.

In making this argument, Respondent misconstrues the Act. It has long been established that post-election loans which are related to retiring campaign debts, are subject to the contribution limits of the election for which the loan was obtained. See the Commission's Regulations governing contributions by persons at 11 C.F.R. § 110.1(g) (2):

Contributions made to retire debts resulting from elections held after December 31, 1974 are subject to the limitations of this Part 110.

Therefore, the mere fact that the loan guarantees in the present case were made after the election does not in any way exempt them from the Act's limitations. A person who guarantees a loan to a candidate or political committee in order to retire election debts has made a contribution to that candidate or committee and must abide by the statutory limitations placed on the amount of such contribution.

Respondent's argument that Congress did not intend for contributions such as the loan guarantees here to be included within the contribution limitations of the Act is also without merit. The United States Supreme Court reaffirmed Congressional intent to subject all § 431(8) (A) contributions to the limitations of § 441a and considered the inclusion of all such

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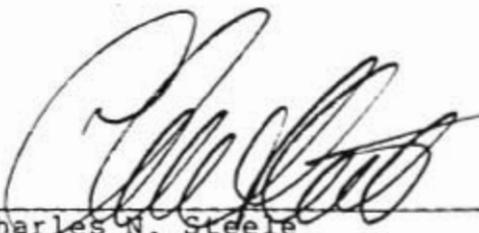
forms of financial support within the contribution limitations as integral to the Act's scheme of preventing political corruption. California Medical Association v. Federal Election Commission, 101 S.Ct. 2712 at 2723 n. 19 (1981).

In light of the facts of this case, the General Counsel recommends that the Commission find probable cause to believe that Fred Haley violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Ted Haley Congressional Committee.

III. GENERAL COUNSEL'S RECOMMENDATION

- 1. Find probable cause to believe that Fred Haley violated 2 U.S.C. § 441a(a)(1)(A).

14 February 1985
Date



Charles N. Steele
General Counsel

- Attachment
 - A. Calculation of Excessive Contribution

20250107

NAME OF CONTRIBUTOR	AMOUNT RECEIVED/ ELECTION DESIGNATION	DATE RECEIVED	APPARENT EXCESSIVE AMOUNT	AMOUNT REPAID	DATE REPAID
Haley, Fred	\$ 75 / P	11/20/81			
	425 / P	3/10/82			
	250 / G	11/28/82			
	50 / G ^{3/}	1/08/83			
	1,800 / P ^{1/}	3/11/83	\$1,300 / G	\$7,951.40 ^{2/}	6/30/83
	8,200 / G ^{1/}	3/11/83	7,500	2,048.60 ^{2/}	12/31/83
			\$8,800		

1/ The contributions received on March 11, 1983 were in the form of loan endorsements for a \$50,000 loan from the Puget Sound National Bank. In an amendment received on June 26, 1984, the Committee noted that \$9,000 of the of the loan was to retire 1982 primary debts and \$41,000 of the loan was to retire 1982 general debts. The Reports Analysis Division calculated the amounts of the excessive contributions by attributing 18% of the amount of each loan endorsement to retire 1982 primary debts and 82% of the amount of each loan endorsement to retire 1982 general debts.

2/ The amount repaid was also calculated by the Reports Analysis Division. The Committee disclosed three (3) loan repayments on March 31, May 2 and June 8, 1983 totalling \$41,476.74. In an amendment received on May 22, 1984, the Committee noted that the amount of the principal repaid on the \$50,000 loan was \$39,757 as of June 30, 1983. The balance of the principal and interest was disclosed as repaid on the 1983 Year End Report.

3/ The Committee reported the receipt of a \$100 contribution from Mr. and Mrs. Fred Haley but did not designate how much should be attributed to each individual for the 1982 general election. The Reports Analysis Division has therefore attributed one-half of the amount of the contribution to each individual.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1985

Jeffrey T. Haley, Esquire
Simburg, Ketter, Haley
Sheppard & Purdy, P.S.
2525 First Interstate Center
Third and Marion
Seattle, Washington 98104

RE: MUR 1840
George Edman

Dear Mr. Haley:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on October 30, 1984, found reason to believe that your client had violated 2 U.S.C. § 441a(a)(1)(A), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find 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.

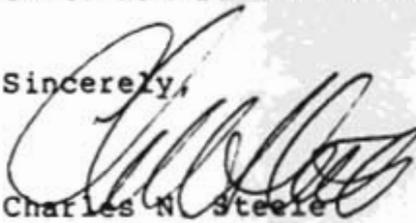
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Jeffrey T. Haley, Esquire
Page 2

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 Eric Kleinfeld, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Brief

40001545

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
George Edman) MUR 1840

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter was referred to the Office of General Counsel by the Reports Analysis Division ("RAD") on July 27, 1984.

The Ted Haley Congressional Committee's 1982 April Quarterly, July Quarterly, October Quarterly, 30 Day Post-General and 1983 Mid-Year Reports disclosed the receipt of excessive contributions. The contributions were in the form of loan endorsements for one \$50,000 loan.

The Haley Committee received the \$50,000 loan on March 11, 1983, from the Puget Sound National Bank with a February 1984 due date and an interest rate of 13 3/4%. The loan was endorsed by six individuals with \$9,000 of the loan designated to retire 1982 primary debts and \$41,000 of the loan designated to retire 1982 general debts. From March 31, 1983, to December 31, 1983, the Committee made four loan repayments on the \$50,000 loan, including principal and interest, totalling \$51,719.74.

On October 30, 1984, the Federal Election Commission ("the Commission") determined that there is reason to believe that George Edman violated 2 U.S.C. § 441a(a)(1)(A) of the Act by making an excessive contribution to the Ted Haley Congressional Committee in the form of a loan guarantee.

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II. LEGAL ANALYSIS

Section 431(8) (A) of Title 2, United States Code, provides that the term "contribution" includes a loan made to a political committee. 11 C.F.R. § 100.7(a) (1) (i) states that the term "loan" includes a guarantee, endorsement, or any other form of security. Thus, a person who guarantees or endorses a loan to a political committee has made a contribution to that committee.

Section 441a(a) (1) (A) of Title 2 provides that no person shall make contributions to any candidate and his authorized political committees with respect to any federal election which in the aggregate, exceed \$1,000.

Section 441a(f) of Title 2 provides that no candidate or political committee shall knowingly accept any contribution in violation of the contribution limitations of 2 U.S.C. § 441a(a).

The making of the guarantees is not in dispute. Respondent guaranteed \$5,000 of the \$50,000 loan. RAD calculated the amount of the excessive contribution by attributing 18 percent of the amount of each loan endorsement to retire 1982 primary debts and 82 percent of the amount of each loan endorsement to retire 1982 general debts. The resulting excessive contribution made by Respondent was \$3,100. (See Attachment A).

Respondent denies both knowledge that the law was violated and intent to do so. In asking for dismissal of this matter, Respondent argues that to qualify as a contribution, a loan guarantee (or any other type of contribution) must be made "for

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forms of financial support within the contribution limitations as integral to the Act's scheme of preventing political corruption. California Medical Association v. Federal Election Commission, 101 S.Ct. 2712 at 2723 n. 19 (1981).

In light of the facts of this case, the General Counsel recommends that the Commission find probable cause to believe that George Edman violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Ted Haley Congressional Committee.

III. GENERAL COUNSEL'S RECOMMENDATION

1. Find probable cause to believe that George Edman violated 2 U.S.C. § 441a(a)(1)(A).

14 February 1985
Date



Charles N. Steele
General Counsel

Attachment

A. Calculation of Excessive Contribution

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NAME OF CONTRIBUTOR	AMOUNT RECEIVED/ ELECTION DESIGNATION	DATE RECEIVED	APPARENT EXCESSIVE AMOUNT	AMOUNT REPAID	DATE REPAID
Edman, George	\$ 900 / P1/	3/11/83		\$3,975.70 ^{2/}	6/30/83
	4,100 / G ^{1/}	3/11/83	\$3,100 / G	1,024.30 ^{2/}	12/31/83

ATTACHMENT A

1/ The contributions received on March 11, 1983 were in the form of loan endorsements for a \$50,000 loan from the Puget Sound National Bank. In an amendment received on June 26, 1984, the Committee noted that \$9,000 of the loan was to retire 1982 primary debts and \$41,000 of the loan was to retire 1982 general debts. The Reports Analysis Division calculated the amounts of the excessive contributions by attributing 18% of the amount of each loan endorsement to retire 1982 primary debts and 82% of the amount of each loan endorsement to retire 1982 general debts.

2/ The amount repaid was also calculated by the Reports Analysis Division. The Committee disclosed three (3) loan repayments on March 31, May 2 and June 8, 1983 totalling \$41,476.74. In an amendment received on May 22, 1984, the Committee noted that the amount of the principal repaid on the \$50,000 loan was \$39,757 as of June 30, 1983. The balance of the principal and interest was disclosed as repaid on the 1983 Year End Report.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1985

Jeffrey T. Haley, Esquire
Simburg, Ketter, Haley
Sheppard & Purdy, P.S.
2525 First Interstate Center
Third and Marion
Seattle, Washington 98104

RE: MUR 1840
Dona Carlson

Dear Mr. Haley:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on October 30, 1984, found reason to believe that your client had violated 2 U.S.C. § 441a(a)(1)(A), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find 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.

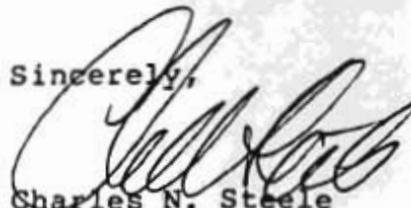
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Jeffrey T. Haley, Esquire
Page 2

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 Eric Kleinfeld, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Brief

20040501632

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Dona Carlson) MUR 1840

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter was referred to the Office of General Counsel by the Reports Analysis Division ("RAD") on July 27, 1984.

The Ted Haley Congressional Committee's 1982 April Quarterly, July Quarterly, October Quarterly, 30 Day Post-General and 1983 Mid-Year Reports disclosed the receipt of excessive contributions. The contributions were in the form of loan endorsements for one \$50,000 loan.

The Haley Committee received the \$50,000 loan on March 11, 1983, from the Puget Sound National Bank with a February 1984 due date and an interest rate of 13 3/4%. The loan was endorsed by six individuals with \$9,000 of the loan designated to retire 1982 primary debts and \$41,000 of the loan designated to retire 1982 general debts. From March 31, 1983, to December 31, 1983, the Committee made four loan repayments on the \$50,000 loan, including principal and interest, totalling \$51,719.74.

On October 30, 1984, the Federal Election Commission ("the Commission") determined that there is reason to believe that Dona Carlson violated 2 U.S.C. § 441a(a)(1)(A) of the Act by making an excessive contribution to the Ted Haley Congressional Committee in the form of a loan guarantee.

40301353

II. LEGAL ANALYSIS

Section 431(8) (A) of Title 2, United States Code, provides that the term "contribution" includes a loan made to a political committee. 11 C.F.R. § 100.7(a)(1)(i) states that the term "loan" includes a guarantee, endorsement, or any other form of security. Thus, a person who guarantees or endorses a loan to a political committee has made a contribution to that committee.

Section 441a(a)(1)(A) of Title 2 provides that no person shall make contributions to any candidate and his authorized political committees with respect to any federal election which in the aggregate, exceed \$1,000.

Section 441a(f) of Title 2 provides that no candidate or political committee shall knowingly accept any contribution in violation of the contribution limitations of 2 U.S.C. § 441a(a).

The making of the guarantees is not in dispute. Respondent guaranteed \$10,000 of the \$50,000 loan. RAD calculated the amount of the excessive contribution by attributing 18 percent of the amount of each loan endorsement to retire 1982 primary debts and 82 percent of the amount of each loan endorsement to retire 1982 general debts. The resulting excessive contribution made by Respondent was \$9,000. (See Attachment A).

Respondent denies both knowledge that the law was violated and intent to do so. In asking for dismissal of this matter, Respondent argues that to qualify as a contribution, a loan guarantee (or any other type of contribution) must be made "for

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the purpose of influencing any election for Federal office." 2 U.S.C. § 431(8) (A) (i). Respondent contends that because the idea of a loan endorsement did not arise until after the election, this manifests a lack of intent to influence a Federal election.

In making this argument, Respondent misconstrues the Act. It has long been established that post-election loans which are related to retiring campaign debts, are subject to the contribution limits of the election for which the loan was obtained. See the Commission's Regulations governing contributions by persons at 11 C.F.R. § 110.1(g) (2):

Contributions made to retire debts resulting from elections held after December 31, 1974 are subject to the limitations of this Part 110.

Therefore, the mere fact that the loan guarantees in the present case were made after the election does not in any way exempt them from the Act's limitations. A person who guarantees a loan to a candidate or political committee in order to retire election debts has made a contribution to that candidate or committee and must abide by the statutory limitations placed on the amount of such contribution.

Respondent's argument that Congress did not intend for contributions such as the loan guarantees here to be included within the contribution limitations of the Act is also without merit. The United States Supreme Court reaffirmed Congressional intent to subject all § 431(8) (A) contributions to the limitations of § 441a and considered the inclusion of all such

forms of financial support within the contribution limitations as integral to the Act's scheme of preventing political corruption. California Medical Association v. Federal Election Commission, 101 S.Ct. 2712 at 2723 n. 19 (1981).

In light of the facts of this case, the General Counsel recommends that the Commission find probable cause to believe that Dona Carlson violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Ted Haley Congressional Committee.

III. GENERAL COUNSEL'S RECOMMENDATION

1. Find probable cause to believe that Dona Carlson violated 2 U.S.C. § 441a(a)(1)(A).

14 February 1985
Date



Charles N. Steele
General Counsel

Attachment
A. Calculation of Excessive Contribution

43031338

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NAME OF CONTRIBUTOR	AMOUNT RECEIVED/ PL. CTION DESIGNATION	DATE RECEIVED	APPARENT EXCESSIVE AMOUNT	AMOUNT REPAYED	DATE REPAYED
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Carlson, Dona	\$1,000 / P3/	4/25/82		\$1,000.00	3/14/83
	1,800 / P1/	3/11/83	\$1,800 / P3/	7,951.402/	6/30/83
	8,200 / G1/	3/11/83	7,200 / G	2,048.602/	12/31/83
			\$ 9,000		

ATTACHMENT A

1/ The contributions received on March 11, 1983 were in the form of loan endorsements for a \$50,000 loan from the Puget Sound National Bank. In an amendment received on June 26, 1984, the Committee noted that \$9,000 of the loan was to retire 1982 primary debts and \$41,000 of the loan was to retire 1982 general debts. The Reports Analysis Division calculated the amounts of the excessive contributions by attributing 18% of the amount of each loan endorsement to retire 1982 primary debts and 82% of the amount of each loan endorsement to retire 1982 general debts.

2/ The amount repaid was also calculated by the Reports Analysis Division. The Committee disclosed three (3) loan repayments on March 31, May 2 and June 8, 1983 totalling \$41,476.74. In an amendment received on May 22, 1984, the Committee noted that the amount of the principal repaid on the \$50,000 loan was \$39,757 as of June 30, 1983. The balance of the principal and interest was disclosed as repaid on the 1983 Year End Report.

3/ This contribution was in the form of a loan. On the 1982 July Quarterly Report, the Committee disclosed the receipt of the loan designated for the 1982 primary. The new and amended 1983 Mid-Year Reports disclosed the receipt of an \$1,800 loan endorsement also designated for the 1982 primary. This resulted in the receipt of an apparent excessive contribution of \$1,800 for the 1982 primary as of March 11, 1983. On March 14, 1983, the Committee showed the repayment of the initial \$1,000 loan.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1985

Jeffrey T. Haley, Esquire
Simburg, Ketter, Haley
Sheppard & Purdy, P.S.
2525 First Interstate Center
Third and Marion
Seattle, Washington 98104

RE: MUR 1840
Sallie Baine

Dear Mr. Haley:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on October 30, 1984, found reason to believe that your client had violated 2 U.S.C. § 441a(a)(1)(A), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find 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.

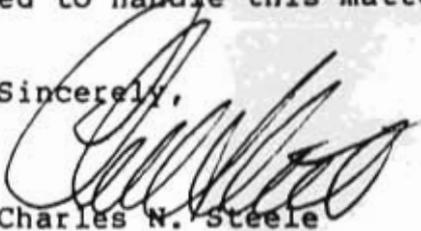
If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

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Jeffrey T. Haley, Esquire
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 Eric Kleinfeld, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Brief

200540901539

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Sallie Baine) MUR 1840

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter was referred to the Office of General Counsel by the Reports Analysis Division ("RAD") on July 27, 1984.

The Ted Haley Congressional Committee's 1982 April Quarterly, July Quarterly, October Quarterly, 30 Day Post-General and 1983 Mid-Year Reports disclosed the receipt of excessive contributions. The contributions were in the form of loan endorsements for one \$50,000 loan.

The Haley Committee received the \$50,000 loan on March 11, 1983, from the Puget Sound National Bank with a February 1984 due date and an interest rate of 13 3/4%. The loan was endorsed by six individuals with \$9,000 of the loan designated to retire 1982 primary debts and \$41,000 of the loan designated to retire 1982 general debts. From March 31, 1983, to December 31, 1983, the Committee made four loan repayments on the \$50,000 loan, including principal and interest, totalling \$51,719.74.

On October 30, 1984, the Federal Election Commission ("the Commission") determined that there is reason to believe that Sallie Baine violated 2 U.S.C. § 441a(a)(1)(A) of the Act by making an excessive contribution to the Ted Haley Congressional Committee in the form of a loan guarantee.

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II. LEGAL ANALYSIS

Section 431(8) (A) of Title 2, United States Code, provides that the term "contribution" includes a loan made to a political committee. 11 C.F.R. § 100.7(a) (1) (i) states that the term "loan" includes a guarantee, endorsement, or any other form of security. Thus, a person who guarantees or endorses a loan to a political committee has made a contribution to that committee.

Section 441a(a) (1) (A) of Title 2 provides that no person shall make contributions to any candidate and his authorized political committees with respect to any federal election which in the aggregate, exceed \$1,000.

Section 441a(f) of Title 2 provides that no candidate or political committee shall knowingly accept any contribution in violation of the contribution limitations of 2 U.S.C. § 441a(a).

The making of the guarantees is not in dispute. Respondent guaranteed \$5,000 of the \$50,000 loan. RAD calculated the amount of the excessive contribution by attributing 18 percent of the amount of each loan endorsement to retire 1982 primary debts and 82 percent of the amount of each loan endorsement to retire 1982 general debts. The resulting excessive contribution made by Respondent was \$3,100. (See Attachment A).

Respondent denies both knowledge that the law was violated and intent to do so. In asking for dismissal of this matter, Respondent argues that to qualify as a contribution, a loan guarantee (or any other type of contribution) must be made "for

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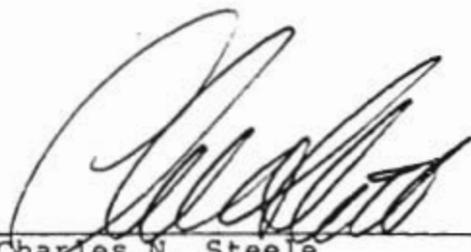
forms of financial support within the contribution limitations as integral to the Act's scheme of preventing political corruption. California Medical Association v. Federal Election Commission, 101 S.Ct. 2712 at 2723 n. 19 (1981).

In light of the facts of this case, the General Counsel recommends that the Commission find probable cause to believe that Sallie Baine violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution to the Ted Haley Congressional Committee.

III. GENERAL COUNSEL'S RECOMMENDATION

1. Find probable cause to believe that Sallie Baine violated 2 U.S.C. § 441a(a)(1)(A).

14 February 1985
Date



Charles N. Steele
General Counsel

Attachment
A. Calculation of Excessive Contribution

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NAME OF CONTRIBUTOR	AMOUNT RECEIVED/ ELECTION DESIGNATION	DATE RECEIVED	APPARENT EXCESSIVE AMOUNT	AMOUNT REPAID	DATE REPAID
Baine, Sallie	\$ 900 / P1/ 4,100 / G1/	3/11/83 3/11/83	\$3,100 / G	\$3,975.702/ 1,024.302/	6/30/83 12/31/83

ATTACHMENT A

1/ The contributions received on March 11, 1983 were in the form of loan endorsements for a \$50,000 loan from the Puget Sound National Bank. In an amendment received on June 26, 1984, the Committee noted that \$9,000 of the of the loan was to retire 1982 primary debts and \$41,000 of the loan was to retire 1982 general debts. The Reports Analysis Division calculated the amounts of the excessive contributions by attributing 18% of the amount of each loan endorsement to retire 1982 primary debts and 82% of the amount of each loan endorsement to retire 1982 general debts.

2/ The amount repaid was also calculated by the Reports Analysis Division. The Committee disclosed three (3) loan repayments on March 31, May 2 and June 8, 1983 totalling \$41,476.74. In an amendment received on May 22, 1984, the Committee noted that the amount of the principal repaid on the \$50,000 loan was \$39,757 as of June 30, 1983. The balance of the principal and interest was disclosed as repaid on the 1983 Year End Report.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1985

Jeffrey T. Haley, Esquire
Simburg, Ketter, Haley
Sheppard & Purdy, P.S.
2525 First Interstate Center
Third and Marion
Seattle, Washington 98104

RE: MUR 1840
Joanne Alger

Dear Mr. Haley:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on October 30, 1984, found reason to believe that your client had violated 2 U.S.C. § 441a(a)(1)(A), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find 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.

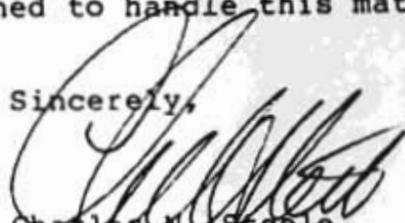
If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

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Jeffrey T. Haley, Esquire
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 Eric Kleinfeld, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Brief

20040501645

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Joanne Alger) MUR 1840

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter was referred to the Office of General Counsel by the Reports Analysis Division ("RAD") on July 27, 1984.

The Ted Haley Congressional Committee's 1982 April Quarterly, July Quarterly, October Quarterly, 30 Day Post-General and 1983 Mid-Year Reports disclosed the receipt of excessive contributions. The contributions were in the form of loan endorsements for one \$50,000 loan.

The Haley Committee received the \$50,000 loan on March 11, 1983, from the Puget Sound National Bank with a February 1984 due date and an interest rate of 13 3/4%. The loan was endorsed by six individuals with \$9,000 of the loan designated to retire 1982 primary debts and \$41,000 of the loan designated to retire 1982 general debts. From March 31, 1983, to December 31, 1983, the Committee made four loan repayments on the \$50,000 loan, including principal and interest, totalling \$51,719.74.

On October 30, 1984, the Federal Election Commission ("the Commission") determined that there is reason to believe that Joanne Alger violated 2 U.S.C. § 441a(a)(1)(A) of the Act by making an excessive contribution to the Ted Haley Congressional Committee in the form of a loan guarantee.

40-215-7

II. LEGAL ANALYSIS

Section 431(8) (A) of Title 2, United States Code, provides that the term "contribution" includes a loan made to a political committee. 11 C.F.R. § 100.7(a) (1) (i) states that the term "loan" includes a guarantee, endorsement, or any other form of security. Thus, a person who guarantees or endorses a loan to a political committee has made a contribution to that committee.

Section 441a(a) (1) (A) of Title 2 provides that no person shall make contributions to any candidate and his authorized political committees with respect to any federal election which in the aggregate, exceed \$1,000.

Section 441a(f) of Title 2 provides that no candidate or political committee shall knowingly accept any contribution in violation of the contribution limitations of 2 U.S.C. § 441a(a).

The making of the guarantees is not in dispute. Respondent guaranteed \$10,000 of the \$50,000 loan. RAD calculated the amount of the excessive contribution by attributing 18 percent of the amount of each loan endorsement to retire 1982 primary debts and 82 percent of the amount of each loan endorsement to retire 1982 general debts. The resulting excessive contribution made by Respondent was \$8,000. (See Attachment A).

Respondent denies both knowledge that the law was violated and intent to do so. In asking for dismissal of this matter, Respondent argues that to qualify as a contribution, a loan guarantee (or any other type of contribution) must be made "for

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the purpose of influencing any election for Federal office." 2 U.S.C. § 431(8)(A)(i). Respondent contends that because the idea of a loan endorsement did not arise until after the election, this manifests a lack of intent to influence a Federal election.

In making this argument, Respondent misconstrues the Act. It has long been established that post-election loans which are related to retiring campaign debts, are subject to the contribution limits of the election for which the loan was obtained. See the Commission's Regulations governing contributions by persons at 11 C.F.R. § 110.1(g)(2):

Contributions made to retire debts resulting from elections held after December 31, 1974 are subject to the limitations of this Part 110.

Therefore, the mere fact that the loan guarantees in the present case were made after the election does not in any way exempt them from the Act's limitations. A person who guarantees a loan to a candidate or political committee in order to retire election debts has made a contribution to that candidate or committee and must abide by the statutory limitations placed on the amount of such contribution.

Respondent's argument that Congress did not intend for contributions such as the loan guarantees here to be included within the contribution limitations of the Act is also without merit. The United States Supreme Court reaffirmed Congressional intent to subject all § 431(8)(A) contributions to the limitations of § 441a and considered the inclusion of all such

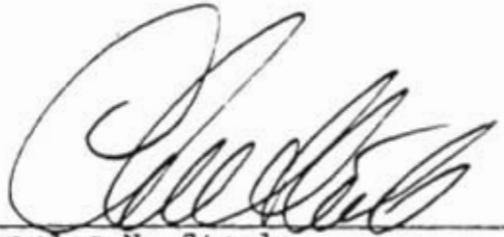
forms of financial support within the contribution limitations as integral to the Act's scheme of preventing political corruption. California Medical Association v. Federal Election Commission, 101 S.Ct. 2712 at 2723 n. 19 (1981).

In light of the facts of this case, the General Counsel recommends that the Commission find probable cause to believe that Joanne Alger violated 2 U.S.C. § 441a(a) (1) (A) by making an excessive contribution to the Ted Haley Congressional Committee.

III. GENERAL COUNSEL'S RECOMMENDATION

1. Find probable cause to believe that Joanne Alger violated 2 U.S.C. § 441a(a) (1) (A).

14 February 1985
Date



Charles N. Steele
General Counsel

Attachment
A. Calculation of Excessive Contribution

400031500

(12)

NAME OF CONTRIBUTOR	AMOUNT RECEIVED/ ELECTION DESIGNATION	DATE RECEIVED	APPARENT EXCESSIVE AMOUNT	AMOUNT REPAID	DATE REPAID
Algier, JoAnne	\$1,800 / P1/	3/11/83	\$ 800 / P	\$7,951.40 ^{2/}	6/30/83
	8,200 / G1/	3/11/83	7,200 / G	2,048.60 ^{2/}	12/31/83
			\$8,000		

ATTACHMENT A

1/ The contributions received on March 11, 1983 were in the form of loan endorsements for a \$50,000 loan from the Puget Sound National Bank. In an amendment received on June 26, 1984, the Committee noted that \$9,000 of the loan was to retire 1982 primary debts and \$41,000 of the loan was to retire 1982 general debts. The Reports Analysis Division calculated the amounts of the excessive contributions by attributing 18% of the amount of each loan endorsement to retire 1982 primary debts and 82% of the amount of each loan endorsement to retire 1982 general debts.

2/ The amount repaid was also calculated by the Reports Analysis Division. The Committee disclosed three (3) loan repayments on March 31, May 2 and June 8, 1983 totalling \$41,476.74. In an amendment received on May 22, 1984, the Committee noted that the amount of the principal repaid on the \$50,000 loan was \$39,757 as of June 30, 1983. The balance of the principal and interest was disclosed as repaid on the 1983 Year End Report.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1985

Jeffrey T. Haley, Esquire
Simburg, Ketter, Haley
Sheppard & Purdy, P.S.
2525 First Interstate Center
Third and Marion
Seattle, Washington 98104

RE: MUR 1840
Ted Haley Congressional
Committee and Ted Haley, as
treasurer

Dear Mr. Haley:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on October 30, 1984, found reason to believe that your client had violated 2 U.S.C. § 441a(f), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find 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.

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ATTACHMENT A

NAME OF CONTRIBUTOR	AMOUNT RECEIVED/ ELECTION DESIGNATION	DATE RECEIVED	APPARENT EXCESSIVE AMOUNT	AMOUNT REPAID	DATE REPAID
Algier, JoAnne	\$1,800 / P ¹ /	3/11/83	\$ 800 / P	\$7,951.40 ² /	6/30/83
	8,200 / G ¹ /	3/11/83	7,200 / G	2,048.60 ² /	12/31/83
			\$8,000		

1/ The contributions received on March 11, 1983 were in the form of loan endorsements for a \$50,000 loan from the Puget Sound National Bank. In an amendment received on June 26, 1984, the Committee noted that \$9,000 of the of the loan was to retire 1982 primary debts and \$41,000 of the loan was to retire 1982 general debts. The Reports Analysis Division calculated the amounts of the excessive contributions by attributing 18% of the amount of each loan endorsement to retire 1982 primary debts and 82% of the amount of each loan endorsement to retire 1982 general debts.

2/ The amount repaid was also calculated by the Reports Analysis Division. The Committee disclosed three (3) loan repayments on March 31, May 2 and June 8, 1983 totalling \$41,476.74. In an amendment received on May 22, 1984, the Committee noted that the amount of the principal repaid on the \$50,000 loan was \$39,757 as of June 30, 1983. The balance of the principal and interest was disclosed as repaid on the 1983 Year End Report.

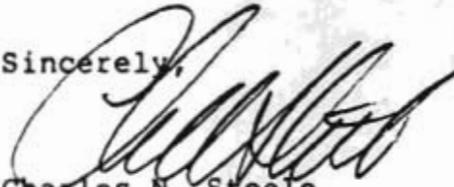
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Jeffrey T. Haley, Esquire
Page 2

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 Eric Kleinfeld, the attorney assigned to handle this matter, at (202) 523-4000.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Brief

20040301653

SENSITIVE

ATTACHMENT 1

①

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	
Ted Haley Congressional)	MUR 1840
Committee, Ted Haley, as)	
Treasurer)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On July 27, 1984, the Reports Analysis Division ("RAD") referred to the Office of General Counsel the Ted Haley Congressional Committee ("Haley Committee") for the receipt of excessive contributions.

The Ted Haley Congressional Committee's 1982 April Quarterly, July Quarterly, October Quarterly, 30 Day Post-General and 1983 Mid-Year Reports disclosed the receipt of excessive contributions from six individuals, JoAnne Alger, Sallie Baine, Dona Carlson, George Edman, Fred Haley and Richard Haley. The contributions were in the form of direct contributions, a loan of \$1,000, and loan endorsements for one \$50,000 loan.

The Haley Committee received the \$50,000 loan on March 11, 1983, from the Puget Sound National Bank with a February 1984 due date and an interest rate of 13 3/4%. The loan was endorsed by the six individuals listed above with \$9,000 of the loan designated to retire 1982 primary debts and \$41,000 of the loan designated to retire 1982 general debts. From March 31, 1983, to December 31, 1983, the Committee made four loan repayments on the \$50,000 loan, including principal and interest, totalling \$51,719.74.

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On October 30, 1984, the Federal Election Commission ("the Commission") determined that there is reason to believe that the Ted Haley Congressional Committee and L.T. Murray^{*}, as treasurer, violated 2 U.S.C. § 441a(f) of the Federal Election Campaign Act ("the Act") by accepting excessive contributions from six individuals, JoAnne Alger, Sallie Baine, Dona Carlson, George Edman, Fred Haley and Richard Haley. Reason to believe notification letters were sent to Respondents on November 7, 1984. Respondents' Counsel requested and received an extension of time to respond until December 13. The Haley Committee's response was received by this office on December 17, 1984.

II. LEGAL ANALYSIS

Section 431(8) (A) of Title 2, United States Code, provides that the term "contribution" includes a loan made to a political committee. 11 C.F.R. § 100.7(a) (1) (i) states that the term "loan" includes a guarantee, endorsement, or any other form of security. Thus, a person who guarantees or endorses a loan to a political committee has made a contribution to that committee.

Section 441a(a) (1) (A) of Title 2 provides that no person shall make contributions to any candidate and his authorized political committees with respect to any federal election which in the aggregate, exceed \$1,000.

^{*}/ The Haley Committee has filed an amended Statement of Organization designating Ted Haley as Treasurer.

2040001500

Section 441a(f) of Title 2 provides that no candidate or political committee shall knowingly accept any contribution in violation of the contribution limitations of 2 U.S.C. § 441a(a).

The making of the guarantees is not in dispute. Each of the six individuals guaranteed a portion of the \$50,000 loan to Ted Haley, in excess of the permissible contribution limitations of 2 U.S.C. § 441a(a)(1)(A). The amounts of the excessive contributions ranged from \$3,100 to \$10,000. (See Attachment A).

In asking for dismissal of this matter, Respondents argue that to qualify as a contribution, a loan guarantee (or any other type of contribution) must be made "for the purpose of influencing any election for Federal office." 2 U.S.C. § 431(8)(A)(i). Respondents contend that because the guarantees were made after the election and neither the guarantors nor the lender nor the creditors were approached before the election concerning the possibility of a post-election loan with guarantees, this manifests a lack of intent to influence a Federal election.

In making this argument, Respondents misconstrue the Act. It has long been established that post-election loans which are related to retiring campaign debts, are subject to the contribution limits of the election for which the loan was obtained. See the Commission's Regulations governing contributions by persons at 11 C.F.R. § 110.1(g)(2):

Contributions made to retire debts resulting from elections held after December 31, 1974 are subject to the limitations of this Part 110.

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Therefore, the mere fact that the loan guarantees in the present case were made after the election does not in any way exempt them from the Act's limitations. A person who guarantees a loan to a candidate or political committee in order to retire election debts has made a contribution to that candidate or committee and must abide by the statutory limitations placed on the amount of such contribution.

Respondents' argument that Congress did not intend for contributions such as the loan guarantees here to be included within the contribution limitations of the Act is also without merit. The United States Supreme Court reaffirmed Congressional intent to subject all § 431(8) (A) contributions to the limitations of § 441a and considered the inclusion of all such forms of financial support within the contribution limitations as integral to the Act's scheme of preventing political corruption. California Medical Association v. Federal Election Commission, 101 S.Ct. 2712 at 2723 n. 19 (1981).

In light of the facts of this case, the General Counsel recommends that the Commission find probable cause to believe that the Ted Haley Congressional Committee and Ted Haley, as treasurer, violated 2 U.S.C. § 441a(f) by accepting excessive contributions.

20040301657

III. GENERAL COUNSEL'S RECOMMENDATION

1. Find probable cause to believe that the Ted Haley Congressional Committee and Ted Haley, as treasurer, violated 2 U.S.C. § 441a(f).

14 February 1985
Date



Charles N. Steele
General Counsel

Attachment

A. Calculation of Excessive Contributions

22240201658

6

ATTACHMENT A

NAME OF CONTRIBUTOR	AMOUNT RECEIVED/ ELECTION DESIGNATION	DATE RECEIVED	APPARENT EXCESSIVE AMOUNT	AMOUNT REPAID	DATE REPAID
Algier, JoAnne	\$1,800 / P ¹ /	3/11/83	\$ 800 / P	\$7,951.40 ² /	6/30/83
	8,200 / G ¹ /	3/11/83	7,200 / G \$8,000	2,048.60 ² /	12/31/83
Baine, Sallie	\$ 900 / P ¹ /	3/11/83	\$3,100 / G	\$3,975.70 ² /	6/30/83
	4,100 / G ¹ /	3/11/83		1,024.30 ² /	12/31/83
Carlson, Dona	\$1,000 / P ³ /	4/25/82	\$1,800 / P ³ / 7,200 / G 9,000	\$1,000.00	3/14/83
	1,800 / P ¹ /	3/11/83		7,951.40 ² /	6/30/83
	8,200 / G ¹ /	3/11/83		2,048.60 ² /	12/31/83
Edman, George	\$ 900 / P ¹ /	3/11/83	\$3,100 / G	\$3,975.70 ² /	6/30/83
	4,100 / G ¹ /	3/11/83		1,024.30 ² /	12/31/83
Haley, Fred	\$ 75 / P	11/20/81	\$1,300 / G 7,500 \$8,800	\$7,951.40 ² / 2,048.60 ² /	6/30/83 12/31/83
	425 / P	3/10/82			
	250 / G	11/28/82			
	50 / G ⁴ /	1/08/83			
	1,800 / P ¹ /	3/11/83			
Haley, Richard	8,200 / G ¹ /	3/11/83	\$1,300 / P 7,200 / G \$8,500	\$7,951.40 ² / 2,048.60 ² /	6/30/83 12/31/83
	\$ 250 / P	1/26/82			
	250 / P	9/08/82			

1/ The contributions received on March 11, 1983 were in the form of loan endorsements for a \$50,000 loan from the Puget Sound National Bank. In an amendment received on June 26, 1984, the Committee noted that \$9,000 of the of the loan was to retire 1982 primary debts and \$41,000 of the loan was to retire 1982 general debts. The Reports Analysis Division calculated the amounts of the excessive contributions by attributing 18% of the amount of each loan endorsement to retire 1982 primary debts and 82% of the amount of each loan endorsement to retire 1982 general debts.

2/ The amount repaid was also calculated by the Reports Analysis Division. The Committee disclosed three (3) loan repayments on March 31, May 2 and June 8, 1983 totalling \$41,476.74. In an amendment received on May 22, 1984, the Committee noted that the amount of the principal repaid on the \$50,000 loan was \$39,757 as of June 30, 1983. The balance of the principal and interest was disclosed as repaid on the 1983 Year End Report.

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① 3/ This contribution was in the form of a loan. On the 1982 July Quarterly Report, the Committee disclosed the receipt of the loan designated for the 1982 primary. The new and amended 1983 Mid-Year Reports disclosed the receipt of an \$1,800 loan endorsement also designated for the 1982 primary. This resulted in the receipt of an apparent excessive contribution of \$1,800 for the 1982 primary as of March 11, 1983. On March 14, 1983, the Committee showed the repayment of the initial \$1,000 loan.

4/ The Committee reported the receipt of a \$100 contribution from Mr. and Mrs. Fred Haley but did not designate how much should be attributed to each individual for the 1982 general election. The Reports Analysis Division has therefore attributed one-half of the amount of the contribution to each individual.

MO# 6869

COI

REC
DEC 11 1968

FEDERAL ELECTION COMMISSION

MATTER UNDER REVIEW: 1840

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REPLY OF ALL RESPONDENTS TO GENERAL COUNSEL'S BRIEF

The complete factual and legal argument of respondents is contained in their first brief, which was submitted prior to receipt of the general counsel's brief, entitled "Brief Of Ted Haley Congressional Committee And All Loan Guarantors Prior To Finding Of Probable Cause". The entire contents of that brief are hereby incorporated by reference. This brief simply replies to the point made in the general counsel's brief and presents additional equitable considerations.

I. REPLY TO POINT OF GENERAL COUNSEL'S BRIEF

The argument of the general counsel is summarized by a sentence in the middle of page 3 (top of page 4 in brief for Ted Haley) which states:

Therefore, the mere fact that the loan guarantees were made after the election does not in any way exempt them from the Act's limitations.

The respondents agree. But, when this fact is combined with the other relevant facts of this case, the facts show that the loan guarantees were not improper contributions under either the Act or the Regulations.

The commission should hold that loans guarantees made after an election are not contributions under the Act or the Regulations, when the following conditions are met:

Such guarantees are not contributions under the Act unless they are made for the purpose of influencing an election for Federal office. Lack of this purpose at the time the guarantees are made may be subsequently conclusively demonstrated by the existence of the following facts:

1. Prior to the election, no suggestions or representations, implied or explicit, were made to any person who was considering extending credit to the campaign that substantial loan guarantees would be received after the election to obtain a loan with which to pay campaign debts.
2. The loan is made by a regulated institution as specified in 2 USC §431(8)(B)(vii) or 11 CFR §100.7(b)(11).
3. Neither the lender nor the guarantors were approached by anyone on behalf of the candidate or the committee regarding the loan or the guarantees prior to the election.
4. The candidate himself is personally and primarily liable to repay the loan.

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5. There is no evidence that the candidate, the committee, or the guarantors expected any of the guarantees to be called or intended any of the guarantees to enhance the financial position of this candidate or committee or any other candidate or committee for this or any other election.

6. The loan is repaid without presentment of a demand to any guarantor and without payment by any guarantor.

7. The loan is fully repaid before the candidate or the committee makes any "expenditure" for any other election for Federal office.

II. ADDITIONAL EQUITABLE CONSIDERATIONS

The previously submitted brief of the respondents shows that the loan guarantees made in this case were consistent with the purposes of the Act and public policy. A finding of probable cause in this case would be the unfortunate result of exalting the written word, drafted without foresight that cases like this would arise, over justice.

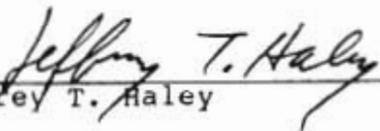
A grassroots campaign in a less affluent district cannot afford the required legal assistance to be sure that the affairs of the campaign are structured to comply with the minutia of complex statutes and regulations. Had the campaign leaders known it would cost many thousands of dollars worth of attorneys' services to defend themselves, they would have quickly chosen an alternative course of action to achieve the exact same results.

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The candidate, Ted Haley, spent on the campaign \$90,000 of his own money that he was not able to recoup after the election. He has not been able to pay for any of the services of the campaign attorney including the preparation of this brief. The effect of the prosecution of this case by the FEC has not furthered any public policy or interest. It has only created anxiety for the six individual respondents and imposed financial hardship on the candidate and the campaign's attorney.

DATED THIS 1st day of March, 1985.

Respectfully submitted,



Jeffrey T. Haley

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SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE FEDERAL
ELECTION COMMISSION SECRETARY

In the Matter of)
)
Ted Haley Congressional Committee)
Ted Haley, treasurer)
JoAnne Alger)
Sallie Baine)
Dona Carlson)
George Edman)
Fred Haley)
Richard Haley)

MUR 1840

EXECUTIVE SESSION

APR 30 1985

GENERAL COUNSEL REPORT

I. BACKGROUND

The Reports Analysis Division ("RAD") referred the Ted Haley Congressional Committee ("Committee") to the Office of General Counsel after a review of the Committee's reports disclosed the receipt of excessive contributions from six individuals, JoAnne Alger, Sallie Baine, Dona Carlson, George Edman, Fred Haley and Richard Haley, in the form of loan guarantees for a \$50,000 loan.

On October 30, 1984, the Federal Election Commission ("Commission") determined there is reason to believe that the Ted Haley Congressional Committee and L.T. Murray,^{1/} as treasurer, violated 2 U.S.C. 441a(f), by accepting excessive contributions from six individuals, JoAnne Alger, Sallie Baine, Dona Carlson, George Edman, Fred Haley, and Richard Haley. Additionally, the Commission determined there is reason to believe that each of the six above-named individuals violated 2 U.S.C. § 441a(a)(1)(A), by making excessive contributions to the Ted Haley Congressional Committee.

^{1/} The Committee has since filed an amended Statement of Organization designating Ted Haley as treasurer.

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On November 7, 1984 reason to believe notification letters were sent to Respondents. Respondents' counsel requested and received an extension of time to respond until December 13, 1984. Responses were received by this office on December 17, 1984.

On February 14, 1984, General Counsel's Briefs notifying Respondents of the General Counsel's intention to recommend to the Commission a finding of probable cause to believe a violation occurred, were mailed to Respondent's counsel. The briefs recommended that the Commission find probable cause to believe that (1) the Ted Haley Congressional Committee had violated 2 U.S.C. § 441a(f) by accepting excessive contributions from six individuals and (2) JoAnne Alger, Sallie Baine, Dona Carlson, George Edman, Fred Haley and Richard Haley had violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Ted Haley Congressional Committee.

On March 11, 1985, this Office received a reply to the General Counsel's Briefs from Respondents' counsel.

II. LEGAL ANALYSIS

In reply to the General Counsel's Briefs, Respondents admit that in general, loan guarantees made after an election are still subject to the limitations of the Federal Election Campaign Act of 1971, as amended ("Act"). However, Respondents contend that their loan guarantees by meeting certain conditions are not contributions under the Act. As further analysis will reveal, Respondents' belief that the guarantees in question were not contributions is erroneous, and the factors listed by them in

support of this contention have no bearing on the General Counsel's recommendation for a finding of probable cause.

Respondents' contentions revolve around three characteristics of the loan: the nature, timing and repayment of the loan. First, as to the nature of the loan, Respondents suggest that because the loan was made by a "regulated institution" and was one on which the candidate was personally and primarily liable, the guarantees should not be treated as contributions under the Act. However the nature of the loan has no bearing on the treatment of the guarantees as contributions under the Act. Guarantees and endorsements are treated in the same manner under the Act and Regulations whether the underlying loan was made by a bank, a savings and loan, or a person. Guarantees or endorsements are treated the same under the Act and Regulations whether the underlying loan was made to the candidate himself or to his political committee. Under 11 C.F.R. § 100.7(a)(1)(i), the term "loan" includes a guarantee, endorsement or any other form of security. Therefore, as the Commission has consistently determined in past enforcement actions, any person who guarantees a loan or a portion of a loan to a candidate has made a contribution to that candidate for purposes of the Act.

As for the timing of the loan and its guarantees, Respondents suggest that because neither the candidate's creditors, lenders, nor guarantors were approached before the date of the election concerning the possibility of a loan, and

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instead, since all loan activity occurred subsequent to the general election, then somehow the loan guarantees lose their classification as contributions. Here, Respondents are attempting to carve out an exception for themselves where none exists and where the Act and Regulations are clear. It has long been established that post-election loans which are related to retiring campaign debts, are subject to the contribution limits of the election for which the loan was obtained. 11 C.F.R. § 110.1(g)(2) states,

Contributions made to retire debts resulting from elections held after December 31, 1974 are subject to the limitations of this part 110.

As for Respondents' final contention, that the loan was repaid without presentment of a demand to any guarantor, without payment by a guarantor, and before the candidate made any other expenditures for another election for Federal office, is simply without relevance to the issue in the present matter. Whether or not the individual guarantors are called on to repay the loan does not alter the nature of their contributions. It is the making of the guarantee in excess of the contribution limitation which constitutes the basis of the violation, and no requirement exists under the law that the lender must look to the guarantor for payment before the guarantee becomes a contribution.

In summary, Respondents' contention that somehow an exception to the meaning of "contribution" should be created under the Act to permit their actions is without merit. The factors listed by Respondents' counsel simply have no bearing on

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the ultimate conclusion required in this matter: a person who guarantees a loan to a candidate in order to retire election debts has made a contribution to that candidate and must abide by the statutory limitations placed on the amount of such a contribution. On the basis of both this analysis and that contained the General Counsel's Brief dated February 14, 1985, the General Counsel recommends that the Commission find (1) probable cause to believe that the Ted Haley Congressional Committee and Ted Haley, as treasurer, violated 2 U.S.C.

§ 441a(f), by accepting excessive contributions and (2) probable cause to believe that JoAnne Alger, Sallie Baine, Dona Carlson, George Edman, Fred Haley and Richard Haley violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions.

III. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

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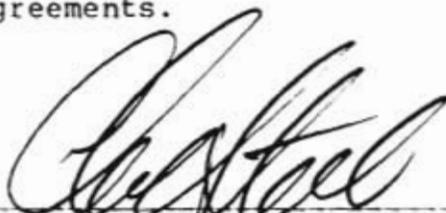
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IV. RECOMMENDATIONS

The Office of General Counsel recommends that the Commission:

1. Find probable cause to believe that the Ted Haley Congressional Committee and Ted Haley, as treasurer, violated 2 U.S.C. § 441a(f).
2. Find probable cause to believe that JoAnne Alger violated 2 U.S.C. § 441a(a)(1)(A).
3. Find probable cause to believe that Sallie Baine violated 2 U.S.C. § 441a(a)(1)(A).
4. Find probable cause to believe that Dona Carlson violated 2 U.S.C. § 441a(a)(1)(A).
5. Find probable cause to believe that George Edman violated 2 U.S.C. § 441a(a)(1)(A).
6. Find probable cause to believe that Fred Haley violated 2 U.S.C. § 441a(a)(1)(A).
7. Find probable cause to believe that Richard Haley violated 2 U.S.C. § 441a(a)(1)(A).
8. Approve proposed conciliation agreements.
9. Approve attached letters.

19 April 1975
Date


Charles N. Steele
General Counsel

Attachments

- I. Proposed Conciliation Agreements (7)
- II. Letters to Respondents (7)

2 J 2 4 0 5 0 1 5 7 1

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Ted Haley Congressional Committee)
Ted Haley, treasurer)
JoAnne Alger) MUR 1840
Sallie Baine)
Dona Carlson)
George Edman)
Fred Haley)
Richard Haley)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of April 30, 1985, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 1840:

1. Find probable cause to believe that the Ted Haley Congressional Committee and Ted Haley, as treasurer, violated 2 U.S.C. § 441a(f).
2. Find probable cause to believe that JoAnne Alger violated 2 U.S.C. § 441a(a) (1) (A).
3. Find probable cause to believe that Sallie Baine violated 2 U.S.C. § 441a(a) (1) (A).
4. Find probable cause to believe that Dona Carlson violated 2 U.S.C. § 441a(a) (1) (A).
5. Find probable cause to believe that George Edman violated 2 U.S.C. § 441a(a) (1) (A).

(continued)

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6. Find probable cause to believe that Fred Haley violated 2 U.S.C. § 441a(a) (1) (A).
7. Find probable cause to believe that Richard Haley violated 2 U.S.C. § 441a(a) (1) (A).
8. Approve the proposed conciliation agreements submitted with the General Counsel's report dated April 19, 1985.
9. Approve the letters attached to the General Counsel's report dated April 19, 1985.

Commissioners Aikens, Elliott, Harris, McGarry, and Reiche voted affirmatively for the decision; Commissioner McDonald was not present at the time of the vote on this matter.

Attest:

5-1-85

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

40301573



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 6, 1985

Jeffrey T. Haley, Esquire
Simburg, Ketter, Haley,
Sheppard and Purdy, P.S.
2525 First Interstate Center
Third and Marion
Seattle, Washington 98104

RE: MUR 1840
Ted Haley Congressional Committee
and Ted Haley, as treasurer

Dear Mr. Haley:

On April 30, 1985, the Commission determined that there is probable cause to believe your client committed a violation of 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with the excessive contributions accepted from JoAnne Alger, Sallie Baine, Dona Carlson, George Edman, Fred Haley and Richard Haley.

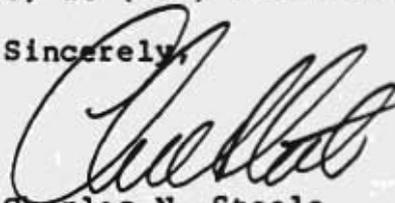
The Commission has a duty to attempt to correct such violations for a period of thirty to ninety days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. If we are unable to reach an agreement during that period, the Commission may institute 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 have it signed 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.

Jeffrey T. Haley, Esquire
Page 2

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Eric Kleinfeld, the attorney assigned to this matter, at (202) 523-4000.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

43031375



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 6, 1985

Jeffrey T. Haley, Esquire
Simburg, Ketter, Haley,
Sheppard and Purdy, P.S.
2525 First Interstate Center
Third and Marion
Seattle, Washington 98104

RE: MUR 1840
JoAnne Alger

Dear Mr. Haley:

On April 30, 1985, the Commission determined that there is probable cause to believe your client committed a violation of 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with her excessive contribution made to the Ted Haley Congressional Committee.

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.

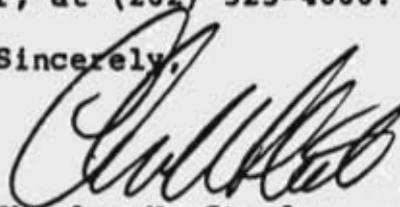
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Jeffrey T. Haley, Esquire
Page 2

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Sincerely,



Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

400-31577



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 6, 1985

Jeffrey T. Haley, Esquire
Simburg, Ketter, Haley,
Sheppard and Purdy, P.S.
2525 First Interstate Center
Third and Marion
Seattle, Washington 98104

RE: MUR 1840
Sallie Baine

Dear Mr. Haley:

On April 30, 1985, the Commission determined that there is probable cause to believe your client committed a violation of 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with her excessive contribution made to the Ted Haley Congressional Committee.

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.

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Jeffrey T. Haley, Esquire
Page 2

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Sincerely,



Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

400-21379



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 6, 1985

Jeffrey T. Haley, Esquire
Simburg, Ketter, Haley,
Sheppard and Purdy, P.S.
2525 First Interstate Center
Third and Marion
Seattle, Washington 98104

RE: MUR 1840
Dona Carlson

Dear Mr. Haley:

On April 30, 1985, the Commission determined that there is probable cause to believe your client committed a violation of 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with her excessive contribution made to the Ted Haley Congressional Committee.

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.

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Jeffrey T. Haley, Esquire
Page 2

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Sincerely,



Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 6, 1985

Jeffrey T. Haley, Esquire
Simburg, Ketter, Haley,
Sheppard and Purdy, P.S.
2525 First Interstate Center
Third and Marion
Seattle, Washington 98104

RE: MUR 1840
George Edman

Dear Mr. Haley:

On April 30, 1985, the Commission determined that there is probable cause to believe your client committed a violation of 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with his excessive contribution made to the Ted Haley Congressional Committee.

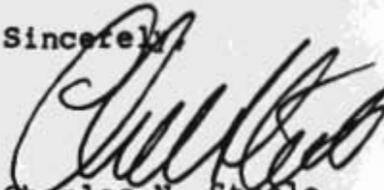
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Jeffrey T. Haley, Esquire
Page 2

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Sincerely,



Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 6, 1985

Jeffrey T. Haley, Esquire
Simburg, Ketter, Haley,
Sheppard and Purdy, P.S.
2525 First Interstate Center
Third and Marion
Seattle, Washington 98104

RE: MUR 1840
Fred Haley

Dear Mr. Haley:

On April 30, 1985, the Commission determined that there is probable cause to believe your client committed a violation of 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with his excessive contribution made to the Ted Haley Congressional Committee.

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.

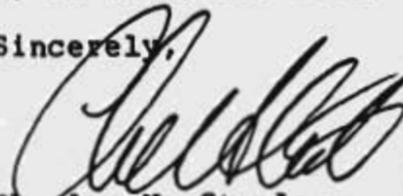
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Jeffrey T. Haley, Esquire
Page 2

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Sincerely,



Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

40001335



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 6, 1985

Jeffrey T. Haley, Esquire
Simburg, Ketter, Haley,
Sheppard and Purdy, P.S.
2525 First Interstate Center
Third and Marion
Seattle, Washington 98104

RE: MUR 1840
Richard Haley

Dear Mr. Haley:

On April 30, 1985, the Commission determined that there is probable cause to believe your client committed a violation of 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with his excessive contribution made to the Ted Haley Congressional Committee.

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.

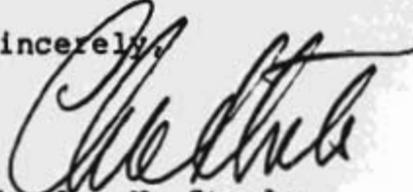
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Jeffrey T. Haley, Esquire
Page 2

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Eric Kleinfeld, the attorney assigned to this matter, at (202) 523-4000.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

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FEC

05 JUN 24 9:50

SIMBURG, KETTER, HALEY,
SHEPPARD & PURDY, P.S.

ATTORNEYS AT LAW
2525 FIRST INTERSTATE CENTER
THIRD AND MARION
SEATTLE, WASHINGTON 98104

2061 382-2600
TELEX 4740128
CABLE SIMBURG SEATTLE

JEFFREY T. HALEY
DAVID E. KETTER
GEORGE A. PURDY
KENNETH A. SHEPPARD
MELVYN JAY SIMBURG

June 18, 1985

JUN 24 P 1:37

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

Re: MUR 1840, all respondents

Dear Mr. Steele:

I have received your letters dated May 6, 1985 regarding each of the respondents in the above matter.

My clients believe that your determination of probable cause is wrong because it is based upon an incorrect interpretation of the statute. It is clear that the loan guarantees made in this case were not made "for the purpose of influencing any election for Federal office." Your attempt to ignore this language in the statute is dead wrong.

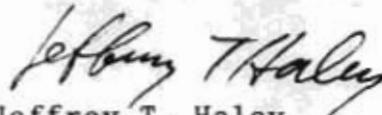
Not only were these loan guarantees consistent with the law, they were also the proper and ethical thing to do. The campaign committee and the guarantors acted responsibly when they allowed the campaign creditors to be paid.

The FEC's prosecution efforts are a perversion of justice and are causing both financial and emotional hardships. If this matter goes to court, I will seek a recovery of attorneys fees on behalf of my clients under the Equal Access to Justice Act and any other relief that I can obtain.

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Mr. Charles N. Steele
June 18, 1985
Page Two

Sincerely,



Jeffrey T. Haley,
Attorney for Respondents

JTH:ls

cc: JoAnne Alger
Sallie Baine
Dona Carlson
George Edman
Fred Haley
Richard Haley
Ted Haley
cr6haley

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SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE FEC
COMM. SEC. SECRETARY

In the Matter of)	
)	
Ted Haley Congressional Committee)	MUR 1840
Ted Haley, treasurer)	
JoAnne Alger)	
Sallie Baine)	
Dona Carlson)	
George Edman)	
Fred Haley)	
Richard Haley)	

05 JUL 22 P 4: 11

EXECUTIVE SESSION

JUL 30 1985

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On April 30, 1985, the Federal Election Commission determined there was probable cause to believe that JoAnne Alger, Sallie Baine, Dona Carlson, George Edman, Fred Haley and Richard Haley violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions in the form of loan guarantees to the Ted Haley Congressional Committee ("Committee"). Also on April 30, 1985, the Commission determined there was probable cause to believe that the Committee violated 2 U.S.C. § 441a(f) by accepting excessive contributions in the form of loan guarantees from the six above-mentioned individuals.

II. DISCUSSION OF CONCILIATION EFFORTS

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III. RECOMMENDATIONS

The Office of General Counsel recommends that the Commission:

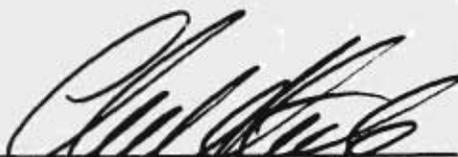
1. Reject the counterproposal for conciliation submitted by the Ted Haley Congressional Committee, Ted Haley, as treasurer, Jo Anne Alger, Sallie Baine, Dona Carlson, George Edman, Fred Haley and Richard Haley.

2. Authorize the Office of General Counsel to file a civil suit for relief in the United States District Court against the following:

Ted Haley Congressional Committee
Ted Haley, as treasurer
JoAnne Alger
Sallie Baine
Dona Carlson
George Edman
Fred Haley
Richard Haley;

3. Send the attached letter.

22 July 1985
Date


Charles N. Steele
General Counsel

Attachments

1. Respondents' counterproposal
2. Letter

40001573

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Ted Haley Congressional Committee,) MUR 1840
et al.)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of July 30, 1985, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 1840:

1. Reject the counterproposal for conciliation submitted by the Ted Haley Congressional Committee, Ted Haley, as treasurer, Jo Anne Alger, Sallie Baine, Dona Carlson, George Edman, Fred Haley and Richard Haley.
2. Authorize the Office of General Counsel to file a civil suit for relief in the United States District Court against the following: Ted Haley Congressional Committee; Ted Haley, as treasurer; JoAnne Alger; Sallie Baine; Dona Carlson; George Edman; Fred Haley; and Richard Haley.

(continued)

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Federal Election Commission
Certification for MUR 1840
July 30, 1985

Page 2

3. Send the letter attached to the General Counsel's report dated July 22, 1985.

Commissioners Elliott, Harris, McDonald, McGarry,
and Reiche voted affirmatively for the decision;
Commissioner Aikens was not present at the time of the
vote.

Attest:

7-31-85

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

7-31-85



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

9 August 1985

Jeffrey T. Haley, Esq.
Simburg, Ketter, Haley, Sheppard
& Purdy, P.S.
2525 First Interstate Center
Third and Marion
Seattle, Washington 98104

RE: MUR 1840
Ted Haley Congressional
Committee
Ted Haley, as treasurer
JoAnne Alger
Sallie Baine
Dona Carlson
George Edman
Fred Haley
Richard Haley

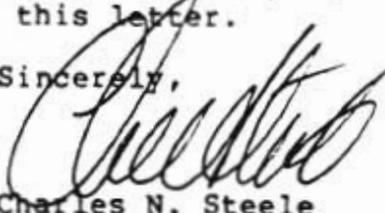
Dear Mr. Haley:

You were previously notified that on April 30, 1985, the Federal Election Commission found probable cause to believe that your clients violated 2 U.S.C. § 441a(a)(1)(A) and § 441a(f) of the Federal Election Campaign Act of 1971, as amended, in connection with the above-captioned matter.

As a result of our inability to settle this matter through conciliation, 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 Assistant General Counsel handling this case, at (202) 523-4143 within two weeks of your receipt of this letter.

Sincerely,


Charles N. Steele
General Counsel

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SIMBURG, KETTER, HALEY,
SHEPPARD & PURDY, P.S.

ATTORNEYS AT LAW

2525 FIRST INTERSTATE CENTER

THIRD AND MARION

SEATTLE, WASHINGTON 98104

(206) 382-2600
TELEX 474012B
CABLE SIMBURG SEATTLE

JEFFREY T. HALEY
DAVID E. KETTER
GEORGE A. PURDY
KENNETH A. SHEPPARD
MELVYN JAY SIMBURG

August 26, 1985

Mr. Lee Andersen,
Assistant General Counsel
Federal Election Commission
1325 "K" Street N.W.
Washington, D.C. 20463

Re: MUR 1840, all respondents

Dear Mr. Andersen:

This letter is a further attempt to settle the above matter. The respondents submit the following statement of mitigating factors and offer of settlement to the FEC for its consideration.

To recapitulate the relevant facts, four months after an election for congressman, six individuals guaranteed a bank loan to the former candidate who lost the election. The candidate loaned the money to his committee for the purpose of paying suppliers of goods and services to the campaign, many of whom were in serious financial need. Without the loan to the committee, the suppliers would not have been able to collect their debts, and at least one would have faced bankruptcy.

The candidate and the respondents believe that their actions were both ethical and consistent with the purposes of the campaign laws. No argument to the contrary has been presented. They believe that it would have been immoral to allow the creditors to face bankruptcy or other financial hardships while they held the power to prevent it.

However, the candidate and the respondents recognize that, in general, loan guarantees to candidates for public office can easily violate the purposes of the campaign laws or be used to circumvent campaign contribution limitations. They also recognize that it is impractical and undesirable to write exceedingly long and complex campaign contribution regulations. The candidate and the committee concede that the regulations are generally appropriate in their scope and it might be quite difficult to improve them. They also admit that the regulations appear to prohibit the loan guarantees that were made in this case.

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Mr. Lee Andersen
August 26, 1985
Page Two

Unfortunately, and perhaps unavoidably, the regulations which are appropriate for most cases are so broad and general that they prohibit guarantees which do not violate the purposes of the campaign laws such as the guarantees made in this case. The attorneys for the FEC have not suggested or argued that the guarantees made in this case violated, or could have violated, the purposes of the campaign laws.

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1. The money was used for a worthy cause. The money was not used to influence any election in any way. It was used to pay campaign suppliers who had been waiting at least four months for their payment. Many were in serious financial need and at least one was facing a probable bankruptcy. It would have been bad for the election system in general if this committee had simply become bankrupt rather than than pay its debts. It good for the public in general that the candidate felt a moral obligation to pay the suppliers, keeping them out of bankruptcy and out of the welfare rolls.

2. The guarantees made in this case were not the equivalent of contributions. The guarantees were not called by the bank, and the guarantors knew that, in any event, the candidate would be able to repay the loan. The guarantors were not seeking a means to circumvent the contribution limitations. None of their out of pocket contributions even reached the maximum of \$2,000 for husband and wife. The guarantees were made long after the election to a candidate who announced that he would not run again for public office. The guarantors knew that the candidate would use the money only to pay campaign suppliers.

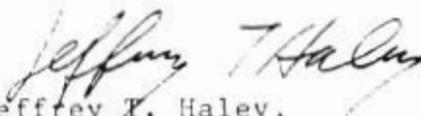
3. Legal alternatives for raising the funds were available. If the loan guarantees made in this case violated the purposes of the FEC Act, then any alternative means of achieving the same ends would in effect be a loophole in the act. Instead of providing six personal guarantees for the loan, the candidate could simply have provided security interests in real estate that he owned. It is not improper under the act for the candidate to use his own resources to pay campaign suppliers. The candidate did not choose this route simply because his banker suggested only the route that he followed and the alternative would have required considerable time, trouble, and expense.

Mr. Lee Andersen
August 26, 1985
Page Three

4. The guarantees could not possibly have influenced any election. The election was over four months before anyone thought about obtaining loan guarantees. At this time, it was known that the candidate would not again seek public office. All of the money raised through the guarantees was used to pay campaign creditors. The guarantees were never called and there was no transfer of money.

5. The guarantors had no intent to influence an election and knew that the guarantees could not influence an election. The guarantors knew the facts recited above which showed that the guarantees could not have influenced an election. Also, the guarantors guaranteed a loan to the candidate personally and not to the committee. They knew that the candidate had the assets to repay the loan.

Sincerely,


Jeffrey T. Haley,
Attorney for respondents

JTH:ls
cc: JoAnne Alger
Sallie Baine
Dona Carlson
George Edman
Fred Haley
Richard Haley
Ted Haley
er15haley

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66-1182

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By Deputy _____

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

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FEDERAL ELECTION COMMISSION,)
)
Plaintiff,)
)
v.)
)
TED HALEY CONGRESSIONAL)
COMMITTEE; THEODORE R. HALEY;)
JOANNE ALGER; SALLIE BAINE;)
DONA CARLSON; GEORGE W. EDMAN;)
FREDERICK T. HALEY; RICHARD G.)
HALEY,)
)
Defendants.)

CASE NO. C85-1185TB
ORDER AMENDING JUDGMENT
ON REMAND

THIS MATTER comes before the court on remand from the Ninth Circuit in Federal Election Comm. v. Haley, Slip Op. 87-3867; 87-4248 (July 22, 1988).

In that case, the Court of Appeals reversed in part and remanded this court's decision in Federal Election Comm. v. Haley, 654 F. Supp. 1120 (1987). Therefore, based on the record in the Ninth Circuit's decision, the following amended judgment is now entered. It is now

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ORDERED that judgment for the plaintiff be entered on the issue of whether defendant's post-election loan guarantees violated FECA, in conformance with the Ninth Circuit opinion in Federal Election Comm. v. Haley, Slip Ops. 87-3867; 87-4248 (July 22, 1988);

ORDERED that no civil penalties under FECA be assessed against the defendants;

ORDERED that the award to defendants for attorneys' fees is hereby VACATED; and it is further

ORDERED that this case is hereby DISMISSED.

The Clerk of the Court shall direct copies of this Order to all counsel of record.

DATED this 22d day of November, 1988.

Robert J. Bryan
ROBERT J. BRYAN
United States District Judge

93-40801701



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 1240

DATE FILMED 10/17/90 CAMERA NO. 2

CAMERAMAN AS

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