FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 1861

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Washington, D.C. 20530

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

Re: The Chicago Board of Trade Clearing Corporation, et al.

Dear Mr. Steele:

This is to advise the Commission that on Thursday, September 13, 1984, a Bill of Information was filed in the Federal District Court for the Northern District of Illinois, in Chicago charging the Board of Trade Clearing Corporation and two of its principal officers, Walter Brinkman and James Johnson, with conspiracy and substantive violations of the corporate giving prohibition contained in 2 U.S.C. §441b(a). This Information also charged Messrs. Brinkman and Johnson with tax offenses.

These charges follow an intensive investigation of illegal corporate giving by the Board of Trade Clearing Corporation and its principal officers that has been conducted over the past year by the Federal Bureau of Investigation and the federal grand jury for the Northern District of Illinois. The case involved in the instant Information focused on some $25,000 in illegal corporate contributions which were given by BTCC between 1980 and 1982 to the Carter-Mondale campaign, and to the political campaigns of Congressmen Annunzio, Zeferetti, Russo, Gillis Long and Peter Rodino. Brinkman and Johnson instigated these transactions, and they utilized corporate employees as conduits to conceal the source of the funds thus given. The Bill of Information did not charge violations of the conduit giving statute, 2 U.S.C. 441f.

We will make a copy of the Bill of Information in this case available to the Commission as soon as it is received from the United States Attorney in Chicago.

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Should you have any questions concerning this matter, please let us know.

Sincerely,

Gerald E. McDowell, Chief
Public Integrity Section
Criminal Division

By: Craig C. Donsanto

Craig C. Donsanto, Director
Election Crimes Branch
Public Integrity Section

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U.S. Department of Justice

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GENERAL COUNSEL

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

Re: United States v. Brinkman, et al.

Dear Mr. Steele:

This will refer to our previous correspondence concerning the prosecution of the Chicago Board of Trade Clearing Corporation, and two of its principal officers, for violations of the Federal Election Campaign Act and for related felony tax offenses.

Enclosed is a copy of the Criminal Information that was filed in this matter in the United States District Court for the Northern District of Illinois. All three defendants have entered pleas of guilty to the offenses charged, and they are awaiting sentencing at the present time.

This concludes our prosecution of these cases.

Sincerely,

Gerald E. McDowell, Chief
Public Integrity Section
Criminal Division

By: Craig C. Donsanto, Director
Election Crimes Branch
Public Integrity Section

Enclosure

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA	)	
	)	
v.	)	No. _____
	)	Violations: Title 18, United States
BOARD OF TRADE CLEARING	)	Code, Sections 371 and 2; Title 2, United
CORPORATION,	)	States Code, Section 441b(a) and 437g(d);
WALTER W. BRINKMAN, and	)	Title 26, United States Code, Section
JAMES E. JOHNSON	)	7203.

The UNITED STATES ATTORNEY charges:

1. At all times material herein, the Board of Trade Clearing Corporation was a Delaware corporation organized to provide clearing services for and to assure the financial integrity of all futures contracts traded on the Chicago Board of Trade. The principal place of business of the Board of Trade Clearing Corporation was located at 141 West Jackson, Chicago, Illinois.

2. At all times material herein, a "futures contract" was a contract to purchase a specified amount of a particular commodity or product on a certain future date, and a "futures transaction" was a sale of a futures contract.

3. At all times material herein, every futures transaction on the Chicago Board of Trade had to be cleared by or through a firm that was a member in good standing of the Board of Trade Clearing Corporation. The clearing services provided by the Board of Trade Clearing Corporation included the daily settlement of all gains and losses on futures contracts traded on the Chicago Board of Trade.

4. At all times material herein, the Board of Trade Clearing Corporation served to assure the financial integrity of all contracts bought and sold on the Chicago Board of Trade by setting fiscal responsibility requirements for member firms of the Board of Trade Clearing Corporation and by in effect serving as the guarantor of all futures contracts cleared by its member firms.

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5. At all times material herein, the income of the Board of Trade Clearing Corporation was derived primarily from fees paid by member firms for clearing trades, from the interest earned on invested capital, and from charges for performing bookkeeping and other services for member firms.

6. At all times material herein, defendant WALTER W. BRINKMAN was the President and Treasurer of the Board of Trade Clearing Corporation. As President, defendant WALTER W. BRINKMAN was responsible to the Board of Governors of the Board of Trade Clearing Corporation for the management and administration of the corporation's business affairs. As Treasurer, defendant WALTER W. BRINKMAN'S responsibilities included ensuring that the books and records of the Board of Trade Clearing Corporation fully and accurately reflected all monies paid out by the Board of Trade Clearing Corporation and contained a true record of the expenses of the corporation.

7. At all times material herein, the Carter-Mondale Re-election Committee, Inc. was an authorized political committee, as defined in Title 2, United States Code, Section 431(6), organized to seek the nomination and re-election of Jimmy Carter to the office of President of the United States and the nomination and re-election of Walter F. Mondale to the Office of Vice President of the United States.

8. At all times material herein, Citizens for Rodino was an authorized political committee, as defined in Title 2, United States Code, Section 431(6), organized to seek the nomination and re-election of Peter W. Rodino, Jr. to the office of Member of the United States House of Representatives from the 10th Congressional District of New Jersey.

9. At all times material herein, the Annunzio For People Committee was an authorized political committee, as defined in Title 2, United States Code, Section 431(6), organized to seek the nomination and re-election of Frank Annunzio to the office of

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Member of the United States House of Representatives from the 11th Congressional District of Illinois.

10. At all times material herein, the Russo For Congress Committee was an authorized political committee, as defined in Title 2, United States Code, Section 431(6), organized to seek the nomination and re-election of Martin A. Russo to the office of Member of the United States House of Representatives from the 3rd Congressional District of Illinois.

11. At all times material herein, the Friends of Gillis Long Committee was an authorized political committee, as defined in Title 2, United States Code, Section 431(6), organized to seek the nomination and re-election of Gillis W. Long to the office of Member of the United States House of Representatives from the 8th Congressional District of Louisiana.

12. At all times material herein, the Committee To Re-elect Congressman Leo C. Zeferetti was an authorized political committee, as defined in Title 2, United States Code, Section 431(6), organized to seek the nomination and re-election of Leo C. Zeferetti to the office of Member of the United States House of Representatives from the 14th Congressional District of New York.

13. At all times material herein, the Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq., was a federal law that regulated the organization of political committees supporting candidates running for federal office, and prohibited certain types of political contributions to such political committees. Among the political contributions prohibited by the Federal Election Campaign Act were those made by corporations (Title 2, United States Code, Section 441b(a)) and those made in the names of persons other than the individual or entity whose funds were being donated (Title 2, United States Code, Section 441f).

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14. At all times material herein, the Illinois Election Code, Chapter 46, Illinois Revised Statutes, prohibited certain types of political contributions to political candidates and political committees. Among the political contributions prohibited by the Illinois Election Code were those made in the names of persons other than the individual or entity whose funds were being donated (Chapter 46, Illinois Revised Statutes, Section 9-25).

THE CONSPIRACY

15. From in or before February 1980, and continuing thereafter until in or about January 1983, the exact dates being unknown, in Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

WALTER W. BRINKMAN,

defendant herein, unlawfully, wilfully and knowingly combined, conspired and agreed with other persons known and unknown:

(A) to commit an offense against the United States, namely: to violate the Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq., by knowingly and wilfully causing the Board of Trade Clearing Corporation to make contributions and expenditures aggregating $2000 or more during a calendar year through conduits to various authorized political committees, as defined in Title 2, United States Code, Section 431(6), by consenting to these contributions and expenditures, and by knowingly and wilfully causing contributions to be made in the names of persons other than the true contributor, in violation of Title 2, United States Code, Sections 441b(a), 441f and 437g(d); and

(B) to defraud the United States by impeding, impairing and obstructing the Internal Revenue Service, Department of the Treasury, in the exercise of its lawful governmental functions, namely, the ascertaining, computing, assessing, levying and collecting of income taxes imposed by law on corporations and individuals.

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THE OBJECTS OF THE CONSPIRACY

16. The objects of the conspiracy were to unlawfully contribute funds of the Board of Trade Clearing Corporation to the campaigns of various candidates for political office and their authorized political committees by using employees of the Board of Trade Clearing Corporation as intermediaries and conduits for these contributions and to defraud the United States in connection with the assessment and collection of income tax by the Internal Revenue Service by misrepresenting and concealing the true nature of payments made to employees of the Board of Trade Clearing Corporation as reimbursement for political campaign contributions made by the corporation, through these employees, at the direction of defendant.

THE MEANS BY WHICH THE CONSPIRACY WAS CARRIED OUT

17. It was part of the conspiracy that defendant WALTER W. BRINKMAN and other co-conspirators would and did solicit and direct various subordinate employees of the Board of Trade Clearing Corporation to write personal checks payable to political campaign committees in amounts designated by defendant.

18. It was further a part of the conspiracy that defendant WALTER W. BRINKMAN and other co-conspirators would and did collect these campaign contribution checks from employees of the Board of Trade Clearing Corporation and forward or cause these checks to be forwarded to the designated political campaign committees.

19. It was further a part of the conspiracy that defendant WALTER W. BRINKMAN and other co-conspirators would and did cause to be issued petty cash disbursements and checks drawn on the corporate account of the Board of Trade Clearing Corporation for the purpose of reimbursing employees of the Board of Trade Clearing Corporation for the checks these employees wrote to the designated political campaign committees at the direction and with the consent of defendant.

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20. It was a further part of the conspiracy that in order to conceal the true nature of the corporate reimbursement checks described in paragraph 19, defendant WALTER W. BRINKMAN and other co-conspirators would and did direct that the corporate reimbursement checks described in paragraph 19 be carried on the books of the Board of Trade Clearing Corporation as salary and expense items, and that income tax and Social Security payments be deducted from them, rather than as corporate reimbursements for political contributions made by the corporation, through these employees, at defendant's direction.

21. It was further a part of the conspiracy that in order to conceal the true nature of the corporate reimbursement checks described in paragraph 19, defendant WALTER W. BRINKMAN and other co-conspirators would and did cause the Board of Trade Clearing Corporation to prepare and present Wage and Tax Statements, Forms W-2, for employees of the Board of Trade Clearing Corporation who had written campaign checks at the direction of the defendant, which forms defendant knew would be and were false and fraudulent in that they included the corporate reimbursement checks described in paragraph 19 as wage income of these employees, when in fact they were corporate reimbursements for political contributions made by the corporation, through these employees, at defendant's direction.

22. It was further a part of the conspiracy that in order to conceal the true nature of the corporate reimbursement checks described in paragraph 19, defendant WALTER W. BRINKMAN and others co-conspirators did cause the Board of Trade Clearing Corporation to prepare and present Employee's Quarterly Federal Tax Returns, Forms 941, for the third and fourth quarters of calendar year 1982, which forms defendant knew would be and were false and fraudulent in that they included the corporate reimbursement checks described in paragraph 19 as wage income of these

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employees, when in fact they were corporate reimbursements for political contributions made by the corporation, through these employees, at defendant's direction.

23. It was further a part of the conspiracy that in order to conceal the true nature of the corporate reimbursement checks described in paragraph 19, co-conspirators of defendant WALTER W. BRINKMAN would and did counsel and advise employees of the Board of Trade Clearing Corporation who had written political campaign checks at defendant's direction and who had been reimbursed by the Board of Trade Clearing Corporation for sending these checks to the designated political campaign political committees to claim tax credits on their United States Individual and Joint Individual Income Tax Returns (Forms 1040) in the amount of these checks, whereas they then and there well knew and believed that these employees were not entitled to claim a credit in the amount of these checks since those expenditures had been reimbursed in full by the Board of Trade Clearing Corporation and in fact constituted political campaign contributions by the corporation.

24. It was further a part of the conspiracy that the Board of Trade Clearing Corporation, acting through defendant WALTER W. BRINKMAN and others, made the following illegal campaign contributions, among others:

(A) $800 to the Carter-Mondale Re-election Committee in March 1980;

(B) $800 to the Jane Byrne Dinner Committee in November 1980;

(C) $5000 to the Citizens For Rodino in August 1982;

(D) $5000 to the Annunzio For People Committee in September 1982;

(E) $7750 to the Russo For Congress Committee between December 1981 and September 1982;

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(F) $5000 to the Friends of Gillis Long Committee during June 1982 and July 1982; and

(G) $5250 to the Committee to Re-elect Congressman Leo C. Zeferetti in September 1982.

25. It was further a part of the conspiracy that defendant WALTER W. BRINKMAN and others would and did conceal and hide and cause to be concealed and hidden the objects of and means to accomplish this conspiracy.

OVERT ACTS

26. In furtherance of the conspiracy and to effect its objects, defendant WALTER W. BRINKMAN and other co-conspirator committed the following overt acts, among others, in the Northern District of Illinois, Eastern Division:

(1) Counts Two through Eight of this information are hereby re-alleged and incorporated herein as if fully set forth.

(2) On or about March 14, 1980, an officer of the Board of Trade Clearing Corporation, acting at the direction of defendant WALTER W. BRINKMAN, wrote a check to the Carter-Mondale Re-election Committee in the amount of $200 and solicited and directed three other employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Carter-Mondale Re-election Committee in the amount of $200.

(3) On or about November 28, 1980, an officer of the Board of Trade Clearing Corporation, acting at the direction of defendant WALTER W. BRINKMAN, wrote a check to the Jane Byrne Dinner Committee in the amount of $200 and solicited and directed three other employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Jane Byrne Dinner Committee in the amount of $200.

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(4) On or about December 29, 1981, defendant WALTER W. BRINKMAN wrote a personal check payable to the Russo For Congress Committee in the amount of $250.

(5) On or about December 30, 1981, an officer of the Board of Trade Clearing Corporation, acting at the direction of defendant WALTER W. BRINKMAN, solicited and directed two employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Russo for Congress Committee in the amount of $1000 and a third employee to write a personal check payable to the Russo For Congress Committee in the amount of $750.

(6) Between on or about June 29, 1982 and July 8, 1982, an officer of the Board of Trade Clearing Corporation, acting at the direction of defendant WALTER W. BRINKMAN, solicited and directed and caused others to solicit and direct fifteen employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Friends of Gillis Long Committee in the amount of $250.

(7) On or about July 1, 1982, an employee of the Board of Trade Clearing Corporation solicited and directed two other employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Friends of Gillis Long Committee in the amount of $250.

(8) On or about July 1, 1982, defendant WALTER W. BRINKMAN wrote a personal check payable to the Friends of Gillis Long Committee in the amount of $250.

(9) On or about July 6, 1982, a co-conspirator of defendant WALTER W. BRINKMAN wrote a personal check payable to the Friends of Gillis Long Committee in the amount of $250 and directed another employee

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of the Board of Trade Clearing Corporation to write a personal check payable to the Friends of Gillis Long Committee in the amount of $250.

(10) On or about July 15, 1982, the Board of Trade Clearing Corporation issued checks drawn on the corporation's account at the Harris Bank payable to nineteen employees of the Board of Trade Clearing Corporation as reimbursement of these employees for the checks they wrote to the Friends of Gillis Long Committee.

(11) On or about August 12, 1982, the Board of Trade Clearing Corporation issued a check drawn on the corporation's account at the Harris Bank payable to an employee of the Board of Trade Clearing Corporation as reimbursement for the check he wrote to the Friends of Gillis Long Committee.

(12) Between on or about August 9, 1982 and August 13, 1982, an officer of the Board of Trade Clearing Corporation, acting at the direction of defendant WALTER W. BRINKMAN, solicited and directed and caused others to solicit and direct fifteen employees of the Board of Trade Clearing Corporation to each write a personal check payable to Citizens for Rodino in the amount of $250.

(13) On or about August 12, 1982, an employee of the Board of Trade Clearing Corporation solicited and directed two other employees of the Board of Trade Clearing Corporation to each write a personal check payable to Citizens For Rodino in the amount of $250.

(14) On or about August 3, 1982, defendant WALTER W. BRINKMAN wrote a personal check payable to Citizens For Rodino in the amount of $250.

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(15) On or about August 12, 1982, a co-conspirator of defendant WALTER W. BRINKMAN wrote a personal check payable to Citizens For Rodino in the amount of $250 and directed another employee of the Board of Trade Clearing Corporation to write a personal check payable to Citizens For Rodino in the amount of $250.

(16) On or about August 12, 1982, the Board of Trade Clearing Corporation issued checks drawn on the corporation's account at the Harris Bank payable to twenty employees of the Board of Trade Clearing Corporation as reimbursement of these employees for the checks they wrote to Citizens For Rodino.

(17) Between on or about September 7, 1982 and September 15, 1982, an officer of the Board of Trade Clearing Corporation, acting at the direction of defendant WALTER W. BRINKMAN, solicited and directed and caused others to solicit and direct fourteen employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Annunzio For People Committee in the amount of $250.

(18) On or about September 9, 1982, an employee of the Board of Trade Clearing Corporation solicited and directed three employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Annunzio For People Committee in the amount of $250.

(19) On or about September 9, 1983, a co-conspirator of defendant WALTER W. BRINKMAN wrote a personal check payable to the Annunzio For People Committee in the amount of $250 and directed another employee of the Board of Trade Clearing Corporation to write a personal check payable to the Annunzio For People Committee in the amount of $250.

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(20) On or about September 9, 1982, defendant WALTER W. BRINKMAN wrote a personal check payable to the Annunzio For People Committee in the amount of $250.

(21) On or about September 9, 1982, the Board of Trade Clearing Corporation issued checks drawn on the corporation's account at the Harris Bank payable to twenty employees of the Board of Trade Clearing Corporation as reimbursement of these employees for the checks they wrote to the Annunzio For People Committee.

(22) Between on or about September 15, 1982 and September 17, 1982, an officer of the Board of Trade Clearing Corporation, acting at the direction of defendant WALTER W. BRINKMAN, solicited and directed and caused others to solicit and direct fifteen employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Committee For Zeferetti in the amount of $250.

(23) On or about September 9, 1982, an employee of the Board of Trade Clearing Corporation solicited and directed three other employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Committee For Zeferetti in the amount of $250.

(24) On or about September 14, 1982, a co-conspirator of defendant WALTER W. BRINKMAN wrote a personal check payable to the Committee For Zeferetti in the amount of $250 and directed another employee of the Board of Trade Clearing Corporation to write a personal check payable to the Committee For Zeferetti in the amount of $250.

(25) On or about September 14, 1982, defendant WALTER W. BRINKMAN wrote a personal check payable to the Committee For Zeferetti in the amount of $250.

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(26) On or about September 23, 1982, the Board of Trade Clearing Corporation issued checks drawn on the corporation's account at the Harris Bank payable to twenty-one employees of the Board of Trade Clearing Corporation as reimbursement of these employees for the checks they wrote to the Committee For Zeferetti.

(27) On or about September 28, 1982 and September 29, 1982, an officer of the Board of Trade Clearing Corporation, acting at the direction of defendant WALTER W. BRINKMAN, solicited and directed and caused others to solicit and direct fourteen employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Russo For Congress Committee in the amount of $250.

(28) On or about September 29, 1982, an employee of the Board of Trade Clearing Corporation solicited and directed two other employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Russo For Congress Committee in the amount of $250.

(29) On or about September 29, 1982, a co-conspirator of defendant WALTER W. BRINKMAN wrote a personal check payable to the Russo For Congress Committee in the amount of $250 and directed another employee of the Board of Trade Clearing Corporation to write a personal check payable to the Russo For Congress Committee in the amount of $250.

(30) On or about September 29, 1982, defendant WALTER W. BRINKMAN wrote a personal check payable to the Russo For Congress Commitee in the amount of $250.

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(31) On or about October 7, 1982, the Board of Trade Clearing Corporation issued checks drawn on the corporation's account at the Harris Bank payable to nineteen employees of the Board of Trade Clearing Corporation as reimbursement of these employees for the checks they wrote to the Russo For Congress Committee.

In violation of Title 18, United States Code, Section 371.

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COUNT TWO

The UNITED STATES ATTORNEY further charges:

Beginning on or about January 1, 1982 and continuing through on or about December 31, 1982, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

WALTER W. BRINKMAN,

defendant herein, did knowingly and wilfully violate the Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq., which violations involved contributions and expenditures that in the aggregate exceeded $2,000 during calender year 1982, to wit: defendant WALTER W. BRINKMAN, an officer of the Board of Trade Clearing Corporation, did knowingly and wilfully consent to contributions and expenditures of $4750 by the Board of Trade Clearing Corporation during calender year 1982 to the Russo For Congress Committee, an authorized political committee, in connection with the November 2, 1982 General Election;

In violation of Title 2, United States Code, Sections 441b(a) and 437g(d).

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COUNT THREE

The UNITED STATES ATTORNEY further charges:

Beginning on or about January 1, 1982, and continuing thereafter through on or about December 31, 1982, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere, the

BOARD OF TRADE CLEARING CORPORATION,

defendant herein, acting through its various officers, employees and agents, knowingly and wilfully committed violations of the Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq., which violations involved contributions and expenditures that in the aggregate exceeded $2000 during calender year 1982, to wit: the BOARD OF TRADE CLEARING CORPORATION, defendant herein, knowingly and wilfully made contributions and expenditures to Citizens For Rodino, an authorized political committee, in connection with the November 2, 1982 General Election, in the amount of $5000;

In violation of Title 2, United States Code, Sections 441b(a) and 437g(d).

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COUNT FOUR

The UNITED STATES ATTORNEY further charges:

Beginning on or about January 1, 1982, and continuing thereafter through on or about December 31, 1982, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere, the

BOARD OF TRADE CLEARING CORPORATION,

defendant herein, acting through its various officers, employees and agents, knowingly and wilfully committed violations of the Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq., which violations involved contributions and expenditures that in the aggregate exceeded $2000 during calender year 1982, to wit: the BOARD OF TRADE CLEARING CORPORATION, defendant herein, knowingly and wilfully made contributions and expenditures to Annunzio For People Committee, an authorized political committee, in connection with the November 2, 1982 General Election, in the amount of $5000;

In violation of Title 2, United States Code, Sections 441b(a) and 437g(d).

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COUNT FIVE

The UNITED STATES ATTORNEY further charges:

Beginning on or about January 1, 1982, and continuing thereafter through on or about December 31, 1982, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere, the

BOARD OF TRADE CLEARING CORPORATION,

defendant herein, acting through its various officers, employees and agents, knowingly and wilfully committed violations of the Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq., which violations involved contributions and expenditures that in the aggregate exceeded $2000 during calender year 1982, to wit: the BOARD OF TRADE CLEARING CORPORATION, defendant herein, knowingly and wilfully made contributions and expenditures to the Russo For Congress Committee, an authorized political committee, in connection with the November 2, 1982 General Election, in the amount of $4750;

In violation of Title 2, United States Code, Sections 441b(a) and 437g(d).

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COUNT SIX

The UNITED STATES ATTORNEY further charges:

Beginning on or about January 1, 1982, and continuing thereafter through on or about December 31, 1982, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere, the

BOARD OF TRADE CLEARING CORPORATION,

defendant herein, acting through its various officers, employees and agents, knowingly and wilfully committed violations of the Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq., which violations involved contributions and expenditures that in the aggregate exceeded $2000 during calender year 1982, to wit: the BOARD OF TRADE CLEARING CORPORATION, defendant herein, knowingly and wilfully made contributions and expenditures to the Friends of Gillis Long Committee, an authorized political committee, in connection with the November 2, 1982 General Election, in the amount of $5000;

In violation of Title 2, United States Code, Sections 441b(a) and 437g(d).

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COUNT SEVEN

The UNITED STATES ATTORNEY further charges:

Beginning on or about January 1, 1982, and continuing thereafter through on or about December 31, 1982, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

JAMES E. JOHNSON,

defendant herein, did knowingly and wilfully violate the Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq., which violations involved contributions and expenditures that in the aggregate exceeded $2,000 during calender year 1982, to wit: defendant JAMES E. JOHNSON, an officer of the Board of Trade Clearing Corporation, did knowingly and wilfully consent to contributions and expenditures of $5250 by the Board of Trade Clearing Corporation during calender year 1982 to the Committee to Re-elect Congressman Leo C. Zeferetti, an authorized political committee, in connection with the November 2, 1982 General Election:

In violation of Title 2, United States Code, Sections 441b(a) and 437g(d).

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COUNT EIGHT

The UNITED STATES ATTORNEY further charges:

Between on or about January 1, 1982 and December 31, 1982, at Chicago, in the Northern District of Illinois, Eastern Division,

JAMES E. JOHNSON,

defendant herein, did wilfully cause the Board of Trade Clearing Corporation to fail to keep such permanent books and records as were necessary to accurately establish the amount of salary deductions and non-deductible political campaign contributions to be included on the Board of Trade Clearing Corporation's 1982 United States Corporate Income Tax Return, Form 1120, as required by law;

In violation of Title 26, United States Code, Section 7203 and Title 18, United States Code, Section 2.

UNITED STATES ATTORNEY

HMP/nw/wpc

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 26, 1984

Craig C. Donsanto
Election Crimes Branch
Public Integrity Section
Department of Justice
Tenth & Constitution Avenue, N.W.
Washington, D.C. 20530

RE: Pre-MUR 132 (United States v. Brinkman, et al.)

Dear Mr. Donsanto:

This letter acknowledges receipt of a copy of the Criminal Information that was filed in the above referenced matter in the United States District Court for the Northern District of Illinois.

Thank you for your assistance.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

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SENSITIVE

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

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL BY OGC TO THE COMMISSION 11/26/84-3:55

Pre-MUR No. 132
DATE OF RECEIPT BY OGC: October 4, 1984
STAFF MEMBER
Stephen Levin

SOURCE OF PRE-MUR: Department of Justice Criminal Division
Public Integrity Section, Election Crimes Branch
Craig C. Donsanto, Chief

RESPONDENTS' NAMES: Board of Trade Clearing Corporation
Walter Brinkman
James Johnson

RELEVANT STATUTE: 2 U.S.C. § 441b(a)

SUMMARY OF ALLEGATIONS

On September 13, 1984, a Bill of Information was filed in the United States District Court for the Northern District of Illinois charging the Board of Trade Clearing Corporation (hereinafter "BTCC") and two of its principal officers, Walter Brinkman and James Johnson, with conspiracy and with substantive violations of 2 U.S.C. § 441b(a), which prohibits campaign contributions by corporations. The Criminal Information in the case (United States v. Brinkman, et al.) also charged Brinkman and Johnson with related felony tax offenses.

FACTUAL AND LEGAL ANALYSIS

The Federal Bureau of Investigation and the federal grand jury for the Northern District of Illinois conducted a year-long

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investigation which resulted in the charges listed above being brought against BTCC and its principal officers, Brinkman and Johnson. The investigation revealed evidence of approximately $25,000 in illegal corporate contributions which were given by BTCC between 1980 and 1982 to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti, in violation of the prohibition against corporate campaign contributions. 2 U.S.C. § 441b(a). According to the Criminal Information, all of these contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate sources of the contributions. (The Bill of Information did not charge any of the conduits with any violations).

All three defendants have entered pleas of guilty to the offenses charged. On Friday, October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC in the amount of $100,000 which, according to the Department of Justice, is the largest criminal fine ever assessed in a case involving a campaign contribution violation. Brinkman and Johnson are scheduled, at this time, to be sentenced in December, 1984. In conversations with the Department of Justice, it was indicated that the Assistant U.S. Attorney handling this matter anticipates that Brinkman will receive a sentence of approximately two years. Johnson's probable sentence remains undetermined at this time.

In light of the severe fine which has already been levied in this case by the court against the corporation, and given the

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probability that the court will also mete out severe prison sentences to Brinkman and possibly Johnson, this Office recommends that the Commission not open a MUR in this case because of the resolute nature of the conclusion of the aforementioned prosecution of the defendants on the same violations which would constitute the basis for a Commission investigation.

RECOMMENDATIONS

1. Do not open a MUR in this case.

2. Close the file.

3. Approve the attached letters.

Charles N. Steele
General Counsel

BY:

Date

Kenneth A. Gross
Associate General Counsel

Attachment
Bill of Information
Letter to Craig C. Donsanto
Letters to Respondents (2)

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/THERESE M. GRETHER

DATE: WEDNESDAY, NOVEMBER 28, 1984

SUBJECT: Objection to Pre-Mur 132 Memorandum to the Commission/First General Counsel's Report dated November 26, 1984

The above-named document was circulated to the Commission on Tuesday, November 27, 1984.

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

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

This matter will be placed on the Executive Session agenda for Tuesday, December 4, 1984.

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84 NOV 28 P12:45

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 28, 1984

SUPPLEMENTAL INFORMATION MEMORANDUM

TO : The Commission

FROM : Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

SUBJECT: Pre-MUR 132
(Board of Trade Clearing Corp., et al.)

Please be advised that sentencing has been completed with regard to the remaining two defendants in the case of U.S. v. Board of Trade Clearing Corporation, et al., which served as the basis for this matter (for which the First General Counsel's Report is presently circulating). Both defendants were sentenced on November 15, 1984. Walter Brinkman received four years probation, a $35,000 fine and 1,000 hours of community service work. James Johnson was sentenced to two years probation, a $1,000 fine and 250 hours of community service work.

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SENSITIVE

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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November 29, 1984

MEMORANDUM

TO : The Commission

FROM : Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

SUBJECT: Transcript in United States v. Board of Trade Clearing Corporation, et al.

On November 28, 1984, we received an excerpt of a transcript from a proceeding in United States v. Board of Trade Clearing Corporation, et al. The excerpt, starting at page 15 on the attached transcript, makes reference to the Federal Election Commission. The information in the transcript does not affect our recommendation in this matter; we are merely circulating this document for the Commission's information. Unfortunately, we do not, as yet, have a copy of the full transcript of that proceeding, but have requested a copy from the Assistant United States Attorney.

Attachment

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SENSITIVE

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA,	) Docket No. 84 CR 689
Plaintiff,	)
vs.	)
CHICAGO BOARD OF TRADE, a clearing corporation,	) Chicago, Illinois
	) October 19, 1984
Defendant.	) 11:00 o'clock a.m.

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE MARVIN E. ASPEN, JUDGE

APPEARANCES:

For the Plaintiff: HON. DAN K. WEBB,
United States Attorney,
BY: MR. BARRY RAND ELDEN and
MR. HOWARD K. PEARL
Assistant United States Attorneys
(219 South Dearborn Street
15th Floor
Chicago, Illinois 60604)

For the Defendant: REUBEN & PROCTOR
BY: MR. DON H. REUBEN and
MR. JAMES H. ALESIA
(19 South LaSalle Street
Chicago, Illinois 60603)

Court Reporter: MS. MARY M. GALLAGHER
(219 South Dearborn Street
Room 1944
Chicago, Illinois 60604)
(312) 663-0049

ALSO PRESENT: MR. WILLIAM O'CONNOR
MR. DALE LORENZ

- - - - -

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where the political process wasn't polluted; if anything, they are victims as well as is the corporation; that there was absolute cooperation the minute anybody -- the minute our people found out about this, and they cooperated without any obligation to do so in the face of threats that, I submit in all candor, the Government was more cavalier than I would have liked to have seen them be about -- when you take that whole montage, I think that if ever a case cries out for the Court to allow a nolo plea, it's this case.

THE COURT: Mr. Elden?

MR. ELDEN: Judge, may we respond briefly?

THE COURT: Of course.

MR. PEARL: Judge, you have our response in written form, but I do want to highlight a few things and respond to Mr. Reuben's comments.

First, Mr. Reuben spoke obviously well on behalf of his client, perhaps better than I as a young lawyer.

THE COURT: Mr. Reuben was a young lawyer at one time.

MR. REUBEN: I am still a young lawyer. I object.

(Laughter.)

MR. PEARL: But one thing that he didn't mention in his presentation was any evidence to really support a

conclusion that it would be in the interest of the public to accept a nolo plea. And, of course, since the case that Mr. Reuben cited was decided, Congress in 1974 specifically amended Rule 11(b) to require a Court to consider the public interest in the administration of justice in weighing a decision of whether or not to accept a nolo.

I also think that Mr. Reuben's far too good a lawyer to ever stand before this Court and offer either a plea of nolo contendere or a plea of guilty in a case in which, quote, the defendant has done nothing wrong and has committed no crime.

The Government's position, of course, is that the defendant did commit a crime, and that is why we are here today. The crime was committed not by some lone individuals, some mere employee, you know, a janitor over at the Clearing Corporation. We are talking about the president of the Clearing Corporation, the executive vice president of the Clearing Corporation, and between 20 and 25 employees who were used as conduits for these contributions. This was a Clearing Corporation crime -- It is a classic corporate crime committed with corporate funds and to further a corporate purpose.

So the notion that the Clearing Corporation did nothing really, Judge -- if that is true, it does raise in my mind the question that Mr. Reuben posed, and that is, why plead guilty, or why -- why even offer a nolo plea.

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1 Why not go to trial?

2 I feel sure that Mr. Reuben is confident
3 enough that if, in fact, that is true, he would prevail
4 at trial. And, of course, the Government is confident of
5 its position or it wouldn't have indicted the case, that
6 it too would prevail -- it too feels that it would prevail
7 at trial.

8 I do want to say we acknowledge in the
9 plea agreement the cooperation of the defendants. When
10 it came to turning over records, when it came to certain
11 questions we had at any time, they were very respons
12 particularly the individuals who stand before you and the
13 attorneys at Reuben and Proctor.

14 But I think it is important to point
15 out the cooperation in this case is somewhat different
16 than is usually referred to when you speak of cooperation
17 in a criminal case. Cooperation here meant that they
18 willingly did things like that, turn over records, but the
19 key to this case was that the financial transactions were
20 reflected in bank documents, checks, books and records of
21 the corporation, and it was through those documents, which
22 were obtained through a grand jury subpoena and through
23 the work of the FBI in interviewing each of the individual
24 employees, that this case was made.

25 We are not talking about cooperation

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in the sense of getting on a witness stand or providing evidence. And, of course, members of the Clearing Corporation couldn't do that because, as Mr. Reuben said, they had no evidence to provide. They were totally unaware of the scheme.

With respect to the threats, I think we worked that out. I don't think that that is particularly relevant to the consideration of whether or not to enter a -- to accept a plea of nolo contendere in this particular case.

Mr. Reuben also referred to another classic reason for a nolo plea, and that is the civil consequences. And he referred to a proceeding that may happen. Indeed, the Federal Election Commission could, since it is an independent agency, go after the Clearing Corporation in a civil capacity, but that argument really cuts, I think, in favor of the Government, if it really does.

The Government, in the form of the U.S. Attorney's office and the FBI, has investigated this case for 18 to 20 months, put in considerable resources, and we believe that we can prove the facts as they are stated in the plea agreement that your Honor has. And I think to force the Government to go through that process again, to take an independent commission, such as the FEC, and make them go through the process of investigating and proving

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1 the same facts, would be very contrary to the public
2 interest.
3 What it comes down to then, Judge, is
4 the public interest in no way would be served by the
5 acceptance of a plea of nolo contendere in this case. It
6 is not a situation where it's necessary to avoid a long,
7 or prolonged trial.
8 Indeed, as your Honor is aware, in no
9 circumstance apparently will there be a trial. And to
10 allow the corporation to walk out of here with a nolo
11 plea and tell the world, as they tell the C[illegible] today,
12 that they did nothing wrong and committed no crime, would
13 indeed, I think, in the public's mind, breed some disrespect
14 or suspicion, at least to the Court, in the process of criminal
15 justice in our courts today.
16 THE COURT: Okay. Anything else, Mr. Reuben?
17 MR. REUBEN: I am a little surprised at the
18 reference to the Federal Election Commission. And I was
19 not going to say a word about it, but the Government lawyers
20 called me and said the Federal Election Commission thinks
21 they may proceed against the clearing corporation, and
22 we, the Justice Department, think that would be wrong.
23 I called the Government last week and
24 said, say, you were talking to me lawyer-to-lawyer as to
25 that circumstance, and you want to use that to appeal to

Judge Aspen for a nolo -- but you talk to me as a lawyer, and I don't want to go in and say that unless you are comfortable with it. And the Government finally came back and said they are not comfortable with it, and I opted this morning not to make any reference to it whatsoever because I expected what I thought was a lawyer talking to another lawyer. But when Mr. Pearl raised it, I feel compelled to answer.

Now, when we talk about cooperation, I don't know what the Government wants. You are willing to stand threats to your family, to your life, to your property, and look over your shoulder, and take your family away when you don't want to go away because you are concerned -- that is not cooperation as well as getting on the stand.

Now, when they talk about corporate purpose, what was the corporate purpose here? The corporation -- traditionally when a corporation commits a crime -- and certainly corporations can do so, and do so every day -- there is somebody in authority who decides to do it to get some benefit somewhere, for the corporation or for themselves. And as near as I can figure out, based upon the Government's investigation, the only thing that anybody got out of this is Mr. Brinkman felt perhaps self-important in responding to whoever asked him to give a contribution.

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And maybe that person knew, but the recipient didn't. And all of the recipients were interrogated before the grand jury -- or some were; and we have the solemn word of the Justice Department that those people didn't know. So the corporate purpose here escapes me.

Mr. Pearl I think misstates when he says that I did not make any reference to the good -- to the public. In the first place, I would think that the Justice Department would be in the forefront of wanting to encourage the kind of cooperation, which was extensive, that was given by my friends on -- clients on the right.

But, in addition, as I said to the Court, the Clearing Corporation -- the Clearing Corporation has worldwide dealings and images, all to the benefit of the economy of the United States and the nation. Indeed, it has been suggested in many quarters that the Clearing Corporation's position in the world community of economics is such that some of their decisions concerning what they did with their funds impacted on a major financial institution in Chicago.

The Clearing Corporation has a worldwide image, and that is to the benefit of the economy of this city, of the state and of the country. And I see under these circumstances no reason to sully it any more than necessary.

1 And so I again say to your Honor, I
2 believe if ever there is a case where a nolo seemed to be
3 appropriate, and as a matter of discretion, it is this case.
4 Indeed, it fits every one of Judge Weinfield's tests but
5 one: The Government is against it.
6 Thank you.
7 THE COURT: Okay. I generally subscribe to the
8 philosophy of the Brighton case, that nolo contendere pleas
9 are generally frowned upon and should be accepted only
10 when there has been a showing of exceptional circumstances.
11 Mr. Reuben, as if his professional mettle,
12 made a thorough argument and presentation of all the
13 factors that possibly could be said in favor of granting a
14 nolo contendere plea. But the record still remains, and
15 that record, in my view, is such that it does not warrant
16 this Court exercising its discretion in accepting the plea.
17 I certainly take notice of the cooperation
18 of the representatives of the defendant corporation. The
19 threats against them I think are unfortunate, but I say
20 with all due respect, are not really relevant to this Court
21 accepting a nolo contendere plea against the corporation.
22 Perhaps if they were seeking such a plea
23 individually, those threats may or may not be relevant.
24 I also don't think it is particularly
25 relevant whether or not the corporation received, or there

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL

FROM: MARJORIE W. EMMONS / JODY C. RANSOM

DATE: NOVEMBER 29, 1984

SUBJECT: PRE-MUR 132 - Memorandum to the Commission and First General Counsel's Report dated November 26, 1984

The above-named document was circulated to the Commission on Tuesday, November 27, 1984 at 11:00.

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

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

This matter will be placed on the Executive Session agenda for Tuesday, December 4, 1984.

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MUR 1861

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Board of Trade Clearing Corporation	)	Pre-MUR 132
Walter Brinkman	)	
James Johnson	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of December 4, 1984, do hereby certify that the Commission decided by a vote of 5-0 to open a Matter Under Review with respect to the above-captioned matter.

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

Attest:

12-4-84
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

84 DEC 14 P3:54

December 14, 1984

MEMORANDUM TO: The Commission

FROM: Charles N. Steele
General Counsel

SENSITIVE

By: Kenneth A. Gross
Associate General Counsel

SUBJECT: Pre-MUR 132

On December 4, 1984 the Commission voted to make the subject pre-MUR into a MUR. Therefore, all documents which had previously been identified as Pre-MUR 132 should now become MUR 1861.

Attachment
Copy of Certification

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FILED
OFFICE OF THE FEC
SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

'85 MAR 4 AM 1:49

In the Matter of	)	
	)	
Board of Trade Clearing Corporation	)	MUR 1861
Walter Brinkman	)	
James Johnson	)	

GENERAL COUNSEL'S REPORT

SENSITIVE

SUMMARY OF ALLEGATIONS

On September 13, 1984, a Bill of Information was filed in the United States District Court for the Northern District of Illinois charging the Board of Trade Clearing Corporation (hereinafter "BTCC") and two of its principal officers, Walter Brinkman, president, and James Johnson, executive vice president, with conspiracy and with substantive violations of 2 U.S.C. § 441b(a), which prohibits campaign contributions by corporations. The Criminal Information in the case (United States v. Brinkman, et al.) also charged Brinkman and Johnson with related felony tax offenses. The Commission voted to open a Matter Under Review (MUR) with regard to this matter on December 4, 1984.

FACTUAL AND LEGAL ANALYSIS

The Federal Bureau of Investigation and the federal grand jury for the Northern District of Illinois conducted an investigation which culminated in the charges listed above being brought against BTCC and its principal officers, Brinkman and Johnson. The investigation revealed evidence of approximately $25,000 in illegal corporate contributions which were given by BTCC between 1980 and 1982 to the Carter/Mondale Campaign and to

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the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti, in violation of the prohibitions against corporate campaign contributions. 2 U.S.C. § 441b(a). According to the Criminal Information, all of these contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate source of the contributions. In that the contributions were received from the individual conduits ostensibly within permissible limits and there was no evidence that the contributions came from a corporate source, we do not recommend taking action against the recipients of these funds. See MUR 1445.

All three defendants entered pleas of guilty to the offenses charged. On October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC in the amount of $100,000 which, according to the Department of Justice, is the largest criminal fine ever assessed in a case involving a campaign contribution violation. On November 15, 1984, Brinkman was sentenced to four years probation, a $35,000 fine and 1,000 hours of community service work; and Johnson was sentenced to two years probation, a $1,000 fine and 250 hours of community service work.

In light of the facts of this matter, particularly the fact that all three defendants pled guilty to these charges, this Office recommends that the Commission find reason to believe that BTCC, Brinkman and Johnson violated 2 U.S.C. § 441b(a) and § 441f for making unlawful corporate campaign contributions and for

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making those aforementioned contributions in the names of other persons. However, it should be noted that if the recommendations of this Office in this matter are approved by the Commission, service will be a problem. This is because the Department of Justice has refused to provide this Office with the addresses of respondents Brinkman and Johnson. Thus, letters notifying them of the Commission's action cannot be sent out until after our investigation reveals those addresses: however, we do anticipate that the present addresses will be obtained through the corporation.

Additionally, the Bill of Information did not charge any of the conduits with any violations. Accordingly, this Office has no information regarding the names or activities of any of the conduits in this case.1/ In light of the possible violations of 2 U.S.C. § 441f, which prohibits the making of contributions in the name of another person or knowingly allowing one's name to be used to effect such a contribution, this Office expects to obtain the names and investigate the activities of the conduits during the course of the investigation of BTCC, Brinkman and Johnson. As such information becomes available, this Office will make the appropriate recommendations to the Commission.

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In order for this Office to proceed to obtain the names and addresses of the conduits (and indeed, the address of respondents Brinkman and Johnson if the corporation is unwilling to furnish such information), we believe that it will be necessary for this Office to proceed to seek an appropriate Order from the United States District Court for the Northern District of Illinois under Rule 6(e), Federal Rules Criminal Procedure.

RECOMMENDATIONS

1. Find reason to believe that the Board of Trade Clearing Corporation violated 2 U.S.C. § 441b(a)and § 441f.

2. Find reason to believe that Walter W. Brinkman violated 2 U.S.C. § 441b(a)and § 441f.

3. Find reason to believe that James E. Johnson violated 2 U.S.C. § 441b(a) and § 441f.

4. Authorize the Office of General Counsel to seek an appropriate Order for the release of Grand Jury investigation materials under Rule 6(e) of Federal Rules of Criminal Procedure.

5. Approve the attached letters.

Charles N. Steele
General Counsel

March 4, 1985
Date

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

Attachments
(I) Letter from Craig C. Donsanto
Director, Election Crimes Branch
Public Integrity Section
Department of Justice

(II) Letters (3)

(III) General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL

FROM: MARJORIE W. EMMONS / JODY C. RANSOM

DATE: MARCH 6, 1985

SUBJECT: OBJECTION - MUR 1861 General Counsel's Report signed March 4, 1985

The above-named document was circulated to the Commission on Monday, March 4, 1985 at 4:00.

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

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

This matter will be placed on the Executive Session agenda for Tuesday, March 12, 1985.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Board of Trade Clearing Corporation	)	MUR 1861
Walter Brinkman	)	
James Johnson	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of March 12, 1985, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 1861:

1. Find reason to believe that the Board of Trade Clearing Corporation violated 2 U.S.C. § 441b (a) and § 441f.

2. Find reason to believe that Walter W. Brinkman violated 2 U.S.C. § 441b(a) and § 441f.

3. Find reason to believe that James E. Johnson violated 2 U.S.C. § 441b(a) and § 441f.

4. Authorize the Office of General Counsel to seek an appropriate Order for the release of Grand Jury investigation materials under Rule 6(e) of the Federal Rules of Criminal Procedure.

5. Approve the letters attached to the General Counsel's report dated March 4, 1985.

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

Attest:

3-12-85
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 19, 1985

Roger Rutz, President
Board of Trade Clearing Corporation
141 West Jackson Boulevard
Room 1460
Chicago, Illinois 60604

RE: MUR 1861
Board of Trade Clearing Corporation; Walter W. Brinkman, and James E. Johnson

Dear Mr. Rutz:

On March 12 , 1985, the Federal Election Commission determined that there is reason to believe that the Board of Trade Clearing Corporation violated 2 U.S.C. § 441b(a) and § 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's findings, is attached for your information. It also found reason to believe that Walter W. Brinkman and James E. Johnson violated these same provision of the Act. However, this Office does not have the current address of either person. Please furnish the current address of Mr. Brinkman and Mr. Johnson in your response.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the corporation. 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 the corporation, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if 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 notification and other communications from the Commission.

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Stephen Levin, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

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

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Board of Trade Clearing Corporation
Walter W. Brinkman
James E. Johnson

MUR NO. 1861
STAFF MEMBER:
& TELEPHONE NO.
Stephen Levin
(202) 523-4143

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

FACTUAL AND LEGAL ANALYSIS

The Federal Bureau of Investigation and the federal grand jury for the Northern District of Illinois conducted an investigation which culminated in charges of conspiracy and of violations of 2 U.S.C. § 441b(a) (which prohibits corporate campaign contributions) being brought against BTCC and its principal officers, Brinkman and Johnson. The investigation revealed evidence of approximately $25,000 in illegal corporate contribuitons which were given by BTCC, through conduits, between 1980 and 1982 to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti, in violation of the prohibitions against corporate campaign contributions (2 U.S.C. § 441b(a)) and in violation of the prohibition against contributions being made in the names of other persons (2 U.S.C. § 441f).

According to the Criminal Information, all of these contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate source of the contributions; which, as noted above, is a violation of 2 U.S.C. § 441f, although not charged in the Criminal Information.

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All three defendants entered pleas of guilty to the offenses charged. On October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC in the amount of $100,000 which, according to the Department of Justice, is the largest criminal fine ever assessed in a case involving a campaign contribution violation. On November 15, 1984, Brinkman was sentenced to four years probation, a $35,000 fine and 1,000 hours of community service work; and Johnson was sentenced to two years probation, a $1,000 fine and 250 hours of community service work.

In light of the facts of this matter, particularly the fact that all three defendants pled guilty to these charges, this Office recommends that the Commission find reason to believe that BTCC, Brinkman and Johnson violation 2 U.S.C. § 441a(b) and § 441f for making unlawful corporate campaign contributions, and for making those aforementioned contributions in the names of other persons.

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DESCRIPTION OF PRELIMINARY PROCEDURES
FOR PROCESSING POSSIBLE VIOLATIONS DISCOVERED BY THE
FEDERAL ELECTION COMMISSION

Possible violations discovered during the normal course of the Commission's supervisory responsibilities shall be referred to the Enforcement Division of the Office of General Counsel where they are assigned a MUR (Matter Under Review) number, and assigned to a staff member.

Following review of the information which generated the MUR, a recommendation on how to proceed on the matter, which shall include preliminary legal and factual analysis, and any information compiled from materials available to the Commission shall be submitted to the Commission. This initial report shall recommend either: (a) that the Commission find reason to believe that a possible violation of the Federal Election Campaign Act (FECA) may have occurred or is about to occur and that the Commission conduct an investigation of the matter; or (b) that the Commission find no reason to believe that a possible violation of the FECA has occurred and that the Commission close the file on the matter.

Thereafter, if the Commission decides by an affirmative vote of four (4) Commissioners that there is reason to believe that a violation of the Federal Election Campaign Act (FECA) has been committed or is about to be committed, the Office of the General Counsel shall open an investigation into the matter. Upon notification of the Commission's finding(s), within 15 days a respondent(s) may submit any factual or legal materials relevant to the allegations. During the investigation, the Commission shall have the power to subpoena documents, to subpoena individuals to appear for depositions, and to order answers to interrogatories. The respondent(s) may be contacted more than once by the Commission in its investigation.

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STATEMENT OF DESIGNATION OF COUNSEL

MUR _____

NAME OF COUNSEL: _____

ADDRESS: _____

_____

_____

TELEPHONE: _____

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

_____ _____

Date Signature

RESPONDENT'S NAME: _____

ADDRESS: _____

_____

_____

HOME PHONE: _____

BUSINESS PHONE: _____

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AGN# 7021

BOARD OF TRADE CLEARING CORPORATION

S. Levin

March 27, 1985

Honorable John Warren McGarry
Chairman
Federal Election Commission
1325 K Street, N.W. 5th Floor
Washington, D.C. 20463

RE: MUR 1861--Board of Trade Clearing Corporation

Dear Chairman McGarry:

We received the Commission's letter dated March 18, 1985, on March 25, 1985. Enclosed is a copy of the Statement of Designation of Counsel authorizing Scott E. Early, General Counsel of the Board of Trade of the City of Chicago and Acting Counsel to the Board of Trade Clearing Corporation, to act as counsel on behalf of the Corporation.

Your letter requests the addresses of Walter W. Brinkman and James E. Johnson. As you are aware, neither of these individuals is currently employed by the Corporation. Their last known addresses are:

Mr. Walter W. Brinkman	Mr. James E. Johnson
528 Kenilworth	710 North Douglas
Kenilworth, IL 60043	Arlington Heights, IL 60004

The Corporation wishes to emphasize that it is our intention to cooperate fully with the Commission in its investigation. Pursuant to discussions between Mr. Early and Mr. Levin, we understand that the Corporation may avail itself of the opportunity to engage in conciliation proceedings prior to any Commission consideration of probable cause. Please regard this as a formal request to engage in such pre-probable cause conciliation.

Your letter states that any submissions of relevant factual or legal materials must be made under oath within ten days of receipt of the Commission's letter. The Corporation does intend to make such a submission. However, we hereby request an extension of time to make that response for an additional thirty (30) days until April 22, 1985.

We do not make this request lightly. Among other reasons, our sole counsel at present is Mr. Early, who serves the Corporation in an acting capacity while maintaining his full time duties and responsibilities as General Counsel and officer of the Chicago Board of Trade. Mr. Early has been serving in that capacity since September 1984 when the then

141 West Jackson Boulevard
Suite 1460
Chicago, Illinois 60604
(312) 341-1160

Four World Trade Center
Suite 7246
New York, New York 10048
(212) 524-9185-86

Established 1925

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existing President (Mr. Brinkman), Executive Vice President (Mr. Johnson), Office Manager, outside counsel and outside accountants were all relieved of their positions and responsibilities by the Board of Governors. The Corporation has since retained the services of new officers and accountants, but is still in the process of obtaining new counsel. Thus, given the importance and magnitude of the inquiry currently being conducted by the Commission, and the obvious demands on the counsel's time, we deem the extension of time necessary and reasonable. In addition, all business records of the Corporation relevant to this investigation remain in the possession of the United States Attorney and/or the Federal Bureau of Investigation. Therefore, our ability to respond to the Commission's investigation is hampered until, and if, those records are returned to the Corporation. Moreover, there is no statutory need for haste in this matter since the actions in question all took place several years ago and are not in any way on-going or capable of repetition given that the Corporation has replaced prior management. For these reasons, we request that the Commission grant the Corporation additional time to reply.

We reiterate our intention to cooperate fully to achieve a rapid and mutually satisfactory conciliation of this matter. We anticipate your response shortly.

Sincerely yours,

Roger D. Rutz

Roger D. Rutz
President & Chief
Executive Officer

RDR/ss

Enclosure

cc: Stephen Levin

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DESCRIPTION OF PRELIMINARY PROCEDURES
FOR PROCESSING POSSIBLE VIOLATIONS DISCOVERED BY THE
FEDERAL ELECTION COMMISSION

Possible violations discovered during the normal course of the Commission's supervisory responsibilities shall be referred to the Enforcement Division of the Office of General Counsel where they are assigned a MUR (Matter Under Review) number, and assigned to a staff member.

Following review of the information which generated the MUR, a recommendation on how to proceed on the matter, which shall include preliminary legal and factual analysis, and any information compiled from materials available to the Commission shall be submitted to the Commission. This initial report shall recommend either: (a) that the Commission find reason to believe that a possible violation of the Federal Election Campaign Act (FECA) may have occurred or is about to occur and that the Commission conduct an investigation of the matter; or (b) that the Commission find no reason to believe that a possible violation of the FECA has occurred and that the Commission close the file on the matter.

Thereafter, if the Commission decides by an affirmative vote of four (4) Commissioners that there is reason to believe that a violation of the Federal Election Campaign Act (FECA) has been committed or is about to be committed, the Office of the General Counsel shall open an investigation into the matter. Upon notification of the Commission's finding(s), within 15 days a respondent(s) may submit any factual or legal materials relevant to the allegations. During the investigation, the Commission shall have the power to subpoena documents, to subpoena individuals to appear for depositions, and to order answers to interrogatories. The respondent(s) may be contacted more than once by the Commission in its investigation.

If, during this period of investigation, the respondent(s) indicate a desire to enter into conciliation, the Office of General Counsel staff may begin the conciliation process prior to a finding of probable cause to believe a violation has been committed. Conciliation is an informal method of conference and persuasion to endeavor to correct or prevent a violation of the Federal Election Campaign Act (FECA). Most often, the result of conciliation is an agreement signed by the Commission and the respondent(s). The Conciliation Agreement must be adopted by four votes of the Commission before it becomes final. After signature by the Commission and the respondent(s), the Commission shall make public the Conciliation Agreement.

[If the investigation warrants], and no conciliation agreement is entered into prior to a probable cause to believe finding, the General Counsel must notify the respondent(s) of his intent to proceed to a vote on probable cause to believe that a violation of the Federal Election Campaign Act (FECA) has been committed or is about to be committed. Included with the notification to the respondent(s) shall be a brief setting forth the position of the General Counsel on the legal and factual issues of the case. Within 15 days of receipt of such brief, the respondent(s) may submit a brief posing the position of respondent(s) and replying to the brief of the General Counsel. Both briefs will then be filed with the Commission Secretary and will be considered by the Commission. Thereafter, if the Commission determines by an affirmative vote of four (4) Commissioners, that there is probable cause to believe that a violation of the FECA has been committed or is about to be committed conciliation must be undertaken for a period of at least 30 days but not more than 90 days. If the Commission is unable to correct or prevent any violation of the FECA through conciliation the Office of General Counsel may recommend that the Commission file a civil suit against the respondent(s) to enforce the Federal Election Campaign Act (FECA). Thereafter, the Commission may, upon an affirmative vote of four (4) Commissioners, institute civil action for relief in the District Court of the United States.

See 2 U.S.C. § 437g, 11 C.F.R. Part 111.

November 1980

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 1861

NAME OF COUNSEL: Scott E. Early

ADDRESS: Board of Trade Clearing Corp.
Suite 1460
141 W. Jackson Blvd.
Chicago, IL. 60604

TELEPHONE:

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.

March 26, 1985
Date

Roger D. Rutz
Signature

RESPONDENT'S NAME: Board of Trade Clearing Corp.

ADDRESS: by Roger D. Rutz, President & CEO
Suite 1460
Chicago, IL. 60604

HOME PHONE:

BUSINESS PHONE: (312) 341-1160

83040702094

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 4, 1985

Scott E. Early, Esquire
Board of Trade Clearing Corporation
Suite 1460
141 West Jackson Boulevard
Chicago, Illinois 60604

RE: MUR 1861

Dear Mr. Early:

This is in reference to your letter dated March 27, 1985, requesting an extension of 30 days to respond to the Commission's notice that it has reason to believe that the Board of Trade Clearing Corporation violated the Federal Election Campaign Act of 1971, as amended. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due on April 22, 1985.

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

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Board of Trade Clearing Corporation	)	MUR 1861
Walter W. Brinkman	)	
James E. Johnson	)	

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GENERAL COUNSEL'S REPORT

Background

This matter arose out of a referral to the Office of General Counsel from the Department of Justice, following an investigation by the Federal Bureau of Investigation and the federal grand jury for the Northern District of Illinois. The investigation resulted in charges of conspiracy and of violations of 2 U.S.C. § 441b(a) (which prohibits corporate campaign contributions) being brought against the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson. All three of those parties are respondents in this matter.

The investigation revealed evidence of approximately $25,000 in illegal corporate contributions which were given by BTCC between 1980 and 1982, through conduits, to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti. Those contributions were in violation of the prohibitions against corporate campaign contributions (2 U.S.C. § 441b(a)) and in violation of the prohibition against contributions being made in the names of other persons (2 U.S.C. § 441f) since all of the contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate source of the contributions.

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All three defendants entered pleas of guilty to the offenses charged. On October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC in the amount of $100,000 which, according to the Department of Justice, is the largest criminal fine ever assessed in a case involving a campaign contribution violation. On November 15, 1984, Brinkman was sentenced to four years probation, a $35,000 fine and 1,000 hours of community service work; and Johnson was sentenced to two years probation, a $1,000 fine and 250 hours of community service work.

On March 12, 1985, the Commission found reason to believe that BTCC violated 2 U.S.C. § 441b(a) and § 441f. BTCC responded in a letter dated March 27, 1985, in which Respondent provided the Commission with the addresses of Brinkman and Johnson, as requested, in addition to requesting an extension of time to respond to the Commission's findings (which was granted) and a request to enter into conciliation prior to a finding of probable cause to believe. See attached letter.

Legal Analysis

Because of the lack of cooperation which this Office has received from the Department of Justice in this matter, it has been difficult for this Office to unearth a great deal of substantive information relevant to this matter, including the names of the conduits. Accordingly, insofar as this investigation is still in its early stages, this Office does not deem it appropriate to enter into pre-probable cause to believe conciliation with BTCC at this time. In order to complete our

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investigation of this matter and fully examine all relevant aspects of this matter, it will be necessary to obtain whatever information BTCC has which pertains to this case prior to entering into pre-probable cause to believe conciliation. As such, it is preferable at this point to wait to receive BTCC's response and investigate any issues arising therefrom. Thus, this Office recommends that the Commission decline to enter into conciliation prior to a finding of probable cause to believe with Respondent at this time and, therefore, that the Commission deny BTCC's request. This would not preclude, however, entering into such conciliation with BTCC at some future time.

Recommendations

1. Deny request to enter into conciliation prior to a finding of probable cause to believe with the Board of Trade Clearing Corporation at this time.

2. Approve and send the attached letter.

Charles N. Steele
General Counsel

April 16, 1985
Date

BY: Kenneth A. Gross
Associate General Counsel

Attachments
Letter from Respondent
Letter to Respondent

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1861
Board of Trade Clearing Corporation	)	
Walter W. Brinkman	)	
James E. Johnson	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on April 22, 1985, the Commission decided by a vote of 6-0 to take the following actions in MUR 1861:

1. Deny request to enter into conciliation prior to a finding of probable cause to believe with the Board of Trade Clearing Corporation at this time.

2. Approve and send the letter attached to the General Counsel's Report signed April 16, 1985.

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

Attest:

4-22-85
Date

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

Received in Office of Commission Secretary: 4-17-85, 4:08
Circulated on 48 hour tally basis: 4-18-85, 11:00

83040702099

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 22, 1985

Walter W. Brinkman
528 Kenilworth
Kenilworth, Illinois 60043

RE: MUR 1861
Board of Trade Clearing Corporation; Walter W. Brinkman, and James E. Johnson

Dear Mr. Brinkman:

On March 12, 1985, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441b(a) and § 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Your notification of that determination was delayed by the fact that the Commission had difficulty in immediately ascertaining your address. The General Counsel's factual and legal analysis, which formed a basis for the Commission's findings, 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 notification and other communications from the Commission.

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Stephen Levin, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Board of Trade Clearing Corporation
Walter W. Brinkman
James E. Johnson

MUR NO. 1861
STAFF MEMBER:
& TELEPHONE NO.
Stephen Levin
(202) 523-4143

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

FACTUAL AND LEGAL ANALYSIS

The Federal Bureau of Investigation and the federal grand jury for the Northern District of Illinois conducted an investigation which culminated in charges of conspiracy and of violations of 2 U.S.C. § 441b(a) (which prohibits corporate campaign contributions) being brought against BTCC and its principal officers, Brinkman and Johnson. The investigation revealed evidence of approximately $25,000 in illegal corporate contribuitons which were given by BTCC, through conduits, between 1980 and 1982 to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti, in violation of the prohibitions against corporate campaign contributions (2 U.S.C. § 441b(a)) and in violation of the prohibition against contributions being made in the names of other persons (2 U.S.C. § 441f).

According to the Criminal Information, all of these contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate source of the contributions; which, as noted above, is a violation of 2 U.S.C. § 441f, although not charged in the Criminal Information.

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All three defendants entered pleas of guilty to the offenses charged. On October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC in the amount of $100,000 which, according to the Department of Justice, is the largest criminal fine ever assessed in a case involving a campaign contribution violation. On November 15, 1984, Brinkman was sentenced to four years probation, a $35,000 fine and 1,000 hours of community service work; and Johnson was sentenced to two years probation, a $1,000 fine and 250 hours of community service work.

In light of the facts of this matter, particularly the fact that all three defendants pled guilty to these charges, this Office recommends that the Commission find reason to believe that BTCC, Brinkman and Johnson violation 2 U.S.C. § 441a(b) and § 441f for making unlawful corporate campaign contributions, and for making those aforementioned contributions in the names of other persons.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 22, 1985

James E. Johnson
710 North Douglas
Arlington Heights, Illinois 60004

RE: MUR 1861
Board of Trade Clearing Corporation; Walter W. Brinkman, and James E. Johnson

Dear Mr. Johnson:

On March 12, 1985, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441b(a) and § 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Your notification of that determination was delayed by the fact that the Commission had difficulty in immediately ascertaining your address. 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 notification and other communications from the Commission.

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Stephen Levin, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Board of Trade Clearing Corporation
Walter W. Brinkman
James E. Johnson

MUR NO. 1861
STAFF MEMBER:
& TELEPHONE NO.
Stephen Levin
(202) 523-4143

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

FACTUAL AND LEGAL ANALYSIS

The Federal Bureau of Investigation and the federal grand jury for the Northern District of Illinois conducted an investigation which culminated in charges of conspiracy and of violations of 2 U.S.C. § 441b(a) (which prohibits corporate campaign contributions) being brought against BTCC and its principal officers, Brinkman and Johnson. The investigation revealed evidence of approximately $25,000 in illegal corporate contribuitons which were given by BTCC, through conduits, between 1980 and 1982 to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti, in violation of the prohibitions against corporate campaign contributions (2 U.S.C. § 441b(a)) and in violation of the prohibition against contributions being made in the names of other persons (2 U.S.C. § 441f).

According to the Criminal Information, all of these contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate source of the contributions; which, as noted above, is a violation of 2 U.S.C. § 441f, although not charged in the Criminal Information.

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All three defendants entered pleas of guilty to the offenses charged. On October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC in the amount of $100,000 which, according to the Department of Justice, is the largest criminal fine ever assessed in a case involving a campaign contribution violation. On November 15, 1984, Brinkman was sentenced to four years probation, a $35,000 fine and 1,000 hours of community service work; and Johnson was sentenced to two years probation, a $1,000 fine and 250 hours of community service work.

In light of the facts of this matter, particularly the fact that all three defendants pled guilty to these charges, this Office recommends that the Commission find reason to believe that BTCC, Brinkman and Johnson violation 2 U.S.C. § 441a(b) and § 441f for making unlawful corporate campaign contributions, and for making those aforementioned contributions in the names of other persons.

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RECEIVED
OFFICE OF THE
GENERAL COUNSEL

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S. Leven

April 22, 1985

Honorable John Warren McGarry
Chairman
Federal Election Commission
1325 K Street, N.W. 5th Floor
Washington, D.C. 20463

RE: MUR 1861, Board of Trade Clearing Corporation, et. al.

Chairman McGarry:

By letter dated March 19, 1985, the Board of Trade Clearing Corporation ("the Corporation") was informed that the Federal Election Commission ("the Commission") has:

> "...determined that there is reason to believe that the Board of Trade Clearing Corporation violated 2 U.S.C. S 441b(a) and S 441f....Under the Act, you have an opportunity to demonstrate that no action should be taken against the corporation. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter."

By letter dated April 4, 1985, the Commission granted the Corporation's request for an extension until April 22, 1985 to make such a submission. The following is submitted in response to the Commission's determination.

In sum, the Corporation believes that neither justice nor the purposes of the Federal Election Campaign Act of 1971 ("the Act") would be served by the Commission proceeding further in this matter. The Corporation since 1925 has served as the clearing house and risk manager for the world's oldest and largest federally regulated futures exchange, the Board of Trade of the City of Chicago ("Board of Trade.") Throughout that history, despite bankrupcy, financial disaster and extremes of market volatility, the Corporation has maintained an unblemished record: no public customer has ever lost money as a result of failure of delivery or of member firm insolvency. The Corporation's reputation for professional competence and integrity has been beyond reproach and is world renowned.

141 West Jackson Boulevard
Suite 1480
Chicago Illinois 60604
(312) 341-1760

Four World Trade Center
Suite 7246
New York, New York 10048
(212) 524-9185-86

Established 1925

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The Commission is aware that the Corporation was the subject of criminal information filed by the United States Attorney in Federal District Court. That information charged the Corporation with violations of Sections 441b(a) and 437g(d) of the Act and presumably forms the basis for the Commission's present inquiry. The General Counsel's analysis notes that the Corporation has been fined one hundred thousand dollars ($100,000), "...the largest criminal fine ever assessed in a case involving a campaign contribution violation." The Corporation believes that sanction, though undeservedly severe, more than suffices to serve the purposes of the Act.

It would be manifestly unjust to further sanction the Corporation by additional proceedings for these same acts, especially where, as here, the acts involved were undertaken by corporate officers and employees without authorization and/or approval by the Board of Governors of the Corporation. Those officers and employees whom the Board of Governors reasonably believed were responsible for these acts were terminated from their employment prior to the information being filed. Critically, no Governor or employees other than those charged in the information were implicated by the federal investigation, an extensive investigation lasting over eighteen months. Based on the information available to the Corporation, it is the Corporation's belief that any employee who willingly and knowingly participated in any illegal campaign contributions through corporate means has been discharged from the employ of the Corporation.

The Board of Governors has acted to ensure that there would be no further repetition of such unauthorized actions. Those employees responsible for these illegal contributions have been terminated and replaced by highly experienced professionals of unquestionable integrity and competence. Further, new attorneys and auditors have been retained. Thus, the Corporation has taken every precaution to ensure that there will be no future repetition of these unauthorized acts.

As noted in the General Counsel's analysis, the Corporation did in fact plead guilty to the criminal information. That plea was made on the advice of counsel after the plea of nolo contendere was not accepted by the Court. The Board of Governors authorized the guilty plea in reliance upon the advice of counsel that these acts of the corporate officers, even though unauthorized by and unknown to the Board, likely would subject the Corporation to liability. In so pleading, the Board of Governors wished to expedite the disposition of

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the charges, rectify the environment which allowed such unauthorized acts to occur, and take all actions necessary to ensure that the situation would never reoccur. The Corporation believes it now has done all within its power to cooperate with all law enforcement authorities, rectify the abuses and "clean house" to assure that such unauthorized transgressions cannot occur in the future.

For all these reasons, the Commission should close this matter with respect to the Board of Trade Clearing Corporation. Regardless of the Commission's decision in this regard, the Corporation stands ready to cooperate fully to resolve this matter for all time.

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THE CORPORATION AND THE CONTRIBUTIONS

In early 1983, the Corporation's Board of Governors was advised that the Corporation, its officers, Governors and employees were being investigated by the FBI and the U.S. Attorney for possible violations of the Act. In response to subpoenas, the Corporation turned over to these officials all original copies of financial documents, Board minutes and similar corporate records. */ The Corporation was advised that these records were being utilized in connection with a federal grand jury investigation.

During the next eighteen months, the Corporation was advised that this investigation was proceeding before a federal grand jury with interviews and sworn testimony as well as further document production. Through its counsel, the Corporation was advised of the progress and focus of the investigation. As a result of that advice and the inquiries made by the Board of Governors, it became apparent that the Corporation's President, Executive Vice President and Office Manager were the focal point of allegations that they, without the Governors' authorization or knowledge, made illegal campaign contributions to several congressional campaign committees by soliciting contribution checks from corporate employees and reimbursing the employees with corporate checks for "overtime" work.

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*/ The Corporation's records do not reflect precisely what documents were produced; nor, apparently, were copies of the produced documents retained at the Corporation. It is our understanding that the Commission has been given those records by the U.S. Attorney.

Why this was done remains a total mystery to the Board of Governors. Such actions were not only unknown to and unauthorized by the Board of Governors, but also totally contrary to the normal business functions of the Corporation.

The Corporation was formed in 1925 as a Deleware corporation wholly owned by its member shareholders who are also members of the Board of Trade. The Corporation's primary functions were and are to clear futures contracts traded on the floor of the Board of Trade and provide risk management oversight for Board of Trade markets principally, but not exclusively, by means of margin payments.

Margin is the cash (or cash equivalent) deposit made by both parties to a futures contract to assure the performance and settlement of the contract. Those margin payments are adjusted daily based upon the direction and magnitude of price movements in the futures market for that trading day. If, in the judgement of the Corporation, unusually risky market conditions or a threat to member firm solvency exists, the Corporation ensures market integrity by additional or "super" margin calls. These margin calls must be met daily; if not, the positions are liquidated or transferred from the member firm. Super margin calls may be required to be paid within one hour. For example, in 1980 during unusual market conditions in the silver markets, the Corporation called for and received within one hour a $60 million super margin call from one member firm.

Clearly such a system can function only if all market participants have the utmost faith in the integrity and competence of the Corporation, its officers, Governors and employees. Since 1925, the Corporation's reputation has been beyond question.

Critically, the Corporation's President, Walter Brinkman, shared and contributed to that unquestioned reputation. Indeed, Mr. Brinkman personally supervised some of the most critical risk management decisions of the Corporation in recent years including, but not limited to, the now famous 1979-80 silver futures markets and the $60 million super margin call referenced earlier. He was assisted in these actions by the Corporation's Executive Vice President, Mr. James Johnson. Thus, when the Board of Governors was informed of the government's allegations and findings regarding these illegal campaign contributions, they, as well as the vast majority of the futures industry, were shocked by what appear to be actions totally out of character for these officers. To this day, despite all inquiry, the Board of Governors can discern no reason for these totally aberrant actions by officers who otherwise were role models of competence and integrity in the futures industry.

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Nevertheless, the Board resolved to request the resignations of Messrs. Brinkman and Johnson and the Office Manager, Ms. Shirley Sprague. The Board made that determination by special Resolution on September 4, 1984. The three were relieved of all duties and responsibilities effective September 6, 1984. Additionally, by the same Resolution, the Board also dismissed the services of its then current attorneys and accountants. */

To replace management postions at the Corporation on an interim basis, the Corporation immediately obtained the services of Delbert Heath, Jr. as acting President. Mr. Heath took a leave of absence from his then current position as Vice President in charge of the Office of Investigations and Audits of the Board of Trade, a position which involves market surveillance and enforcement of Board of Trade Rules and Regulations. Mr. Heath was, therefore, uniquely qualified for the position of acting President of the Corporation. (Mr. Heath was made Executive Vice President of the Corporation Januay 1, 1985 and remains in that position today.) The Corporation also obtained the services of Scott E. Early, General Counsel of the Board of Trade, as acting Counsel to the Corporation on an interim basis. (Mr. Early remains in that capacity presently although the Corporation expects to have a permanent full-time General Counsel in the very near future.)

Significantly, the Corporation immediately retained the services of new outside accountants to perform a special audit as of August 31, 1984, make an exhaustive review and analysis of existing accounting systems and controls and report to the Board regarding any recommendations. The accountants retained were Touche, Ross & Co. through its partner, John Manley. Mr. Manley was formerly the Director of the Division of Trading and Markets of the Commodity Futures Trading Commission, the federal regulatory agency established by Congress to regulate and supervise futures trading. As such, Mr. Manley is uniquely qualified to

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*/ It should be noted that in dismissing the attorneys and accountants, the Corporation had no reason whatsoever to believe that these professionals had any involvement in the illegal contributions. To the best of the Corporation's knowledge and belief, they did not. The Board took this action in part to ensure continued member and public confidence in the integrity of the Corporation's activities.

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assess accounting and risk management in the futures industry. Critically, the accountants' report confirms the Corporation's previous findings that no customer or public funds were involved in the illegal contributions. The August 31, 1984 Touche Ross audit report is enclosed herein for the Commission's review and consideration. *1/ The report's findings confirm that even in the course of this inexplicable and unauthorized conduct, the employees responsible never invaded member or customer funds; only the Corporation's operating funds were involved.

All of these actions were taken by the Corporation prior to the filing of the criminal information which forms the basis of the Commissions's current investigation.

THE CRIMINAL INFORMATION

On September 13, 1984, the Corporation was advised by its counsel that the Corporation was the subject of misdemeanor criminal information filed by the U.S. Attorney in the Federal District Court for the Northern District of Illinois, Judge Aspen presiding (Docket Number 84 CR 0689). *2/ The information charged the Corporation with four instances of violation of Sections 441b(a) and 437g(d) of the Act.

The Board of Governors was advised by outside counsel representing it in this matter that even unauthorized acts of corporate officers would likely result in liability to the Corporation. Therefore, out of an earnest desire to quickly and finally remedy the Corporation's legal responsibility, the Board of Governors authorized its counsel to negotiate a plea of nolo contendere and, if the Court declined to accept that plea, the Board authorized its counsel to plead guilty to the information.

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*1/ We understand, and General Counsel's office staff has confirmed, that this submission in its entirety is confidential to the Commission both by statute and Commission policy. If that understanding is incorrect, the Corporation hereby expressly requests that this submission and any future communication between the Corporation and the Commission and/or its staff remain confidential and non-public.

*2/ It is our understanding that the Commission has copies of all pleadings and transcripts from those proceedings.

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On October 19, 1984, the Court heard the Corporation's plea for nolo contendere. The Court declined to accept that plea. The Corporation, by the personal appearance of the Chairman of the Board of Governors, plead guilty to the information. The Corporation received the maximum fine under the statute: $100,000. That fine has been duly paid.

The Commission staff has noted that the U.S. Attorney claims this is the largest fine ever imposed under the statute. The Commission should not construe the severity of this sanction as an indication of any intentional and flagrant illegal conduct on the part of the Corporation. The sanction is merely the result of the inevitable corporate liability for an officer's action regardless that such actions were taken without knowledge of or authorization by the Board of Governors. In passing this sentence, the Court stated that, in part, the basis for this severe fine was to send a message to the public that the Court regarded any violation of the Act as a serious offense. The severity of the Court's sanction sends that message loud and clear. Indeed, based upon the public's response, that message has been heard and understood. It was certainly understood clearly by the Corporation.

As detailed previously, the Corporation has taken every conceivable measure to ensure that there can be no repetition of these or other unauthorized illegal acts. Therefore, it serves no useful purpose for the Commission to further sanction the Corporation. The objectives of the Act have been more than amply served by the severity of the Court's sanction. The violations now being considered by the Commission are the same ones for which the Corporation has already been sanctioned. To twice sanction the Corporation for the unauthorized actions of its employees will serve no useful purpose.

Moreover, the cost to the Corporation extends far beyond the $100,000 fine, the legal fees and expenses (which far exceed the fine itself) and the cost of totally replacing management and restructuring Corporate procedures. The most severe sanction of all has been the blemish on the Corporation's previously unsullied and universally respected reputation for integrity. Fortunately, no one has ever even questioned that these actions in any way impact the Corporation's role in preserving market integrity; that reputation remains

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unassailable. However, there is no doubt that an incident such as this, however isolated or unauthorized, is detrimental to an institution founded upon integrity and responsibility.

ACTIONS OF EMPLOYEES

The Commission's staff has advised counsel for the Corporation that the Commission has a particular interest in determining the degree of willing and knowing participation in an illegal act by any of the employees who made contributions in connection with this matter. The Corporation obviously cannot and will not speak for its individual employees for several reasons. Initially, those individual employees are precisely that: individuals, with rights, obligations and potential liabilities separate and distinct from those of the Corporation. More particularly, however, the Corporation cannot respond specifically to this issue because it does not know, nor is it in a position to know, the facts necessary to make a determination of the specific intent of individual employees.

As stated earlier, the Corporation's relevant records are in the Commission's possession and not available to the Corporation. Morever, to make an adequate assessment of each individual contributor's intent would require a great deal more than simply a review of the cold paper trail. Of necessity, it would involve extensive interrogation and examination of the individuals principally responsible for these matters. Critically, those individuals are no longer in the employ nor under the control of the Corporation. Therefore, the basic evidence for such an inquiry is unavailable to the Corporation.

However, such an inquiry already has been made. It was made by the U.S. Attorney and the FBI. It was made over a period of eighteen months utilizing the broad powers of a federal grand jury. After all that time and effort, those law enforcement agencies concluded that only two individuals and the Corporation should be charged with any liability. The grand jury had subpoena power to investigate any individual in this matter; it is our understanding that the grand jury exercised its investigatory power with many, if not all, of the Corporation's individual employees who made contributions. If that investigation had revealed any reasonable belief that any of those employees was a willing, knowing, participant in an illegal campaign contribution scheme, the U.S. Attorney certainly would have included

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those individuals in the information. */ They did not. Therefore, one can only conclude that none of the individual corporate employees were willing, knowing participants in an illegal act.

The Commission, of course, has the subpoena power to conduct its own investigation into this particular area. However, the Corporation questions whether a Commission investigation will reveal any different result than that already arrived at by an extensive, eighteen month grand jury investigation.

CONCLUSION

Neither justice nor the purposes of the Act will be served by the Commission proceeding further against the Corporation in this investigation. The acts in question were unknown to and unauthorized by the Board of Governors. The Board of Governors has taken numerous actions to remedy the situation and ensure that it cannot occur again. The Corporation has paid enormous penalties far beyond the extremely severe fine. The Corporation believes it has paid its due penalty and should now be free to return to the important business functions for which it was created.

Therefore, we submit that the Commission should exercise its discretion not to proceed further in this matter against the Corporation. The Corporation, of course, recognizes its responsibility to cooperate with any Commission investigation even when the Corporation is not a subject of the investigation and is prepared to do so. Moreover, we stand ready to supplement the information already before the Commission to the extent possible. However, the Corporation believes that

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*/ The Commission should note that because this was an information, the U.S. Attorney did not need to establish the same high degree of proof required for a grand jury indictment. Therefore, it is even more certain that the investigation must have revealed no reason to believe that any corporate employee was a willing, knowing participant in an illegal scheme because the information requires a lower standard of proof than the grand jury indictment.

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the Commission will agree that, with respect to the Corporation, this matter should be considered resolved on the present record.

Respectfully submitted,

BOARD OF TRADE CLEARING CORPORATION

By: Scott E. Early
Scott E. Early
Acting Counsel

[Corporate Seal]

SEE/ss

Attachments

cc: Mr. Stephen Levin

VERIFICATION

I, Scott E. Early, do hereby depose and attest that the facts recited herein are true and accurate to the best of my knowledge and belief.

Scott E. Early
Scott E. Early

Sworn before me this 22nd day of April, 1985

Lorraine G. Hagen

My Commission expires 11/7/88.

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BOARD OF TRADE CLEARING CORPORATION

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

FOR THE EIGHT MONTHS ENDED AUGUST 31, 1984

Touche Ross & Co.

Touche Ross & Co.

November 19, 1984

BOARD OF TRADE CLEARING CORPORATION
Chicago, Illinois

We have examined the balance sheet of the Board of Trade Clearing Corporation as of August 31, 1984, and the related statements of income and retained earnings and of changes in financial position for the eight months then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements referred to above present fairly the financial position of the Corporation at August 31, 1984, and the results of its operations and the changes in its financial position for the eight months then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year.

Touche Ross & Co.

ONE ILLINOIS CENTER - 111 EAST WACKER DRIVE - CHICAGO, ILLINOIS 60601 - (312) 644-8900 - TELEX 6871206 TOUCHE ROSS CGO

Touche Ross & Co

BOARD OF TRADE CLEARING CORPORATION

BALANCE SHEET

AUGUST 31, 1984

ASSETS

CURRENT ASSETS:	
Cash - unrestricted	$ 3,062,717
Cash - member margin deposits (Note B)	2,896,500
U.S. Treasury bills and notes - at amortized cost which approximates market	9,400,479
Accrued interest receivable	280,620
Accounts receivable	816,217
Prepaid income taxes	75,500
Prepaid expenses	276,483
TOTAL CURRENT ASSETS	16,808,516
INVESTMENTS - at amortized cost (market value - $5,854,550)	6,414,971
PROPERTY - at cost (Note C):	
Equipment, furniture and fixtures	1,110,916
Leasehold improvements	1,880,096
Computer equipment under capital leases	6,178,752
	9,169,764
Less accumulated depreciation and amortization	3,540,573
	5,629,191
OTHER ASSETS:	
Cash surrender value of life insurance	52,371
Investment in subsidiary (Note F)	50,000
	102,371
TOTAL ASSETS	$28,955,049

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:	
Accounts payable	$ 330,101
Member margin deposits (Note B)	2,896,500
Member application deposits	774,000
Capital lease obligations (Note G)	1,539,910
Accrued expenses	205,717
Income taxes payable	438,771
TOTAL CURRENT LIABILITIES	6,184,999
CAPITAL LEASE OBLIGATIONS (Note G)	3,096,962
SHAREHOLDERS' EQUITY (Note E):	
Capital stock - at stated value; authorized - 5,000 shares; issued - 4,200 shares	10,532,143
Additional paid-in capital	6,255,250
Retained earnings	3,065,695
Total	19,853,088
Less stock held in treasury (at cost) - 40 shares	(180,000)
TOTAL SHAREHOLDERS' EQUITY	19,673,088
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$28,955,049

See notes to financial statements.

BOARD OF TRADE CLEARING CORPORATION

STATEMENT OF INCOME AND RETAINED EARNINGS

EIGHT MONTHS ENDED AUGUST 31, 1984

INCOME:	
Clearing fees	$5,193,205
Interest	1,440,304
Data processing services	1,089,743
Other	241,937
TOTAL INCOME	7,965,189
EXPENSES:	
Employment costs	2,406,151
Equipment costs	2,595,456
Forms, printing and supplies	267,399
Professional fees	403,545
General and administrative	373,864
Occupancy	747,256
TOTAL EXPENSES	6,793,671
INCOME BEFORE INCOME TAXES	1,171,518
PROVISION FOR INCOME TAXES (Note H)	431,500
NET INCOME	740,018
RETAINED EARNINGS - beginning of period	2,325,677
RETAINED EARNINGS - end of period	$3,065,695

See notes to financial statements.

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BOARD OF TRADE CLEARING CORPORATION

STATEMENT OF CHANGES IN FINANCIAL POSITION

EIGHT MONTHS ENDED AUGUST 31, 1984

FUNDS PROVIDED BY OPERATIONS:	
Net income	$ 740,018
Items not affecting funds:	
Depreciation and amortization	1,284,793
Amortization of investment premiums and discounts	(301,108)
Deferred income taxes	(50,500)
Changes in working capital components:	
Accounts receivable	(596,211)
Income taxes payable	391,800
Member application deposits	380,000
Accounts payable	284,018
Accrued expenses	184,935
Accrued interest receivable	(114,000)
Prepaid expenses	36,528
FUNDS PROVIDED BY OPERATIONS	2,240,273
FUNDS USED IN INVESTMENTS/DISPOSITIONS:	
Purchases of investments	(14,340,148)
Proceeds from sale of investments	12,297,780
Additions to property - net	(650,898)
FUNDS USED IN INVESTMENTS/ DISPOSITIONS	(2,693,266)
FUNDS PROVIDED BY FINANCING ACTIVITIES:	
Proceeds from sale of capital stock	1,053,000
Proceeds from sale of treasury stock	868,500
Purchase of treasury stock	(1,048,500)
Decrease in capital lease obligations - net	(621,735)
FUNDS PROVIDED BY FINANCING ACTIVITIES	251,265
FUNDS:	
Decrease during period	(201,728)
Cash at beginning of period	3,264,445
Cash at end of period	$ 3,062,717

See notes to financial statements.

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BOARD OF TRADE CLEARING CORPORATION

NOTES TO FINANCIAL STATEMENTS

EIGHT MONTHS ENDED AUGUST 31, 1984

A. Business and Significant Accounting Policies:

The Corporation provides clearing and settlement services to its members (shareholders) for trades in commodity futures and options contracts executed on the Board of Trade of the City of Chicago. The clearing process involves matching of trades between clearing members, maintenance of the records of open contracts, daily cash settlement of gains and losses between members and the ultimate closing of contracts by offsetting contracts or by delivery of the underlying commodities.

Investments are carried at amortized cost as there is no indication of a permanent impairment in value in any portion of the portfolio and there is no intention to liquidate the securities portfolio at less than cost.

Depreciation and amortization are computed on the straight-line method except for equipment which is depreciated using the double-declining balance method.

Prepaid and deferred income taxes are provided for certain costs, principally amortization of differences between cost and face value of investments and differences between book and tax depreciation methods, which are recognized for federal income tax purposes either in advance of or subsequent to the year in which such items are recognized for financial reporting purposes.

Investment tax credits are taken into income in the year in which they are utilized to reduce the Corporation's tax liability.

Employment costs consist principally of salaries, wages, payroll taxes, employee health and welfare costs and pension expense.

B. Member Margin Deposits:

The Corporation is contingently liable for the settlement of all futures and options contracts between clearing members from the time the trade is matched until it is closed by another matched trade or delivery of the

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BOARD OF TRADE CLEARING CORPORATION

NOTES TO FINANCIAL STATEMENTS

EIGHT MONTHS ENDED AUGUST 31, 1984

(Continued)

commodity. Clearing members are required to deposit cash, United States Government obligations, or letters of credit at approved depositories in relation to their open positions. At August 31, 1984, such deposits aggregated $1,086,000,000. Of this amount, $2,896,500 was held in bank accounts in the name of the Corporation; these funds have been recorded as an asset of the Corporation with an offsetting liability to the members who deposited the funds.

C. Property:

Depreciation and amortization for the eight months ended August 31, 1984 are summarized as follows:

Furniture and fixtures	10 year life	$ 26,507
Equipment	5-7 year life	46,749
Leasehold improvements	Life of lease	148,973
Computer equipment under capital leases	Life of lease	1,062,564
Total		$1,284,793

D. Retirement Plans:

The Corporation has a defined benefit pension plan covering full-time employees.

Pension expense, which approximated $204,000 for the eight months ended August 31, 1984, is calculated using the aggregate level cost method and includes normal cost plus amortization of past service costs at a rate of 10% per year. The Corporation's policy is to fund actuarially determined pension costs accrued during the year.

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BOARD OF TRADE CLEARING CORPORATION

NOTES TO FINANCIAL STATEMENTS

EIGHT MONTHS ENDED AUGUST 31, 1984

(Continued)

A summary of accumulated plan benefits and plan net assets for the Corporation's defined benefit pension plan is presented below as of the October 31, 1983 valuation date:

Actuarial present value of accumulated plan benefits:	
Vested	$1,367,652
Nonvested	933,876
	$2,301,528
Net assets available for benefits	$2,841,612

The assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 3.5% for 1983.

The Corporation participates in a thrift plan whereby it matches employee contributions, which are permissible up to 5% of salaries, by one-half. Thrift plan expense for the eight months ended August 31, 1984 was $24,000.

E. Capital Stock:

Capital stock is redeemed and sold based on a subscription price which is periodically adjusted. At August 31, 1984, the subscription price was $4,500.

During the eight months ended August 31, 1984, 234 shares of capital stock were issued and proceeds in excess of stated value of $468,000 were credited to additional paid-in capital. The Corporation purchased 233 shares of its own stock for treasury and sold from treasury 193 shares at the subscription price.

F. Investment in Subsidiary:

In 1982, the Corporation formed a wholly-owned subsidiary, Chicago Depositary Inc., to act as a depositary with regard to the Board of Trade of the City of Chicago's heating oil and gasoline contracts. The subsidiary incurred net operating expenses of $23,000 for the eight months ended August 31, 1984. Such expenses were reimbursed by the Board of Trade of the City of Chicago.

BOARD OF TRADE CLEARING CORPORATION

NOTES TO FINANCIAL STATEMENTS

EIGHT MONTHS ENDED AUGUST 31, 1984

(Continued)

G. Leases and Other Commitments:

Rental expense for the eight months ended August 31, 1984 approximated $1,412,000. These rentals relate principally to short-term leases for data processing equipment and office facilities.

Future minimum lease payments required under non-cancelable operating leases having a lease term in excess of one year, and the future minimum lease payments under capital leases, together with the amount of imputed interest necessary to reduce the minimum capital lease payments to present value as of August 31, 1984, are as follows:

	Operating leases	Capital leases
Four months ending December 31, 1984	$ 274,207	$ 648,000
1985	958,129	1,940,000
1986	917,783	1,747,000
1987	896,513	1,027,000
1988	881,588	
1989	843,486	
Total minimum payments	$4,771,706	5,362,000
Less imputed interest		725,128
Present value of minimum lease payments		4,636,872
Amount classified as current		1,539,910
		$3,096,962

Property leased under operating leases consists primarily of office facilities and data processing equipment, and property under capital leases consists entirely of data processing equipment.

The Corporation has entered into employment agreements covering the compensation of certain officers which expire in March, 1988.

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BOARD OF TRADE CLEARING CORPORATION

NOTES TO FINANCIAL STATEMENTS

EIGHT MONTHS ENDED AUGUST 31, 1984

(Continued)

H. Income Taxes:

The provision for income taxes is comprised of:

Current federal income taxes	$632,300
Investment tax credit carryforward	(150,300)
Deferred	(50,500)
	$431,500

A reconciliation of the statutory federal income tax rate is as follows:

Statutory federal income tax rate	46.0%
Effective surtax rate	(1.7)
Nondeductible items	5.3
Investment tax credit	(12.8)
Effective income tax rate	36.8%

I. Interim Operating Results:

Operating results for the eight-month period are not necessarily indicative of results to be expected for the full year. It is the Corporation's intention that taxable income for the year be reduced from the amount reported for the eight month period; this can be accomplished primarily through reduction or waiver of clearing fees near the end of the year.

J. Litigation:

On September 13, 1984, following a two-year investigation by the United States Attorney and the Federal Bureau of Investigation, a criminal information was filed against the Corporation charging the Corporation with making illegal political campaign contributions through its officers, employees and agents. On October 14, 1984, following rejection by the court of the Corporation's offer of a plea of nolo contendere, a plea of guilty was entered. On October 19, 1984, the Corporation was fined $100,000, which fine has since been paid, thereby disposing of the case as to the Corporation as a defendant.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 24, 1985

Scott E. Early, Esquire
Board of Trade Clearing Corporation
141 West Jackson Boulevard
Suite 1460
Chicago, Illinois 60604

RE: MUR 1861

Dear Mr. Early:

On March 12, 1985, the Commission found reason to believe that your client, the Board of Trade Clearing Corporation, violated 2 U.S.C. § 441b(a) and § 441f, provisions of the Federal Election Campaing Act of 1971, as amended, which prohibit corporate campaign contributions and contributions made in the names of other persons, respectively. The Commission received your letter dated March 27, 1985, requesting conciliation of this matter prior to a finding of probable cause to believe.

On April 22, 1985, the Commission denied your request so as to enable it to complete its investigation of this matter. Please be advised that such a denial by the Commission of your request at this time does not preclude the Commission's reconsideration of such a request in this matter at some future time.

If you have any questions, please contact Stephen Levin, the staff member who is assigned to this matter, at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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LAW OFFICES

JENNER & BLOCK

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

ONE IBM PLAZA

CHICAGO, ILLINOIS 60611

TWX 910-221-5409

TELEX 270469

CABLE JENBLOCK

TELEPHONE (312) 222-9350

WASHINGTON OFFICE

21 DUPONT CIRCLE, N.W.

WASHINGTON, D.C. 20036

(202) 466-5470

EUGENE R. WEDOFF

85 APR 3

April 26, 1985

Mr. Stephen Levin
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1861

Dear Mr. Levin:

I represent Walter Brinkman in connection with the matters involving campaign contributions and the Board of Trade Clearing Corporation. I am enclosing a completed statement of designation of counsel filed by Mr. Brinkman. Once you have received this statement, I would appreciate your calling me so we can discuss resolution of the above referenced matter. Thank you for your consideration.

Sincerely,

Eugene R. Wedoff

Eugene R. Wedoff

ERW:lfk
Enclosure
cc: Mr. Walter W. Brinkman

83040702130

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1861

NAME OF COUNSEL: Eugene R. Wedoff

ADDRESS: JENNER & BLOCK
One IBM Plaza
Chicago, Illinois 60611

TELEPHONE: (312) 222-9350

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.

April 24, 1985
Date

Signature

RESPONDENT'S NAME: Walter W. Brinkman

ADDRESS: 528 Kenilworth Avenue
Kenilworth, Illinois 60043

HOME PHONE: 256-5633

BUSINESS PHONE:

83040702131

6007353

S Levin

GEORGE J. MURTAUGH, JR.
ATTORNEY AT LAW
100 WEST MONROE STREET
SUITE 1800
CHICAGO, ILLINOIS 60603

TELEPHONE: (312) 781-0940

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
1985 MAY 2 P12:5
FEDERAL ELECTION COMMISSION
1985 MAY 2 AM:36

April 30, 1985

John Warren McGarry
Chairman
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1861
Board of Trade Clearing Corporation;
Walter W. Brinkman and James E. Johnson

Dear Mr. McGarry:

Enclosed please find my client, James E. Johnson's Statement of Designation of Counsel. Please direct any and all communications to my office at the above address.

Very truly yours,

George J. Murtaugh, Jr. /mbs

George J. Murtaugh, Jr.

GJM,JR/mbs

encls:

ARD40702132

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1861

NAME OF COUNSEL: George J. Murtaugh, Jr.

ADDRESS: 100 West Monroe Street
Suite 1800
Chicago, Illinois 60603

TELEPHONE: (312) 781-0940

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

Date

Signature

RESPONDENT'S NAME: James E. Johnson

ADDRESS: 710 North Douglas
Arlington Hts., IL 60004

HOME PHONE: (312) 392-3168

BUSINESS PHONE:

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 9, 1985

Scott E. Early, Esquire
Acting Counsel
Board of Trade Clearing Corporation
141 West Jackson Boulevard
Suite 1460
Chicago, Illinois 60604

RE: MUR 1861

Dear Mr. Early:

As you requested during your meeting of April 26, 1985, with Thomas J. Whitehead, Assistant General Counsel, and Stephen Levin of our staff, this letter represents written confirmation of the request made by this Office at that time.

Specifically, we ask that you provide us with the names, addresses and positions within the firm of those current and/or former employees of the Board of Trade Clearing Corporation (hereinafter "the Corporation") whose names were used for campaign contributions actually made by other persons, namely, Walter Brinkman, James Johnson and the Corporation. This request includes, but is not limited to, those individuals for whom the Corporation provided legal counsel.

Insofar as the Commission is interested in resolving this matter in an expeditious manner, it would be appreciated if you could provide this Office with the information requested at your earliest convenience. If you have any questions, please contact Stephen Levin, the staff member assigned to this matter, at (202) 523-4143. Thank you for your anticipated cooperation.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Board of Trade Clearing Corporation	)	MUR 1861
Walter W. Brinkman	)	
James E. Johnson	)	

SENSITIVE

COMPREHENSIVE INVESTIGATIVE REPORT #1

This matter arose out of a referral to the Office of General Counsel from the Department of Justice, following an investigation by the Federal Bureau of Investigation and the federal grand jury for the Northern District of Illinois. The investigation resulted in charges of conspiracy and of violations of 2 U.S.C. § 441b(a) (which prohibits corporate campaign contributions) being brought against the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson. All three of those parties are respondents in this matter.

The investigation revealed evidence of approximately $25,000 in illegal corporate contributions which were given by BTCC between 1980 and 1982, through conduits, to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti. Those contributions were in violation of the prohibitions against corporate campaign contributions (2 U.S.C. § 441b(a)) and in violation of the prohibition against contributions being made in the names of other persons (2 U.S.C. § 441f) since all of the contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate source of the contributions.

All three defendants entered pleas of guilty to the offenses charged. On October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC in the amount of $100,000 which, according to the Department of Justice, is the largest criminal fine ever assessed in a case involving a campaign contribution violation. On November 15, 1984, Brinkman was sentenced to four years probation, a $35,000 fine and 1,000 hours of community service work; and Johnson was sentenced to two years probation, a $1,000 fine and 250 hours of community service work.

On March 12, 1985, the Commission found reason to believe that BTCC, Brinkman and Johnson each violated 2 U.S.C. § 441b(a) and § 441f. In addition, on that date, the Commission authorized the Office of General Counsel to seek an appropriate Order for the release of grand jury investigation materials under Rule 6(e) of the Federal Rules of Criminal Procedure, should that be necessary to facilitate this Office's obtaining the names of the conduits and conducting an investigation thereof. On April 22, 1985, the Commission denied BTCC's request to enter into conciliation prior to a finding of probable cause to believe so as to enable this Office to fully investigate this matter.

This Office is currently conducting discussions with counsel for each of the three respondents in this matter, as well as with the Office of the United States Attorney in Chicago, which handled the criminal prosecution of this matter, so as to obtain

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the names and addresses of the conduits. These discussions are highly sensitive insofar as they involve promises of anonymity made to the conduits during the course of the Department of Justice's investigation of this matter. It is important that we attempt to obtain this information through these discussions prior to seeking an Order under Rule 6(e) because there is a greater likelihood that we will succeed in obtaining the necessary information through these channels. However, should these discussions fail to produce the necessary information, this Office will seek such an Order. The Commission will be advised of the course of the proceedings in this matter.

Charles N. Steele
General Counsel

May 24, 1985
Date

By: Kenneth A. Gross
Associate General Counsel

9804070213 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

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

DATE: MAY 30, 1985

SUBJECT: MUR 1861 - Comprehensive Investigative Report #1 signed May 24, 1985

The above-captioned matter was circulated to the Commission on a 24 hour no-objection basis at 4:00, May 28, 1985.

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

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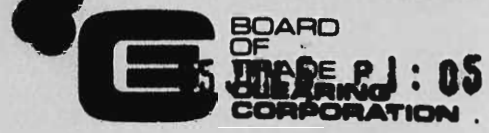
RECEIVED AT THE FEC



GCC
#7692

June 4, 1985

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
85 JUN 5 P2:38

Charles N. Steele, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W. 7th Floor
Washington, D.C. 20463

RE: MUR 1861

Mr. Steele:

We are in receipt of your letter dated May 9, 1985, received May 20, 1985. You have asked that we provide you with:

> "...the names, addresses and positions within the firm of those current and/or former employees of the Board of Trade Clearing Corporation (hereinafter "the Corporation") whose names were used for campaign contributions actually made by other persons, namely, Walter Brinkman, James Johnson and the Corporation. This request includes, but is not limited to, those individuals for whom the Corporation provided legal counsel."

The information requested is provided herein per the attached Exhibit Lists.

As the Corporation advised you in the sworn response dated April 22, 1985, the Corporate records necessary to identify employees reimbursed by the Corporation for making the contributions in question are not currently within the possession or control of the Corporation; additionally, those Corporate officers and employees in a position to have information regarding the same have been dismissed from the Corporation. Therefore, the only reliable information the Corporation can provide you regarding your request is the list of employees for whom counsel was retained as a result of the prior joint United States Attorney, Grand Jury, Federal Bureau of Investigation and Internal Revenue Service investigation. Therefore, Exhibit A contains the names, home addresses, current corporate position and name of the attorney representing the current employees; Exhibit B contains the same information for former employees.

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141 West Jackson Boulevard
Suite 1460
Chicago, Illinois 60604
(312) 341-1160

Four World Trade Center
Suite 7246
New York, New York 10048
(212) 524-9185-86

If you have any questions, please do not hesitate to contact me.

Respectfully submitted,

Scott Early

Scott E. Early
Acting Counsel

cc: Kenneth A. Gross, Esq. Associate General Counsel
Thomas J. Whitehead, Esq. Assistant General Counsel
Stephen Levin

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EXHIBIT LIST A:
CURRENT EMPLOYEES

Name	Address	Current Position	Attorney
Thomas S. Andrews	5505 N. Mason Chicago, IL 60630	Accounting Clerk	Thomas M. Breen Suite 2114 221 N. LaSalle St. Chicago, IL 60601
Richard A. Baker	2337 N. Commonwealth Apt. #5E Chicago, IL 60614	Vice President Information Systems	" "
Christine A. Beauprie	7002 Sierra Drive Darien, IL 60559	Data Base Manager	" "
Leonard G. Centoni	1306 S. Finley Park Apt. 1K Lombard, IL 60148	Project Leader Bookkeeping	" "
Justine Cooper	3941 W. Addison Chicago, IL 60618	Secretary	" "
Lorraine C. Hagen	21083 N. Columbus Dr. Barrington, IL 60010	Secretary	" "
Charles K. Hayes	1360 N. Lake Shore Dr. Apt. #914 Chicago, IL 60610	Systems Programming Manager	" "
John William Heiser	575 E. Thornhill Dr. Apt. #314 Carol Stream, IL 60188	Senior Service Representative	" "
Gloria Hill	599 Tanglewood Road Matteson, IL 60443	Data Control Manager	" "
Eufemio B. Jara	2801 W. Chase Chicago, IL 60645	Applications Programming Manager	" "
Willaim H. Kasper	1025 Whitfield Rd. Northbrook, IL 60062	Vice President	" "
Larry A. Krell	15330 James Drive Oak Forest, IL 60452	Senior Systems Programmer	" "
Gary W. Nessel	14811 Grant St. Dolton, IL 60419	Assistant Manager Operations	" "
Edward J. Pocica	8649 Blue Ridge Hickory Hills, IL 60457	Operations Manager	" "

93407021-4

EXHIBIT LIST A:
CURRENT EMPLOYEES
Page 2

Name	Address	Current Position	Attorney
Ronald E. Radowich	4846 W. Parker Chicago, IL 60639	Director of Member Services	" "
Clyde J. Rudofski	14813 Grant Street Dolton, IL 60419	Statistics and Records Supervisor	" "
Robert L. Taylor	4142 Washington Downers Grove, IL 60515	Statistics and Records Clerk	" "
John F. Walsh	9440 S. Winchester Chicago, IL 60620	Vice President Accounting	Matthias A. Lydon Pierce, Lydon, Griffin & Montana 18th Floor 100 W. Monroe Chicago, IL 60603

93040702142

EXHIBIT LIST B:
FORMER EMPLOYEES

Name	Last Known Address	Last Corporate Position	Attorney
Walter W. Brinkman	528 Kenilworth Ave. Kenilworth, IL 60043	President	Eugene R. Wedoff Jenner & Block 44th Floor One IBM Plaza Chicago, IL 60611
Louis A. Clark	1764 Dogwood Hoffman Estates, IL 60195	Applications Manager	Thomas M. Breen Suite 2114 221 N. LaSalle St. Chicago, IL 60601
Ellen Federowski	3461 Manor Dr. Lansing, IL 60438	Administrative Assistant	Thomas M. Breen Suite 2114 221 N. LaSalle St. Chicago, IL 60601
Donald H. Halenza, Jr.	45520 Fender Road Naperville, IL 60540	Director of Information Systems	Thomas M. Breen Suite 2114 221 N. LaSalle St. Chicago, IL 60601
James E. Johnson	710 N. Douglas Arlington Heights, IL 60004	Executive Vice President	George J. Murtaugh 18th Floor 100 W. Monroe Chicago, IL 60603
Debra Lundin-Dickenson	876 Spring Hill Naperville, IL 60566	Receptionist	Thomas M. Breen Suite 2114 221 N. LaSalle St. Chicago, IL 60601
Shirley A. Sprague	4835 N. Merrimac Chicago, IL 60630	Office Manager	William J. Martin Suite 930 33 N. Dearborn Chicago, IL 60602
Nancy K. Stewart	3450 N. Lake Shore Dr. Chicago, IL 60657	Secretary	Thomas M. Breen Suite 2114 221 N. LaSalle St. Chicago, IL 60601

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY
85 JUN 14 A 8:46

In the Matter of	)	
	)	
Board of Trade Clearing Corporation	)	MUR 1861
Walter W. Brinkman	)	
James E. Johnson	)	

COMPREHENSIVE INVESTIGATIVE REPORT #2

This matter arose out of a referral to the Office of General Counsel from the Department of Justice, following an investigation by the Federal Bureau of Investigation and the federal grand jury for the Northern District of Illinois. The investigation resulted in conspiracy charges and in apparent violations of 2 U.S.C. § 441b(a) by the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson. All three of those parties are respondents in this matter.

The investigation revealed evidence of approximately $25,000 in illegal corporate contributions by BTCC between 1980 and 1982, through conduits, to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti. Those contributions were in violation of the prohibitions against corporate campaign contributions (2 U.S.C. § 441b(a)). They were also in violation of the prohibition against contributions being made in the names of other persons (2 U.S.C. § 441f) since all of the contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate source of the contributions.

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All three defendants pled guilty to the offenses charged. On October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC $100,000 which, according to the Department of Justice, is the largest criminal fine ever assessed in a case involving a campaign contribution violation. On November 15, 1984, Brinkman was sentenced to four years probation, a $35,000 fine, and 1,000 hours of community service work; and Johnson was sentenced to two years probation, a $1,000 fine, and 250 hours of community service work.

On March 12, 1985, the Commission found reason to believe that BTCC, Brinkman and Johnson each violated 2 U.S.C. § 441b(a) and § 441f. In addition, on that date, the Commission authorized the Office of General Counsel to seek an appropriate Order for the release of grand jury investigation materials under Rule 6(e) of the Federal Rules of Criminal Procedure, should that be necessary to facilitate this Office's obtaining the names of the conduits and conducting an investigation thereof. On April 22, 1985, the Commission denied BTCC's request to enter into conciliation prior to a finding of probable cause to believe so as to enable this Office to fully investigate this matter.

The Office of General Counsel notified the Commission, in Comprehensive Investigative Report #1 (circulated on May 28, 1985), that discussions were ongoing between this Office and counsel for all three respondents in this matter in an effort to

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obtain the names and addresses of the conduits. It was the intention of this Office to attempt to obtain the necessary information through informal channels, if possible, because such efforts seemed more feasible than a Rule 6(e) order

. In fact, this Office has obtained the names and addresses of the conduits through such informal discussions. Therefore, we will not need to invoke the Commission's authorization to obtain a Rule 6(e) order. This Office will continue its investigation of this matter and advise the Commission of the results.

Charles N. Steele
General Counsel

Jan 13, 1985
Date

Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

JUNE 17, 1985

MEMORANDUM TO: OFFICE OF GENERAL COUNSEL

FROM: MARJORIE W. EMMONS MWE

SUBJECT: MUR 1861 - Comprehensive Investigative Report #2 Signed Juen 13, 1985

The above-named document was circulated to the Commission on a 24-hour no-objection basis at 2:00 p.m. on Friday, June 14, 1985.

There have been no objections to the report.

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SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Board of Trade Clearing Corporation	)	MUR 1861
	)	
James E. Johnson, Walter W. Brinkman	)	

RECEIVED OFFICE OF THE SECRETARY FEC COMMISSION 85 OCT 11 A9:13

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter arose out of a referral to the Office of the General Counsel from the Department of Justice. Previously, an investigation by the Federal Bureau of Investigation and the Federal grand jury for the Northern District of Illinois had resulted in conspiracy charges against the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson, arising from knowing and willful violations of 2 U.S.C. § 441b(a). All three of those parties are respondents in this matter.

The investigation revealed evidence that BTCC had made approximately $25,000 worth of illegal corporate contributions between 1980 and 1982, through conduits, to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti. BTCC would therefore have violated the prohibition against corporate campaign contributions. 2 U.S.C. § 441b(a). Respondents would also thereby have violated the prohibition against contributions being made in the names of other persons, 2 U.S.C. § 441f, since all of the contributions were instigated by Brinkman and Johnson, who

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utilized BTCC employees as conduits to conceal the corporate source of the contributions.

All three defendants pled guilty to the offenses charged. On October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC $100,000, the largest criminal fine ever assessed, according to the Department of Justice, in a case involving a campaign contribution violation. On November 15, 1984, Brinkman was sentenced to four years probation, a $35,000 fine, and 1,000 hours of community service work; and Johnson was sentenced to two years probation, a $1,000 fine, and 250 hours of community service work.

On March 12, 1985, the Commission found reason to believe that BTCC, Brinkman, and Johnson each had violated 2 U.S.C. § 441b(a) and § 441f. In addition, the Commission authorized the Office of General Counsel to seek an appropriate Order for the release of grand jury investigation materials under Rule 6(e) of the Federal Rules of Criminal Procedure, should that be necessary to facilitate this Office's obtaining the names of the conduits and conducting an investigation thereof. On April 22, 1985, the Commission denied BTCC's request to enter into conciliation prior to a finding of probable cause to believe so as to enable this Office fully to investigate this matter.

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As a result of informal discussions with counsel for BTCC, this Office has now obtained the names and addresses of the persons who had acted as conduits in this matter.

II. FACTUAL AND LEGAL ANALYSIS

The pertinent statute states:

> No person shall make a contribution in the name of another person <u>or knowingly permit his name to be used to effect such a contribution</u>, and no person shall knowingly accept a contribution made by one person in the name of another person.

2 U.S.C. § 441f (emphasis added). It is clear, therefore, that if those persons identified as conduits by the respondents knowingly permitted themselves to be identified as the sources of contributions actually made by BTCC, then these conduits would have violated 2 U.S.C. § 441f. The Office of the General Counsel recommends, therefore, that these persons be named as respondents in this matter, so that the investigation might proceed on that basis with respect to the alleged violations of the Act.

III. RECOMMENDATIONS

1. Find reason to believe that Thomas S. Andrews, Richard A. Baker, Christine A. Beauprie, Leonard G. Centoni, Justine Cooper, Lorraine C. Hagen, Charles K. Hayes, John William Heiser, Gloria Hill, Eufemio B. Jara, William H. Kasper, Larry A. Krell, Gary W. Nessel, Edward J. Pocica, Ronald E. Radowich, Clyde J. Rudofski, Robert L. Taylor, John F. Walsh, Louis A. Clark, Ellen Federowski, Donald H. Halenya, Jr., Debra Lundin-Dickenson, Shirley A. Sprague, and Nancy K. Stewart violated 2 U.S.C. § 441f.

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2. Approve and send the attached letters, interrogatories and General Counsel's Factual and Legal Analyses.

Charles N. Steele
General Counsel

October 10, 1981
Date

BY: Kenneth A. Gross
Associate General Counsel

Attachments
1. Letter from Scott Early
2-25. Proposed letters, interrogatories and General Counsel's Legal and Factual Analyses to the named respondents.

CS #1

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/ MWE

DATE: OCTOBER 15, 1985

SUBJECT: MUR 1861 GENERAL COUNSEL'S REPORT SIGNED OCTOBER 10, 1985

The above-named document was circulated to the Commission on October 11, 1985 at 2:00 p.m.

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

Commissioner Aikens	
Commissioner Elliott	X
Commissioner Harris	
Commissioner Josefiak	
Commissioner McDonald	
Commissioner McGarry	

This matter will be placed on the Executive Session agenda for October 22, 1985.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Board of Trade Clearing Corporation	)	MUR 1861
James E. Johnson	)	
Walter W. Brinkman	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of October 22, 1985, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 1861:

1. Find reason to believe that Thomas S. Andrews, Richard A. Baker, Christine A. Beauprie, Leonard G. Centoni, Justine Cooper, Lorraine C. Hagen, Charles K. Hayes, John William Heiser, Gloria Hill, Eufemio B. Jara, William H. Kasper, Larry A. Krell, Gary W. Nessel, Edward J. Pocica, Ronald E. Radowich, Clyde J. Rudofski, Robert L. Taylor, John F. Walsh, Louis A. Clark, Ellen Federowski, Donald H. Halenya, Jr., Debra Lundin-Dickenson, Shirley A. Sprague, and Nancy K. Stewart violated 2 U.S.C. § 441f.

(continued)

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2. Direct the Office of General Counsel to revise the interrogatories attached to the staff report dated October 10, 1985, pursuant to the Commission discussion of October 22, 1985.

3. Approve the letters and General Counsel's Factual and Legal Analyses attached to the General Counsel's report dated October 10, 1985.

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

Attest:

10-24-85
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/ CHERYL A. FLEMING

DATE: OCTOBER 16, 1985

SUBJECT: OBJECTION - MUR 1861 General Counsel's Report

The above-named document was circulated to the Commission on Friday, October 11, 1985, 2:00.

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

Commissioner Aikens	X
Commissioner Elliott	
Commissioner Harris	
Commissioner Josefiak	
Commissioner McDonald	
Commissioner McGarry	

This matter will be placed on the Executive Session agenda for Tuesday, October 22, 1985.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Christine A. Beauprie
7002 Sierra Drive
Darien, IL 60559

RE: MUR 1861

Dear Ms. Beauprie:

On October 22 , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. 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, along with your answers to the enclosed questions, within fifteen 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.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

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Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

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 each counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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 Charles Snyder, the attorney assigned to this matter, at (202) 523-4000.

Sincerely,

John Warren McGarry
Chairman

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

CS #1

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Richard A. Baker
2337 N. Commonwealth
Apartment #5E
Chicago, IL 60614

RE: MUR 1861

Dear Mr. Baker:

On October 22, 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. 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, along with your answers to the enclosed questions, within fifteen 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.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

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Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

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 each counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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 Charles Snyder, the attorney assigned to this matter, at (202) 523-4000.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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

CS #1

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Questions
to
Richard A. Baker

Please respond to the following. As used in these questions, the terms listed below are defined as follows:

a. The term "documents" or "records" shall mean, unless otherwise indicated, writings of any kind, including, but not limited to, correspondence, memoranda, reports, transcripts, minutes, pamphlets, leaflets, notes, letters, lists, telexes, telegrams, messages (including reports, notes, memoranda, and other documentation of telephone conversations and conferences), calendar and diary entries, contracts, data, agendas, printouts, account statements, ledgers, billing forms, receipts, checks and other negotiable paper and compilations in your possession or control.

b. The term "identify" or "list" with respect to individuals shall mean to give the full name, last known residence address of such individual, and the last known place of business where such individual is or was employed. "Identify" or "list" with respect to other entities shall mean to give the full legal name, last known address of such entity, the entity's principal employees, if any, and the nature of the relationship between that entity and the Board of Trade Clearing Corporation, and the dates of such relationship.

c. The terms "and" and "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these questions any information which may be otherwise construed to be out of its scope.

1. State the names of all candidates for Federal office to whom you made contributions of any kind from 1980 through 1982, or to whom contributions were made in your name during that period. State the amount of each of these contributions.

2. Describe the circumstances under which those contributions were made.

3. State whether you received any compensation or reimbursement for making these contributions and, if so, identify all persons or entities that gave you such compensation or reimbursement, and state the amount of each such compensation or reimbursement.

4. Describe all documents or records relating to the above-referenced contributions, reimbursements, or related transactions. In lieu of, or in addition to, such description, you should attach copies of such documents or records to your answer.

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Richard A. Baker**

SUMMARY OF ALLEGATIONS

This matter arose out of a referral to the Office of the General Counsel from the Department of Justice. Previously, an investigation by the Federal Bureau of Investigation and the Federal grand jury for the Northern District of Illinois had resulted in conspiracy charges against the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson, arising from knowing and willful violations of 2 U.S.C. § 441b(a).

The investigation revealed evidence that BTCC had made approximately $25,000 worth of illegal corporate contributions between 1980 and 1982, through conduits, to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti. BTCC would therefore have violated the prohibition against corporate campaign contributions. 2 U.S.C. § 441b(a). Respondents would also thereby have violated the prohibition against contributions being made in the names of other persons, 2 U.S.C. § 441f, since all of the contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate source of the contributions.

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All three defendants pled guilty to the offenses charged. On October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC $100,000, the largest criminal fine ever assessed, according to the Department of Justice, in a case involving a campaign contribution violation. On November 15, 1984, Brinkman was sentenced to four years probation, a $35,000 fine, and 1,000 hours of community service work; and Johnson was sentenced to two years probation, a $1,000 fine, and 250 hours of community service work.

On March 12, 1985, the Commission authorized the Office of General Counsel to investigate this matter with respect to the conduits. As a result of that investigation, this Office has now obtained the names and addresses of the persons who had acted as conduits in this matter.

II. FACTUAL BASIS AND LEGAL ANALYSIS

The pertinent statute states:

> No person shall make a contribution in the name of another person <u>or knowingly permit his name to be used to effect such a contribution</u>, and no person shall knowingly accept a contribution made by one person in the name of another person.

2 U.S.C. § 441f (emphasis added). It is clear, therefore, that if any person knowingly permitted himself to be identified as a source of contributions actually made by BTCC, then that conduit would have violated 2 U.S.C. § 441f. The Office of the General Counsel recommends, therefore, that such person be named as a

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respondent in this matter, so that the investigation might proceed on that basis with respect to the alleged violations of the Act.

T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Debra Lundin-Dickenson
876 Spring Hill
Naperville, IL 60566

RE: MUR 1861

Dear Ms. Lundin-Dickenson:

On October 22, 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. 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, along with your answers to the enclosed questions, within fifteen 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.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

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Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

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 each counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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 Charles Snyder, the attorney assigned to this matter, at (202) 523-4000.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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

CS #1

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Questions
to
Debra Lundin-Dickenson

Please respond to the following. As used in these questions, the terms listed below are defined as follows:

a. The term "documents" or "records" shall mean, unless otherwise indicated, writings of any kind, including, but not limited to, correspondence, memoranda, reports, transcripts, minutes, pamphlets, leaflets, notes, letters, lists, telexes, telegrams, messages (including reports, notes, memoranda, and other documentation of telephone conversations and conferences), calendar and diary entries, contracts, data, agendas, printouts, account statements, ledgers, billing forms, receipts, checks and other negotiable paper and compilations in your possession or control.

b. The term "identify" or "list" with respect to individuals shall mean to give the full name, last known residence address of such individual, and the last known place of business where such individual is or was employed. "Identify" or "list" with respect to other entities shall mean to give the full legal name, last known address of such entity, the entity's principal employees, if any, and the nature of the relationship between that entity and the Board of Trade Clearing Corporation, and the dates of such relationship.

c. The terms "and" and "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these questions any information which may be otherwise construed to be out of its scope.

1. State the names of all candidates for Federal office to whom you made contributions of any kind from 1980 through 1982, or to whom contributions were made in your name during that period. State the amount of each of these contributions.

2. Describe the circumstances under which those contributions were made.

3. State whether you received any compensation or reimbursement for making these contributions and, if so, identify all persons or entities that gave you such compensation or reimbursement, and state the amount of each such compensation or reimbursement.

4. Describe all documents or records relating to the above-referenced contributions, reimbursements, or related transactions. In lieu of, or in addition to, such description, you should attach copies of such documents or records to your answer.

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Debra Lundin-Dickenson**

SUMMARY OF ALLEGATIONS

This matter arose out of a referral to the Office of the General Counsel from the Department of Justice. Previously, an investigation by the Federal Bureau of Investigation and the Federal grand jury for the Northern District of Illinois had resulted in conspiracy charges against the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson, arising from knowing and willful violations of 2 U.S.C. § 441b(a).

The investigation revealed evidence that BTCC had made approximately $25,000 worth of illegal corporate contributions between 1980 and 1982, through conduits, to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti. BTCC would therefore have violated the prohibition against corporate campaign contributions. 2 U.S.C. § 441b(a). Respondents would also thereby have violated the prohibition against contributions being made in the names of other persons, 2 U.S.C. § 441f, since all of the contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate source of the contributions.

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All three defendants pled guilty to the offenses charged. On October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC $100,000, the largest criminal fine ever assessed, according to the Department of Justice, in a case involving a campaign contribution violation. On November 15, 1984, Brinkman was sentenced to four years probation, a $35,000 fine, and 1,000 hours of community service work; and Johnson was sentenced to two years probation, a $1,000 fine, and 250 hours of community service work.

On March 12, 1985, the Commission authorized the Office of General Counsel to investigate this matter with respect to the conduits. As a result of that investigation, this Office has now obtained the names and addresses of the persons who had acted as conduits in this matter.

II. FACTUAL BASIS AND LEGAL ANALYSIS

The pertinent statute states:

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T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Lorraine C. Hagen
21083 N. Columbus Drive
Barrington, IL 60010

RE: MUR 1861

Dear Ms. Hagen:

On October 22 , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. 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, along with your answers to the enclosed questions, within fifteen days of your receipt of this letter. Statements should be submitted under oath.

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

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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

CS #1

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Questions
to
Lorraine C. Hagen

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Lorraine C. Hagen**

SUMMARY OF ALLEGATIONS

This matter arose out of a referral to the Office of the General Counsel from the Department of Justice. Previously, an investigation by the Federal Bureau of Investigation and the Federal grand jury for the Northern District of Illinois had resulted in conspiracy charges against the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson, arising from knowing and willful violations of 2 U.S.C. § 441b(a).

The investigation revealed evidence that BTCC had made approximately $25,000 worth of illegal corporate contributions between 1980 and 1982, through conduits, to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti. BTCC would therefore have violated the prohibition against corporate campaign contributions. 2 U.S.C. § 441b(a). Respondents would also thereby have violated the prohibition against contributions being made in the names of other persons, 2 U.S.C. § 441f, since all of the contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate source of the contributions.

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All three defendants pled guilty to the offenses charged. On October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC $100,000, the largest criminal fine ever assessed, according to the Department of Justice, in a case involving a campaign contribution violation. On November 15, 1984, Brinkman was sentenced to four years probation, a $35,000 fine, and 1,000 hours of community service work; and Johnson was sentenced to two years probation, a $1,000 fine, and 250 hours of community service work.

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II. FACTUAL BASIS AND LEGAL ANALYSIS

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respondent in this matter, so that the investigation might proceed on that basis with respect to the alleged violations of the Act.

T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Justine Cooper
3941 W. Addison
Chicago, IL 60618

RE: MUR 1861

Dear Ms. Cooper:

On October 22 , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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

CS #1

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Questions
to
Justine Cooper

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Justine Cooper**

SUMMARY OF ALLEGATIONS

This matter arose out of a referral to the Office of the General Counsel from the Department of Justice. Previously, an investigation by the Federal Bureau of Investigation and the Federal grand jury for the Northern District of Illinois had resulted in conspiracy charges against the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson, arising from knowing and willful violations of 2 U.S.C. § 441b(a).

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All three defendants pled guilty to the offenses charged. On October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC $100,000, the largest criminal fine ever assessed, according to the Department of Justice, in a case involving a campaign contribution violation. On November 15, 1984, Brinkman was sentenced to four years probation, a $35,000 fine, and 1,000 hours of community service work; and Johnson was sentenced to two years probation, a $1,000 fine, and 250 hours of community service work.

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T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Leonard G. Centoni
1306 S. Finley Park
Apartment 1K
Lombard, IL 60148

RE: MUR 1861

Dear Mr. Centoni:

On October 22 , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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Sincerely,

John Warren McGarry
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement
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CS #1

8 8 0 4 0 7 0 2 1 8 3

Questions
to
Leonard G. Centoni

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Leonard G. Centoni**

SUMMARY OF ALLEGATIONS

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T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Eufemio B. Jara
2801 W. Chase
Chicago, IL 60645

RE: MUR 1861

Dear Ms. Jara:

On October 22 , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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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 Charles Snyder, the attorney assigned to this matter, at (202) 523-4000.

Sincerely,

John Warren McGarry
Chairman

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

CS #1

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Questions
to
Eufemio B. Jara

Please respond to the following. As used in these questions, the terms listed below are defined as follows:

a. The term "documents" or "records" shall mean, unless otherwise indicated, writings of any kind, including, but not limited to, correspondence, memoranda, reports, transcripts, minutes, pamphlets, leaflets, notes, letters, lists, telexes, telegrams, messages (including reports, notes, memoranda, and other documentation of telephone conversations and conferences), calendar and diary entries, contracts, data, agendas, printouts, account statements, ledgers, billing forms, receipts, checks and other negotiable paper and compilations in your possession or control.

b. The term "identify" or "list" with respect to individuals shall mean to give the full name, last known residence address of such individual, and the last known place of business where such individual is or was employed. "Identify" or "list" with respect to other entities shall mean to give the full legal name, last known address of such entity, the entity's principal employees, if any, and the nature of the relationship between that entity and the Board of Trade Clearing Corporation, and the dates of such relationship.

c. The terms "and" and "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these questions any information which may be otherwise construed to be out of its scope.

1. State the names of all candidates for Federal office to whom you made contributions of any kind from 1980 through 1982, or to whom contributions were made in your name during that period. State the amount of each of these contributions.

2. Describe the circumstances under which those contributions were made.

3. State whether you received any compensation or reimbursement for making these contributions and, if so, identify all persons or entities that gave you such compensation or reimbursement, and state the amount of each such compensation or reimbursement.

4. Describe all documents or records relating to the above-referenced contributions, reimbursements, or related transactions. In lieu of, or in addition to, such description, you should attach copies of such documents or records to your answer.

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Eufemio B. Jara**

SUMMARY OF ALLEGATIONS

This matter arose out of a referral to the Office of the General Counsel from the Department of Justice. Previously, an investigation by the Federal Bureau of Investigation and the Federal grand jury for the Northern District of Illinois had resulted in conspiracy charges against the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson, arising from knowing and willful violations of 2 U.S.C. § 441b(a).

The investigation revealed evidence that BTCC had made approximately $25,000 worth of illegal corporate contributions between 1980 and 1982, through conduits, to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti. BTCC would therefore have violated the prohibition against corporate campaign contributions. 2 U.S.C. § 441b(a). Respondents would also thereby have violated the prohibition against contributions being made in the names of other persons, 2 U.S.C. § 441f, since all of the contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate source of the contributions.

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All three defendants pled guilty to the offenses charged. On October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC $100,000, the largest criminal fine ever assessed, according to the Department of Justice, in a case involving a campaign contribution violation. On November 15, 1984, Brinkman was sentenced to four years probation, a $35,000 fine, and 1,000 hours of community service work; and Johnson was sentenced to two years probation, a $1,000 fine, and 250 hours of community service work.

On March 12, 1985, the Commission authorized the Office of General Counsel to investigate this matter with respect to the conduits. As a result of that investigation, this Office has now obtained the names and addresses of the persons who had acted as conduits in this matter.

II. FACTUAL BASIS AND LEGAL ANALYSIS

The pertinent statute states:

> No person shall make a contribution in the name of another person <u>or knowingly permit his name to be used to effect such a contribution</u>, and no person shall knowingly accept a contribution made by one person in the name of another person.

2 U.S.C. § 441f (emphasis added). It is clear, therefore, that if any person knowingly permitted himself to be identified as a source of contributions actually made by BTCC, then that conduit would have violated 2 U.S.C. § 441f. The Office of the General Counsel recommends, therefore, that such person be named as a

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respondent in this matter, so that the investigation might proceed on that basis with respect to the alleged violations of the Act.

T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Gloria Hill
599 Tanglewood Road
Matteson, IL 60443

RE: MUR 1861

Dear Ms. Hill:

On October 22 , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. 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, along with your answers to the enclosed questions, within fifteen days of your receipt of this letter. Statements should be submitted under oath.

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Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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

CS #1

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Questions
to
Gloria Hill

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Gloria Hill**

SUMMARY OF ALLEGATIONS

This matter arose out of a referral to the Office of the General Counsel from the Department of Justice. Previously, an investigation by the Federal Bureau of Investigation and the Federal grand jury for the Northern District of Illinois had resulted in conspiracy charges against the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson, arising from knowing and willful violations of 2 U.S.C. § 441b(a).

The investigation revealed evidence that BTCC had made approximately $25,000 worth of illegal corporate contributions between 1980 and 1982, through conduits, to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti. BTCC would therefore have violated the prohibition against corporate campaign contributions. 2 U.S.C. § 441b(a). Respondents would also thereby have violated the prohibition against contributions being made in the names of other persons, 2 U.S.C. § 441f, since all of the contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate source of the contributions.

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All three defendants pled guilty to the offenses charged. On October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC $100,000, the largest criminal fine ever assessed, according to the Department of Justice, in a case involving a campaign contribution violation. On November 15, 1984, Brinkman was sentenced to four years probation, a $35,000 fine, and 1,000 hours of community service work; and Johnson was sentenced to two years probation, a $1,000 fine, and 250 hours of community service work.

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II. FACTUAL BASIS AND LEGAL ANALYSIS

The pertinent statute states:

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respondent in this matter, so that the investigation might proceed on that basis with respect to the alleged violations of the Act.

T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

John William Heiser
575 E. Thornhill Drive
Apartment #314
Carol Stream, IL 60188

RE: MUR 1861

Dear Mr. Heiser:

On October 22, 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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

CS #1

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Questions
to
John William Heiser

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **John William Heiser**

SUMMARY OF ALLEGATIONS

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respondent in this matter, so that the investigation might proceed on that basis with respect to the alleged violations of the Act.

T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Charles K. Hayes
1360 N. Lake Shore Drive
Apartment #914
Chicago, IL 60610

RE: MUR 1861

Dear Mr. Hayes:

On October 22, 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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Sincerely,

John Warren McGarry
Chairman

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

CS #1

8 3 0 4 0 7 0 2 2 0 7

Questions
to
Charles K. Hayes

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Charles K. Hayes**

SUMMARY OF ALLEGATIONS

This matter arose out of a referral to the Office of the General Counsel from the Department of Justice. Previously, an investigation by the Federal Bureau of Investigation and the Federal grand jury for the Northern District of Illinois had resulted in conspiracy charges against the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson, arising from knowing and willful violations of 2 U.S.C. § 441b(a).

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T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Gary W. Nessel
14811 Grant Street
Dolton, IL 60419

RE: MUR 1861

Dear Mr. Nessel:

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Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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

CS #1

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Questions
to
Gary W. Nessel

Please respond to the following. As used in these questions, the terms listed below are defined as follows:

a. The term "documents" or "records" shall mean, unless otherwise indicated, writings of any kind, including, but not limited to, correspondence, memoranda, reports, transcripts, minutes, pamphlets, leaflets, notes, letters, lists, telexes, telegrams, messages (including reports, notes, memoranda, and other documentation of telephone conversations and conferences), calendar and diary entries, contracts, data, agendas, printouts, account statements, ledgers, billing forms, receipts, checks and other negotiable paper and compilations in your possession or control.

b. The term "identify" or "list" with respect to individuals shall mean to give the full name, last known residence address of such individual, and the last known place of business where such individual is or was employed. "Identify" or "list" with respect to other entities shall mean to give the full legal name, last known address of such entity, the entity's principal employees, if any, and the nature of the relationship between that entity and the Board of Trade Clearing Corporation, and the dates of such relationship.

c. The terms "and" and "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these questions any information which may be otherwise construed to be out of its scope.

1. State the names of all candidates for Federal office to whom you made contributions of any kind from 1980 through 1982, or to whom contributions were made in your name during that period. State the amount of each of these contributions.

2. Describe the circumstances under which those contributions were made.

3. State whether you received any compensation or reimbursement for making these contributions and, if so, identify all persons or entities that gave you such compensation or reimbursement, and state the amount of each such compensation or reimbursement.

4. Describe all documents or records relating to the above-referenced contributions, reimbursements, or related transactions. In lieu of, or in addition to, such description, you should attach copies of such documents or records to your answer.

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Gary W. Nessel**

SUMMARY OF ALLEGATIONS

This matter arose out of a referral to the Office of the General Counsel from the Department of Justice. Previously, an investigation by the Federal Bureau of Investigation and the Federal grand jury for the Northern District of Illinois had resulted in conspiracy charges against the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson, arising from knowing and willful violations of 2 U.S.C. § 441b(a).

The investigation revealed evidence that BTCC had made approximately $25,000 worth of illegal corporate contributions between 1980 and 1982, through conduits, to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti. BTCC would therefore have violated the prohibition against corporate campaign contributions. 2 U.S.C. § 441b(a). Respondents would also thereby have violated the prohibition against contributions being made in the names of other persons, 2 U.S.C. § 441f, since all of the contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate source of the contributions.

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All three defendants pled guilty to the offenses charged. On October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC $100,000, the largest criminal fine ever assessed, according to the Department of Justice, in a case involving a campaign contribution violation. On November 15, 1984, Brinkman was sentenced to four years probation, a $35,000 fine, and 1,000 hours of community service work; and Johnson was sentenced to two years probation, a $1,000 fine, and 250 hours of community service work.

On March 12, 1985, the Commission authorized the Office of General Counsel to investigate this matter with respect to the conduits. As a result of that investigation, this Office has now obtained the names and addresses of the persons who had acted as conduits in this matter.

II. FACTUAL BASIS AND LEGAL ANALYSIS

The pertinent statute states:

> No person shall make a contribution in the name of another person <u>or knowingly permit his name to be used to effect such a contribution</u>, and no person shall knowingly accept a contribution made by one person in the name of another person.

2 U.S.C. § 441f (emphasis added). It is clear, therefore, that if any person knowingly permitted himself to be identified as a source of contributions actually made by BTCC, then that conduit would have violated 2 U.S.C. § 441f. The Office of the General Counsel recommends, therefore, that such person be named as a

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respondent in this matter, so that the investigation might proceed on that basis with respect to the alleged violations of the Act.

T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Edward J. Pocica
8649 Blue Ridge
Hickory Hills, IL 60457

RE: MUR 1861

Dear Mr. Pocica:

On October 22 , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. 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, along with your answers to the enclosed questions, within fifteen 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.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

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

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement
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CS #1

9 3 0 4 0 7 0 2 2 1 9

Questions
to
Edward J. Pocica

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Edward J. Pocica**

SUMMARY OF ALLEGATIONS

This matter arose out of a referral to the Office of the General Counsel from the Department of Justice. Previously, an investigation by the Federal Bureau of Investigation and the Federal grand jury for the Northern District of Illinois had resulted in conspiracy charges against the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson, arising from knowing and willful violations of 2 U.S.C. § 441b(a).

The investigation revealed evidence that BTCC had made approximately $25,000 worth of illegal corporate contributions between 1980 and 1982, through conduits, to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti. BTCC would therefore have violated the prohibition against corporate campaign contributions. 2 U.S.C. § 441b(a). Respondents would also thereby have violated the prohibition against contributions being made in the names of other persons, 2 U.S.C. § 441f, since all of the contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate source of the contributions.

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respondent in this matter, so that the investigation might proceed on that basis with respect to the alleged violations of the Act.

T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Larry A. Krell
15330 James Drive
Oak Forest, IL 60452

RE: MUR 1861

Dear Mr. Krell:

On October 22, 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. 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, along with your answers to the enclosed questions, within fifteen days of your receipt of this letter. Statements should be submitted under oath.

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Sincerely,

John Warren McGarry
Chairman

Enclosures
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CS #1

9 8 0 4 0 7 0 2 2 2 5

Questions
to
Larry A. Krell

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Larry A. Krell**

SUMMARY OF ALLEGATIONS

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respondent in this matter, so that the investigation might proceed on that basis with respect to the alleged violations of the Act.

T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Robert L. Taylor
4142 Washington
Downers Grove, IL 60515

RE: MUR 1861

Dear Mr. Taylor:

On October 22 , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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Sincerely,

John Warren McGarry
Chairman

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CS #1

83040702231

Questions
to
Robert L. Taylor

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Robert L. Taylor**

SUMMARY OF ALLEGATIONS

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T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Clyde J. Rudofski
14813 Grant Street
Dolton, IL 60419

RE: MUR 1861

Dear Mr. Rudofski:

On October 22 , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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Chairman

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CS #1

83040702237

Questions
to
Clyde J. Rudofski

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2. Describe the circumstances under which those contributions were made.

3. State whether you received any compensation or reimbursement for making these contributions and, if so, identify all persons or entities that gave you such compensation or reimbursement, and state the amount of each such compensation or reimbursement.

4. Describe all documents or records relating to the above-referenced contributions, reimbursements, or related transactions. In lieu of, or in addition to, such description, you should attach copies of such documents or records to your answer.

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Clyde J. Rudofski**

SUMMARY OF ALLEGATIONS

This matter arose out of a referral to the Office of the General Counsel from the Department of Justice. Previously, an investigation by the Federal Bureau of Investigation and the Federal grand jury for the Northern District of Illinois had resulted in conspiracy charges against the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson, arising from knowing and willful violations of 2 U.S.C. § 441b(a).

The investigation revealed evidence that BTCC had made approximately $25,000 worth of illegal corporate contributions between 1980 and 1982, through conduits, to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti. BTCC would therefore have violated the prohibition against corporate campaign contributions. 2 U.S.C. § 441b(a). Respondents would also thereby have violated the prohibition against contributions being made in the names of other persons, 2 U.S.C. § 441f, since all of the contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate source of the contributions.

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All three defendants pled guilty to the offenses charged. On October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC $100,000, the largest criminal fine ever assessed, according to the Department of Justice, in a case involving a campaign contribution violation. On November 15, 1984, Brinkman was sentenced to four years probation, a $35,000 fine, and 1,000 hours of community service work; and Johnson was sentenced to two years probation, a $1,000 fine, and 250 hours of community service work.

On March 12, 1985, the Commission authorized the Office of General Counsel to investigate this matter with respect to the conduits. As a result of that investigation, this Office has now obtained the names and addresses of the persons who had acted as conduits in this matter.

II. FACTUAL BASIS AND LEGAL ANALYSIS

The pertinent statute states:

> No person shall make a contribution in the name of another person <u>or knowingly permit his name to be used to effect such a contribution</u>, and no person shall knowingly accept a contribution made by one person in the name of another person.

2 U.S.C. § 441f (emphasis added). It is clear, therefore, that if any person knowingly permitted himself to be identified as a source of contributions actually made by BTCC, then that conduit would have violated 2 U.S.C. § 441f. The Office of the General Counsel recommends, therefore, that such person be named as a

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respondent in this matter, so that the investigation might proceed on that basis with respect to the alleged violations of the Act.

T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Ronald E. Radowich
4846 W. Parker
Chicago, IL 60639

RE: MUR 1861

Dear Mr. Radowich:

On October 22 , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. 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, along with your answers to the enclosed questions, within fifteen 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.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

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Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

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 each counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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 Charles Snyder, the attorney assigned to this matter, at (202) 523-4000.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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

CS #1

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Questions
to
Ronald E. Radowich

Please respond to the following. As used in these questions, the terms listed below are defined as follows:

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b. The term "identify" or "list" with respect to individuals shall mean to give the full name, last known residence address of such individual, and the last known place of business where such individual is or was employed. "Identify" or "list" with respect to other entities shall mean to give the full legal name, last known address of such entity, the entity's principal employees, if any, and the nature of the relationship between that entity and the Board of Trade Clearing Corporation, and the dates of such relationship.

c. The terms "and" and "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these questions any information which may be otherwise construed to be out of its scope.

1. State the names of all candidates for Federal office to whom you made contributions of any kind from 1980 through 1982, or to whom contributions were made in your name during that period. State the amount of each of these contributions.

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Ronald E. Radowich**

SUMMARY OF ALLEGATIONS

This matter arose out of a referral to the Office of the General Counsel from the Department of Justice. Previously, an investigation by the Federal Bureau of Investigation and the Federal grand jury for the Northern District of Illinois had resulted in conspiracy charges against the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson, arising from knowing and willful violations of 2 U.S.C. § 441b(a).

The investigation revealed evidence that BTCC had made approximately $25,000 worth of illegal corporate contributions between 1980 and 1982, through conduits, to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti. BTCC would therefore have violated the prohibition against corporate campaign contributions. 2 U.S.C. § 441b(a). Respondents would also thereby have violated the prohibition against contributions being made in the names of other persons, 2 U.S.C. § 441f, since all of the contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate source of the contributions.

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All three defendants pled guilty to the offenses charged. On October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC $100,000, the largest criminal fine ever assessed, according to the Department of Justice, in a case involving a campaign contribution violation. On November 15, 1984, Brinkman was sentenced to four years probation, a $35,000 fine, and 1,000 hours of community service work; and Johnson was sentenced to two years probation, a $1,000 fine, and 250 hours of community service work.

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The pertinent statute states:

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respondent in this matter, so that the investigation might proceed on that basis with respect to the alleged violations of the Act.

T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Donald H. Halenza, Jr.
45520 Fender Road
Naperville, IL 60540

RE: MUR 1861

Dear Mr. Halenza:

On October 22 , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. 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, along with your answers to the enclosed questions, within fifteen days of your receipt of this letter. Statements should be submitted under oath.

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

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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

CS #1

8 3 0 4 0 7 0 2 2 4 9

Questions
to
Donald H. Halenza, Jr.

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Donald H. Halenza, Jr.**

SUMMARY OF ALLEGATIONS

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All three defendants pled guilty to the offenses charged. On October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC $100,000, the largest criminal fine ever assessed, according to the Department of Justice, in a case involving a campaign contribution violation. On November 15, 1984, Brinkman was sentenced to four years probation, a $35,000 fine, and 1,000 hours of community service work; and Johnson was sentenced to two years probation, a $1,000 fine, and 250 hours of community service work.

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respondent in this matter, so that the investigation might proceed on that basis with respect to the alleged violations of the Act.

T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Louis A. Clark
1764 Dogwood
Hoffman Estates, IL 60195

RE: MUR 1861

Dear Mr. Clark:

On October 22, 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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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 Charles Snyder, the attorney assigned to this matter, at (202) 523-4000.

Sincerely,

John Warren McGarry
Chairman

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

CS #1

8 8 0 4 0 7 0 2 2 5 5

Questions
to
Louis A. Clark

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Louis A. Clark**

SUMMARY OF ALLEGATIONS

This matter arose out of a referral to the Office of the General Counsel from the Department of Justice. Previously, an investigation by the Federal Bureau of Investigation and the Federal grand jury for the Northern District of Illinois had resulted in conspiracy charges against the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson, arising from knowing and willful violations of 2 U.S.C. § 441b(a).

The investigation revealed evidence that BTCC had made approximately $25,000 worth of illegal corporate contributions between 1980 and 1982, through conduits, to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti. BTCC would therefore have violated the prohibition against corporate campaign contributions. 2 U.S.C. § 441b(a). Respondents would also thereby have violated the prohibition against contributions being made in the names of other persons, 2 U.S.C. § 441f, since all of the contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate source of the contributions.

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T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

John F. Walsh
9440 S. Winchester
Chicago, IL 60620

RE: MUR 1861

Dear Mr. Walsh:

On October 22 , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement
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CS #1

8 3 0 4 0 7 0 2 2 6 1

Questions
to
John F. Walsh

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83040702262

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **John F. Walsh**

SUMMARY OF ALLEGATIONS

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II. FACTUAL BASIS AND LEGAL ANALYSIS

The pertinent statute states:

> No person shall make a contribution in the name of another person <u>or knowingly permit his name to be used to effect such a contribution</u>, and no person shall knowingly accept a contribution made by one person in the name of another person.

2 U.S.C. § 441f (emphasis added). It is clear, therefore, that if any person knowingly permitted himself to be identified as a source of contributions actually made by BTCC, then that conduit would have violated 2 U.S.C. § 441f. The Office of the General Counsel recommends, therefore, that such person be named as a

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respondent in this matter, so that the investigation might proceed on that basis with respect to the alleged violations of the Act.

T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Ellen Federowski
3461 Manor Drive
Lansing, IL 60438

RE: MUR 1861

Dear Ms. Federowski:

On October 22, 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. 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, along with your answers to the enclosed questions, within fifteen 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.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

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

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 Charles Snyder, the attorney assigned to this matter, at (202) 523-4000.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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

CS #1

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Questions
to
Ellen Federowski

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3. State whether you received any compensation or reimbursement for making these contributions and, if so, identify all persons or entities that gave you such compensation or reimbursement, and state the amount of each such compensation or reimbursement.

4. Describe all documents or records relating to the above-referenced contributions, reimbursements, or related transactions. In lieu of, or in addition to, such description, you should attach copies of such documents or records to your answer.

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Ellen Federowski**

SUMMARY OF ALLEGATIONS

This matter arose out of a referral to the Office of the General Counsel from the Department of Justice. Previously, an investigation by the Federal Bureau of Investigation and the Federal grand jury for the Northern District of Illinois had resulted in conspiracy charges against the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson, arising from knowing and willful violations of 2 U.S.C. § 441b(a).

The investigation revealed evidence that BTCC had made approximately $25,000 worth of illegal corporate contributions between 1980 and 1982, through conduits, to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti. BTCC would therefore have violated the prohibition against corporate campaign contributions. 2 U.S.C. § 441b(a). Respondents would also thereby have violated the prohibition against contributions being made in the names of other persons, 2 U.S.C. § 441f, since all of the contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate source of the contributions.

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T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Thomas S. Andrews
5505 N. Mason
Chicago, IL 60630

RE: MUR 1861

Dear Mr. Andrews:

On October 22, 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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

CS #1

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Questions
to
Thomas S. Andrews

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Thomas S. Andrews**

SUMMARY OF ALLEGATIONS

This matter arose out of a referral to the Office of the General Counsel from the Department of Justice. Previously, an investigation by the Federal Bureau of Investigation and the Federal grand jury for the Northern District of Illinois had resulted in conspiracy charges against the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson, arising from knowing and willful violations of 2 U.S.C. § 441b(a).

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T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

William H. Kasper
1025 Whitfield Road
Northbrook, IL 60062

RE: MUR 1861

Dear Mr. Kasper:

On October 22 , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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

CS #1

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Questions
to
William H. Kasper

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **William H. Kasper**

SUMMARY OF ALLEGATIONS

This matter arose out of a referral to the Office of the General Counsel from the Department of Justice. Previously, an investigation by the Federal Bureau of Investigation and the Federal grand jury for the Northern District of Illinois had resulted in conspiracy charges against the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson, arising from knowing and willful violations of 2 U.S.C. § 441b(a).

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T-5 Snyder

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Nancy K. Stewart
3450 N. Lake Shore Drive
Chicago, IL 60657

RE: MUR 1861

Dear Ms. Stewart:

On October 22 , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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Sincerely,

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Chairman

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

CS #1

8 8 0 4 0 7 0 2 2 8 5

Questions
to
Nancy K. Stewart

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Nancy K. Stewart**

SUMMARY OF ALLEGATIONS

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2 U.S.C. § 441f (emphasis added). It is clear, therefore, that if any person knowingly permitted himself to be identified as a source of contributions actually made by BTCC, then that conduit would have violated 2 U.S.C. § 441f. The Office of the General Counsel recommends, therefore, that such person be named as a

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respondent in this matter, so that the investigation might proceed on that basis with respect to the alleged violations of the Act.

T-5 Snyder

8 8 0 4 0 7 0 2 2 8 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1985

Shirley A. Sprague
4835 N. Merrimac
Chicago, IL 60630

RE: MUR 1861

Dear Ms. Sprague:

On October 22 , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. 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, along with your answers to the enclosed questions, within fifteen 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.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

83040702290

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

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 each counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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 Charles Snyder, the attorney assigned to this matter, at (202) 523-4000.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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

CS #1

8 8 0 4 0 7 0 2 2 9 1

Questions
to
Shirley A. Sprague

Please respond to the following. As used in these questions, the terms listed below are defined as follows:

a. The term "documents" or "records" shall mean, unless otherwise indicated, writings of any kind, including, but not limited to, correspondence, memoranda, reports, transcripts, minutes, pamphlets, leaflets, notes, letters, lists, telexes, telegrams, messages (including reports, notes, memoranda, and other documentation of telephone conversations and conferences), calendar and diary entries, contracts, data, agendas, printouts, account statements, ledgers, billing forms, receipts, checks and other negotiable paper and compilations in your possession or control.

b. The term "identify" or "list" with respect to individuals shall mean to give the full name, last known residence address of such individual, and the last known place of business where such individual is or was employed. "Identify" or "list" with respect to other entities shall mean to give the full legal name, last known address of such entity, the entity's principal employees, if any, and the nature of the relationship between that entity and the Board of Trade Clearing Corporation, and the dates of such relationship.

c. The terms "and" and "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these questions any information which may be otherwise construed to be out of its scope.

1. State the names of all candidates for Federal office to whom you made contributions of any kind from 1980 through 1982, or to whom contributions were made in your name during that period. State the amount of each of these contributions.

2. Describe the circumstances under which those contributions were made.

3. State whether you received any compensation or reimbursement for making these contributions and, if so, identify all persons or entities that gave you such compensation or reimbursement, and state the amount of each such compensation or reimbursement.

4. Describe all documents or records relating to the above-referenced contributions, reimbursements, or related transactions. In lieu of, or in addition to, such description, you should attach copies of such documents or records to your answer.

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1861
STAFF - Charles Snyder
523-4000

RESPONDENT: **Shirley A. Sprague**

SUMMARY OF ALLEGATIONS

This matter arose out of a referral to the Office of the General Counsel from the Department of Justice. Previously, an investigation by the Federal Bureau of Investigation and the Federal grand jury for the Northern District of Illinois had resulted in conspiracy charges against the Board of Trade Clearing Corporation (hereinafter "BTCC") and its principal officers, Walter W. Brinkman and James E. Johnson, arising from knowing and willful violations of 2 U.S.C. § 441b(a).

The investigation revealed evidence that BTCC had made approximately $25,000 worth of illegal corporate contributions between 1980 and 1982, through conduits, to the Carter/Mondale campaign and to the campaigns of Congressmen Annunzio, Gillis Long, Rodino, Russo and Zeferetti. BTCC would therefore have violated the prohibition against corporate campaign contributions. 2 U.S.C. § 441b(a). Respondents would also thereby have violated the prohibition against contributions being made in the names of other persons, 2 U.S.C. § 441f, since all of the contributions were instigated by Brinkman and Johnson, who utilized BTCC employees as conduits to conceal the corporate source of the contributions.

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All three defendants pled guilty to the offenses charged. On October 19, 1984, the United States District Court for the Northern District of Illinois fined BTCC $100,000, the largest criminal fine ever assessed, according to the Department of Justice, in a case involving a campaign contribution violation. On November 15, 1984, Brinkman was sentenced to four years probation, a $35,000 fine, and 1,000 hours of community service work; and Johnson was sentenced to two years probation, a $1,000 fine, and 250 hours of community service work.

On March 12, 1985, the Commission authorized the Office of General Counsel to investigate this matter with respect to the conduits. As a result of that investigation, this Office has now obtained the names and addresses of the persons who had acted as conduits in this matter.

II. FACTUAL BASIS AND LEGAL ANALYSIS

The pertinent statute states:

> No person shall make a contribution in the name of another person <u>or knowingly permit his name to be used to effect such a contribution</u>, and no person shall knowingly accept a contribution made by one person in the name of another person.

2 U.S.C. § 441f (emphasis added). It is clear, therefore, that if any person knowingly permitted himself to be identified as a source of contributions actually made by BTCC, then that conduit would have violated 2 U.S.C. § 441f. The Office of the General Counsel recommends, therefore, that such person be named as a

8 3 0 4 0 7 0 2 2 9 4

respondent in this matter, so that the investigation might proceed on that basis with respect to the alleged violations of the Act.

T-5 Snyder

9 8 0 4 0 7 0 2 2 9 5

Board Of Trade
CLEARING CORPORATION

Dennis A. Dutterer
Vice President and
General Counsel

GCC#892.P
M 1861
Snyder

85 NOV 13 A10:24

November 8, 1985

Charles N. Steele, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

Dear Mr. Steele:

I am enclosing a statement of designation of counsel. This is effective at once. I am substituting for Mr. Early who had previously submitted a statement of designation of counsel. If you have any questions concerning this substitution of counsel, please call me.

Sincerely,

Dennis A. Dutterer

Dennis A. Dutterer

DAD/ls
Enclosure

8304070295

141 West Jackson Boulevard
Suite 1460
Chicago, Illinois 60604
(312) 341-1160 Telex 244663

Four World Trade Center
Suite 7246
New York, New York 10048
(212) 524-9185-86

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1861

NAME OF COUNSEL: Dennis A. Dutterer

ADDRESS: 141 West Jackson Blvd.
Suite 1460
Chicago, IL 60604

TELEPHONE: 312-341-1160

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.

BOARD OF TRADE CLEARING CORPORATION

November 8, 1985
Date

BY: Roger D. Rutz
Signature Roger D. Rutz, President and Chief Executive Officer

RESPONDENT'S NAME: Board of Trade Clearing Corporation

ADDRESS: 141 West Jackson Blvd.
Suite 1460
Chicago, IL 60604

HOME PHONE:

BUSINESS PHONE: 312-341-1160

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RECEIVED AT THE FEC
GCC# 9996
85 NOV 20 P 1:33

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1861

NAME OF COUNSEL: THOMAS M. BREEN

ADDRESS: 224 N. LASALLE
Room 2114
CHICAGO, IL 60601

TELEPHONE: (312) 346-2550

85 NOV 20 P 3:1

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.

11/15/85
Date

Louis A. Clark, Jr.
Signature

RESPONDENT'S NAME: LOUIS A. CLARK, JR

ADDRESS: 1764 DOGWOOD DR.
HOFFMAN ESTATES, IL 60195

HOME PHONE: (312) 991-8616

BUSINESS PHONE: (312) 222-7151

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85 NOV 21 A 8:05

STATEMENT OF DESIGNATION OF COUNSEL

MUR MUR 1861

NAME OF COUNSEL: Thomas Breen

ADDRESS: Suite 2114
221 North LaSalle Street
Chicago, Illinois 60601

TELEPHONE: (312) 346-2550

85 NOV 21 P12:48

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.

Nov. 13, 1985
Date

Charles K. Hayes, Jr.
Signature

RESPONDENT'S NAME: Charles Kirtland Hayes, Jr.

ADDRESS: Apt. #914
1360 North Lake Shore Drive
Chicago, Illinois 60610-2151

HOME PHONE: (312) 280-8988

BUSINESS PHONE: (312) 280-8988

COPY SENT THE OFFICE OF Thomas Breen.

8 8 0 4 0 7 0 2 2 9 9

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GCC#8988.
85 NOV 20 A 8:33

STATEMENT OF DESIGNATION OF COUNSEL

5 NOV 20 A 9:57

MUR 1861

NAME OF COUNSEL: THOMAS BREEN

ADDRESS: 221 N. LaSalle St.
Suite 2114
Chicago, IL. 60601

TELEPHONE: 312-346-2550

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.

15 Nov. 1985
Date

John Wm. Heiser
Signature

RESPONDENT'S NAME: JOHN Heiser

ADDRESS: 575 E. THORN Hill DR.
APARTMENT 314
CAROL STREAM, IL. 60188

HOME PHONE:

BUSINESS PHONE: 312-341-1160

CC: JOHN Heiser
THOMAS BREEN

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85 NOV 18 A8:16

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1861

NAME OF COUNSEL: Thomas Breen

ADDRESS: Suite 2114
221 N. LaSalle
Chicago, Illinois 60601

TELEPHONE: (312) 346-2550

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85 NOV 19 A9:35

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.

11/13/85
Date

Richard A. Baker
Signature

RESPONDENT'S NAME: Richard A. Baker

ADDRESS: 2337 N. Commonwealth
Apt. 5-E
Chicago, Ill. 60614

HOME PHONE: (312) 871-1591

BUSINESS PHONE: (312) 341-1160

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85 NOV 19 A 8:15

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1861

NAME OF COUNSEL: Thomas Breen

ADDRESS: 221 N. LaSalle
Suite 2114
Chicago IL 60601

TELEPHONE: 312-346-2550

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.

11-16-85
Date

Gloria Hill
Signature

RESPONDENT'S NAME: Gloria Hill

ADDRESS: 601 E. 158th Street
South Holland IL 60473

HOME PHONE: 312-210-1894

BUSINESS PHONE: 312-341-1160

85 NOV 19 A 9:30

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85 NOV 18 A 9:24

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1861

NAME OF COUNSEL: THOMAS BREEN

ADDRESS: Suite 2114
111 N. LaSalle
Chicago Ill 60601

TELEPHONE: (312) 346-2550

85 NOV 18 A11:33

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.

11/13/85
Date

William H Kasper Jr
Signature

RESPONDENT'S NAME: WILLIAM H. KASPER JR

ADDRESS: 1015 WHITFIELD RD
NORTHBROOK ILL 60062

HOME PHONE: (312) 272-4359

BUSINESS PHONE: (312) 341-1160

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GCC#8965
85 NOV 18 A9:16

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1861

NAME OF COUNSEL: THOMAS BREEN

ADDRESS: SUITE 2114
221 N. LA SALLE
CHICAGO, IL 60601

TELEPHONE: (312) 346-2550

85 NOV 18 A11:34
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.

Nov. 9, 1985
Date

Christine G. Beauprie
Signature

RESPONDENT'S NAME: CHRISTINE BEAUPRIE

ADDRESS: 7002 SIERRA DR.
DARIEN, IL 60559

HOME PHONE: (312) 810-1052

BUSINESS PHONE: (312) 341-1162

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GCC#8963.
85 NOV 18 A9:25

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1861

NAME OF COUNSEL: Thomas M. BREEN

ADDRESS: 221 N. LASALLE SUITE 2114
CHICAGO, ILLINOIS
60601

TELEPHONE: (312) 346-2550

85 NOV 18 A11:32

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.

11-13-85
Date

Thomas A. Andrews
Signature

RESPONDENT'S NAME: Thomas S. ANDREWS

ADDRESS: 110 CAROLINE
ELMHURST ILL.
60126

HOME PHONE: 832-3994

BUSINESS PHONE: 341-1160

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STATEMENT OF DESIGNATION OF COUNSEL

85 NOV 18 A11:34
GENERAL COUNSEL

MUR 1861

NAME OF COUNSEL: THOMAS BREEN

ADDRESS: SUITE 2114
221 N. LASALLE
CHICAGO ILL 60601

TELEPHONE: (312) 346-2550

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.

11/14/85
Date

Edward J Pocica
Signature

RESPONDENT'S NAME: EDWARD J. POCICA

ADDRESS: 8649 BLUE RIDGE AVE
HICKORY HILLS IL
60457

HOME PHONE: (312) 839-5032

BUSINESS PHONE: (312) 341-1160

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STATEMENT OF DESIGNATION OF COUNSEL

85 NOV 18 A11:32

MUR 1861

NAME OF COUNSEL: THOMAS BREEN

ADDRESS: SUITE 2114
221 N. LASALLE
CHICAGO, IL 60601

TELEPHONE: (312) 346-2550

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.

11/13/85
Date

Leonard G. Centoni
Signature

RESPONDENT'S NAME: LEONARD G. CENTONI

ADDRESS: 1306 S. FINLEY LK
LOMBARD, IL. 60148

HOME PHONE: (312) 627-0528

BUSINESS PHONE: (312) 341-1160

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STATEMENT OF DESIGNATION OF COUNSEL

85 NOV 18 A11:34

MUR 1861

NAME OF COUNSEL: THOMAS BREEN

ADDRESS: SUITE 2114
221 N. LaSaLLE
CHICAGO, IL. 60601

TELEPHONE: (312) 346-2550

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.

11/13/85
Date

Ronald E. Radowich
Signature

RESPONDENT'S NAME: RONALD E. RADOWICH

ADDRESS: 4846 W. PARKER AVE
CHICAGO, IL. 60639

HOME PHONE: (312) 237-1473

BUSINESS PHONE: (312) 341-1160

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85 NOV 18 A 9:35

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1861

NAME OF COUNSEL: MR THOMAS BREEN

ADDRESS: SUITE 2114
221 N. LASALLE
CHICAGO IL 60601

TELEPHONE: (312) 346-2550 [redacted]

85 NOV 18 A11:32

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.

11/13/85
Date

Clyde J Rudofski
Signature

RESPONDENT'S NAME: CLYDE J RUDOFSKI

ADDRESS: 14813 GRANT ST
DOLTON IL
60419

HOME PHONE: (312) 849-0309

BUSINESS PHONE: (312) 341-1160

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85 NOV 18 A9:34

STATEMENT OF DESIGNATION OF COUNSEL

85 NOV 18 A11:32

MUR 1861

NAME OF COUNSEL: THOMAS BREEN

ADDRESS: SUITE 2114
221 N. LASALLE
CHICAGO, ILLINOIS 60601

TELEPHONE: (312) 346-2550

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.

11-13-85
Date

Signature

RESPONDENT'S NAME: GARY W. NESSEL

ADDRESS: 14811 GRANT ST.
DOLTON, ILLINOIS
60419

HOME PHONE: (312) 841-3049

BUSINESS PHONE: (312) 341-1160

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GCC# 8962
85 NOV 18 A9:32

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1861

NAME OF COUNSEL: Mr. Thomas M. Breen

ADDRESS: 221 N. LaSalle Street
Chicago, Illinois 60601

TELEPHONE: 312-346-2550

85 NOV 18 A11:32

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 14, 1985
Date

Nancy K. Stewart
Signature

RESPONDENT'S NAME: Nancy K. Stewart

ADDRESS: 3450 N. Lake Shore Drive #505
Chicago, Illinois 60657

HOME PHONE: 312-327-9086

BUSINESS PHONE: 312-435-3479

8304070231 1

GCC # 8972

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1861

NAME OF COUNSEL: Thomas Breen

ADDRESS: 222 North LaSalle Street
Chicago, Illinois 60601

TELEPHONE: 312-346-2550

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.

11/15/85
Date

Signature

RESPONDENT'S NAME: Donald H. Halenza, Jr.

ADDRESS: 4S520 Fender Road
Naperville, Illinois 60540

HOME PHONE: 312-355-8242

BUSINESS PHONE: 312-444-1800

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FEC
COMMISSION SECRETARY

STATEMENT OF DESIGNATION OF COUNSEL

95 NOV 18 P1:13

MUR 1861

NAME OF COUNSEL: Thomas Breen

ADDRESS: 222 North LaSalle Street
Chicago, Illinois 60601

TELEPHONE: 312-346-2550

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

Date

Ellen Federowski
Signature

RESPONDENT'S NAME: Ellen Federowski

ADDRESS: 3461 South Manor Drive
Lansing, Illinois 60438

HOME PHONE: 312-474-8889

BUSINESS PHONE: 312-444-1800

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85 NOV 15 A9:22

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1861

NAME OF COUNSEL: Thomas Breen

ADDRESS: 221 N. LaSalle, Suite 2114
Chicago, Illinois 60601

TELEPHONE: (312) 346-2550

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 13, 1985
Date

Lorraine C. Hagen
Signature

RESPONDENT'S NAME: Lorraine C. Hagen

ADDRESS: 100 Queens Cove
Barrington, Illinois 60010

HOME PHONE: (312) 382-1642

BUSINESS PHONE: (312) 341-1160

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5 NOV 15 P12:29

GENERAL COUNSEL

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85 NOV 15 A9:23

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1861

NAME OF COUNSEL: THOMAS BREEN

ADDRESS: SUITE 2114
221 N. LASALLE
CHICAGO, IL. 60601

TELEPHONE: (312) 346-2550

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.

11-13-85
Date

Robert L. Taylor
Signature

RESPONDENT'S NAME: ROBERT L. TAYLOR

ADDRESS: 4142 WASHINGTON
DOWNERS GROVE, IL. 60515

HOME PHONE: (312) 969-2708

BUSINESS PHONE: (312) 341-1215

85 NOV 15 P12:27

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85 NOV 15 A9:47

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1861

NAME OF COUNSEL: THOMAS BREEN

ADDRESS: SUITE 2114
221 N. LASALLE
CHICAGO, IL 60601

TELEPHONE: 312-346-2550

85 NOV 15 P6:17

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.

11/13/85
Date

Larry A. Krell
Signature

RESPONDENT'S NAME: LARRY A. KRELL

ADDRESS: 15330 JAMES DR.
OAK FOREST, IL 60452

HOME PHONE: 312-687-6773

BUSINESS PHONE: 312-341-1160

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THOMAS BREEN
221 N LASALLE
CHICAGO IL 60601 22AM

Western Union Mailgram

4-0474308326 11/22/85 ICS IPMBNGZ CSP WHSB
3123462550 MGMB TDBN CHICAGO IL 114 11-22 0627P EST

SCC#9051

CHARLES SNYDER
FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

REFRENCE: MUR 1861

DEAR MR. SNYDER THIS IS TO CONFIRM OUR CONVERSATION OF TODAY, ON BEHALF OF MY CLIENTS WHO ARE PRESENTLY EMPLOYED OR WHO HAVE BEEN EMPLOYED BY THE BOARD OF TRADE CLEARING CORP. I REQUEST AN EXTENSION OF TIME TO RESPOND TO YOUR CORRESPONDENTS. ALSO ON BEHALF OF SHIRLEY SPRAGUE I REQUEST AN EXTENSION OF TIME. SHE HAS INDICATED TO ME THAT SHE WISHES TO RETAIN AN ATTORNEY AND AS OF YET HAS NOT BEEN ABLE TO.I'M REQUESTING A MAXIMUM EXTENSION IN THIS MATTER. PLEASE ADVISE ME OF THE NEW TIME SCHDULE. SINCERELY
THOMAS M. BREEN
SUITE 2114 221 N LASALLE
CHICAGO, IL 60601

18:26 EST

MGMCOMP

NOV 22 P 3:44

R 8 0 4 0 7 0 2 3 1 7

5241 (R 7/82)

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

85 NOV 21 A8:06

PIERCE, LYDON, GRIFFIN & MONTANA
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
EIGHTEENTH FLOOR
100 WEST MONROE STREET
CHICAGO, ILLINOIS 60603

MATTHIAS A. LYDON

TELEPHONE
(312) 346-9538

November 18, 1985

Federal Elections Commission
Washington, D.C. 20463

Attention: Charles Snyder, Esq. - Office of General Counsel

Re: MUR 1861

Dear Mr. Snyder:

I represent John F. Walsh in connection with the matter under review, and write to request an extension of time to make a response on his behalf. Mr. Walsh received your letter on November 6, 1985, and his response would be due November 21, 1985. I ask that you grant us an extension of time to December 11, 1985, to propose pre-probable cause conciliation.

I am familiar with the facts, having represented Mr. Walsh in the earlier proceedings with the Department of Justice. However, some time has passed since those proceedings were concluded, and I need to review my file and consult with my client. I was out of town last week, and am heavily engaged for the next two weeks.

Be assured that we will consult with you concerning pre-probable cause conciliation as early as practicable.

Very truly yours,

Matthias A. Lydon

MAL:jj

RECEIVED BY THE FEC
GCC#9131
85 DEC 5 A8:53

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1861

NAME OF COUNSEL: Thomas Breen

ADDRESS: 221 North LaSalle
Suite 2114
Chicago, Illinois 60601

TELEPHONE: (312) 346-2550

DEC 5 A9:32
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.

12-2-85
Date

Justine Cooper
Signature

RESPONDENT'S NAME: Justine Cooper

ADDRESS: 3941 W. Addison St.
Chicago, IL. 60618

HOME PHONE: (312) 588-3010

BUSINESS PHONE: (312) 341-1160

83040702319

GCC#9903

86 MAR 6 A10:16

STATEMENT OF DESIGNATION OF COUNSEL

86 MAR 6 P1:56

MUR 1861

NAME OF COUNSEL: Thomas M. Breen

ADDRESS: 221 North LaSalle - Suite 2114

Chicago, Illinois 60601

TELEPHONE: Area 312 - 346 - 2550

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.

February 3, 1986
Date

Shirley A. Sprague
Signature

RESPONDENT'S NAME: Shirley A. Sprague

ADDRESS: 4835 North Merrimac Avenue

Chicago, Illinois 60630

HOME PHONE: Area 312 - 775-6276

BUSINESS PHONE:

8804070320

1861

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 5, 1985

Thomas Breen, Esquire
221 N. LaSalle
Chicago, Ill. 60601

Re: MUR 1861
John Heise, et. al.

Dear Mr. Breen:

This is in reference to your letter dated November 22, 1985, requesting an extension of 20 days until December 16th to respond to the Commission's finding of reason to believe. After considering the circumstances presented in your letter, and in your recent telephone conversation with one of our staff attorneys, the Commission has determined to grant you your requested extension. Accordingly, your response will be due on December 16, 1985.

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

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

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PIERCE, LYDON, GRIFFIN & MONTANA
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
EIGHTEENTH FLOOR
100 WEST MONROE STREET
CHICAGO, ILLINOIS 60603

MATTHIAS A. LYDON

TELEPHONE
(312) 346-9538

FEC
86 JAN 6 A10:47
86 JAN 6 P3:22
GENERAL COUNSEL

December 31, 1985

Charles Snyder, Esq.
Office of General Counsel
Federal Elections Commission
999 E Street Northwest
Washington, D.C.

Re: MUR 1861

Dear Mr. Snyder:

Your patience in handling this matter is deeply appreciated. I apologize for the delay in responding to your request for information, but the need to consult with my client and the usual holiday interruptions were the cause.

After due consideration, I have advised my client, and he has accepted my advice, to invoke his Fifth Amendment privilege against self incrimination and to refuse to provide the information you have requested. On behalf of John F. Walsh I invoke his privilege. The recently concluded grand jury proceedings, here in the Northern District of Illinois, involving the very same allegations provide ample basis for the reasonableness of our position.

Mr. Walsh and I however, do sincerely want to resolve this matter short of further litigation. We propose a conciliation

I have had recent discussions with, Thomas M. Breen, an attorney for several other respondents who have the same issues under consideration by you and your office. Mr. Breen and I

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both recommend this form of conciliation because of the particular facts here involved. As your own allegations make clear, the principal officers of the Board of Trade Clearing Corporation instigated all such contributions, utilizing employees they directly supervised as conduits. Obviously, in such a situation the economic pressure to do the bosses' bidding was substantial. None of the individuals was aware of any wrongdoing, and all are fine citizens. None will ever permit a recurrence in the future.

The Commission will have acquitted its obligations under the law with this proposal because the respondent will be subject to the provisions of Section 437g governing the future enforcement of the conciliation agreement.

Please convey to the members of the Commission the extenuating circumstances of this case, and ask them to enter a conciliation agreement as outlined above.

Very truly yours,

Matthias A. Lydon

MAL:jj

cc: Thomas M. Breen

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GCC#9558
86 JAN 27 A10:28

THOMAS M. BREEN
ATTORNEY AT LAW
221 NORTH LASALLE STREET · SUITE 2114
CHICAGO, ILLINOIS 60601

TELEPHONE
346-2550

86 JAN 27 P2:33
RECEIVED
GENERAL COUNSEL

January 23, 1986

Charles Snyder, Esq.
Office of General Counsel
Federal Elections Commission
999 E. Street Northwest
Washington, D.C. 20463

Re: MUR 1861

Dear Mr. Snyder:

In February of 1983, I was retained by numerous employees of the Board of Trade Clearing Corporation. (See attachment #1)

Prior to that, it had become apparent that the Department of Justice and the United States Attorney, Northern District of Illinois, were investigating alleged violations of the Federal Election Campaign Act of 1971. As part of that investigation my clients were either subpoenaed before the Grand Jury or notified that agents with the Federal Bureau of Investigation wished to interview them.

Acting on behalf of these employees, I informed the United States Attorneys office that under the circumstances these individuals would be invoking their Fifth Amendment privilege against self incrimination. Shortly after this communication, I was invited to speak with the Assistant United States Attorney handling the case. I was told that my clients were not in fact subjects in the investigation. This was due to the fact that my clients, as well as others, were acting under stern requests or orders when they wrote the checks to various candidates for federal office. It was never alleged that my clients ever made any of these contributions other than as a result of pressure "from above."

Since I was assured by the Assistant United States Attorney that my clients were not in jeopardy, we agreed to cooperate with the F.B.I. However, prior to the interviews, I insisted that we have in our possession letters from the United States Attorney's office to the effect that we were not "subjects in the investigation." Each of my clients received such letters and the interviews began. (See attachment #2 as an example. Dates on the letters

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varied.) These letters did not go so far as to constitute grants of immunity

During the interviews with the F.B.I and United States Attorney's office we cooperated fully and truthfully. Several months later, we cooperated fully and truthfully with I.R.S. agents who wished to re-interview everyone.

During the course of numerous conversations with the different authorities involved in this case, we were led to believe that following the indictment of Mr. Brinkman and Mr. Johnson, and later their convictions, any case against us was closed. You can imagine our surprise to discover otherwise.

We have cooperated fully. It is disturbing that we are again asked to cooperate. But this time, we have no indication of what the results will be.

I hope that you and the Commission understands the predicament that these people find themselves in. They were unwilling participants in someone else's scheme.

As we discussed on the phone, I would like you and the Commission to discuss with me some resolution of this matter prior to our turning over to you the answers to your interrogatories. I do believe that there still exists a Fifth Amendment problem due to the fact that there have been no grants of immunity given to these individuals.

I am aware of the proposals made by Mattias A. Lydon. I would agree and join in his requests.

Very truly yours,

Thomas M. Breen

TMB:nrs

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ATTACHMENT #1

Chris Cooper
Ellen Federowski
Lorraine C. Hagen
Donald H. Halenza, Jr.
John William Heiser
William H. Kasper, Jr.
Debra Lundin-Dickinson
Ronald Radowick
Nancy K. Stewart
Leonard G. Centoni
Lary Krell
Clyde Rudofski
Christine A. Beauprie
Eufemio B. Jara
Richard A. Baker
Charles K. Hayes
Louis A. Clark
Robert L. Taylor
Gary W. Nessel
Edward Pocica
Thomas Andrews
Gloria Hill

8304070323 26

U.S. Department of Justice

United States Attorney
Northern District of Illinois

United States Courthouse
Chicago, Illinois 60604

BRE/mw/wpc

March 15, 1983

Gloria Hill
c/o Thomas M. Breen
Suite 2114
221 N. LaSalle Street
Chicago, Illinois 60601

Re: 83 GJ 170

Dear Ms. Hill:

Our office is presently investigating allegations of illegal campaign contributions to candidates for federal office. We have been advised that you have information relating to that investigation.

Please be advised that you are not a subject in this investigation. We are interested only in your truthful statements and testimony with regard to this matter.

Very truly yours,

DAN K. WEBB
United States Attorney

Barry R. Elden

BY: BARRY RAND ELDEN
Assistant United States Attorney

ATTACHMENT #2

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 27, 1986

Shirley A. Sprague
4835 N. Merrimac
Chicago, Illinois 60630

RE: MUR 1861
Shirley A. Sprague

Dear Ms. Sprague:

On November 1, 1985, you were notified that the Federal Election Commission had determined that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. You were also sent a series of interrogatories. To date, this Office has received no response from you.

Please be advised that your failure to respond could result in legal action being taken against you. Accordingly, you should submit your answers under oath to this Office without further delay.

If you wish to be represented by counsel in this matter, complete and return the designation of counsel form previously sent to you.

If you have any questions, contact Charles Snyder, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of)
)
Board of Trade Clearing Corporation) MUR 1861 5 83:46
James E. Johnson, et. al.)

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter originated with a referral from the Department of Justice Criminal Division, Public Integrity Section, Election Crimes Branch. The referral stated that a Bill of Information had been filed in the U.S. District Court, Northern District of Illinois, charging that the Board of Trade Clearing Corporation (hereinafter "BTCC") and two of its principal officers, Walter Brinkman and James Johnson, had inter alia, knowingly and willfully violated the Federal Election Campaign Act (hereinafter "the Act").

The information alleged, in essence, that BTCC, at the instigation of Brinkman and Johnson, had made $25,000 worth of corporate contributions to candidates for Federal office, in violation of 2 U.S.C. § 441b; and that these contributions had been made through conduits, ie. employees of BTCC who made these contributions in their own names and were reimbursed with funds provided them by the corporation (hereinafter "the conduits"). On October 19, 1984, BTCC, Brinkman, and Johnson pled guilty to violating 2 U.S.C. § 441b. The U.S. District Court then passed the following sentence: BTCC, a $100,000 fine; Brinkman, four years probation, 1,000 hours of community service, and a $35,000

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fine; and Johnson, two years probation, 250 hours of community service, and a $1,000 fine.

On December 4, 1984, the Commission voted to open a MUR with respect to this matter. In accordance with the discussion at that meeting, this Office undertook to identify the conduits, with a view to determining whether they had violated 2 U.S.C. § 441f by knowingly permitting their names to be used to effect the making of a contribution in the name of another person. After protracted consultations, however, it became apparent that neither the Department of Justice nor the U.S. Attorney's office would identify the conduits. Consequently, on March 12, 1985, the Commission authorized the Office of General Counsel to seek an appropriate Order for the release of Grand Jury investigation materials under Rule 6(e) of the Federal Rules of Criminal Procedure. At the same time, the Commission found reason to believe that BTCC, Brinkman, and Johnson violated 2 U.S.C. §§ 441b(a) and 441f. Based on the discussions at that meeting, nonetheless, the focus of the Commission's inquiry remained upon the possible liability of the as yet unidentified conduits, and this Office continued its efforts to identify them.

On June 4, 1985, BTCC provided the names and addresses of the conduits making it unnecessary to proceed under Rule 6(e). Based on this information, the Commission voted on October 22, 1985 to find reason to believe that these conduits, some twenty-

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four individuals, had violated 2 U.S.C. § 441f. The Commission also authorized the issuance of interrogatories to these twenty-four respondents, asking in essence whether they had made contributions to Federal candidates in 1980-1982, the circumstances of those contributions, and whether they had been compensated for making those contributions.

Nearly all of these respondents have now asserted a constitutional privilege not to respond to those interrogatories.*/

Matthias A. Lydon, the attorney representing Respondent John F. Walsh, has stated that his client, on advice of counsel, has decided "to invoke his Fifth Amendment privilege against self incrimination and to refuse to provide the information you have requested."

Thomas Breen, who represents twenty-two conduits, has joined with Mr. Lydon in invoking the Fifth Amendment and in refusing, on behalf of his client, to answer the interrogatories propounded by the Commission. Mr. Breen points out that the U.S. Attorney's office did not grant his clients immunity, and suggests that the

*/ One respondent, Shirley Sprague, has not yet responded to the interrogatories at all.

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information that would be elicited were the interrogatories answered could provide a basis for a criminal prosecution of his clients. Mr. Breen also joins in Mr. Lydon's proposal that his clients enter into pre-probable cause conciliation with the Commission without answering the interrogatories.

II. LEGAL ANALYSIS

In the view of the Office of General Counsel, respondents' claim of a Fifth Amendment privilege is not warranted in this case. The contributions in question occurred between 1980 and 1983, and the Statute of Limitations would therefore probably negate any threat of criminal prosecution. The Commission has the option therefore of proceeding to subpoena enforcement.

But, in light of information already obtained by this Office concerning the circumstances of this case, as elucidated by the criminal investigation, it is recommended that the Commission approve pre-probable cause conciliation notwithstanding respondents' refusal to answer the interrogatories. */

*/ A sample of the proposed agreement is attached. If approved, twenty-two identical agreements will be prepared for the remaining respondents who requested conciliation.

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With respect to respondents Brinkman, Johnson, and BTCC, it is recommended that the Commission take no further action, in view of the substantial criminal penalties already levied against them. The Commission's findings against these respondents have served to enable this Office to conduct an investigation and to identify the conduits, upon whom the focus should remain during the pendency of this matter.

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III. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

IV. RECOMMENDATIONS

1. Enter into conciliation with Thomas S. Andrews, Richard A. Baker, Christine A. Beauprie, Leonard G. Centoni, Justine

Cooper, Lorraine E. Hagen, Charles K. Hayes, John William Heiser, Gloria Hill, Eufemio B. Jara, William H. Kasper, Larry A. Krell, Gary W. Nessel, Edward J. Pocica, Ronald E. Radowich, Clyde J. Rudofski, Robert L. Taylor, John F. Walsh, Louis A. Clark, Ellen Federowski, Donald H. Halenya, Jr., and Nancy K. Stewart prior to finding of probable cause to believe.

2. Take no further action with respect to Debra Lundin-Dickenson.

3. Take no further action with respect to the Board of Trade Clearing Corporation, James E. Johnson, and Walter W. Brinkman.

4. Approve the attached proposed conciliation agreements.

5. Approve and send the attached letters.

Charles N. Steele
General Counsel

March 5, 1986
Date

BY: [signature]
Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/CHERYL A. FLEMING

DATE: MARCH 6, 1986

SUBJECT: COMMENTS ON MUR 1861 - General Counsel's Report Signed March 5, 1986

Attached is a copy of Commissioner's Elliott vote sheet with comments regarding the above-captioned matter.

Attachment:
copy of vote sheet

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

Date and Time Transmitted: THURSDAY, 3-6-86, 11:00

COMMISSIONER: McGARRY, AIKENS, McDONALD, [redacted] JOSEFIAK, HARRIS

RETURN TO COMMISSION SECRETARY BY [redacted]

SUBJECT: MUR 1861 - General Counsel's Report
Signed March 5, 1986

( ) I approve the recommendation

(X) I object to the recommendation

COMMENTS: For discussion

Date: _____ Signature: _____

A DEFINITE VOTE IS REQUIRED. ALL BALLOTS MUST BE SIGNED AND DATED.

PLEASE RETURN ONLY THE BALLOT TO THE COMMISSION SECRETARY.

PLEASE RETURN BALLOT NO LATER THAN THE DATE AND TIME SHOWN ABOVE.

From the Office of the Commission Secretary

86 MAR 6 P3:38

83040702336

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/CHERYL A. FLEMING

DATE: MARCH 6, 1986

SUBJECT: OBJECTION - MUR 1861 - General Counsel's Report Signed March 5, 1986

The above-named document was circulated to the Commission on Thursday, March 6, 1986 at 11:00 A.M.

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

Commissioner Aikens	
Commissioner Elliott	X
Commissioner Harris	X
Commissioner Josefiak	
Commissioner McDonald	
Commissioner McGarry	

This matter will be placed on the Executive Session agenda for Tuesday, March 11, 1986.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/CHERYL A. FLEMING

DATE: MARCH 10, 1986

SUBJECT: OBJECTION - MUR 1861 - General Counsel's Report Signed March 5, 1986

The above-named document was circulated to the Commission on Thursday, March 6, 1986 at 11:0 A.M.

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

Commissioner Aikens	
Commissioner Elliott	X
Commissioner Harris	X
Commissioner Josefiak	
Commissioner McDonald	X
Commissioner McGarry	

This matter will be placed on the Executive Session agenda for Tuesday, March 11, 1986.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Board of Trade Clearing Corporation	)	MUR 1861
James E. Johnson, et al.	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of March 11, 1986, do hereby certify that the Commission decided by a vote of 4-2 to take the following actions in MUR 1861:

1. Enter into conciliation with Thomas S. Andrews, Richard A. Baker, Christine A. Beauprie, Leonard G. Centoni, Justine Cooper, Lorraine E. Hagen, Charles K. Hayes, John William Heiser, Gloria Hill, Eufemio B. Jara, William H. Kasper, Larry A. Krell, Gary W. Nessel, Edward J. Pocica, Ronald E. Radowich, Glyde J. Rudofski, Robert L. Taylor, John F. Walsh, Louis A. Clark, Ellen Federowski, Donald H. Halenya, Jr., and Nancy K. Stewart prior to finding probable cause to believe.

2. Take no furhter action with respect to Debra Lundin-Dickenson.

3. Take no further action with respect to the Board of Trade Clearing Corporation, James E. Johnson, and Walter W. Brinkman.

4. Approve the proposed conciliation agreements attached to the General Counsel's report dated March 5, 1986.

(continued)

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5. Approve and send the letters attached to the General Counsel's report dated March 5, 1986.

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

Attest:

3-12-86
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 24, 1986

Thomas M. Breen, Esquire
221 North LaSalle Street
Suite 2114
Chicago, Illinois 60601

RE: MUR 1861
Gloria Hill, et al.

Dear Mr. Breen:

On October 22, 1985, the Commission found reason to believe that your clients violated 2 U.S.C. § 441f. At your request, the Commission determined on March 11, 1986, to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed are conciliation agreements that the Commission has approved in settlement of this matter. If your clients agree with the provisions of the enclosed agreement, please sign and return them, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible. If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Charles Snyder, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosures

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 24, 1986

Debra Lundin-Dickenson
876 Spring Hill
Naperville, Illinois

RE: MUR 1861
Debra Lundin-Dickenson

Dear Ms. Lundin-Dickenson:

On October 22, 1985, the Commission found reason to believe that you had violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission determined to take no further action and on March 11, 1986, closed its file as it pertains to you .

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

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

If you have any questions, please direct them to Charles Snyder, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

83040702342

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 24, 1986

George J. Murtaugh, Jr., Esquire
100 West Monroe Street
Suite 1800
Chicago, Illinois 60603

RE: MUR 1861
James E. Johnson

Dear Mr. Murtaugh:

On March 12, 1985, the Commission found reason to believe that your client had violated 2 U.S.C. §§ 441b(a) and 441f, provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission determined to take no further action and on March 11, 1986, closed its file as it pertains to your client.

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

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

The Commission reminds you that the making of a corporate contribution in the name of another nevertheless appears to be a violation of 2 U.S.C. §§ 441b(a) and 441f. You should take immediate steps to insure that this activity does not occur in the future.

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If you have any questions, please direct them to Charles Snyder, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 24, 1986

Eugene R. Wedoff, Esquire
Jenner & Block
One IBM Place
Chicago, Illinois 60611

RE: MUR 1861
Walter Brinkman

Dear Mr. Wedoff:

On March 12, 1985, the Commission found reason to believe that your client had violated 2 U.S.C. §§ 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission determined to take no further action and on March 11, 1986, closed its file as it pertains to your client.

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

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

The Commission reminds you that the making of a corporate contribution in the name of another nevertheless appears to be a violation of 2 U.S.C. §§ 441b(a) and 441f. You should take immediate steps to insure that this activity does not occur in the future.

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If you have any questions, please direct them to Charles Snyder, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 24, 1986

Dennis A. Dutterer, Esquire
Vice President and General Counsel
Board of Trade Clearing Corporation
141 West Jackson Blvd. - Suite 1460
Chicago, Illinois 60604

RE: MUR 1861
Board of Trade Clearing
Corporation

Dear Mr. Dutterer:

On March 12, 1985, the Commission found reason to believe that your client had violated 2 U.S.C. §§ 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission determined to take no further action and on March 11, 1986, closed its file as it pertains to your client.

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

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

The Commission reminds you that the making of a corporate contribution in the name of another nevertheless appears to be a violation of 2 U.S.C. §§ 441b(a) and 441f. You should take immediate steps to insure that this activity does not occur in the future.

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If you have any questions, please direct them to Charles Snyder, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 24, 1986

Matthias A. Lydon, Esquire
Pierce, Lydon, Griffin & Montana
Eighteenth Floor
100 West Monroe Street
Chicago, Illinois 60603

RE: MUR 1861
John F. Walsh

Dear Mr. Lydon:

On October 22, 1985, the Commission found reason to believe that John F. Walsh violated 2 U.S.C. § 441f. At your request, the Commission determined on March 11 , 1986, to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If your clients agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible. If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Charles Snyder, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosures

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BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEC
COMMISSION SECRETARY

In the Matter of	)		
	)		
Gloria Hill, et al.	)	MUR 1861	86 MAY 6 P4:48
	)		

GENERAL COUNSEL'S REPORT

SENSITIVE

On March 11, 1986, the Commission authorized the commencement of conciliation with the Respondents in the above-captioned Matter prior to a finding of probable cause to believe. The Office of General Counsel has concluded that an extension of the conciliation period by an additional thirty days would facilitate the conclusion of a satisfactory settlement with the Respondents.

Charles N. Steele
General Counsel

May 6, 1986
Date

BY: Kenneth A. Gross
Associate General Counsel

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GCC# 425
'86 MAY 7 A10:54

THOMAS M. BREEN
ATTORNEY AT LAW
221 NORTH LASALLE STREET · SUITE 2114
CHICAGO, ILLINOIS 60601

TELEPHONE
346-2550

May 5, 1986

Kenneth A. Gross, Esq.
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463

'86 MAY 7 P3:55

Re: MUR 1861

Dear Mr. Gross:

You are in recent receipt of correspondence from Matthias A. Lydon who represents John F. Walsh. On behalf of my clients, with the exception of Nancy Stewart, I wish to adopt the proposals presented to you by Mr. Lydon in his letter dated April 18, 1986.

So, that the record is clear on respondent Shirley Sprague, I wish to adopt on her behalf all previous correspondence, as well as this letter, as it pertains to MUR 1861.

You indicated that you were not in receipt of respondent Eufemio B. Jara's Statement of Designation of Counsel. You should receive soon a newly signed statement from him.

Finally, respondent Nancy Stewart never was asked to write a check, nor did she write a check, to any political campaign. I believe she should be excluded from any action by your office or the commission. I will send her affidavit to that effect upon your request.

I do hope this matter may be resolved by our proposal.

Very truly yours,

THOMAS M. BREEN

TMB:nrs

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RECEIVED AT THE FEC
Acc# 472
86 MAY 14 AM : 8

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1861

NAME OF COUNSEL: Thomas Breen

ADDRESS: 222 North LaSalle Street
Chicago, Illinois 60601

TELEPHONE: 312-346-2550

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.

May 12, 1986
Date

Signature

RESPONDENT'S NAME: Eufemio B. Jara

ADDRESS: 2801 W. Chase
Chicago, IL. 60645

HOME PHONE: (312) 465-3440

BUSINESS PHONE: (312) 786-5750

2 8 0 4 0 7 0 2 3 5 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 28, 1986

Thomas M. Breen, Esquire
221 North LaSalle Street
Suite 2114
Chicago, Illinois 60601

RE: MUR 1861
Thomas S. Andrews, et al.

Dear Mr. Breen:

Enclosed please find a proposed conciliation agreement, revised in accordance with your conversation of May 9th with Charles Snyder.

Please sign the agreement and return it. We will then send you identical agreements on behalf of your other clients; you may, if you prefer, have your office prepare the other agreements now in order to save time. Once an agreement has been signed on behalf of each respondent, the proposed settlement will be placed before the Commission.

We would further remind you that we are awaiting your submission of an affidavit from Nancy Stewart and a request to conciliate on behalf of Shirley Sprague.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Enclosure

8 8 0 4 0 7 0 2 3 5 3

PIERCE, LYDON, GRIFFIN & MONTANA
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
EIGHTEENTH FLOOR
100 WEST MONROE STREET
CHICAGO, ILLINOIS 60603

MATTHIAS A. LYDON

TELEPHONE
(312) 346-9538

RECEIVED AT THE FEC
86 JUL 10 P 1:08

July 8, 1986

Lawrence M. Noble
Deputy Genereal Counsel
Federal Election Commission
Washington, D.C. 20463

86 JUL 10 P 3:04

Dear Mr. Noble:

On behalf of John F. Walsh I have signed the enclosed conciliation agreement. Please present it to the Commission for consideration. If it is accepted, and upon notification to us, Mr. Walsh's check in payment of the civil penalty will be sent to you within seven days thereafter.

Very truly yours,

Matthias A. Lydon

Matthias A. Lydon

MAL:cl

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
John F. Walsh, et al.) MUR 1861
)

GENERAL COUNSEL'S REPORT

88 JUL 24 A 9:52
SENSITIVE

I. BACKGROUND

Attached is a conciliation agreement which has been signed by Matthias A. Lydon, attorney for respondent John F. Walsh.

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II. RECOMMENDATIONS

The Office of General Counsel recommends:

1. Accept the attached agreement.

2. Send the attached letter.

Charles N. Steele
General Counsel

Date 7/23/86

BY: Lawrence M. Noble
Lawrence M. Noble
Deputy General Counsel

Attachments
1. Letter from Matthias A. Lydon
2. Conciliation Agreement (1)
3. Proposed letter to respondent

8 3 0 4 0 7 0 2 3 5 6

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1861
John F. Walsh, et al.	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 28, 1986, the Commission decided by a vote of 6-0 to take the following actions in MUR 1861:

1. Accept the conciliation agreement, as recommended in the General Counsel's Report signed July 23, 1986.

2. Send the letter, as recommended in the General Counsel's Report signed July 23, 1986.

Commissioners Aikens, Elliott, Harris, Josefiak, McDonald and McGarry voted affirmatively for this decision.

Attest:

7-28-86
Date

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

Received in Office of Commission Secretary:	Thurs.,	7-24-86,	9:52
Circulated on 48 hour tally basis:	Thurs.,	7-24-86,	4:00
Deadline for vote:	Mon.,	7-28-86,	4:00

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 31, 1986

Matthias A. Lydon
Pierce, Lydon, Griffin & Montana
Eighteenth Floor
100 West Monroe Street
Chicago, Illinois 60603

RE: MUR 1861
John F. Walsh

Dear Mr. Lydon:

On July 28 , 1986, the Commission accepted the conciliation agreement signed by you on behalf of your client in settlement of a violation of 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to your client, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing within 10 days.

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

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

Sincerely,

Charles N. Steele
General Counsel

BY: Lawrence M. Noble
Deputy General Counsel

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
John F. Walsh	)	MUR 1861

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that John F. Walsh ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent, was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted himself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of his name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: _____ 7/29/86
Lawrence M. Noble
Deputy General Counsel
Date

FOR THE RESPONDENT:

_____ July 7, 1986

8 8 0 4 0 7 0 2 3 6 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 31, 1986

Thomas M. Breen, Esquire
221 North LaSalle Street
Suite 2114
Chicago, Illinois 60601

RE: MUR 1861
Shirley Sprague, et al.

Dear Mr. Breen:

Enclosed are proposed conciliation agreements for each of your clients for whom you have requested conciliation, revised in accordance with your conversations with Charles Snyder of our staff. Please sign and return these agreements as soon as possible. We will then submit the agreements to the Commission for their approval.

With respect to respondent Nancy Stewart, we are enclosing a proposed agreement. You may either sign that agreement, or, in accordance with your letter of May 5, 1986, submit her affidavit in support of her claim that she made no contribution as alleged in this matter. We will then submit either the signed agreement, or the affidavit, to the Commission.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Conciliation Agreements (22)

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RECEIVED AT THE FEC
acc#1111
86 JUL 31 P2:09

THOMAS M. BREEN
ATTORNEY AT LAW
221 NORTH LASALLE STREET · SUITE 2114
CHICAGO, ILLINOIS 60601
TELEPHONE
346-[illegible]

86 AUG 4 P4:06
RECEIVED
OFFICE OF THE
GENERAL COUNSEL

July 29, 1986

note- read as MUR 1861

Mr. Kenneth A. Gross
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1961

Dear Mr. Gross:

Please find enclosed signed conciliation agreements for the following:

Chris Cooper	Clyde Rudofski
Ellen Federowski	Christine A. Beauprie
Lorraine C. Hagen	Eufemio B. Jara
Donald H. Halenza, Jr.	Richard A. Baker
John William Heiser	Charles K. Hayes
William H. Kasper, Jr.	Louis A. Clark
Debra Lundin-Dickinson	Robert L. Taylor
Ronald Radowich	Gary W. Nessel
Leonard G. Centoni	Edward Pocica
Larry Krell	Thomas Andrews
	Gloria Hill

The affadavit of Nancy Stewart will follow. Shirley Sprague has not been available for conciliation but will be soon.

Very truly yours,

THOMAS M. BREEN

TMB:nrs

Enclosures

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CCC#1195

PIERCE, LYDON, GRIFFIN & MONTANA
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
EIGHTEENTH FLOOR
100 WEST MONROE STREET
CHICAGO, ILLINOIS 60603

MATTHIAS A. LYDON

TELEPHONE
(312) 346-9538

RECEIVED BY THE FEC
86 AUG 11 A9:23

RECEIVED
GENERAL COUNSEL
86 AUG 13 A10:33

August 4, 1986

Lawrence M. Noble, Esq.
Deputy General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1861
John F. Walsh

Dear Mr. Noble:

John Walsh and I acknowledge the Commission's acceptance of the conciliation agreement, and your letter of July 31, 1986.

Enclosed is Mr. Walsh's personal check in the amount of $100 in satisfaction of the civil penalty imposed under the agreement.

If you require anything further from us, please advise.

Very truly yours,

Matthias A. Lydon

MAL:jj
Encl.

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JOHN F. WALSH
9440 S. WINCHESTER
CHICAGO, ILL. 60620

2524

August 4 19 86

2-28/710

PAY TO THE ORDER OF Treasurer of United States $ 100.00

[redacted] DOLLARS

HARRIS BANK [redacted]

MEMO [redacted] John F Walsh

⑆071000288⑆ [redacted] 2524

GCC#1195

MEMORANDUM

TO: Debra A. Reed

FROM: Judy Smith

TO: Judy Smith

FROM: Debra A. Reed

CHECK NO. 2524 (a copy of which is attached) RELATING TO MUR 1861 (Snyder) AND NAME John F. Walsh WAS RECEIVED ON 8/13/86. PLEASE INDICATE THE ACCOUNT INTO WHICH IT SHOULD BE DEPOSITED:

/ / BUDGET CLEARING ACCOUNT (#95F3875.16)

/ ✓ CIVIL PENALTIES ACCOUNT (#95-1099.160)

/ / OTHER _____

SIGNATURE Debra A. Reed DATE 8/14/86

'86 AUG 13 A10:33
RECEIVED
GENERAL COUNSEL

GCO#1337

FILED AT THE FEC

86 AUG 27 A 9:05

THOMAS M. BREEN
ATTORNEY AT LAW
221 NORTH LASALLE STREET · SUITE 2114
CHICAGO, ILLINOIS 60601

August 22, 1986

TELEPHONE
346-2550

RECEIVED
GENERAL COUNSEL
86 AUG 27 AM 9:11

Mr. Charles N. Steele
General Counsel
Mr. Lawrence M. Noble
Deputy General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1861
Shirley Sprague, et al.

Dear Mr. Steele and Mr. Noble:

Enclosed please find 20 signed Conciliation Agreements.

The Affidavit of Nancy Stewart will follow.

Shirley Sprague has indicated to me a reluctance to enter into this agreement. Ms. Sprague has pending litigation against the Clearing Corporation. I will speak to Mr. Schneider about this situation.

Very truly yours,

THOMAS M. BREEN

TMB/jkd

Enclosures

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SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

86 SEP 12 P4:11

In the Matter of	)	
	)	
Charles K. Hayes, et al.	)	MUR 1861
	)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached are 20 conciliation agreements which have been signed by Thomas M. Breen, attorney for 22 respondents in this matter.

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Shirley Sprague. As soon as the status of these respondents has been clarified, this Office will report to the Commission with appropriate recomendations.

II. **RECOMMENDATIONS**

1. Accept the attached conciliation agreements.

2. Send the attached letter.

Charles N. Steele
General Counsel

Date 9/12/86

BY: Lawrence M. Noble
Deputy General Counsel

Attachments
1. Letter from Thomas Breen
2. Conciliation Agreements (20)
3. Proposed letter to Thomas Breen

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1861
Charles K. Hayes, et al.	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on September 17, 1986, the Commission decided by a vote of 4-0 to take the following actions in MUR 1861:

1. Accept the conciliation agreements, as recommended in the General Counsel's Report signed September 12, 1986.

2. Send the letter, as recommended in the General Counsel's Report signed September 12, 1986.

Commissioners Aikens, Elliott, Josefiak and McDonald voted affirmatively for this decision; Commissioners Harris and McGarry did not vote.

Attest:

9-17-86
Date

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

Received in Office of Commission Secretary: Fri., 9-12-86, 4:11
Circulated on 48 hour tally basis: Mon., 9-15-86, 11:00
Deadline for vote: Wed., 9-17-86, 11:00

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pl/m

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 19, 1986

Thomas M. Breen, Esquire
221 North LaSalle Street
Suite 2114
Chicago, Illinois 60601

RE: MUR 1861
Charles K. Hayes, et. al.

Dear Mr. Breen:

On September 17, 1986, the Commission accepted the conciliation agreements signed by you and a civil penalty in settlement of a violation of 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to those of your clients on whose behalf you signed agreements, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing within 10 days.

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

Please note that the file remains open with respect to two of your clients, Nancy Stewart and Shirley Sprague. Please clarify your position with respect to these individuals as soon as possible.

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

Sincerely,

Charles N. Steele
General Counsel

Lawrence M. Noble (LMN)

BY: Lawrence M. Noble
Deputy General Counsel

Enclosure
Conciliation Agreements (20)

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1337

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
John William Heiser) MUR 1861

CONCILIATION AGREEMENT

RECEIVED
GENERAL COUNSEL
'86 AUG 27 A10:14

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that John William Heiser ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted himself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of his name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (LMN) 9/18/86
Lawrence M. Noble Date
Deputy General Counsel

FOR THE RESPONDENT:

Thomas J. Breen 8-15-86

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1337

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF
GENERAL COUNSEL
96 AUG 27 AM 11:4

In the Matter of)
)
Justine Cooper) MUR 1861

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that Justine Cooper ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting her name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted herself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of her name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (LPZ) 9/15/86
Lawrence M. Noble Date
Deputy General Counsel

FOR THE RESPONDENT:

Thomas M. Boren 8-15-86

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BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
'86 AUG 27 A10:14

In the Matter of	)	
	)	
Eufemio B. Jara	)	MUR 1861

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that Eugemio B. Jara ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent, was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted himself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of his name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (HZ) 9/18/86
Lawrence M. Noble Date
Deputy General Counsel

FOR THE RESPONDENT:

Thomas J. Breen 8-15-86

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1337

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Ellen Federowski	)	MUR 1861

'96 AUG 27 A10:14
GENERAL COUNSEL

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that Ellen Federowski ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting her name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted herself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of her name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

3 8 0 4 0 7 0 2 3 8 1

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (FAZ) 8/15/86
Lawrence M. Noble Date
Deputy General Counsel

FOR THE RESPONDENT:

Thomas J. Breen 8-15-86

8 8 0 4 0 7 0 2 3 8 2

1337

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Louis A. Clark	)	MUR 1861

CONCILIATION AGREEMENT

RECEIVED
GENERAL COUNSEL
96 AUG 27 PM 1:14

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that Louis A. Clark ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted himself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of his name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (LPT) 9/18/86
Lawrence M. Noble
Deputy General Counsel
Date

FOR THE RESPONDENT:

Thomas D. Breen 8-15-86

R80407023985

1337

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Donald H. Halenza, Jr.,) MUR 1861

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
'86 AUG 27 A10:12

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that Donald H. Halenza, Jr., ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted himself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of his name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (LMN) 9/18/86
Lawrence M. Noble Date
Deputy General Counsel

FOR THE RESPONDENT:

Robert A. Green 8-15-86

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1337

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Lorraine C. Hagen	)	MUR 1861

CONCILIATION AGREEMENT

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GENERAL COUNSEL
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This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that Lorraine C. Hagen ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting her name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted herself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of her name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (JJF) 9/18/86
Lawrence M. Noble Date
Deputy General Counsel

FOR THE RESPONDENT:

Thomas D. Bree 8-15-86

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1337

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Thomas S. Andrews) MUR 1861

CONCILIATION AGREEMENT

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OFFICE OF
GENERAL COUNSEL
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This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that Thomas S. Andrews ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted himself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of his name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (MZ) 9/18/86
Lawrence M. Noble Date
Deputy General Counsel

FOR THE RESPONDENT:

Thomas J. Breen 8-15-86

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1337

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Richard A. Baker	)	MUR 1861

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that Richard A. Baker ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted himself to be identified as the source of a contribution to a candidate for Federal office

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GENERAL COUNSEL
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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of his name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (LZ) 9/18/86
Lawrence M. Noble
Deputy General Counsel
Date

FOR THE RESPONDENT:

8-15-86

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Christine A. Beauprie	)	MUR 1861

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GENERAL COUNSEL
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CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that Christine A. Beauprie ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting her name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted herself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of her name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (HZ) 9/18/86
Lawrence M. Noble — Date
Deputy General Counsel

FOR THE RESPONDENT:

8-15-86

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1337

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Leonard G. Centoni	)	MUR 1861

CONCILIATION AGREEMENT

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GENERAL COUNSEL
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This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that Leonard G. Centoni ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted himself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of his name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (LJZ) 9/18/80
Lawrence M. Noble Date
Deputy General Counsel

FOR THE RESPONDENT:

Thomas J. Breen 8-15-81

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1337

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Gloria Hill) MUR 1861

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OFFICE OF THE
GENERAL COUNSEL
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CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that Gloria Hill ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting her name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted herself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of her name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (LRZ) 8/18/86
Lawrence M. Noble Date
Deputy General Counsel

FOR THE RESPONDENT:

Lawrence E. Breen 8-15-86

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
William H. Kasper) MUR 1861

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GENERAL COUNSEL

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that William H. Kasper ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted himself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of his name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (LMN) 9/18/86
Lawrence M. Noble Date
Deputy General Counsel

FOR THE RESPONDENT:

Thomas E. Brew 8-15-86

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1337

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Larry A. Krell) MUR 1861

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CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that Larry A. Krell ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted himself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of his name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (LMN) 9/18/86
Lawrence M. Noble Date
Deputy General Counsel

FOR THE RESPONDENT:

Thomas Boren 8-15-86

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1337

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Gary W. Nessel) MUR 1861

CONCILIATION AGREEMENT

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GENERAL COUNSEL

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that Gary W. Nessel ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted himself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of his name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (by) Date 9/18/86
Lawrence M. Noble
Deputy General Counsel

FOR THE RESPONDENT:

Thomas M. Breen 8-15-86

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1337

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Edward J. Pocica) MUR 1861

CONCILIATION AGREEMENT

RECEIVED SECRETARIAT GENERAL COUNSEL 86 AUG 28 A10:13

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that Edward J. Pocica ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted himself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of his name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (EPT) Date 8/18/86
Lawrence M. Noble
Deputy General Counsel

FOR THE RESPONDENT:

8-15-86

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1337

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Ronald E. Radowich) MUR 1861

RECEIVED
GENERAL COUNSEL
96 AUG 27 A10:33

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that Ronald E. Radowich ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted himself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of his name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (by) 9/18/86
Lawrence M. Noble
Deputy General Counsel
Date

FOR THE RESPONDENT:

Thomas Breen 8-15-86

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1337

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Clyde J. Rudofski) MUR 1861

CONCILIATION AGREEMENT

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
'86 AUG 28 AM 11:13

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that Clyde J. Rudofski ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted himself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of his name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (LMN) 8/15/86
Lawrence M. Noble
Deputy General Counsel
Date

FOR THE RESPONDENT:

Thomas E. Breen 8-15-86

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1337

BEFORE THE FEDERAL ELECTION COMMISSION

96 AUG 27 A10:13

RECEIVED GENERAL COUNSEL

In the Matter of)
)
Robert L. Taylor) MUR 1861

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that Robert L. Taylor ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted himself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of his name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (LPL) 9/18/86
Lawrence M. Noble
Deputy General Counsel
Date

FOR THE RESPONDENT:

[illegible] Brien 8-15-86

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1337

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Charles K. Hayes) MUR 1861

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OFFICE OF THE
GENERAL COUNSEL
86 AUG 27 AM 9: 12

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Reason to believe has been found that Charles K. Hayes ("Respondent") violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect the making of a contribution by a person in the name of another.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding a probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation.

2. Respondent permitted himself to be identified as the source of a contribution to a candidate for Federal office

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although the Board of Trade Clearing Corporation was the actual source of said contribution.

V. Respondent consented to the use of his name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. § 441f. Respondent asserts that this violation was not knowing and willful.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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

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

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: Lawrence M. Noble (JKZ) 9/18/86
Lawrence M. Noble Date
Deputy General Counsel

FOR THE RESPONDENT:

Thomas Breen 8-15-86

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THOMAS M. BREEN
ATTORNEY AT LAW
221 NORTH LASALLE STREET · SUITE 2114
CHICAGO, ILLINOIS 60601

TELEPHONE
346-2550

October 7, 1986

Charles N. Steele
Lawrence M. Noble
Federal Election Committee
Washington D.C. 20463

Dear Mr. Noble:

Enclosed please find the affidavit of Nancy K. Stewart. The affidavit supports the representations I made to the Commission during previous conversations.

Within the last several months, Shirley Sprague has refused to authorize me to enter into a conciliation agreement with the Commission. This is due to the fact Ms. Sprague has litigation pending against the Clearing Corporation.

Ms. Sprague is represented in her lawsuit by Joyce and Kubasiak, Three First National Plaza, Suite 3900, Chicago, Illinois 60602. Her attorney is Ms. Diane MacArthur.

Please feel free to call if you have additional questions.

Very truly yours,

THOMAS M. BREEN

TMB/mlg

Enclosure

86 OCT 15 P 3:55

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1861
Nancy K. Stewart	)	

AFFIDAVIT

I, NANCY K. STEWART, was employed by the Board of Trade Clearing Corporation from February 1, 1982 to April 7, 1984. At no time was I asked by any employee of the Clearing Corporation to make any campaign contribution to any candidate who was seeking a local, state, or federal office. Nor, at any time, did I request that a fellow employee make such a contribution.

I, with my attorney, THOMAS M. BREEN, was interviewed by the F.B.I. and the I.R.S. and was asked questions relative to the matters contained in this affidavit. My answers to those questions were the same as contained in this affidavit.

Nancy K. Stewart
NANCY K. STEWART

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, NANCY K. STEWART, being first duly sworn on oath, state that I have read the foregoing Affidavit and it is true and correct.

Nancy K. Stewart
NANCY K. STEWART

Subscribed and sworn
to before me this 29
day of September, 1986.

Gloria A. Nevors
Notary Public

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THOMAS M. BREEN
ATTORNEY AT LAW
221 NORTH LASALLE STREET - SUITE 2114
CHICAGO, ILLINOIS 60601

TELEPHONE
346-2550

January 17, 1987

Mr. Charles Schneider
Charles N. Steele
Lawrence M. Noble
Federal Election Commission
Washington, D.C. 20463

RECEIVED
GENERAL COUNSEL
1 FEB 2 P 2:00

Re: MUR 1861

Dear Gentlemen:

Please find enclosed a check drawn from my account in the amount of Two Thousand Dollars ($2,000.00). This is in payment for fines levied against those employees of the Board of Trade Clearing corporation who I represented.

As noted in my letter of October 8, 1986, I do not represent Shirley Sprague, and I am not authorized to speak on her behalf.

Very truly yours,

Thomas M. Breen

TMB:ab

Enclosure

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THOMAS M. BREEN
ATTORNEY AT LAW
221 N. LA SALLE, SUITE 2114
CHICAGO, ILL. 60601

2065

January 15, 19 87

2-77/710

PAY TO THE ORDER OF Federal Election Commission $2000.00

Two-Thousand and no/100 ---------- DOLLARS

American National Bank
and Trust Company of Chicago • Chicago, Illinois 60690

FOR MUR 1861

⑈002065⑈ ⑆071000770⑆ 11 227 508⑈

MEMORANDUM

TO: Debra A. Reed

TO: Judy Smith

FROM: Judy Smith

FROM: Debra A. Reed

CHECK NO. 2065 (a copy of which is attached) RELATI

TO MUR 1861 (Snyder) AND NAME Board of Trade Clearing Corporation (et al.)

WAS RECEIVED ON 2/2/87. PLEASE INDICATE THE ACCOUNT INTO WHICH IT SHOULD BE DEPOSITED:

/ / BUDGET CLEARING ACCOUNT ($95F3875.16)

/✓/ CIVIL PENALTIES ACCOUNT ($95-1099.160)

/ / OTHER

SIGNATURE Debra A. Trimiew DATE 2/4/87

FEB 9

GENERAL COUNSEL

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of	)	
	)	
Shirley A. Sprague, et al.	)	MUR 1861
	)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On October 22, 1985, the Commission found reason to believe that twenty-four employees, or former employees, of the Board of Trade Clearing Corporation violated 2 U.S.C. § 441f by permitting their names to be used to effect the making of contributions by a person in the name of another. At the same time, the Commission voted to revise a series of proposed interrogatories to the respondents. These interrogatories, modified in accordance with the Commission's discussion of October 22, 1985, were mailed on November 1, 1985.

Respondents' attorneys, invoking the Fifth Amendment, refused to answer the interrogatories, on the grounds that to do so could expose their clients to additional liability.

After numerous discussions between members of our staff and respondents' attorneys, a compromise was reached, whereby respondents would request pre-probable cause conciliation, and this Office would not seek to require a response to the interrogatories. The Commission approved the proposed conciliation agreements on March 11, 1986. As a result, the Commission has now concluded conciliation agreements with twenty-one of the conduits, and voted to take no further action with respect to one other of this group, as well as with respect to the Board of Trade Clearing Corporation and two of its former officers.

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There remain two conduits with whom conciliation agreements have not been reached. One of these, Nancy K. Stewart, has submitted an affidavit stating that she was not asked to make any campaign contribution, nor did she request that any fellow employee make one. (See Attachment 1). The other respondent, Shirley A. Sprague, has refused to authorize her attorney to sign the proposed conciliation agreement, on the grounds that she is now involved in litigation against the Board of Trade Clearing Corporation. (Attachment 1).

II. LEGAL AND FACTUAL ANALYSIS

With respect to Nancy K. Stewart, her affidavit does state, in effect, that she did not act as a conduit for illegal campaign contributions. As reason to believe was found against Ms. Stewart solely on the basis that the Board of Trade Clearing Corporation listed her among those employees, or former employees, for whom it had retained counsel, there is no direct evidence to controvert her sworn statement. This Office would therefore, accept her statement and recommend that the Commission take no further action with respect to this respondent.

Shirley Sprague's refusal to sign the conciliation agreement proposed by the Commission at her request because of a dispute with her former employer, is unacceptable to this Office. We are of the opinion that the respondent has gone back on the understanding entered into at the time we agreed not to require a response to our interrogatories. Consequently, it is our view that it is necessary to proceed with our investigation of Shirley

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Sprague's role in the activities that gave rise to this matter. We recommend, therefore, that the Commission issue an order directing this respondent to answer the interrogatories previously propounded to her.

III. RECOMMENDATIONS

1. Take no further action with respect to Nancy K. Stewart.
2. Approve and send the attached Order and Interrogatories to Shirley A. Sprague.
3. Approve and send the attached letters.

Charles N. Steele
General Counsel

Date 1/16/87

BY: Lawrence M. Noble
Deputy General Counsel

Attachments
1. Letter from Thomas Breen and attachment
2. Proposed Order and Interrogatories
3. Proposed letters to Thomas Breen

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1861
Shirley A. Sprague, et al.	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of January 29, 1987, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 1861:

1. Take no further action with respect to Nancy K. Stewart.

2. Direct the Office of General Counsel to contact the counsel for respondent Shirley A. Sprague advising that unless a conciliation agreement proposal is received from them within fifteen days of their receipt of our contact, then pre-probable cause conciliation will be terminated, at which time the Office of General Counsel is authorized to send the Order and Interrogatories attached to the General Counsel's report signed January 16, 1987.

3. Direct the Office of General Counsel to send an appropriate letter to Nancy K. Stewart.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

Jan. 30, 1987
Date

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

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pllm

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 5, 1987

Thomas M. Breen
221 North LaSalle Street - Suite 2114
Chicago, Illinois 60601

RE: MUR 1861
Nancy K. Stewart

Dear Mr. Breen:

Please be advised that on January 29, 1987, the Commission voted to take no further action with regard to your client, Nancy K. Stewart.

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

If you have any questions, please direct them to Charles Snyder, the attorney handling this matter, at (202) 376-8200.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

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plm

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 16, 1987

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Shirley Sprague
4835 North Merrimac Avenue
Chicago, Illinois 60630

RE: MUR 1861
Shirley Sprague

Dear Ms. Sprague:

On November 1, 1985, you were notified that the Commission found reason to believe you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. An investigation of this matter is being conducted and it has been determined that additional information from you is necessary.

Consequently, the Federal Election Commission has issued the attached order which requires you to provide information which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, U.S. Code.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order and the enclosed questions. However, it is required that you submit the information under oath and that you do so within fifteen days of your receipt of this order.

If you have any questions, please direct them to Charles Snyder, the attorney handling this matter, at (202) 376-8200.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosure
Order
Questions

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SENSITIVE

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OFFICE OF THE FEC
COMMISSION SECRETARY
87 MAR 30 A11:25

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Shirley Sprague	)	MUR 1861
	)	

COMPREHENSIVE INVESTIGATIVE REPORT #3

On November 1, 1985, the Commission found reason to believe that Shirley Sprague, as well as twenty-three other respondents, violated 2 U.S.C. § 441f. With respect to all respondents except Ms. Sprague the Commission has decided to either take no further action (two Respondents) or has concluded conciliation agreements (twenty-one Respondents). However, due to our inability to reach any agreement with Shirley Sprague during pre-probable cause conciliation, the Office of General Counsel recommended to the Commission on January 16, 1987 that an order and interrogatories be issued to her so that we might obtain sufficient evidence to determine whether there is probable cause to believe a violation occurred. The Commission voted on January 29, 1987 to direct this Office to advise respondent that unless we were to receive a conciliation proposal from her within fifteen days, "pre-probable cause conciliation will be terminated, at which time the Office of General Counsel is authorized to send the Order and Interrogatories attached to the General Counsel's report signed January 16, 1987." A letter so advising the respondent was sent on February 5, 1987.

Over fifteen days elapsed after respondent's receipt of this notification without our receiving any conciliation proposal from

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her. Consequently, the proposed Order (signed by the Chairman on March 13, 1987) and Interrogatories were issued to respondent on March 16, 1987. This Office will report to the Commission with appropriate recommendations upon receipt of respondent's answers to the interrogatories, or upon the expiration of the time allotted for the submission of respondent's response.

Lawrence M. Noble
Acting General Counsel

3/30/87
Date

BY: George F. Rishel
George F. Rishel
Acting Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
ACTING GENERAL COUNSEL

FROM: MWE MARJORIE W. EMMONS/JOSHUA MCFADDEN JM

DATE: MARCH 31, 1987

SUBJECT: MUR 1861-COMPREHENSIVE INVESTIGATIVE REPORT #3
SIGNED MARCH 30, 1987

The above-captioned matter was received in the Office of the Secretary of the Commission Monday, March 30, 1987 at 11:25 A.M. and circulated to the Commission on a 24-hour no-objection basis Monday, March 30, 1987 at 4:00 P.M.

There were no objections received in the Office of the Secretary of the Commission to the Comprehensive Investigative Report #3 at the time of the deadline.

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RECEIVED AT THE FEC

87 APR 8 A11 : 05

LAW OFFICES
JOYCE AND KUBASIAK
PROFESSIONAL CORPORATION
THREE FIRST NATIONAL PLAZA
SUITE 3900
CHICAGO, ILLINOIS 60602-4276
(312) 641-2600
TELECOPIER (312) 263-0571

EDWARD T. JOYCE
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01-629-1076

April 3, 1987

87 APR 8 P3: 19

RECEIVED
GENERAL COUNSEL

Charles Snyder, Esq.
Federal Election Commission
Washington, D.C. 20463

Re: Shirley Sprague, MUR 1861

Dear Mr. Snyder:

As I mentioned to you on the telephone this morning, this firm represents Shirley Sprague in several matters. I have enclosed for your review a Complaint which this firm filed on Mrs. Sprague's behalf in the Circuit Court of Cook County, Illinois. The position of Mrs. Sprague as set forth in the Complaint is that no actions taken by her in connection with her employment by the Board of Trade Clearing Corporation were illegal, and that Mrs. Sprague did not know and had no reason to know that the campaign contributions made by the Clearing Corporation through its employees were illegal.

I am attempting to obtain a copy of the Designation of Counsel form for Mrs. Sprague's execution. As soon as this form is obtained, I will forward an executed copy to you.

Edward Joyce of this firm will contact you next week concerning this matter. Mr. Joyce is currently on trial in Brooklyn, New York.

Very truly yours,

JOYCE AND KUBASIAK, P.C.

Diane MacArthur

By: Diane MacArthur

DM/mh

Enclosure

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IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, LAW DIVISION

SHIRLEY A. SPRAGUE,	)	
Plaintiff,	)	
vs.	)	No. 86 L 6788 Motion Call A
BOARD OF TRADE CLEARING CORPORATION, a Delaware corporation, PATRICK ARBOR, KEITH BRONSTEIN, WILLIAM FORSTER, JOHN GILMORE, DALE LORENZEN, JERRY MANNE, WILLIAM F. O'CONNOR, ROBERT STEWART, RALEIGH WILSON and BOARD OF TRADE OF THE CITY OF CHICAGO, an Illinois corporation,	)	JURY REQUESTED
Defendants.	)	

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R8704702445

AMENDED COMPLAINT

Plaintiff Shirley A. Sprague, by her attorneys, Joyce and Kubasiak, P.C., for her Complaint against defendants Board of Trade Clearing Corporation, Patrick Arbor, Keith Bronstein, William Forster, John Gilmore, Dale Lorenzen, Jerry Manne, William F. O'Connor, Robert Stewart, Raleigh Wilson and Board of Trade of the City of Chicago states as follows:

PARTIES

1. Shirley A. Sprague ("Sprague") is a citizen of the State of Illinois residing in Cook County, Illinois.

2. Board of Trade Clearing Corporation ("Clearing Corporation") is a Delaware corporation qualified to do business in the State of Illinois. The Clearing Corporation maintains its prin-

cipal place of business at 141 West Jackson Boulevard, Chicago, Illinois.

3. Patrick Arbor ("Arbor"), Keith Bronstein ("Bronstein"), William Forster ("Forster"), John Gilmore ("Gilmore"), Dale Lorenzen ("Lorenzen"), Jerry Manne ("Manne"), Robert Stewart ("Stewart") and Raleigh Wilson ("Wilson") are citizens of Illinois and were members of the Board of Governors of the Clearing Corporation in September, 1984. In 1979, 1980, 1981, 1983 and 1984, Gilmore was a member of defendant Board of Trade of the City of Chicago's ("CBOT") Board of Directors. In 1980 and 1981, Arbor was a member of the CBOT's Board of Directors, and in 1983 Arbor served on the CBOT's Nominating Committee. In 1982, Forster and Manne served on the CBOT's Nominating Committee. Prior to 1979, Manne, Bronstein, and Gilmore were members of the CBOT's Board of Directors.

4. William F. O'Connor ("O'Connor") is a citizen of Illinois and was Chairman of the Board of Governors of the Clearing Corporation in September, 1984. In 1984, O'Connor also served on the CBOT's Nominating Committee.

5. The CBOT is an Illinois corporation with its principal place of business at LaSalle Street and Jackson Boulevard in Chicago, Illinois.

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BACKGROUND

A. Sprague's Employment History with the Clearing Corporation

6. The CBOT provides facilities for the sales and purchases of commodity futures and option contracts. The Clearing Corporation, in turn, provides clearing services for the futures contracts traded on the CBOT. Every futures transaction on the CBOT has to be cleared by a firm that is a member in good standing of the Clearing Corporation. The clearing services provided by the Clearing Corporation include a daily settlement of all gains and losses on futures contracts traded on the CBOT. In addition to these clearing services, the Clearing Corporation also assures the financial integrity of all futures contracts bought or sold on the CBOT by setting fiscal responsibility requirements for member firms of the Clearing Corporation and by serving as the guarantor of all futures contracts cleared by its member firms.

7. Sprague applied for a position with the Clearing Corporation on December 7, 1973. She was hired that same day to be the secretary for Robert Pentel, who at that time was the Vice-President in charge of Computer Operations. Sprague's starting salary was $8,400.00 per year. Her first day of work with the Clearing Corporation was December 10, 1973. Sprague's Application for Employment with the Clearing Corporation is attached hereto as Exhibit A.

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8. Between December, 1974 and December, 1977 Sprague received periodic salary increases of approximately $2,000.00 per year based on meritorious performance of her secretarial duties. In December, 1977 Sprague was promoted to the position of secretary to James E. Johnson, who was then the Executive Vice-President of the Clearing Corporation. Her salary was increased that year to $18,000.00 per year. Sprague continued to receive annual salary increases based on merit of approximately $3,000.00 per year between 1977 and 1981. In May, 1981 Sprague was promoted to the position of secretary to Walter W. Brinkman, the President of the Clearing Corporation. Her salary was increased in May, 1981 from $28,000.00 per year to $32,000.00 per year. Sprague was promoted to the position of Office Manager in December, 1981, at which time her salary increased to $37,000.00 per year. Over the next several years Sprague continued to receive annual salary increases in her position as office manager. Sprague's salary in September, 1984 was $47,000.00 per year. A copy of Sprague's Employment Record is attached hereto as Exhibit B.

9. During Sprague's employment with the Clearing Corporation, no disciplinary actions were ever instituted against her, nor were any reprimands ever given to her. Sprague's Employment Record contains no adverse comments or reports. Instead, as her Employment Record indicates, Sprague consistenly received salary increases between December, 1973 and September, 1984.

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10. The last day that Sprague reported to work at the Clearing Corporation was September 7, 1984.

B. Unlawful Campaign Contributions By The Clearing Corporation

11. Beginning in 1980 and extending through 1982, the Clearing Corporation, pursuant to direction from the officers and/or directors of the CBOT, made illegal campaign contributions to federal candidates with corporate funds. The contributions were made in an attempt to curry favor with the candidates so as to ultimately obtain favorable legislation and administrative rules and regulations governing the CBOT.

12. The illegal contributions were made by the Clearing Corporation through its employees pursuant to the following scheme. Between 1980 and 1982, the President of the Clearing Corporation, Walter W. Brinkman ("Brinkman"), and the corporation's Executive Vice-President, James E. Johnson ("Johnson"), told employees to write personal checks payable to the campaigns of certain designated candidates. The checks, in turn, were given to the political candidates or their campaign committees. Each employee was then reimbursed from corporate funds, either with a miscellaneous or bonus check. Brinkman directed other officers and employees of the corporation to collect the checks from the employees. Johnson collected most of the checks and gave them to Brinkman. Brinkman would then pass on the checks to another person who would give the checks to the candidate or a representative of the candidate. Individuals at the Clearing

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Corporation caused the Clearing Corporation's books and records to be falsified so as to make non-deductible political campaign contributions appear as deductible salary expenses or miscellaneous deductible expenses. Approximately twenty Clearing Corporation employees participated in the campaign contribution scheme at the request of Brinkman, Johnson and others.

The following contributions, among others, were made pursuant to the scheme:

Candidate or Political Committee	Date of Contribution(s)	Amount of Contribution
Carter-Mondale Presidential Committee	3/80	$ 800.00
Jane Byrne Dinner Committee	11/80	800.00
Friends for the Gillis Long Committee	6/82-7/82	5,000.00
Citizens for Rodino Committee	8/82	5,000.00
Annunzio for People Committee	9/82	5,000.00
Committee to Re-Elect Congressman Leo C. Zeferetti	9/82	5,250.00
Russo for Congress Committee	12/81-9/82	$ 7,750.00

13. One of the individuals from whom Brinkman received a request to raise money for political contributions was Leslie Rosenthal ("Rosenthal"). Between 1980 and 1982, Rosenthal was a member of the Board of Governors of the Clearing Corporation. In 1981 and 1982, Rosenthal was also Chairman of the CBOT, and in 1979 Rosenthal was a member CBOT's Board of Directors.

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14. A person to whom the campaign contribution checks collected from the Clearing Corporation's employees were given was Thomas Donovan ("Donovan"). In 1982 and 1983, Donovan was President and Chief Executive Officer of the CBOT, and in 1979 and 1981 Donovan was an Executive Officer of the CBOT.

15. Sprague was one of the Clearing Corporation employees who received reimbursement checks from the Clearing Corporation for political contributions made at the request of Brinkman and Johnson.

16. Sprague did not know and had no reason to know that the campaign contributions made by the Clearing Corporation through its employees were illegal. No actions taken by Sprague in connection with the campaign contributions were illegal.

C. Examination Of Clearing Corporation By Federal Bureau Of Investigation And Office Of United States Attorney

17. In approximately 1982 or 1983, the Federal Bureau of Investigation began an investigation of the Clearing Corporation. The investigation focused upon the reimbursement by the corporation of the political contributions made by the corporation's employees.

18. Following the commencement of the federal investigation, the Clearing Corporation caused independent attorneys, i.e., attorneys who were not in-house counsel or of counsel to the Clearing Corporation, to be retained on behalf of certain officers and employees of the Clearing Corporation. Three of the Clearing Corporation's officers, Brinkman, Johnson and a Vice-President named John Walsh ("Walsh"), were each assigned their

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own attorney. An attorney was also assigned to represent Sprague. A group of twenty-two employees was assigned to one attorney. Sprague was the only non-officer of the Clearing Corporation to be assigned her own attorney. The Clearing Corporation also retained outside counsel to represent itself in the federal investigation.

19. In July, 1984 Sprague, through the attorney retained for her in connection with the investigation of the Clearing Corporation, received an offer from the Office of the United States Attorney that if she would plead guilty to a misdemeanor charge and cooperate with the government, she would not be indicted on felony violations of certain federal statutes in connection with the Clearing Corporation's campaign contribution scheme. Defendants wished Sprague to plead guilty in order to cover up by defendants' illegal activity, to prevent the role of the CBOT in the illegal campaign contribution scheme from becoming known and to avoid an embarrassing trial. Sprague refused to plead guilty because she was not guilty of any unlawful act. Through her counsel, Sprague informed the government that if she were indicted, she would invoke her right to go to trial before a jury of her peers.

20. The pressure on Sprague to plead guilty to a misdemeanor continued through August, 1984.

21. On information and belief, the federal investigation of the Clearing Corporation continued through September 13, 1984.

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D. Termination Of Employment Of Brinkman, Johnson and Sprague By Clearing Corporation

22. On September 4, 1984, a special meeting of the Board of Governors of the Clearing Corporation was convened. Defendants Bronstein, Gilmore, Lorenzen, Manne, O'Connor and Stewart were present. O'Connor, as Chairman of the Board of Governors, moved for executive session. During the executive session, the Board resolved on a motion by Manne, seconded by Lorenzen and a unanimous vote of the Board of Governors to authorize O'Connor to discuss by himself or with others the separation of the Clearing Corporation from its President, Brinkman, its Secretary, Johnson, and Sprague.*/ The Minutes of the September 4, 1984, Special Meeting of the Board of Governors is attached hereto as Exhibit C.

23. On September 5, 1984, Brinkman and Johnson were informed by O'Connor in his capacity as Chairman of the Board of Governors of the Clearing Corporation of the Board's decision to terminate Brinkman, Johnson and Sprague. Sprague was informed by Brinkman and Johnson that same day of the Board's decision. Prior to September 5, 1984, Sprague never received any indication from the Clearing Corporation or any of its directors, officers or employees that her employment would be terminated.

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*/ Johnson was promoted to the position of Secretary of the Clearing Corporation in 1982. He also continued to serve as the Clearing Corporation's Executive Vice-President after this promotion.

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24. In a Memorandum dated September 6, 1984, the Board of Governors notified all Clearing Corporation employees that, effective September 6, 1984, Brinkman, Johnson and Sprague would be leaving the Clearing Corporation "for personal reasons." The Memorandum also informed the employees that no further personnel changes were being considered. A copy of the September 6, 1984 Memorandum is attached hereto as Exhibit D.

25. The stockholders of the Clearing Corporation were informed in a letter dated September 7, 1984, that Brinkman, Johnson and Sprague had "left the employ of the Clearing Corporation for personal reasons." A copy of the September 7, 1984, letter is attached hereto as Exhibit E.

E. Criminal Information Naming Clearing Corporation, Brinkman and Johnson

26. On September 13, 1984, a federal criminal Information was filed by the Office of the United States Attorney. Two counts of the Information were directed against Brinkman, two counts were directed against Johnson, and four counts were directed against the Clearing Corporation. The Information charged Brinkman, Johnson and the Clearing Corporation with violations of the Federal Election Campaign Act, 2 U.S.C. § 431 et. seq., among other statutes. A copy of the Information is attached hereto as Exhibit F.

27. On September 21, 1984, a week after the filing of the Information, Johnson entered a plea of guilty pursuant to agreement to Counts Seven and Eight of the Information.

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28. On September 25, 1985, four days after Johnson's guilty plea, Brinkman entered a plea of guilty pursuant to agreement to Counts One and Two of the Information.

29. A few days prior to his sentencing hearing, Brinkman had a telephone conversation with defendant Manne. The conversation concerned the illegal campaign contribution scheme. Brinkman said to Manne during the conversation "You promised you would take care of me." On information and belief, Manne and others, acting for the Clearing Corporation and the CBOT, promised Brinkman that some financial benefit would be conferred upon him if he plead guilty to some of the charges made against him and also kept confidential the role of others, including Rosenthal and Donovan, in the scheme described above.

30. Defendant Manne was a member of the Clearing Corporation's Board of Governors between 1982 and 1984, served on the CBOT's Nominating Committee in 1982, and prior to 1979 was a member of the CBOT's Board of Directors.

31. Approximately one month after the filing of the Information, on October 19, 1984, the Clearing Corporation entered a plea of guilty to Counts Three, Four, Five and Six of the Information. A copy of the Plea Agreement between the Clearing Corporation and the Office of the United States Attorney for the Northern District of Illinois is attached hereto as Exhibit G. Incorporated into the Plea Agreement is a Resolution adopted by the Board of Governors of the Clearing Corporation on September 19, 1984. The Resolution states in pertinent part that

"no member of the Board of Governors nor any stockholder-clearing member has been charged with wrongdoing and the employees that have been charged have all resigned . . ."

32. Sprague was never charged with any wrongdoing by the Office of the United States Attorney. The group of twenty-two other employees under investigation were also not charged with any wrongdoing. Sprague's employment with the Clearing Corporation was terminated by the Board of Governors in connection with the criminal investigation. None of the twenty-two other employees were terminated by the Board of Governors in connection with the criminal investigation. Sprague was the only Clearing Corporation employee who was not charged by the government but who was terminated by the Clearing Corporation.

33. Walsh cooperated with the government during its investigation of the Clearing Corporation under a grant of immunity. Sprague refused: (1) to plead guilty; (2) to relinquish her right to a trial by her peers; and (3) succumb to pressure not to disclose the role of the CBOT in the illegal campaign contribution scheme. Walsh's employment with the Clearing Corporation was not terminated.

COUNT I

RETALIATORY DISCHARGE

1-33. Paragraphs one through thirty-three of the Complaint are incorporated and realleged as paragraphs one through thirty-three of Count I.

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34. Article 1 of the Illinois Constitution provides in pertinent part:

> The right of trial by jury as heretofore enjoyed shall remain inviolate.

Ill. Const. art. 1, § 13 (1970).

35. Section 13 of Article One of the Illinois Constitution was in full force and effect during the relevant period of this Complaint.

36. The sixth amendment to the United States Constitution provides in pertinent part:

> In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and District wherein the crime shall have been committed. . . .

U.S. CONST. amend. VI.

37. The sixth amendment to the United States Constitution was in full force and effect during the relevant period of this Complaint.

38. Section 32-2 of the Illinois Criminal Code provides in pertinent part:

> (a) A person commits perjury when, under oath or affirmation, in a proceeding or in any other matter where by law such oath or affirmation is required, he makes a false statement, material to the issue or point in question, which he does not believe to be true.

Ill.Rev.Stat. ch. 38 §32-2(a).

39. Section 32-2 of the Illinois Criminal Code was in full force and effect during the relevant period of this Complaint.

40. Sprague was an at will employee throughout her eleven years of employment with the Clearing Corporation.

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41. Sprague was terminated by the Clearing Corporation, through the decision of its Board of Governors, in retaliation for her decision not to plead guilty and to instead invoke her right to a trial by jury in connection with the criminal investigation of the Clearing Corporation concerning illegal campaign contributions by the corporation through its employees because, on information and belief, defendants were concerned that Sprague would disclose the role of Rosenthal, the CBOT and others in making illegal campaign contributions. Sprague would not plead guilty because she was not guilty of any wrongdoing. To plead guilty would have required Sprague to commit perjury.

42. The actions of the Clearing Corporation, through its Board of Governors, and the CBOT damaged Sprague by causing her to lose her job with the Clearing Corporation.

WHEREFORE, plaintiff Shirley A. Sprague requests the Court to enter judgment against defendants Board of Trade Clearing Corporation, Patrick Arbor, Keith Bronstein, William Forster, John Gilmore, Dale Lorenzen, Jerry Manne, William F. O'Connor, Robert Stewart, Raleigh Wilson and Board of Trade of the City of Chicago, and to enter an Order awarding plaintiff the following relief:

A. Money damages equal to $880,000 plus interest for lost wages and benefits.

B. Punitive damages equal to $1,000,000.00.

C. Such other and further relief as this Court deems appropriate.

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COUNT II

BREACH OF CONTRACT

1-33. Paragraphs one through thirty-three of the Complaint are incorporated and realleged as paragraphs one through thirty-three of Count II.

34. During Sprague's initial employment interview with Robert Pentel of the Clearing Corporation on December 7, 1973, Pentel stated to Sprague that he hoped Sprague's employment relationship with the Clearing Corporation would be long-term. At the time of her promotions in December, 1977 and May, 1981 representations were again made to Sprague by James E. Johnson and Walter W. Brinkman, respectively, that the Clearing Corporation desired that its employment relationship with Sprague be long-term. Specifically, both Johnson and Brinkman assured Sprague that as long as her work was satisfactory she could stay with the Clearing Corporation forever.

35. The representations of Pentel, Johnson and Brinkman created an oral contract of employment between the Clearing Corporation and Sprague which contract could not be terminated without cause.

36. While she was employed by the Clearing Corporation, Sprague received an offer of employment from Whitely Bearing Corporation ("Whitely"). Sprague had been employed by Whitely for fifteen years prior to her employment with the Clearing Corporation. Sprague turned down the offer of employment from

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Whitely in 1978 because she believed, based on the representations of Pentel, Johnson and Brinkman, that her employment relationship with the Clearing Corporation would last as long as her work was satisfactory.

37. The decision of the Clearing Corporation, through its Board of Governors, to terminate Sprague's employment relationship on December 31, 1984, without good cause constitutes a breach of the oral contract of employment.

38. The breach of the oral contract of employment by the Clearing Corporation through its Board of Governors damaged Sprague by causing her to lose her job with the Clearing Corporation.

WHEREFORE, plaintiff Shirley A. Sprague requests the Court to enter judgment against defendants Board of Trade Clearing Corporation, Patrick Arbor, Keith Bronstein, William Forster, John Gilmore, Dale Lorenzen, Jerry Manne, William F. O'Connor, Robert Stewart, Raleigh Wilson and the Board of Trade of the City of Chicago, and to enter an Order awarding plaintiff the following relief:

A. Money damages equal to $880,000 plus interest for lost wages and benefits.

B. Such other and further relief as this Court deems appropriate.

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COUNT III

BREACH OF IMPLIED EMPLOYMENT CONTRACT

1-33. Paragraphs one through thirty-three of the Complaint are incorporated and realleged as paragraphs one through thirty-three of Count III.

34. On or about January, 1979, employees of the Clearing Corporation received copies of an Employee Handbook ("Handbook"). Sprague received a copy of the Handbook at that time in the course of her employment. A copy of the Handbook is attached hereto as Exhibit H.

35. The Handbook contains sections on employment with the Clearing Corporation, termination procedures, payroll and working conditions, leaves of absence, other benefits, professional conduct, employee responsibility and safety and security. The Contents of the Handbook contains a notation for "Receipt Page." The Receipt Page was a page to be signed by the employee upon receipt of the Handbook. The Handbook was designed to contain fifty-five pages.

36. The Handbook was adopted by the Clearing Corporation through its Board of Governors. By adopting the Handbook, the Clearing Corporation and its Board of Governors obligated themselves to follow the procedures for termination set forth in the Handbook. In turn, as an employee of the Clearing Corporation, Sprague was obligated to follow the provisions of the Handbook.

37. The obligation between the Clearing Corporation, its Board of Governors and Sprague created by the Handbook constitutes an implied contract.

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38. Sprague complied with all the provisions of the Handbook pertaining to the conduct of an employee.

39. The Handbook provides that each employee who is terminated will be scheduled for an exit interview with the Clearing Corporation's Director of Personnel. See Ex. H at 10. According to the Handbook, the interview is to be part of the "employee clearance procedure and should be completed several days prior to the last day on the job." Id. Among the listed purposes of the interview is to "[d]iscuss why the employee is leaving the [Clearing] Corporation." Id.

40. At no time before, during, or after September 5, 1984, the day Sprague was informed of the Board's decision to terminate her employment, was Sprague granted an exit interview as required by the Handbook.

41. The failure by the Clearing Corporation through its Board of Governors to grant Sprague an exit interview constitutes a breach of the implied contract created by the promises contained in the Handbook.

42. The breach of the Clearing Corporation's obligations under the Handbook caused damage to Sprague by, among other things, delaying the distribution of information about termination of group insurance and retirement benefits.

WHEREFORE, plaintiff Shirley A. Sprague requests the Court to enter judgment against defendants Board of Trade Clearing Corporation, Patrick Arbor, Keith Bronstein, William Forster, John Gilmore, Dale Lorenzen, Jerry Manne, William F. O'Connor,

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Robert Stewart, Raleigh Wilson and Board of Trade of City of Chicago, and to enter an Order awarding plaintiff the following relief:

A. Money damages equal to Sprague's lost wages and benefits from January 1, 1985, to the day Sprague receives her exit interview, plus interest for lost wages and benefits.

B. Such other and further relief as this Court deems appropriate.

COUNT IV

DEFAMATION - LIBEL PER SE

1-33. Paragraphs one through thirty-three of the Complaint are incorporated and realleged as paragraphs one through thirty-three of Count IV.

34. Prior to the acts of defendants complained of herein, Sprague rightfully enjoyed a good name and a good reputation within her community and particularly within the commodities business.

35. In September, 1984 the Clearing Corporation through its Board of Governors issued a statement that William Brinkman, James Johnson and Sprague had resigned from the Clearing Corporation for "personal reasons." The resignations were announced to the employees and stockholders of the Clearing Corporation, see Exs. D and E, and were reported in newspapers of general and local circulation. Copies of articles appearing in the Wall Street Journal and the Chicago Tribune are attached hereto as Exhibit I.

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36. The statement that Sprague resigned from the Clearing Corporation is false. Sprague never resigned from the Clearing Corporation.

37. The Clearing Corporation's statement about Sprague's resignation was made at a time when a publicly-known probe of the Clearing Corporation was underway concerning illegal campaign gifts. The probe was reported to be focusing on high-ranking employees of the Clearing Corporation. See Ex. I.

38. The statement by the Clearing Corporation constitutes libel per se in that the statement, when fairly read, imputes to Sprague: (1) incompetence in her business and/or profession; and (2) the commission of a criminal offense, and prejudice Sprague in her profession.

39. The statement by the Clearing Corporation through its Board of Governors was made with a reckless disregard for its truth or falsity.

40. As a direct, proximate and foreseeable result of the publication of the defamatory statement, Sprague has suffered damages through the loss of her employment with the Clearing Corporation.

WHEREFORE, plaintiff Shirley A. Sprague requests the Court to enter judgment against defendants Board of Trade Clearing Corporation, Patrick Arbor, Keith Bronstein, William Forster, John Gilmore, Dale Lorenzen, Jerry Manne, William F. O'Connor, Robert Stewart, Raleigh Wilson and Board of Trade of City of Chicago, and to enter an Order awarding plaintiff the following relief:

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A. Money damages equal to $880,000 plus interest for lost wages and benefits.

B. Such other and further relief as this Court deems appropriate.

COUNT V

DEFAMATION - LIBEL PER QUOD

1-33. Paragraphs one through thirty-three of the Complaint are incorporated and realleged as paragraphs one through thirty-three of Count V.

34. Prior to the acts of defendants complained of herein, Sprague rightfully enjoyed a good name and a good reputation within her community and particularly within the commodities business.

35. In September, 1984 the Clearing Corporation through its Board of Governors issued a statement that William Brinkman, James Johnson and Sprague had resigned from the Clearing Corporation for "personal reasons." The resignations were announced to the employees and stockholders of the Clearing Corporation, see Exs. D and E, and were reported in newspapers of general and local circulation. Copies of articles appearing in the Wall Street Journal and the Chicago Tribune are attached hereto as Exhibit I.

36. The statement that Sprague resigned from the Clearing Corporation is false. Sprague never resigned from the Clearing Corporation.

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37. The Clearing Corporation's statement about Sprague's resignation was made at a time when a publicly-known probe of the Clearing Corporation was underway concerning illegal campaign gifts. The probe was reported to be focusing on high-ranking employees of the Clearing Corporation. See Ex. I.

38. The statement by the Clearing Corporation constitutes libel per quod in that the statement, when fairly read in the context of the criminal investigation of the Clearing Corporation and the formal charging of Brinkman and Johnson by the United States in a criminal action, imputes that Sprague was a culpable participant in illegal acts.

39. The statement by the Clearing Corporation through its Board of Governors was made with a reckless disregard for its truth or falsity.

40. As a direct, proximate and foreseeable result of the publication of the defamatory statement, Sprague has suffered special damages through the loss of her employment with the Clearing Corporation in that she has been unable to secure employment since her termination by the Clearing Corporation despite applying for numerous positions. The firms to which Sprague has applied include, but are not limited to, the following: ILG Industries, Chicago, Illinois; State of Illinois Department of Labor, Chicago, Illinois; Elston Auto Rebuilders, Chicago, Illinois; J. Tartipilo & Associates, Park Ridge, Illinois; Jacob Gerhardt, Inc., Chicago, Illinois; and Computer Supplies, Franklin Park, Illinois. Each of these listed com-

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panies has refused to hire Sprague due to the level of her salary when she was terminated by the Clearing Corporation.

WHEREFORE, plaintiff Shirley A. Sprague requests the Court to enter judgment against defendants Board of Trade Clearing Corporation, Patrick Arbor, Keith Bronstein, William Forster, John Gilmore, Dale Lorenzen, Jerry Manne, William F. O'Connor, Robert Stewart, Raleigh Wilson and Board of Trade of City of Chicago, and to enter an Order awarding plaintiff the following relief:

A. Money damages equal to $880,000 plus interest for lost wages and benefits.

B. Such other and further relief as this Court deems appropriate.

Respectfully submitted,

SHIRLEY A. SPRAGUE

By: Joyce and Kubasiak, P.C.
One of Her Attorneys.

JOYCE AND KUBASIAK, P.C.20135
Three First National Plaza
Suite 3900
Chicago, Illinois 60602
(312) 641-2600

OF COUNSEL:

Edward T. Joyce
Diane MacArthur

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IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, LAW DIVISION

SHIRLEY A. SPRAGUE,	)	
Plaintiff,	)	
vs.	)	NO. 86 L 6788
BOARD OF TRADE CLEARING CORPORATION, et al.,	)	Motion Call A
Defendants.	)	

NOTICE OF FILING

TO:

BRUCE M. MECKLER, Esq.
PETER C. JOHN, Esq.
Phelan, Pope & John, Ltd.
180 North Wacker Drive, Suite 500
Chicago, IL 60606

SCOTT E. EARLY, Esq.
Chicago Board of Trade
141 W. Jackson Blvd.
Suite 600
Chicago, IL 60604

PLEASE TAKE NOTICE that I have this date filed with the Clerk of the Circuit Court of Cook County, Illinois:

AMENDED COMPLAINT (Including Exhibits)
which was previously served upon you.

DATED this 9th day of February, 1987.

BY: [signature]
One of the Attorneys for Plaintiff

JOYCE AND KUBASIAK, P.C.-20135
Three First National Plaza
Suite 3900
Chicago, Illinois 60602
(312) 641-2600

Affidavit of Mailing

I, William Lawrence, being first duly sworn on oath, depose and state that I served a copy of the above described pleading upon all parties of record by placing a true and correct copy thereof in a sealed envelope plainly addressed and deposited same in the United States mail chute at Three First National Plaza, Chicago, Illinois 60602, with postage fully prepaid this 9th day of February, 1987.

[signature]
WILLIAM LAWRENCE

SUBSCRIBED AND SWORN TO
before me this 9th day
of February, 1987.

[signature]
Notary Public

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Exhibit A

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BOARD OF TRADE CLEARING CORPORATION
APPLICATION FOR EMPLOYMENT

DATE OF APPLICATION 12-7-73 SOC. SEC. NO. 327-28-2542

NAME IN FULL Shirley A Sprague
(print or type)

ADDRESS 4835 N Merrimac POSITION APPLIED FOR Sec.

Chicago Ill 60630 RECOMMENDED BY Judith Shaw

PHONE NO. 775-6276 SALARY EXPECTED

HISTORY

SEX F Age 38 Height 5'4 Weight 135 General Health Good

How much time have you lost from work or school the last two years on account of illness? NONE

Have you any physical defect, disease or disability? NO

Explain

Date of Birth 7-5-35 Place of birth Chicago

Are you a U.S. Citizen? yes Nationality Polish

Family Status: Single ___ Married ✓ Widowed ___ Separated ___ Divorced ___

If married is your wife (husband) employed? Yes Number of Dependents 2

Do you rent, own your home, live with relative or room? Own

Do you own Real Estate? NO, Automobile? yes

Have you any outstanding debts? Mortgage on House

If so, how much and for what? $13,000.00

Will you receive a salary from any source other than the Board of Trade Clearing Corporation while employed by them? NO If so, how much and for what?

EDUCATION

SCHOOLS ATTENDED	DATES	DID YOU GRADUATE?	COURSE
St. Hyacinth	1940-48	yes	
Carl Schurz High	1948-52	yes	
Wright Junior College	1956	NO	

What additional training have you had? Accounting

EXHIBIT A

80402470

EMPLOYMENT RECORD

(Account fully for occupied and unoccupied time from date first employed)

Dates From-To	Employer	Address	Position	Salary	Reason for leaving
1953-1962	WH. YELLOW BRG	1231 S PINLAND	1-9 GIRL	150 PW	NEGLECTED)
1962-1972	NORTHERN-MOB W. MADISON	SEC	200 PW	LACK OF WORK	

REFERENCES

Give the names and addresses of two adults (not relatives or previous employers) who are well acquainted with you.

Name	Address	Phone No.	Occupation
JUSTINE MCQUEE	3117 N RIDGEWAY	252-6268	CLERICAL
STEPHANIE ZASAC	4133 N HERMITAGE		HOUSEWIFE

I hereby affirm that the above statements are true and correct, and that I have not knowingly misrepresented or withheld any fact or circumstance that would, if disclosed affect my application unfavorably.

DATE: Dec 7 1973 Signature Shirley A. Sprague

To be filled in by employer

Employed as of 12/10/73 Salary 8400.00 per annum

Position Secy Department Data Proc.

Anderson

8304070247 1

Exhibit B

8 9 0 4 0 7 0 2 4 7 2

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EMPLOYEE NAME: Sprague (Last) Shirley (First) [redacted] (Middle) PAYROLL CLERK NO. [redacted]

EMPLOYEE'S PERSONNEL RECORD

SECURITY CLEARANCE

LEVEL OF CLEARANCE: _____ DATE GRANTED: _____

YEARS OF SERVICE: 1 0 0 0

EMPLOYMENT RECORD—(Continued)

EFFECTIVE DATE	CLASSIFICATION	DEPARTMENT COST CENTER	RATE OF PAY AMOUNT	PER	RATING				REASON FOR CHANGE
5/1/81			32000	- Ya					[illegible]
12/1/81			37000						[illegible]
12/6/82			43,000	- Ya					
12/19/83			47,000	"					

OTHER INFORMATION

COMMENTS: (DATE AND SIGNATURE REQUIRED)

ADDITIONAL COMMENTS

TERMINATION DATE _____ TYPE _____ REASON _____

LAST RATING _____ ELIGIBLE FOR REHIRE YES NO

PRINTED IN U.S.A.

QUALITY PRINTING

8804070247 4

AC ITE CALENDARS 1984

T Tardy
P Partial Hrs Worked
H Holiday
L Layoff
V Vacation

Red number denotes unexcused absence
Black number denotes excused absence

1 Lack of Work
2 Sick (Employee)
3 Family Sickness
4 Accident-Self or family-out of plant
5 Plant Injury
6 Personal
7 Disciplinary
8 Leave of absence
9 Transportation
10 Unknown (AWOL)
11 Death (Family)
12 Jury Court
13 Birthday
14 Military
15 Weather
16 Medical Appt.
17 Recognition
18
19
20
21

Name SP JE, rle,
Employee# 0026 0.5
Address 4835 N. Merrimac Avenue
City Chicago State IL Zip 60630
Phone 775-6276 SS# 327-28-2582-7
Dept. Exec. Office Birth Date 7-5-35
Position Office Manager Hire Date 12-10-73

JANUARY '84V = 25 DAYS

Sun.	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.
1	H	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

FEBRUARY '84S = 3V DAYS

Sun.	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20 H	21	22	23	24	25
26	27	28	29			

MARCH

Sun.	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

APRIL

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29	30					

MAY

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20	21	22	23	24	25	26
27	H 28	29	30	31		

JUNE

Sun.	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.
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JULY

Sun.	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.
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29	30	31				

AUGUST

Sun.	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.
			1	2	3	4
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12	13	14	15	16	17	18
19	84 20	84 21	84 22	84 23	84 24	25
26	27	28	29	30	31	

SEPTEMBER

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9	10	11	12	13	14	15
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23	24	25	26	27	28	29
30						

OCTOBER

Sun.	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.
	1	2	3	4	5	6
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21	22	23	24	25	26	27
28	29	30	31			

NOVEMBER

Sun.	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
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DECEMBER

Sun.	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.
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30	31					

Form 01602

Exhibit C

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MINUTES OF A SPECIAL MEETING
OF THE GOVERNORS OF THE
BOARD OF TRADE CLEARING CORPORATION

SEPTEMBER 4, 1984

Pursuant to Bylaw 205, a special meeting of the Governors of the Board of Trade Clearing Corporation was held in Room 1460, Board of Trade Building, 141 West Jackson Boulevard, Chicago, Illinois, on Wednesday, September 4, 1984 at 2:00 p.m.

There were present Governors, Bronstein, Gilmore, Lorenzen, Manne, O'Connor, Stewart and Counsel Boyle.

Mr. William F. O'Connor, Chairman of the Board of Governors, presided as Chairman of the Meeting and Mr. Gilmore was appointed to record the minutes.

There being a quorum present, the Chairman declared that the meeting duly constituted.

The Chairman moved for executive session and Counsel Boyle excused himself.

The Board in executive session did as follows:

> RESOLVED, a motion by John Gilmore, seconded by Robert Stewart and a unanimous vote of the Board authorized the Chairman William F. O'Connor to release Deloit, Haskins and Sells as the Corporation's Certified Public Accountants and to acquire the services of the firm of Touche, Ross & Co. and John Manly in particular to act for the Corporation as its Certified Public Accountants.

EXHIBIT C

RESOLVED, a motion by Dale Lorenzen seconded by Keith Bronstein and a unanimous vote of the Board authorized the Chairman, William F. O'Connor to release the services of the Law Firm of Boyle and Murphy. The The Corporation is to use the Chicago Board of Trade legal services namely Scott Early until such time as the Board decides upon permanent counsel.

RESOLVED, a motion by Jerry Manne seconded by Dale Lorenzen and a unanimous vote of the Board authorized the Chairman, William F. O'Connor to discuss, by himself, with Council or a mix, separation of the Clearing Corporation from the President, Walter Brinkman, the Secretary, James Johnson and Mrs. Sprague. Included in these discussions will be the negotiating of the employment contracts, medical benefits, insurance benefits etc.

RESOLVED, a motion by Keith Bronstein seconded by Raleigh Wilson and a unanimous vote of the Board authorized the Chairman, William F. O'Connor to use the services of the Chicage Board of Trade in particular Delbert Heath of its' O.I.A. Department for an interim Administrator until such time as the Board selects new Officers. Such appointment will become effective immediately.

ADJOURNMENT. There being no further business to come before the Governors, upon motion duly made, and seconded, the Meeting was adjourned.

John Gilmore

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Exhibit D

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BOARD OF TRADE CLEARING CORPORATION

TO: All Board of Trade Clearing Corporation Employees

FROM: The Board of Governors

DATE: September 6, 1984

Effective today, Walter W. Brinkman, James E. Johnson, and Shirley Sprague will be leaving the Clearing Corporation for personal reasons. The Board of Governors has retained Delbert Heath, Jr., Vice President and Administrator, Office of Investigations and Audits of the Chicago Board of Trade to act as interim President until a new President has been retained. Additionally, the Board of Governors has retained Scott E. Early, General Counsel, Chicago Board of Trade to act as interim counsel for the Clearing Corporation while the Board of Governors seeks new counsel to replace the firm of Murphy and Boyle, Ltd.

The Governors wish to advise all members of the Clearing Corporation staff that no further personnel changes are being considered. We appreciate the excellent work the entire staff has been doing and we fully expect that you will all continue to work as effectively during this interim period as before. You should all continue to report to your supervisors as you normally would and bring any matters to Mr. Heath's attention that you previously brought to Walter Brinkman. The Governors are confident that this interim period will be brief and that all members of the staff will continue to demonstrate the competence and professional work product which has characterized the Clearing Corporation.

If you have any questions, please do not hesitate to contact Mr. Heath.

Sincerely,

William F. O'Connor

William F. O'Connor
Chairman, Board of Governors
Board of Trade Clearing Corporation

141 West Jackson Boulevard
Suite 1460
Chicago Illinois 60604
(312) 341-1160

One World Trade Center
Suite 8616B
New York, New York 10048
(212) 524-9185-86

EXHIBIT D

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Exhibit E

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BOARD OF TRADE CLEARING CORPORATION

September 7, 1984

Dear Stockholder:

Due to the fact that Walter W. Brinkman, Clearing Corporation President, James E. Johnson, Executive Vice President and Secretary, and Shirley Sprague, secretary to Mr. Brinkman, have left the employ of the Clearing Corporation for personal reasons, the Board of Governors has resolved to take the following actions:

(1) Effective September 6, 1984, Delbert Beath, Jr., Vice President and Administrator, Chicago Board of Trade Office of Investigations and Audits, has taken a temporary leave of absence from the OIA to assume the duties of President of the Clearing Corporation on an interim basis;

(2) Also effective September 6, 1984, Scott E. Early, Chicago Board of Trade General Counsel, will become interim legal counsel to the Clearing Corporation while the Board of Governors considers the retention of permanent, in-house legal counsel;

(3) The Board of Governors is currently considering candidates to become President of, and legal counsel to, the Clearing Corporation and expects to reach a final decision regarding both positions in the next several weeks;

(4) All other Clearing Corporation staff will remain intact; and

(5) The Executive Committee of the Board of Governors is maintaining close contact on a daily basis with Mr. Beath and Mr. Early.

The Board of Governors has every confidence that Mr. Beath's many years of experience insuring the integrity of Board of Trade markets uniquely qualifies him to perform the sensitive and critical functions of the President of the Clearing Corporation. Additionally, the Executive Committee is undertaking all actions necessary to assure that nothing will adversely affect the effective operation of the Clearing Corporation during this interim period.

Mr. Beath and his staff will be available to all clearing members to respond to questions and problems as they may arise. Should you have any questions regarding these matters, please feel free to contact me or Mr. Beath directly.

Sincerely,

William F. O'Connor

William F. O'Connor
Chairman, Board of Governors
Board of Trade Clearing Corporation

141 West Jackson Boulevard
Suite 1460
Chicago, Illinois 60604
(312) 341-1160

One World Trade Center
Suite 8569
New York, New York 10048
(212) 524-9185-86

EXHIBIT E

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Exhibit F

FILED

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

JUDGE ASPEN

UNITED STATES OF AMERICA	)	84CR0639
v.	)	
BOARD OF TRADE CLEARING CORPORATION, WALTER W. BRINKMAN, and JAMES E. JOHNSON	)	Violations: Title 18, United States Code, Sections 371 and 2; Title 2, United States Code, Section 441b(a) and 437g(d); Title 26, United States Code, Section 7203.

The UNITED STATES ATTORNEY charges:

1. At all times material herein, the Board of Trade Clearing Corporation was a Delaware corporation organized to provide clearing services for and to assure the financial integrity of all futures contracts traded on the Chicago Board of Trade. The principal place of business of the Board of Trade Clearing Corporation was located at 141 West Jackson, Chicago, Illinois.

2. At all times material herein, a "futures contract" was a contract to purchase a specified amount of a particular commodity or product on a certain future date, and a "futures transaction" was a sale of a futures contract.

3. At all times material herein, every futures transaction on the Chicago Board of Trade had to be cleared by or through a firm that was a member in good standing of the Board of Trade Clearing Corporation. The clearing services provided by the Board of Trade Clearing Corporation included the daily settlement of all gains and losses on futures contracts traded on the Chicago Board of Trade.

4. At all times material herein, the Board of Trade Clearing Corporation served to assure the financial integrity of all contracts bought and sold on the Chicago Board of Trade by setting fiscal responsibility requirements for member firms of the Board of Trade Clearing Corporation and by in effect serving as the guarantor of all futures contracts cleared by its member firms.

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EXHIBIT F

5. At all times material herein, the income of the Board of Trade Clearing Corporation was derived primarily from fees paid by member firms for clearing trades, from the interest earned on invested capital, and from charges for performing bookkeeping and other services for member firms.

6. At all times material herein, defendant WALTER W. BRINKMAN was the President and Treasurer of the Board of Trade Clearing Corporation. As President, defendant WALTER W. BRINKMAN was responsible to the Board of Governors of the Board of Trade Clearing Corporation for the management and administration of the corporation's business affairs. As Treasurer, defendant WALTER W. BRINKMAN'S responsibilities included ensuring that the books and records of the Board of Trade Clearing Corporation fully and accurately reflected all monies paid out by the Board of Trade Clearing Corporation and contained a true record of the expenses of the corporation.

7. At all times material herein, the Carter-Mondale Re-election Committee, Inc. was an authorized political committee, as defined in Title 2, United States Code, Section 431(6), organized to seek the nomination and re-election of Jimmy Carter to the office of President of the United States and the nomination and re-election of Walter F. Mondale to the Office of Vice President of the United States.

8. At all times material herein, Citizens for Rodino was an authorized political committee, as defined in Title 2, United States Code, Section 431(6), organized to seek the nomination and re-election of Peter W. Rodino, Jr. to the office of Member of the United States House of Representatives from the 10th Congressional District of New Jersey.

9. At all times material herein, the Annunzio For People Committee was an authorized political committee, as defined in Title 2, United States Code, Section 431(6), organized to seek the nomination and re-election of Frank Annunzio to the office of

Member of the United States House of Representatives from the 11th Congressional District of Illinois.

10. At all times material herein, the Russo For Congress Committee was an authorized political committee, as defined in Title 2, United States Code, Section 431(6), organized to seek the nomination and re-election of Martin A. Russo to the office of Member of the United States House of Representatives from the 3rd Congressional District of Illinois.

11. At all times material herein, the Friends of Gillis Long Committee was an authorized political committee, as defined in Title 2, United States Code, Section 431(6), organized to seek the nomination and re-election of Gillis W. Long to the office of Member of the United States House of Representatives from the 8th Congressional District of Louisiana.

12. At all times material herein, the Committee To Re-elect Congressman Leo C. Zeferetti was an authorized political committee, as defined in Title 2, United States Code, Section 431(6), organized to seek the nomination and re-election of Leo C. Zeferetti to the office of Member of the United States House of Representatives from the 14th Congressional District of New York.

13. At all times material herein, the Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq., was a federal law that regulated the organization of political committees supporting candidates running for federal office, and prohibited certain types of political contributions to such political committees. Among the political contributions prohibited by the Federal Election Campaign Act were those made by corporations (Title 2, United States Code, Section 441b(a)) and those made in the names of persons other than the individual or entity whose funds were being donated (Title 2, United States Code, Section 441f).

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14. At all times material herein, the Illinois Election Code, Chapter 46, Illinois Revised Statutes, prohibited certain types of political contributions to political candidates and political committees. Among the political contributions prohibited by the Illinois Election Code were those made in the names of persons other than the individual or entity whose funds were being donated (Chapter 46, Illinois Revised Statutes, Section 9-25).

THE CONSPIRACY

15. From in or before February 1980, and continuing thereafter until in or about January 1983, the exact dates being unknown, in Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

WALTER W. BRINKMAN,

defendant herein, unlawfully, wilfully and knowingly combined, conspired and agreed with other persons known and unknown:

(A) to commit an offense against the United States, namely: to violate the Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq., by knowingly and wilfully causing the Board of Trade Clearing Corporation to make contributions and expenditures aggregating $2000 or more during a calendar year through conduits to various authorized political committees, as defined in Title 2, United States Code, Section 431(6), by consenting to these contributions and expenditures, and by knowingly and wilfully causing contributions to be made in the names of persons other than the true contributor, in violation of Title 2, United States Code, Sections 441b(a), 441f and 437g(d); and

(B) to defraud the United States by impeding, impairing and obstructing the Internal Revenue Service, Department of the Treasury, in the exercise of its lawful governmental functions, namely, the ascertaining, computing, assessing, levying and collecting of income taxes imposed by law on corporations and individuals.

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THE OBJECTS OF THE CONSPIRACY

16. The objects of the conspiracy were to unlawfully contribute funds of the Board of Trade Clearing Corporation to the campaigns of various candidates for political office and their authorized political committees by using employees of the Board of Trade Clearing Corporation as intermediaries and conduits for these contributions and to defraud the United States in connection with the assessment and collection of income tax by the Internal Revenue Service by misrepresenting and concealing the true nature of payments made to employees of the Board of Trade Clearing Corporation as reimbursement for political campaign contributions made by the corporation, through these employees, at the direction of defendant.

THE MEANS BY WHICH THE CONSPIRACY WAS CARRIED OUT

17. It was part of the conspiracy that defendant WALTER W. BRINKMAN and other co-conspirators would and did solicit and direct various subordinate employees of the Board of Trade Clearing Corporation to write personal checks payable to political campaign committees in amounts designated by defendant.

18. It was further a part of the conspiracy that defendant WALTER W. BRINKMAN and other co-conspirators would and did collect these campaign contribution checks from employees of the Board of Trade Clearing Corporation and forward or cause these checks to be forwarded to the designated political campaign committees.

19. It was further a part of the conspiracy that defendant WALTER W. BRINKMAN and other co-conspirators would and did cause to be issued petty cash disbursements and checks drawn on the corporate account of the Board of Trade Clearing Corporation for the purpose of reimbursing employees of the Board of Trade Clearing Corporation for the checks these employees wrote to the designated political campaign committees at the direction and with the consent of defendant.

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20. It was a further part of the conspiracy that in order to conceal the true nature of the corporate reimbursement checks described in paragraph 19, defendant WALTER W. BRINKMAN and other co-conspirators would and did direct that the corporate reimbursement checks described in paragraph 19 be carried on the books of the Board of Trade Clearing Corporation as salary and expense items, and that income tax and Social Security payments be deducted from them, rather than as corporate reimbursements for political contributions made by the corporation, through these employees, at defendant's direction.

21. It was further a part of the conspiracy that in order to conceal the true nature of the corporate reimbursement checks described in paragraph 19, defendant WALTER W. BRINKMAN and other co-conspirators would and did cause the Board of Trade Clearing Corporation to prepare and present Wage and Tax Statements, Forms W-2, for employees of the Board of Trade Clearing Corporation who had written campaign checks at the direction of the defendant, which forms defendant knew would be and were false and fraudulent in that they included the corporate reimbursement checks described in paragraph 19 as wage income of these employees, when in fact they were corporate reimbursements for political contributions made by the corporation, through these employees, at defendant's direction.

22. It was further a part of the conspiracy that in order to conceal the true nature of the corporate reimbursement checks described in paragraph 19, defendant WALTER W. BRINKMAN and others co-conspirators did cause the Board of Trade Clearing Corporation to prepare and present Employee's Quarterly Federal Tax Returns, Forms 941, for the third and fourth quarters of calendar year 1982, which forms defendant knew would be and were false and fraudulent in that they included the corporate reimbursement checks described in paragraph 19 as wage income of these

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employees, when in fact they were corporate reimbursements for political contributions made by the corporation, through these employees, at defendant's direction.

23. It was further a part of the conspiracy that in order to conceal the true nature of the corporate reimbursement checks described in paragraph 19, co-conspirators of defendant WALTER W. BRINKMAN would and did counsel and advise employees of the Board of Trade Clearing Corporation who had written political campaign checks at defendant's direction and who had been reimbursed by the Board of Trade Clearing Corporation for sending these checks to the designated political campaign political committees to claim tax credits on their United States Individual and Joint Individual Income Tax Returns (Forms 1040) in the amount of these checks, whereas they then and there well knew and believed that these employees were not entitled to claim a credit in the amount of these checks since those expenditures had been reimbursed in full by the Board of Trade Clearing Corporation and in fact constituted political campaign contributions by the corporation.

24. It was further a part of the conspiracy that the Board of Trade Clearing Corporation, acting through defendant WALTER W. BRINKMAN and others, made the following illegal campaign contributions, among others:

(A) $800 to the Carter-Mondale Re-election Committee in March 1980;

(B) $800 to the Jane Byrne Dinner Committee in November 1980;

(C) $5000 to the Citizens For Rodino in August 1982;

(D) $5000 to the Annunzio For People Committee in September 1982;

(E) $7750 to the Russo For Congress Committee between December 1981 and September 1982;

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(F) $3000 to the Friends of Gillis Long Committee during June 1982 and July 1982; and

(G) $5250 to the Committee to Re-elect Congressman Leo C. Zeferetti in September 1982.

25. It was further a part of the conspiracy that defendant WALTER W. BRINKMAN and others would and did conceal and hide and cause to be concealed and hidden the objects of and means to accomplish this conspiracy.

OVERT ACTS

26. In furtherance of the conspiracy and to effect its objects, defendant WALTER W. BRINKMAN and other co-conspirator committed the following overt acts, among others, in the Northern District of Illinois, Eastern Division:

(1) Counts Two through Eight of this information are hereby re-alleged and incorporated herein as if fully set forth.

(2) On or about March 14, 1980, an officer of the Board of Trade Clearing Corporation, acting at the direction of defendant WALTER W. BRINKMAN, wrote a check to the Carter-Mondale Re-election Committee in the amount of $200 and solicited and directed three other employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Carter-Mondale Re-election Committee in the amount of $200.

(3) On or about November 28, 1980, an officer of the Board of Trade Clearing Corporation, acting at the direction of defendant WALTER W. BRINKMAN, wrote a check to the Jane Byrne Dinner Committee in the amount of $200 and solicited and directed three other employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Jane Byrne Dinner Committee in the amount of $200.

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(4) On or about December 29, 1981, defendant WALTER W. BRINKMAN wrote a personal check payable to the Russo For Congress Committee in the amount of $250.

(5) On or about December 30, 1981, an officer of the Board of Trade Clearing Corporation, acting at the direction of defendant WALTER W. BRINKMAN, solicited and directed two employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Russo for Congress Committee in the amount of $1000 and a third employee to write a personal check payable to the Russo For Congress Committee in the amount of $750.

(6) Between on or about June 29, 1982 and July 6, 1982, an officer of the Board of Trade Clearing Corporation, acting at the direction of defendant WALTER W. BRINKMAN, solicited and directed and caused others to solicit and direct fifteen employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Friends of Gillis Long Committee in the amount of $250.

(7) On or about July 1, 1982, an employee of the Board of Trade Clearing Corporation solicited and directed two other employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Friends of Gillis Long Committee in the amount of $250.

(8) On or about July 1, 1982, defendant WALTER W. BRINKMAN wrote a personal check payable to the Friends of Gillis Long Committee in the amount of $250.

(9) On or about July 6, 1982, a co-conspirator of defendant WALTER W. BRINKMAN wrote a personal check payable to the Friends of Gillis Long Committee in the amount of $250 and directed another employee

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of the Board of Trade Clearing Corporation to write a personal check payable to the Friends of Gillis Long Committee in the amount of $250.

(10) On or about July 15, 1982, the Board of Trade Clearing Corporation issued checks drawn on the corporation's account at the Harris Bank payable to nineteen employees of the Board of Trade Clearing Corporation as reimbursement of these employees for the checks they wrote to the Friends of Gillis Long Committee.

(11) On or about August 12, 1982, the Board of Trade Clearing Corporation issued a check drawn on the corporation's account at the Harris Bank payable to an employee of the Board of Trade Clearing Corporation as reimbursement for the check he wrote to the Friends of Gillis Long Committee.

(12) Between on or about August 9, 1982 and August 13, 1982, an officer of the Board of Trade Clearing Corporation, acting at the direction of defendant WALTER W. BRINKMAN, solicited and directed and caused others to solicit and direct fifteen employees of the Board of Trade Clearing Corporation to each write a personal check payable to Citizens for Rodino in the amount of $250.

(13) On or about August 12, 1982, an employee of the Board of Trade Clearing Corporation solicited and directed two other employees of the Board of Trade Clearing Corporation to each write a personal check payable to Citizens For Rodino in the amount of $250.

(14) On or about August 3, 1982, defendant WALTER W. BRINKMAN wrote a personal check payable to Citizens For Rodino in the amount of $250.

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(15) On or about August 12, 1982, a co-conspirator of defendant WALTER W. BRINKMAN wrote a personal check payable to Citizens For Rodino in the amount of $250 and directed another employee of the Board of Trade Clearing Corporation to write a personal check payable to Citizens For Rodino in the amount of $250.

(16) On or about August 12, 1982, the Board of Trade Clearing Corporation issued checks drawn on the corporation's account at the Harris Bank payable to twenty employees of the Board of Trade Clearing Corporation as reimbursement of these employees for the checks they wrote to Citizens For Rodino.

(17) Between on or about September 7, 1982 and September 15, 1982, an officer of the Board of Trade Clearing Corporation, acting at the direction of defendant WALTER W. BRINKMAN, solicited and directed and caused others to solicit and direct fourteen employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Annunzio For People Committee in the amount of $250.

(18) On or about September 9, 1982, an employee of the Board of Trade Clearing Corporation solicited and directed three employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Annunzio For People Committee in the amount of $250.

(19) On or about September 9, 1983, a co-conspirator of defendant WALTER W. BRINKMAN wrote a personal check payable to the Annunzio For People Committee in the amount of $250 and directed another employee of the Board of Trade Clearing Corporation to write a personal check payable to the Annunzio For People Committee in the amount of $250.

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(20) On or about September 9, 1982, defendant WALTER W. BRINKMAN wrote a personal check payable to the Annunzio For People Committee in the amount of $250.

(21) On or about September 9, 1982, the Board of Trade Clearing Corporation issued checks drawn on the corporation's account at the Harris Bank payable to twenty employees of the Board of Trade Clearing Corporation as reimbursement of these employees for the checks they wrote to the Annunzio For People Committee.

(22) Between on or about September 15, 1982 and September 17, 1982, an officer of the Board of Trade Clearing Corporation, acting at the direction of defendant WALTER W. BRINKMAN, solicited and directed and caused others to solicit and direct fifteen employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Committee For Zeferetti in the amount of $250.

(23) On or about September 9, 1982, an employee of the Board of Trade Clearing Corporation solicited and directed three other employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Committee For Zeferetti in the amount of $250.

(24) On or about September 14, 1982, a co-conspirator of defendant WALTER W. BRINKMAN wrote a personal check payable to the Committee For Zeferetti in the amount of $250 and directed another employee of the Board of Trade Clearing Corporation to write a personal check payable to the Committee For Zeferetti in the amount of $250.

(25) On or about September 14, 1982, defendant WALTER W. BRINKMAN wrote a personal check payable to the Committee For Zeferetti in the amount of $250.

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(26) On or about September 23, 1982, the Board of Trade Clearing Corporation issued checks drawn on the corporation's account at the Harris Bank payable to twenty-one employees of the Board of Trade Clearing Corporation as reimbursement of those employees for the checks they wrote to the Committee For Zeferetti.

(27) On or about September 28, 1982 and September 29, 1982, an officer of the Board of Trade Clearing Corporation, acting at the direction of defendant WALTER W. BRINKMAN, solicited and directed and caused others to solicit and direct fourteen employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Russo For Congress Committee in the amount of $250.

(28) On or about September 29, 1982, an employee of the Board of Trade Clearing Corporation solicited and directed two other employees of the Board of Trade Clearing Corporation to each write a personal check payable to the Russo For Congress Committee in the amount of $250.

(29) On or about September 29, 1982, a co-conspirator of defendant WALTER W. BRINKMAN wrote a personal check payable to the Russo For Congress Committee in the amount of $250 and directed another employee of the Board of Trade Clearing Corporation to write a personal check payable to the Russo For Congress Committee in the amount of $250.

(30) On or about September 29, 1982, defendant WALTER W. BRINKMAN wrote a personal check payable to the Russo For Congress Commitee in the amount of $250.

(31) On or about October 7, 1982, the Board of Trade Clearing Corporation issued checks drawn on the corporation's account at the Harris Bank payable to nineteen employees of the Board of Trade Clearing Corporation as reimbursement of these employees for the checks they wrote to the Russo For Congress Committee.

In violation of Title 18, United States Code, Section 371.

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COUNT TWO

The UNITED STATES ATTORNEY further charges:

Beginning on or about January 1, 1982 and continuing through on or about December 31, 1982, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

WALTER W. BRINKMAN,

defendant herein, did knowingly and wilfully violate the Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq., which violations involved contributions and expenditures that in the aggregate exceeded $2,000 during calender year 1982, to wit: defendant WALTER W. BRINKMAN, an officer of the Board of Trade Clearing Corporation, did knowingly and wilfully consent to contributions and expenditures of $4750 by the Board of Trade Clearing Corporation during calender year 1982 to the Russo For Congress Committee, an authorized political committee, in connection with the November 2, 1982 General Election;

In violation of Title 2, United States Code, Sections 441b(a) and 437g(d).

83040702499

COUNT THREE

The UNITED STATES ATTORNEY further charges:

Beginning on or about January 1, 1982, and continuing thereafter through on or about December 31, 1982, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere, the

BOARD OF TRADE CLEARING CORPORATION,

defendant herein, acting through its various officers, employees and agents, knowingly and wilfully committed violations of the Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq., which violations involved contributions and expenditures that in the aggregate exceeded $2000 during calender year 1982, to wit: the BOARD OF TRADE CLEARING CORPORATION, defendant herein, knowingly and wilfully made contributions and expenditures to Citizens For Rodino, an authorized political committee, in connection with the November 2, 1982 General Election, in the amount of $5000;

In violation of Title 2, United States Code, Sections 441b(a) and 437g(d).

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COUNT FOUR

The UNITED STATES ATTORNEY further charges:

Beginning on or about January 1, 1982, and continuing thereafter through on or about December 31, 1982, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere, the

BOARD OF TRADE CLEARING CORPORATION,

defendant herein, acting through its various officers, employees and agents, knowingly and wilfully committed violations of the Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq., which violations involved contributions and expenditures that in the aggregate exceeded $2000 during calender year 1982, to wit: the BOARD OF TRADE CLEARING CORPORATION, defendant herein, knowingly and wilfully made contributions and expenditures to Annunzio For People Committee, an authorized political committee, in connection with the November 2, 1982 General Election, in the amount of $5000;

In violation of Title 2, United States Code, Sections 441b(a) and 437g(d).

88040702500

COUNT FIVE

The UNITED STATES ATTORNEY further charges:

Beginning on or about January 1, 1982, and continuing thereafter through on or about December 31, 1982, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere, the

BOARD OF TRADE CLEARING CORPORATION,

defendant herein, acting through its various officers, employees and agents, knowingly and wilfully committed violations of the Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq., which violations involved contributions and expenditures that in the aggregate exceeded $2000 during calender year 1982, to wit: the BOARD OF TRADE CLEARING CORPORATION, defendant herein, knowingly and wilfully made contributions and expenditures to the Russo For Congress Committee, an authorized political committee, in connection with the November 2, 1982 General Election, in the amount of $4750;

In violation of Title 2, United States Code, Sections 441b(a) and 437g(d).

88040702501

COUNT SIX

The UNITED STATES ATTORNEY further charges:

Beginning on or about January 1, 1982, and continuing thereafter through on or about December 31, 1982, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere, the

BOARD OF TRADE CLEARING CORPORATION,

defendant herein, acting through its various officers, employees and agents, knowingly and wilfully committed violations of the Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq., which violations involved contributions and expenditures that in the aggregate exceeded $2000 during calendar year 1982, to wit: the BOARD OF TRADE CLEARING CORPORATION, defendant herein, knowingly and wilfully made contributions and expenditures to the Friends of Gillis Long Committee, an authorized political committee, in connection with the November 2, 1982 General Election, in the amount of $5000;

In violation of Title 2, United States Code, Sections 441b(a) and 437g(d).

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COUNT SEVEN

The UNITED STATES ATTORNEY further charges:

Beginning on or about January 1, 1982, and continuing thereafter through on or about December 31, 1982, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

JAMES E. JOHNSON,

defendant herein, did knowingly and wilfully violate the Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq., which violations involved contributions and expenditures that in the aggregate exceeded $2,000 during calender year 1982, to wit: defendant JAMES E. JOHNSON, an officer of the Board of Trade Clearing Corporation, did knowingly and wilfully consent to contributions and expenditures of $5250 by the Board of Trade Clearing Corporation during calender year 1982 to the Committee to Re-elect Congressman Leo C. Zeferetti, an authorized political committee, in connection with the November 2, 1982 General Election:

In violation of Title 2, United States Code, Sections 441b(a) and 437g(d).

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COUNT EIGHT

The UNITED STATES ATTORNEY further charges:

Between on or about January 1, 1982 and December 31, 1982, at Chicago, in the Northern District of Illinois, Eastern Division,

JAMES E. JOHNSON,

defendant herein, did wilfully cause the Board of Trade Clearing Corporation to fail to keep such permanent books and records as were necessary to accurately establish the amount of salary deductions and non-deductible political campaign contributions to be included on the Board of Trade Clearing Corporation's 1982 United States Corporate Income Tax Return, Form 1120, as required by law;

In violation of Title 26, United States Code, Section 7203 and Title 18, United States Code, Section 2.

UNITED STATES ATTORNEY

HMP/nw/wpc

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Exhibit G

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

FILE

OCT 1 9 1984

JUDGE MARVIN E. ASPEN
U.S. DISTRICT COURT

OCT 24 1984

UNITED STATES OF AMERICA	)	
	)	
vs.	)	No. 84 CR 680
	)	Honorable Marvin E. Aspen
BOARD OF TRADE CLEARING CORPORATION	)	

PLEA AGREEMENT

Pursuant to Rule 11 of the Federal Rules of Criminal Procedure, the United States of America, by DAN K. WEBB, United States Attorney for the Northern District of Illinois, and the defendant, BOARD OF TRADE CLEARING CORPORATION ("the corporation"), by and through its Board of Governors, and the corporation's attorney, Don H. Reuben, have agreed upon the following:

1. The Board of Governors of the corporation acknowledges that the corporation has been charged in the information in this case with violations of Title 2, United States Code, Sections 441b(a) and 437g(d), each of which is a misdemeanor.

2. The Board of Governors of the corporation has reviewed the charges against the corporation contained in the information, and those charges have been fully explained to the Board of Governors by the corporation's attorney.

3. The Board of Governors of the corporation fully understands the nature and elements of the crimes with which the corporation has been charged.

4. Defendant intends to offer a plea of nolo contendre to Counts Three through Six of the information in this case. The government intends to oppose the acceptance by the Court of a plea of nolo contendre by the corporation. If the Court declines to accept defendant's plea of nolo contendre, the corporation will enter a voluntary plea of guilty to Counts Three through Six of the information in this case.

5. Defendant agrees that this Plea Agreement shall be filed and become a part of the record in this case.

EXHIBIT G

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6. If the Court accepts defendant's plea of nolo contendre over the government's objection, defendant will acknowledge that the evidence the government would offer would show the following, without admitting the truth of the underlying facts; if, however, the Court rejects that plea and defendant pleads guilty, defendant will acknowledge the following facts, without qualification:

The Board of Trade Clearing Corporation (Clearing Corporation) is an entity in Chicago that clears all of the trades on the Chicago Board of Trade.

During 1980-82, the Clearing Corporation through Walter Brinkman and James Johnson, who were then the president and executive vice president of the corporation, respectively, made campaign contributions to federal candidates with corporate funds that were illegal because a corporation cannot make such contributions and because the contributions were made in the names of persons other than the real contributor (the corporation). The method used to make these illegal contributions was to use the corporation's employees as "straw men." The procedure that these officers of the Clearing Corporation followed was to tell employees to write personal checks payable to the campaigns of certain designated candidates. The checks were given to the political candidates or their campaign committees. Each employee was reimbursed from corporate funds, either with a "miscellaneous" or "bonus" check or with cash from petty cash.

Walter Brinkman and James Johnson, in their capacity as officers of the Clearing Corporation directed and orchestrated the scheme. From time to time, Walter Brinkman would receive requests for political contributions. He would then direct other officers and employees of the corporation to collect the checks from the employees, with the understanding that the employees would be reimbursed from corporate funds. James Johnson collected most of the checks. Walter Brinkman would then pass on the checks to another person who would give the checks to the candidate or a representative of the candidate. About twenty employees participated at the request of Walter Brinkman, James Johnson and others.

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The following contributions, among others, were made pursuant to the scheme:

(1) $800 to the Carter-Mondale Presidential Committee in March 1980;

(2) $800 to the Jane Byrne Dinner Committee in November 1980;

(3) $5000 to the Citizens for Rodino Committee in August 1982;

(4) $5000 to the Annunzio for People Committee in September 1982;

(5) $7750 to the Russo For Congress Committee between December 1981 and September 1982;

(6) $5000 to the Friends of Gillis Long Committee between June 1982 and July 1982; and

(7) $5250 to the Committee to Re-elect Congressman Leo C. Zeferetti in September 1982.

7. The Board of Governors of the corporation understands that each of the four counts in the information carries a maximum penalty of a fine of $25,000.

Therefore, the total potential sentence carried under the counts to which defendant will plead guilty of, if the Court permits, nolo contendre, is a $100,000 fine.

8. The Board of Governors of the corporation understands that by entering a plea of guilty or nolo contendre, the corporation surrenders certain rights, including the following:

(1) If defendant persisted in a plea of not guilty to the charges against it, the corporation would have the right to a public and speedy trial. The trial could be either a jury trial or a trial by the judge sitting without a jury. The defendant has a right to a jury trial. However, in order that the trial be conducted by the judge sitting without a jury, the defendant, the government and the judge all must agree that the trial be conducted by the judge without a jury.

(2) If the trial is a jury trial, the jury would be composed of twelve laypersons selected at random. Defendant and its attorney would have a say in who the jurors would be by removing prospective jurors for cause where actual bias or other

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disqualification is shown, or without cause by exercising so-called peremptory challenges. The jury would have to agree unanimously before it could return a verdict of either guilty or not guilty. The jury would be instructed that defendant is presumed innocent, and that it could not convict the corporation unless, after hearing all the evidence, it was persuaded of defendant's guilt beyond a reasonable doubt, and that it was to consider each count of the indictment separately.

(3) If the trial is held by the judge without a jury, the judge would find the facts and determine, after hearing all the evidence, and considering each count separately, whether or not the judge was persuaded of defendant's guilt beyond a reasonable doubt.

(4) At a trial, whether by a jury or a judge, the government would be required to present its witnesses and other evidence against defendant. Defendant would be able to confront those government witnesses and its attorney would be able to cross-examine them. In turn, defendant could present witnesses and other evidence in its own behalf. If the witnesses for defendant would not appear voluntarily, the corporation could require their attendance through the subpoena power of the court.

9. The Board of Governors of the corporation understands that by entering a plea of guilty or nolo contendre, the corporation is waiving all the rights set forth in the prior paragraph. The corporation's attorney has explained those rights to the Board of Governors, and the consequences of its waiver of those rights.

10. The Board of Governors of the corporation understands that the United States Attorney's Office will fully apprise the District Court and the United States Probation Office of the nature, scope and extent of defendant's conduct regarding the charges against it, and related matters, including all matters in aggravation and mitigation relevant to the issue of sentencing.

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11. The Board of Governors of the corporation agrees that the corporation will fully cooperate with the government in any investigation in which it is called upon to cooperate which is related to or results from the charges in this case.

12. The Board of Governors of the corporation understands that the United States Attorney reserves the right to notify any state or federal agency by whom defendant is licensed, or with whom defendant does business, of defendant's conviction.

13. At the time of sentencing, the government shall recommend that the court impose a fine of $100,000 and will make known to the court the extent of the defendant's cooperation.

14. The Board of Governors of the corporation and its attorney acknowledge that no threats, promises, or representations have been made, nor agreements reached, other than those set forth in this agreement, to induce defendant to enter a plea of guilty or nolo contendre.

15. It is understood by the parties that the sentencing judge is neither a party to nor bound by this agreement and is free to impose the maximum penalties as set forth in paragraph seven above.

AGREED:

DAN K. WEBB
Assistant United States Attorney

WILLIAM T. O'CONNOR
Chairman of the Board of Governors,
Board of Trade Clearing Corporation
Defendant

BARRY RAND ELDEN
Assistant United States Attorney

DON H. REUBEN
Attorney for Defendant

HOWARD M. PEARL
Assistant United States Attorney

HMP/nw/wpc

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BOARD OF TRADE CLEARING CORPORATION

CERTIFICATE OF SECRETARY

I, John Walsh, Secretary of Board of Trade Clearing Corporation, DO HEREBY CERTIFY:

1. That William F. O'Connor is the duly elected Chairman of the Board of Governors of the Board of Trade Clearing Corporation and the signature opposite his name is the genuine signature of said person.

Name	Title	Signature
William F. O'Connor	Chairman of the Board of Governors	

2. That the resolution attached hereto and made a part hereof was a resolution concerning a plea agreement in 84 CR 689 and was duly adopted by the Board of Governors of the Board of Trade Clearing Corporation at a meeting duly called and held on September 19, 1984, in the offices of the Clearing Corporation.

3. IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Corporation this 17th day of October, 1984.

(Seal)

Assistant Secretary

The undersigned, as Chairman of the Board of Governors of the Board of Trade Clearing Corporation, hereby certifies that John Walsh is the duly elected and acting Secretary of the Corporation and the signature above is his genuine signature.

William F. O'Connor

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WHEREAS, on September 13, 1984, as a result of a two year investigation by the United States Attorney, an information was filed against the Corporation charging it in Counts Three, Four, Five and Six with making illegal federal election campaign contributions to persons seeking public office and, thereby, violating the Federal Election Campaign Act, Title 2, United States Code, Sections 441b(a) and 437g(d); and

WHEREAS, no member of the Board of Governors nor any stockholder-clearing member has been charged with wrongdoing and the employees that have been charged have all resigned; and

WHEREAS, it is in the best interest of the Corporation to dispose of the Government's action expeditiously and by agreement;

NOW THEREFORE BE IT RESOLVED, that the Corporation hereby authorizes William F. O'Connor, Chairman, to sign the plea agreement to be negotiated by counsel on the Corporation's behalf with the U.S. Attorney; and

FURTHER RESOLVED, that the Corporation hereby authorizes the law firm of Reuben & Proctor to move the federal court to accept a plea of nolo contendere in lieu of a plea of guilty on these Counts and, in the event said nolo contendere plea is denied by the court, to enter a guilty plea on said Counts.

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Exhibit H

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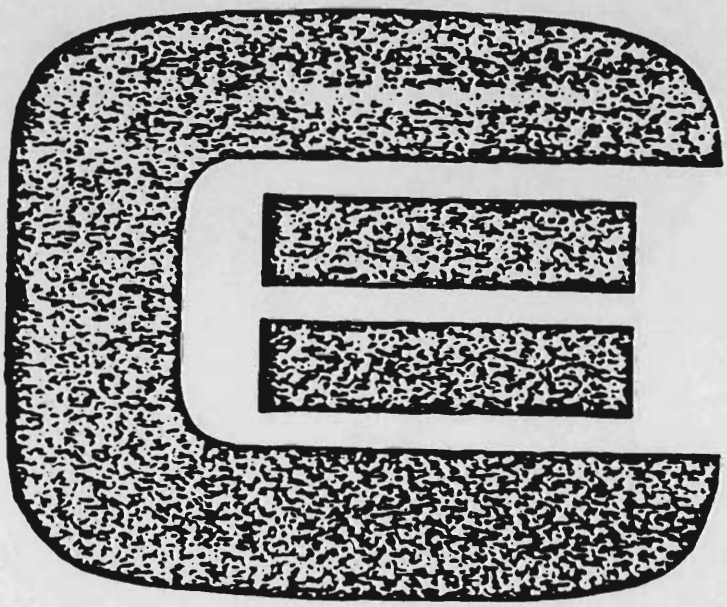
BOARD OF TRADE

CLEARING CORPORATION



EMPLOYEE HANDBOOK

EXHIBIT H

88040702514

CONTENTS

Section I	Introductory Statement	1
Section II	Employment	
	Equal Opportunity	4
	Recruitment and Selection	5
	Evaluation	6
	Promotion	7
	Termination	8
	Exit Interview	10
Section III	Payroll and Working Conditions	
	Supervision	11
	Hours	12
	Pay Periods, Taxes & Deductions	13
	Overtime	14
	Compensatory Time	15
	Recording Time Worked	16
	Absenteeism	17
	Lateness	19
	Meal Breaks & Rest Periods	20
Section IV	Leaves of Absence	
	Vacation Leave	21
	Sick Leave	24
	Disability Leave	26
	Bereavement Leave	27
	Jury Duty	28
	Military Leave	29
	Personal Leave	30

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Section V	Other Benefits	
	General Statement on Benefits	31
	Group Health Insurance	32
	Group Life Insurance	33
	Disability Income Protection	34
	Pension and Retirement	35
	Employee Thrift Plan	36
	Tuition Reimbursement	37
	Workmen's Compensation	38
	Holidays	39
Section VI	Professional Conduct	
	Professional Integrity	40
	Intoxicants and Drugs	41
	Smoking	42
	Eating on the Job	43
	Visitors	44
Section VII	Employee Responsibility	
	Employee Records	45
	Insurance Claims	47
	Telephone Usage	48
	Professional Development	49
	Bulletin Boards	50
	Gifts	51
Section VIII	Safety and Security	
	Safety and Accidents	52
	Security	53
Employee Personal Data		54
Receipt Page		55

8804070251 6

SUBJECT Employee Handbook Changes & Additions			REV 1	DATE 05-03-79
Policy No.	Page No.	Description	Rev	Date
0760	51.1	Employment Outside the BOTCC	0	05-01-79

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SECTION I

INTRODUCTORY STATEMENT

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INTRODUCTORY STATEMENT

THE BOARD OF TRADE
CLEARING CORPORATION & YOU

If you were to mention to someone that you were part of an organization whose financial responsibilities were roughly equal in size to the total budget of the United States Government, the chances are they would immediately picture some huge company with - at the very least - many thousands of employees.

The fact, of course, is that the Board of Trade Clearing Corporation is not a huge, sprawling company with thousands of employees. It is a relatively small organization. Almost from the outset, you will know most or all of your fellow employees - the people upon whom you will depend and who will depend upon you.

Yet the Clearing Corporation is, indeed, one of the world's major financial institutions. The value of the transactions which it "clears" is frequently in excess of a billion dollars in the course of a single working day.

From this, it should be readily apparent that there are no unimportant jobs.

Your job is important.

And you are important.

The success of the Clearing Corporation depends directly on the skill and efforts of each of its employees - and, as you would

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expect, on cooperation and teamwork.

In the following pages, we shall attempt to briefly describe - so that you might share in our sense of pride and accomplishment - the vitally important role of the Clearing Corporation. You will also find information regarding the policies, benefits, and responsibilities of your job with the Board of Trade Clearing Corporation.

WHAT THE CLEARING CORPORATION DOES

The Clearing Corporation can be described as the "nerve center" of the world's largest commodity futures exchange - the Chicago Board of Trade. Although the Clearing Corporation is a separate and distinct organization, its purpose is to facilitate the orderly buying and selling of futures contracts on the Board of Trade. If the Clearing Corporation did not exist - or if it did not perform its job both well and rapidly - futures trading would come to an abrupt stop.

Specifically, the Clearing Corporation has two major responsibilities. The first is to "clear" all transactions which occur on the trading floor of the Board of Trade. That is, to precisely match each purchase with its corresponding sale. That this is no simple task is illustrated by the fact that, on a given day, there may be as many as 200,000 separate transactions. And almost no two are identical. They vary as to the identities of the buyer and seller, the commodity bought and sold, the delivery month specified, the quantity, and the price. Utilizing the Clearing Corporation's highly sophisticated computer capability, it is possible to complete the job of matching most trades within two hours after the day's close of trading.

A second responsibility is to provide for the prompt computation and payment of all gains and losses resulting from the day's trading activity. This can easily involve tens of millions of dollars.

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The Clearing Corporation is responsible for assuring that its member firms - firms which buy and sell on the Board of Trade - maintain sufficient funds on deposit at all times to cover their financial obligations. During times of sharply changing prices, this may require calling on a member firm to deposit hundreds of thousands or even millions of dollars on an hour's notice.

Both of these responsibilities - the precise matching of trades and the computation and payment of gains and losses - must be completed on a day by day basis. Trading cannot begin on any day until all accounts have been settled from the previous day's trading. This, in brief, is the job of the Clearing Corporation. And helping to accomplish it is YOUR job.

The Clearing Corporation has published two very readable booklets which you should take time to read. The first, "From Closing Bell to Opening Bell" is designed to acquaint readers with the "what, why, and how" of the the Clearing Corporation. The second, " A Party to Every Trade" explains its organization and operations. Both should contribute to a better understanding of your own job and its importance.

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SECTION II

EMPLOYMENT

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0200	Effective Date: 01-01-79
SUBJECT: Equal Opportunity		Revised Date:
APPLIES TO: All Employees		

Equal Opportunity

The Board of Trade Clearing Corporation is an equal opportunity employer and hires, evaluates, and promotes an employee solely on the basis of training, education, experience and performance.

The Clearing Corporation complies with all federal and state laws applicable regarding its employment policy. The Clearing Corporation does not discriminate against any person either in hiring, or with respect to compensation, terms, conditions, or priviledges of employment on the basis of race, religion, color, sex, national origin, age or physical or mental handicap not related to the ability to perform the job.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0210	EFFECTIVE DATE 01/01/79
SUBJECT: RECRUITMENT AND SELECTION		Revised Date: 11/01/83
APPLIES TO: All Permanent, Full-Time Employees		

Recruitment and Selection

The Personnel Department will advertise all job openings in compliance with federal and state regulations. In all instances, the best qualified applicant will be employed.

If a current, full-time employee is responsible for the recruitment of an individual that is hired by the Clearing Corporation, the recruiting staff member will be granted a Recruiting Award of $250.00 after the recruiter and the recruited employee complete six months of continuous service. The six month period of continuous employment for both the recruiter and the recruited employee commences on the first date of employment of the recruited employee by the Clearing Corporation.

This award will not be paid to officers, department managers, or to employees recommending relatives for employment. This award must be considered compensation and as such is subject to income tax and FICA.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0220	Effective Date: 01-01-79
SUBJECT: Evaluation		Revised Date:
APPLIES TO: All Employees		

Evaluation

Individual performance, potential, and salary will be reviewed once each year, normally on the anniversary date of employment. The immediate supervisor will complete and discuss an Employee Appraisal Form with the employee.

The performance evaluation will be based on demonstrated ability to carry out work assignments, adaptability, judgement, attitude, co-operation, punctuality, attendance, and the ability to work with others. At that time, the supervisor will review this evaluation with the employee, as this provides an opportunity to commend good work and also to discuss areas in which one's work needs improvement. The employee will be asked to sign the form to show that the report has been read. In addition, the employee will always, through proper channels, have an opportunity to discuss job responsibilities and compensation with an officer of the Corporation.

On special occasions, to reward a particularly conscientious and industrious employee, salary reviews may be conducted at unscheduled times, either midway between annual reviews or as occasioned by particular circumstances, with approval of the President.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0230	Effective Date: 01- 01-79
SUBJECT: Promotion		Revised Date:
APPLIES TO: All Employees		

Promotion

It is the policy of the Board of Trade Clearing Corporation to fill the vacancies by promoting from within whenever qualified employees are available.

Positions becoming available are submitted to the Personnel Department. All staff employees are free to discuss the possibility for promotions and transfers with their supervisor or the Personnel Department. In most instances, vacancies which may represent a promotion to employees will be announced on selected bulletin boards throughout the Corporation. Such inter-office posting precedes announcement to the public.

Salary increases, as well as promotions to more responsible duties, are based on merit and not on length of service.

Promotions are based primarily on the following factors: possession of skills, abilities, professional characteristics required of the higher position, satisfactory work performance, and prior experience. All qualifications being equal, seniority is an additional factor.

If an employee is interested and feels qualified in terms of experience and skill required to fill an available position, the supervisor should first be notified, and then application for the position can be made at the Personnel office.

If the request for a promotion also means a departmental change, a transfer will be made only after the supervisor in both areas are informed of the possibility of promotion, their judgements have been expressed in the matter, and approval has been received from the President.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0240	Effective Date: 01-01-79
SUBJECT: Termination		Revised Date:
APPLIES TO: All Employees		

Termination

An employee may be terminated or dismissed if the work and/or funds are reduced to require such action, or if in the opinion of the supervisor, the employee fails to render satisfactory services, including, but not limited to, any of the following reasons: Continued or gross neglect of duty; Absence without leave, or failure to give proper notice of absence; Incompetence, or unwillingness to render satisfactory service as shown by employee appraisal ratings; Mental or physical disability relating to the specific job performed in the absence of eligibility for retirement; Insubordination or serious breach of discipline; Reporting to work under the influence of drugs or intoxicants, narcotics or similar controlled substances or use of, sale, or possession of same while on duty; Willfull violation of any personnel policies; Material falsification of application or of any other Corporation document.

In cases of severe violations of dismissal grounds, an employee may be asked to leave the premises immediately, taking only personal items.

To resign in good standing an employee must give the immediate supervisor written notice at least 14 calendar days prior to termination with a copy to the Director of Personnel, unless the immediate supervisor, with the approval of the President, agrees to permit a shorter period of notification. A reasonable notice provides time to arrange for final pay and benefit conversion, to find a replacement, to schedule an exit interview with Personnel and to adjust department work schedules.

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SUBJECT: Termination	POLICY NUMBER 0240

Timeliness in reporting one's intention to resign as well as the return of all Clearing Corporation property such as keys, I.D. cards, reports, books, manuals, etc., assures that the resignation is recorded as in good standing.

When termination is due to retirement, see policy on pension/retirement.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0250	Effective Date: 01-01-79
SUBJECT: Exit Interview		Revised Date:
APPLIES TO: All Employees		

Exit Interview

Each employee who is terminated, resigns, or retires from the Clearing Corporation will be scheduled for an interview with the Director of Personnel. This interview is to be a part of the employee clearance procedure and should be completed several days prior to the last day on the job. It is the responsibility of each supervisor to help coordinate the time for this procedure with Personnel.

The object of the exit interview is to serve the following purposes: Complete necessary forms related to leaving the employment of the Corporation; Explain termination of benefits such as group insurance and retirement; Give instruction on continuation of certain benefits and assist in completion of required related forms; Discuss why the employee is leaving the Corporation; Discover the employee's attitude toward the job, supervision and the Corporation, including suggestions and recommendations for improvement; To foster good relations with the employee.

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SECTION III

PAYROLL AND WORKING CONDITIONS

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0300	Effective Date: 01-01-79
SUBJECT: Supervision		Revised Date:
APPLIES TO: All Employees		

Supervision

Supervisory personnel determine an employee's work assignments, duties and responsibilities.

Any questions regarding an employee's job, the operations of the Clearing Corporation, policies or procedures, may be asked of the immediate supervisor who will provide or obtain the information requested.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0310	Effective Date: 01-01-79
SUBJECT: Hours		Revised Date:
APPLIES TO: All Full-Time Employees		

Hours

The Clearing Corporation operates Monday through Friday with a 35 hour work week considered normal. Individual employee starting times will differ depending upon job responsibilities and the particular shift to which they are assigned.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0320	EFFECTIVE DATE 01/01/79
SUBJECT: PAY PERIODS, TAXES AND DEDUCTIONS		Revised Date: 08/11/83
APPLIES TO: All Permanent, Full-Time Employees		

Pay Periods, Taxes and Deductions

Pay checks are issued every other Friday. Gross pay for each permanent, full-time employee totals 1/26 of annual compensation. An employee starting other than at the beginning of an established pay period shall be paid proportionately for the days worked prior to the beginning of a new pay period.

Half of the cost of Social Security is paid by the Clearing Corporation; the other half is paid by the employee through payroll deductions. Social Security benefits are in addition to those provided under the BOTCC insurance and pension plans. All deductions are detailed on the earnings statement which accompanies each check. The statement shows current deductions, and year-to-date information on all deductions.

Before beginning work, new employees are required to fill out a Withholding Exemption Certificate (W-4 Form) stating the number of exemptions. If the number of exemptions changes any time during employment, visit the Office Manager and fill out a new form. Signature is required.

Any questions about pay checks may be taken up with the immediate supervisor of the Executive Vice President.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0330	Effective Date: 01-01-79
SUBJECT: Overtime		Revised Date:
APPLIES TO: All Nonexempt Employees		

Overtime

There may be times when it will be necessary for an employee to work overtime, although every effort is made to avoid the necessity for this.

Overtime provisions cover only employees whose positions are classified as nonexempt. For purposes of determining compensation, overtime is calculated on a daily basis. Thus, if on any given day an employee works more than the number of hours on which the compensation is based, payment at the overtime rate will be made for any hours worked in excess of eight. Overtime pay is equivalent to one-and-one-half times the employee's regular hourly rate of compensation. Any nonexempt employee who works on a Sunday or a holiday will be paid double the regular rate of hourly compensation regardless of the number of hours the employee has worked during the other days of the week.

Hours which are paid but not worked such as vacation periods, holidays, sick and funeral leave are excluded from calculations to determine overtime compensation for an employee. This policy is in keeping with Federal Wage and Hour Laws pertaining to pay for certain idle hours.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0340	Effective Date: 01-01-79
SUBJECT: Compensatory Time		Revised Date:
APPLIES TO: All Employees		

Compensatory Time

It is the practice of the Corporation to pay a fair and equitable compensation that is internally consistent and externally competitive and provide a program of benefits that equals or exceeds industry norms.

It is the policy of the Clearing Corporation to continue a sound wage and salary program with a continual emphasis on improved benefits in lieu of compensatory time off.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0350	Effective Date: 01-01-79
SUBJECT: Recording Time Worked		Revised Date:
APPLIES TO: All Employees		

Recording Time Worked

Time cards and a time clock are provided and all employees are required to clock in at the beginning and ending of each day. In addition, those employees whose positions are nonexempt are also required to clock in and out for meal breaks.

Accurate records of time are necessary because of federal and state laws as well as for security, insurance, and payroll accounting purposes. In addition, there may be situations in which a precise record of an employee's time on the job may be necessary for the computation of certain employee benefits.

No employee is permitted under any circumstances to record a time card for any other employee.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0360	Effective Date: 01-01-79
SUBJECT: Absenteeism		Revised Date:
APPLIES TO: All Employees		

Absenteeism

Attendance on the job of all employees is vitally important to the smooth functioning of all operations of the Board of Trade Clearing Corporation. Failure of one employee to be on the job can disrupt or inconvenience other interrelated jobs. The success of an employee depends largely on how well the job is covered each day.

Whenever possible, medical, dental, and other appointments and activities of a personal nature should be scheduled so as not to conflict with normal working hours. In the event it becomes necessary to arrive at work late, leave early, or be absent during working hours, requests should be made with the immediate supervisor as far in advance as possible.

When as employee is unable to report to work, for any reason, the immediate supervisor should be notified as early as possible on the first day of absence.

When the absence is prolonged, the employee shall keep the immediate supervisor informed as to the anticipated date of return. If the supervisor cannot be contacted, the employee may notify the Personnel Department who will inform the supervisor so that arrangements may be made to cover the workload of the department.

An employee who is absent for three consecutive working days without properly notifying the supervisor may be subject to separation without notice.

Five consecutive working days of absence without properly notifying the supervisor will be cause for automatic separation without notice.

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SUBJECT: Absenteeism	POLICY NUMBER 0360

Days absent due to: Illness (self or family); Accident (self or family), other than self accident on the job; Personal reasons; Dicipline; Transportation; or Inclement weather; will be charged against the employee's sick leave.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0370	Effective Date: 01-01-79
SUBJECT: Lateness		Revised Date:
APPLIES TO: All Employees		

Lateness

If for any reason an employee expects to be delayed in arriving to work, the immediate supervisor should be notified by telephone as early as possible.

Employees who are habitually late are subject to diciplinary action.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0380	Effective Date: 01-01-79
SUBJECT: Meal Breaks and Rest Periods		Revised Date:
APPLIES TO: All Full-Time Employees		

Meal Breaks and Rest Periods

The Clearing Corporation provides each employee with the opportunity to take a one hour meal break each day. Employees are encouraged to take this time and are asked to schedule it with their immediate supervisor so that an entire department will not be away from the Corporation at the same time. Supervisors are expected to schedule meal breaks within their departments.

Rest periods are counted as part of an employee's working time. Coffee is available for employees in the lunch room and, insofar as it does not interfere with an employee's duties, one or two brief breaks from work during the day are encouraged. The appropriate frequency and duration of such breaks can be discussed with the immediate supervisor. It is the responsibility of the individual department manager to see that this privilege is scheduled so as not to disrupt the regular Corporation procedures.

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SECTION IV

LEAVES OF ABSENCE

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0400	EFFECTIVE DATE 08/15/83
SUBJECT: VACATION LEAVE		Revised Date: 08/12/83
APPLIES TO: All Permanent, Full-Time Employees		

Vacation Leave

Each calendar year, permanent, full-time employees that have completed at least six months of service in the calendar year that they are employed with the Corporation may be eligible for vacation leave. Vacations are based on length of service and are calculated on the calendar year (January 1 through December 31).

Vacation days shall not be cumulative year to year. Vacation days must be used only in the calendar year they are scheduled, with the immediate supervisor and submitted for approval to the Executive Vice President and in no event shall vacation days be taken until the completion of six months of continuous employment in the calendar year.

During the first calendar year of employment, employees may be eligible for vacation with pay according to the following schedule:

Length of Continous Service	Amount of Vacation Time
6 months but less than 12 months	5 days

Each employee who has completed at least one calendar year of continous service to the Corporation before January 1, of the ensuing year, may be eligible for vacation with pay according to the following schedule:

Continous Service on January 1 of Calendar Year	Amount of Vacation Time
1 year but less than 5 years	10 business days
5 years but less than 7 years	15 business days
7 years but less than 20 years	20 business days
20 years but less than 40 years	25 business days
40 years or more	30 business days
Corporate Officers	30 business days

Ten days of vacation must be taken consecutively each year.

SUBJECT: VACATION LEAVE	POLICY NUMBER 0400

Continued employment with the Corportion is a precondition for eligibility to vacation pay and benefits; an employee who resigns or is discharged shall receive no vacation pay for the period subsequent to the date of the termination of said employee.

The checks for vacation pay will not be distributed to employees prior to their commencement of vacation leave. The checks for vacation pay will be distributed to the employees on the normal pay day as specified in Policy Number 0320.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0410	EFFECTIVE DATE 8/15/83
SUBJECT: VACATION LEAVE		Revised Date: 8/10/83
APPLIES TO: All Permanent, Full-Time Employees		

Vacation Leave

Employees who are exempt from overtime pay shall be entitled to five (5) days vacation with pay in a calendar year after completion of six months of continuous service.

These days are in addition to the regular vacation leave policy schedule and must, as with all vacation leave, be scheduled with the immediate supervisor and submitted for approval to the Executive Vice President.

An employee who resigns or is discharged shall receive no vacation pay under this section subsequent to the date of the termination of said employee.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0420	Effective Date: 01-01-79
SUBJECT: Sick Leave		Revised Date:
APPLIES TO: All Permanent, Full-Time Employees		

Sick Leave

The Clearing Corporation provides sick leave benefits for the express purpose of extending some measure of income protection to the staff at times when it may be most needed. Each member is expected to share in creating this income protection by judicious use of sick leave.

During the first calendar year of employment paid sick leave shall be determined by the following chart:

Length of Employment	Paid Sick Days
Less than 6 months	0
6 months but less than 8 months	2 days
8 months but less than 10 months	3 days
10 months but less than 12 months	4 days

Each employee who has completed at least one calendar year of continuous service to the Clearing Corporation, or the initial period described above, shall be eligible for sick leave with pay beginning January 1 of each year according to the following schedule:

Length of Continuous Employment	Paid Sick Days
12 months but less than 3 years	5 days
3 years but less than 5 years	10 days
5 or more years	10 days plus 2 days for each year of service.

After three or more days of consecutive absence due to illness or medical disability an employee will not be allowed to return to work without a release from a licensed medical practitioner. These

SUBJECT: Sick Leave	POLICY NUMBER 0420

certificates are to be given to the Personnel Department for inclusion in the employee's individual file. The Personnel Department will provide copies to the appropriate supervisor.

Sick leave is a short-term salary continuation plan extended by the Clearing Corporation solely for the purpose of protecting an employee's income only if and when illness or medical disability occurs.

Sick leave is not cumulative from year to year and will not be paid upon termination.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0430	Effective Date: 01-01-79
SUBJECT: Disability Leave		Revised Date:
APPLIES TO: All Permanent, Full-Time Employees		

Disability Leave

The Clearing Corporation provides each permanent, full-time employee with short term medical disability coverage. Employees are asked to refer to the "Group Insurance Benefits" booklet regarding specific coverage, schedule of benefits and limitations.

If an absence occurs due to temporary medical disability or if the employee is aware that a medical leave is pending, the immediate supervisor and the Personnel Department should be notified as soon as is possible.

In any case of temporary medical disability, it will be necessary to provide a certificate from the employee's attending physician stating when the employee is no longer medically able to perform the duties of the job and, at the end of the medical disability, another certificate from the employee's attending physicial stating the date on which the employee is fully able to return to the job. These certificates should be submitted to the Personnel Department who, in turn, will give copies to the appropriate supervisor.

The Clearing Corporation views any disability caused or contributed to by pregnancy, miscarriage, abortion, childbirth and recovery therefrom as it would view any other temporary medical disability.

In any absence due to medical disability, an employee may return to the same job or to a comparable job without loss of seniority for a period of time not to exceed six months.

If, at the end of six months, an employee is unable to return to work and fully perform the duties of the job, termination will occur.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0440	Effective Date: 01-01-79
SUBJECT: Bereavement Leave		Revised Date:
APPLIES TO: All Permanent, Full-Time Employees		

Bereavement Leave

Five days emergency leave with pay will be granted a permanent, full-time employee in the case of a death in the immediate family. The immediate family is defined as spouse, son, daughter, and parent.

Request to attend funerals of other relatives will be considered on an individual basis; however, one day leave with pay will be considered normal.

If more time is needed than is provided above for immediate family or other relatives, the additional time may be charged to the employee's sick leave.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0450	Effective Date: 01-01-79
SUBJECT: Jury Duty		Revised Date:
APPLIES TO: All Permanent, Full-Time Employees		

Jury Duty

Any permanent, full-time employee who is called for jury duty will continue in full pay status with the Clearing Corporation in addition to jury duty pay.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0460	Effective Date: 01-01-79
SUBJECT: Military Leave		Revised Date:
APPLIES TO: All Permanent Employees		

Military Leave

If an employee is required by competent orders of the National Guard, or of any reserve component of the armed forces of the United States, to report to duty or training, the Clearing Corporation will make up the difference between the employee's military pay and the regular compensation for a period not to exceed 15 days in any one calendar year. Paid military leave is granted in addition to any vacation earned each year.

To enable work of the department to be continued without disruption, at least two weeks notice should be given in requesting a military leave of absence.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0470	Effective Date: 01-01-79
SUBJECT: Personal Leave		Revised Date:
APPLIES TO: All Permanent, Full-Time Employees		

Personal Leave

Time off from work for a personal reason is not a privilege of employment. Personal time away from work may be requested however, in only the most extreme circumstances and, if granted, will be done solely by the President.

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SECTION V

OTHER BENEFITS

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0500	Effective Date: 01-01-79
SUBJECT: General Statement on Benefits		Revised Date:
APPLIES TO: All Permanent, Full-Time Employees		

General Statement on Benefits

Every effort has been made to develop, and to continuously improve, a program of fair and enlightened employee benefits.

On the following pages, information concerning a number of these benefits is summary information only. Specific questions, such as how to enroll additional dependents in the health insurance plan, or how to change beneficiaries, can be answered by the Personnel Department. Questions concerning coverage and benefits, effective dates, termination, conversion, and other matters also may be discussed with Personnel.

The ensuing descriptions provide only an overview of benefit programs. Quite naturally, additional questions will occur. When they do, ask the supervisor or contact the Personnel Department.

In some cases, separate and more detailed summaries of specific benefit programs will also be distributed. These should be carefully reviewed. Should further clarification be required, insurance contracts and plan documents are binding.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0510	Effective Date: 01-01-79
SUBJECT: Group Health Insurance		Revised Date:
APPLIES TO: All Permanent, Full-Time Employees		

Group Health Insurance

All permanent, full-time employees and their eligible dependents are covered by a group health insurance policy. The insurance becomes effective 31 calendar days after commencement of employment with the BOTCC and is paid fully by the Clearing Corporation.

In addition to the specific hospital and surgical benefits, the insurance provides coverage for diagnostic procedures, accidental injury, pregnancy, and dental cost. Major medical benefits are also provided.

General information and procedures regarding filing claims, medical and dental forms, can be obtained from the Personnel Department. I formation on converting insurance benefits to individual coverage upon termination may also be obtained from Personnel.

For detailed information on health insurance, dental and disability examine the "Group Insurance Benefits" booklet provided during new employee orientation.

BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0520	EFFECTIVE DATE 09/01/82
SUBJECT: GROUP LIFE INSURANCE		Revised Date: 08/10/83
APPLIES TO: All Permanent, Full-Time Employees		

Group Life Insurance

The Clearing Corporation pays the full cost of a life insurance policy which covers all permanent, full-time employees and their dependents. The insurance becomes effective after the completion of 31 calendar days of continous service.

Specific information concerning coverage and conversion is provided in a booklet entitled "Group Insurance Benefits". Each employee receives a copy of this booklet upon commencement of employment.

The amounts of life insurance are as follows:

LIFE INSURANCE - FOR YOU ONLY

Amount of insurance - 2 times your basic annual salary or wage excluding overtime pay, taken to the next higher multiple of $1,000 if not already a multiple of $1,000, up to $150,000.

Changes in Amounts of Insurance - Change in amounts of insurance due to change in your salary or wage will become effective on the date your salary or wage is changed, except that -

(1) If you are away from work due to disability on the date an increase in amounts of insurance would become effective, it will be postponed until you return to active full-time work.

(2) No decrease in amount of Life Insurance or Benefit Amount of Accidental Death and Dismemberment Insurance will be made if your salary or wage decreases.

LIFE INSURANCE FOR YOUR DEPENDENTS

	Amount of Insurance
Your wife or husband	$2,000
Each of your children based on age at death:	
14 days but less than 6 months	100
6 months but less than 19 years	1,000

ALL EMPLOYEE INSURANCE COVERAGE IS GOVERNED BY THE MASTER POLICIES.

BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0530	Effective Date: 01-01-79
SUBJECT: Disability Income Protection		Revised Date:
APPLIES TO: All Permanent, Full-Time Employees		

Disability Income Protection

The Clearing Corporation provides a program of short-term disability insurance protection up to 26 weeks for absences due to illness or injury. This policy is subject to the conditions as stated in the master insurance contract.

Currently, weekly income insurance begins on the 1st day of disability due to accident or the 8th day of disability due to sickness. Detailed information regarding this benefit and what it does and does not cover may be found in the booklet "Group Insurance Benefits" given to each employee.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0540	Effective Date: 01-01-79
SUBJECT: Pension and Retirement		Revised Date:
APPLIES TO: All Permanent, Full-Time Employees		

Pension and Retirement

A pension plan for all permanent, full-time employees is totally paid for by the Clearing Corporation. There are no deductions from the employee's paycheck. Generally, full retirement benefits are payable to an employee who has reached age 62 and has completed 15 years of service. The pension is equal to 50 percent of the highest average regular compensation during any 36 continuous months of participation preceding retirement.

Early retirement is possible at a reduced rate for an employee who has completed 15 years of continuous service and has reached age 55. There are also provisions for disability retirement and for death benefits in the event an employee dies before retirement date.

An employee's retirement benefits become vested after 10 years of continuous service have been completed. Thus, if employment should terminate before the normal retirement date, the employee will receive a deferred retirement benefit at age 62, or at age 55, if 15 years of service have been completed.

Since the inception of the plan in 1965, the Board of Trade Clearing Corporation has made regular contributions to a trust fund managed by a major Chicago bank, out of which benefits of the plan are paid.

The above description is intended to provide only the highlights of the pension plan, and not all of the provisions are fully covered. The original document establishing this plan is available for review during the normal business hours. In the event of dispute, the original document shall be the final authority.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0550	Effective Date: 01-01-79
SUBJECT: Employee Thrift Plan		Revised Date:
APPLIES TO: All Permanent, Full-Time Employees		

Employee Thrift Plan

All employees are eligible to participate in a "Thrift Plan" wherein the Clearing Corporation will contribute $.50 for every dollar contributed by the employee up through 5% of covered compensation.

Persons become eligible to participate immediately upon becoming an employee of the Clearing Corporation. Papers may be filed by the first of any following month.

Employees contributions are 100% vested at all times. Contributions made by the Clearing Corporation are vested to the employee 5 years after the date of each contribution or at retirement, death or disability.

The original document establishing the "Thrift Plan" is available for review during normal business hours. In the event of a dispute, the original document shall be the final authority.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0560	Effective Date: 01-01-79
SUBJECT: Tuition Reimbursement		Revised Date:
APPLIES TO: All Permanent, Full-Time Employees		

Tuition Reimbursement

The Clearing Corporation provides a tuition reimbursement program for courses taken at an accredited institution of higher learning for those who have been employed with the Corporation for six months.

The course of study must be related to the business of the Clearing Corporation, i.e., Business Administration, Computer Science, etc. Normally such course work should be scheduled at times other than regular working hours. In exceptional cases the President of the Corporation may waive this requirement.

Questions regarding this program may be directed to the Personnel Office. In all cases, prior approval is required before tuition reimbursement will be granted.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0570	Effective Date: 01-01-79
SUBJECT: Workmen's Compensation		Revised Date:
APPLIES TO: All Employees		

Workmen's Compensation

The Clearing Corporation pays the full cost of Workmen's Compensation. In addition to a death benefit, this provides payment for hospital and medical expenses, and partial compensation for any loss of income due to injuries or illnesses that occur on the job.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0580	Effective Date: 01-01-79
SUBJECT: Holidays		Revised Date:
APPLIES TO: All Permanent, Full-Time Employees		

Holidays

Because the Clearing Corporation works so closely with the Chicago Board of Trade, the holiday schedule is the same. Current scheduled holidays are 1) New Years Day, 2) Washington's Birthday, 3) Good Friday, 4) Memorial Day, 5) Fourth of July, 6) Labor Day, 7) National Election Day, 8) Thanksgiving, and 9) Christmas.

Holidays which occur during vacation or sick leave shall not be charged against such leave. However, holiday pay is not granted if the holiday occurs during an unpaid leave of absence, or if an unapproved absence occurs immediately before or after the holiday.

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SECTION VI

PROFESSIONAL CONDUCT

BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0600	Effective Date: 01-01-79
SUBJECT: Professional Integrity		Revised Date:
APPLIES TO: All Employees		

Professional Integrity

It is of the utmost importance that those with whom the Clearing Corporation conducts its business have complete and unquestioned confidence in the professional integrity of each and every employee of the Corporation. To this end, it is imperative that all employees carry out job assignments and personal contacts with the public in such a way as to instill complete trust.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0610	Effective Date: 01-01-79
SUBJECT: Intoxicants and Drugs		Revised Date:
APPLIES TO: All Employees		

Intoxicants and Drugs

Use of alcoholic beverages is not permitted within the Clearing Corporation other than during a BOTCC sponsored function. Employees are expected to abstain from the consumption of alcoholic beverages at ANY such time that might subsequently interfere with the performance of duties.

Use, sale or possession of narcotics or similar controlled substances while on duty is not allowed.

Further reference regarding alcoholic beverages and drugs may be found within the policy on termination.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0620	Effective Date: 01-01-79
SUBJECT: Smoking		Revised Date:
APPLIES TO: All Employees		

Smoking

No smoking is allowed in the computer areas of the Clearing Corporation. This includes the record, equipment and storage rooms.

BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0630	Effective Date: 01-01-79
SUBJECT: Eating on the Job		Revised Date:
APPLIES TO: All Employees		

Eating on the Job

Food is not permitted in the restricted working areas of the Clearing Corporation. Beverages in the computer room are not allowed and are discouraged in other restricted working areas of the Corporation.

During meal breaks and rest breaks, employees who bring food to eat are encouraged to use the lunch room that is provided by the Corporation.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0640	Effective Date: 01-01-79
SUBJECT: Visitors		Revised Date:
APPLIES TO: All Employees		

Visitors

Having personal visitors during working hours or at any other time not authorized by the management is discouraged, both for security reasons and to avoid interference with the work of the Corporation. Should it be necessary to have visitors, they should be met in the reception area or outside of the Corporation.

Personal visitors are strictly prohibited from entering the working areas of the Clearing Corporation, either escorted or unescorted.

In order to avoid embarrassment to both the visitor and the employee, this restriction must be strictly observed.

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SECTION VII

EMPLOYEE RESPONSIBILITY

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0700	Effective Date: 01-01-79
SUBJECT: Employee Records		Revised Date:
APPLIES TO: All Employees		

Employee Records

The Board of Trade Clearing Corporation is required by Federal and State Law to maintain certain records on its employees. It is the responsibility of each employee of the Corporation for keeping the data for the individual personnel file updated and current. The following are records which must be maintained:

- W-4 Form - Record of employee exemptions for Federal and State payroll tax withholdings. The Executive Vice-President or the Personnel Department should be notified of any change in payroll exemption changes.
- Social Security Number - This number is used for control of F.I.C.A. and retirement contributions. If this number should appear incorrect on any records or reports received by an employee, it should be reported to the Executive Vice-President or to Personnel immediately.
- Beneficiaries and Dependents - Any change in beneficiaries should be reported to the Personnel Department. An employee's benefits for life insurance, medical insurance and retirement can be affected by not reporting changes promptly.
- Change of Name - An employee's contribution to F.I.C.A. may be affected if a change of name is not reported immediately to the Social Security Administration, Office of the Executive Vice-President and Personnel. An employee who changes names must obtain a new Social Security Card reflecting the current name being used.

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SUBJECT: Employee Records	POLICY NUMBER 0700

- Change of Address - Current records must reflect current addresses of employees to insure proper receipt of reports; i.e. annual retirement reports, W-2 forms, etc. Because of the nature of the business of the Corporation, it is also critical that current telephone numbers are kept on file.

- Notification in Case of Emergency - Each employee should have on file the names and telephone numbers of individuals to notify in case of emergency. Any change must be given to the Personnel Department immediately.

- It is to an employee's advantage to keep the Personnel Department informed of completed educational courses or other training. With up-to-date records, the Corporation will have a complete history of the employee's capabilities when opportunities arise for possible advancement.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0710	Effective Date: 01-01-79
SUBJECT: Insurance Claims		Revised Date:
APPLIES TO: All Permanent, Full-Time Employees		

Insurance Claims

The Personnel Department will complete the EMPLOYER'S Section of the Claim forms. It is the responsibility of each employee however, to collect, organize and prepare bills, statements, paid receipts, etc., for submission to the insurance company upon filing a claim, and to fully complete the EMPLOYEE Section of Medical, Dental, and Disability Claim forms. In addition, the employee is responsible for obtaining PHYSICIANS'S or DENTIST'S statements where necessary.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0720	Effective Date: 01-01-79
SUBJECT: Telephone Usage		Revised Date:
APPLIES TO: All Employees		

Telephone Usage

When answering the telephone, what is said and how it is said reflects upon the Clearing Corporation. In all cases, the telephone should be answered in a courteous and pleasant manner. It is sufficient simply to say "Clearing House; may I help you".

Should an employee be asked questions or requested to provide information, either over the telephone or otherwise, it is important to keep in mind that certain types of information may be given only to persons specifically authorized to receive it. If any employee is in doubt as to what information may be divulged, the call should be referred to the immediate supervisor. Similarly, if a question is asked to which the answer is unknown or uncertain, refer the call to the supervisor. Any questions concerning the rules and regulations of the Chicago Board of Trade should be referred to the Secretary's Office of the Chicago Board of Trade, telephone number 435-3616.

The Clearing Corporation has only a limited number of telephone lines - the number needed for the conduct of its business. Moreover, many of the calls - both incoming and outgoing - are of an urgent nature. For these reasons, personal telephone calls should be avoided or minimized. On those occasions when it is necessary to make a personal call, the use of a telephone outside of the office is suggested. In the event that personal calls are made or received on an office telephone, they should be as brief as possible in order to avoid tying up the line any longer than necessary.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0730	Effective Date: 01-01-79
SUBJECT: Professional Development		Revised Date:
APPLIES TO: All Permanent, Full-Time Employees		

Professional Development

Supervisors are constantly seeking ways to assist employees to improve performance and develop job skills. In this regard, upon the supervisor's recommendation, the Corporation may require an employee to take special educational courses or to attend professional development seminars and workshops. Certain necessary expenses which accrue to an employee will be met by the Corporation. Necessary, actual expenses will normally be paid by the Corporation to cover items such as food, lodging and travel.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0740	Effective Date: 01-01-79
SUBJECT: Bulletin Boards		Revised Date:
APPLIES TO: All Employees		

Bulletin Boards

The Corporation maintains an official bulletin board on which required reading announcements are posted. Employees are expected to be familiar with all announcements or notices placed on the official bulletin board.

Two additional posting areas are provided; one for telephone messages and one for posting items that may be of general interest to the staff. Employees may place information on these two bulletin boards at any time.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0750	EFFECTIVE DATE 09/01/88
SUBJECT: GIFTS		Revised Date: 8/12/83
APPLIES TO: All Permanent, Full-Time Employees		

Gifts

Occasionally employees may be presented with gifts of appreciation for services performed in an official capacity as an employee of the Board of Trade Clearing Corporation.

Employees, members of immediate family and relatives are prohibited from accepting gifts.

All gifts are to be returned to the sender.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0760	EFFECTIVE DATE 8/10/83
SUBJECT: EMPLOYMENT OUTSIDE THE BOTCC		Revised Date: 8/10/83
APPLIES TO: All Permanent, Full-Time Employees		

Part Time and Consulting Employment

The Board of Trade Clearing Corporation provides levels of compensation which are fully competitive and is entitled to first call on time, energy and output and undivided loyalty from every employee.

Before accepting part time or consulting employment, employees must report, in writing, to the office manager all necessary facts concerning the employment. All requests will be reviewed and will either be granted or denied.

Part time or consulting employment cannot interfere with your position at the Board of Trade Clearing Corporation. No supplies, equipment, telephone or personnel may be used if you receive permission to accept outside employment.

Failure to comply with this policy may result in dismissal.

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SECTION VIII

SAFETY AND SECURITY

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0800	Effective Date: 01-01-79
SUBJECT: Safety and Accidents		Revised Date:
APPLIES TO: All Employees		

Safety and Accidents

Each employee is expected to observe prudent work habits which will help to reduce the possibility of accidents which might result in injury. Carelessness, as well as unsafe working conditions, are the major cause of accidents.

Working conditions judged in any way to be unsafe should be reported immediately by the employee to the supervisor or department manager. The supervisor then has the responsibility of reporting the problem to the appropriate Officer of the Corporation for evaluation and corrective action where necessary.

Any injury, no matter how seemingly small, must be reported to the supervisor to insure that a proper record is made on official forms by the Personnel Department. This insures the employee's protection under Workmen's Compensation laws if the injury should be serious or if it should become serious later.

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BOARD OF TRADE CLEARING CORPORATION	POLICY NUMBER 0810	Effective Date: 01-01-79
SUBJECT: Security		Revised Date:
APPLIES TO: All Employees		

Security

The work of the Clearing Corporation is highly confidential. In many cases, the information which is gathered and maintained is required by law and may be divulged only to appropriate federal regulatory agencies and, even then, only when duly authorized by the Corporation. In addition, much of the information deals with the financial activities of private individuals and firms and, as such, must be treated with the same confidentiality as a bank account or other privileged information.

Thus, constant vigilance must be maintained to protect both the physical security and confidentiality of all information to which an employee of the Clearing Corporation has access. It is only fair that employees of the Corporation understand that breeches of security of confidential documents or information, or other disregard of the confidential nature of an employee's work either on or off the job, shall constitute grounds for immediate dismissal. Furthermore, unauthorized disclosure could involve a violation of the law.

Due to an obvious conflict of interest, personnel of the Clearing Corporation are not allowed to own a membership on any commodity exchange or to trade in commodity futures or commodity options through any brokerage house or otherwise participate, directly or indirectly, in any transaction in commodity futures or commodity options, or to trade anything via ANY method that is cleared through the Clearing Corporation. To do so would constitute grounds for immediate dismissal.

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Exhibit I

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CBOT Clearing Corp. President Quits Over Probe

Investigation Tied to Charges Of Illegal Contributions To Five House Democrats

[illegible]

EXHIBIT I

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Business

Chicago Tribune Saturday, September 8, 1984

2 Board of Trade Clearing Corp. officers quit

By Herb Greenberg
and Maurice Possley

THE TWO TOP officers of Board of Trade Clearing Corp., the independent clearing organization for the Chicago Board of Trade, unexpectedly resigned Friday.

President Walter Brinkman and Executive Vice President James E. Johnson resigned for "personal reasons," according to a spokesman for the Board of Trade, who declined further comment.

Also resigning was Shirley Sprague, executive administrator for the firm. Murphy and Boyle, the outside legal counsel, was terminated and the company is searching for a new firm.

Although closely associated with the Board of Trade, matching trades and handling the flow of cash between traders, Clearing Corp. is an independent entity with its own officers and directors.

BRINKMAN immediately was replaced on an interim basis by Delbert Heath, vice president and administrator of the office of investigations and audits of the Board of Trade. Scott E. Early, the Board of Trade's general counsel, became interim in house legal counsel for Clearing Corp.

"The Board of Trade is undertaking all actions necessary to make sure that nothing will adversely affect the effective operation of Clearing Corp. during this interim period," the Board of Trade said in a brief statement.

William F. O'Connor, chairman of the clearing organization's nine-member board of governors, couldn't be reached for comment. Attempts to reach Brinkman, Johnson, Sprague and Murphy and Boyle were also unsuccessful.

Sources say Brinkman told his staff Thursday he had been fired.

SEPARATELY, sources said a federal grand jury investigation into charges of illegal campaign contributions to several U.S. congressmen by employees of Clearing Corp. is drawing to a close. The investigation was first reported in early 1983.

It isn't known whether the resignations of the Clearing Corp. officers are linked to the grand jury investigation.

Investigators reportedly had served grand jury subpoenas for documents related to contributions allegedly made in the last two years to the campaigns of Rep. Marty Russo (D., Ill.), Rep. Frank Annunzio (D., Ill.) and Rep. Peter Rodino (D., N.J.).

The investigation reportedly centered on allegations that employees contributed directly to election campaigns but were subsequently reimbursed by their employers through their paychecks, particularly in the form of bonuses.

FEDERAL election laws prohibit corporations from making direct contributions to candidates for federal office. Violations of election laws are misdemeanors.

The grand jury was believed to be investigating whether the individual contributions were used to launder gifts from the clearing organization or from commodity firms that are its members.

The Board of Trade channels its political contributions to congressional candidates through a political action committee. Officers of the Board of Trade and Clearing Corp. and governors of the clearing firm were believed to have been subpoenaed to testify before the grand jury.

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OFFICE OF THE
GENERAL COUNSEL

87 APR 23 A11:12

87 APR 23 P3:26

LAW OFFICES
JOYCE AND KUBASIAK
PROFESSIONAL CORPORATION
THREE FIRST NATIONAL PLAZA
SUITE 3900
CHICAGO, ILLINOIS 60602-4276
(312) 641-2600
TELECOPIER (312) 263-0571

EDWARD T. JOYCE
GERALD E. KUBASIAK
RICHARD J. CREMIEUX
STEVEN J. ROTUNNO

ARLYN G. AFREMOW
VYTAS P. AMBUTAS
ARTHUR W. AUFMANN
JOHN T. DOYLE
DIANE MACARTHUR
PETER ORDOWER
RICHARD S. REIZEN
MARK E. RESNIK
COLLEEN T. TYREE

OF COUNSEL
PETER B. CAREY
DANIEL J. KUBASIAK

CABLE ADDRESS:
JOYKUB

LONDON OFFICE:
OF COUNSEL
JOHN McFADDEN
21 UPPER BROOK STREET
W1Y 1PD
(01) 629-1076

April 21, 1987

Charles Snyder, Esq.
Federal Election Commission
Washington, D.C. 20463

Re: In the Matter of Shirley A. Sprague, No. MUR 1861

Dear Mr. Snyder:

Enclosed is a verified copy of the Responses of Shirley Sprague to Interrogatories of Federal Election Commission.

Very truly yours,

JOYCE AND KUBASIAK, P.C.

Diane MacArthur

By: Diane MacArthur
Enclosure
DM:lc

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of Shirley A. Sprague	)))	MUR 1861

RESPONSES OF SHIRLEY SPRAGUE TO INTERROGATORIES OF FEDERAL ELECTION COMMISSION

Shirley A. Sprague, by her attorneys Edward T. Joyce and Diane MacArthur, hereby responds to the interrogatories of the Federal Election Commission issued pursuant to an Order dated March 13, 1987, as follows:

Interrogatory No. 1:

> State the names of all candidates for Federal office to whom you made contributions of any kind from 1980 through 1982, or to whom contributions were made in your name during that period. State the amount of each of these contributions.

Response to Interrogatory No. 1:

Candidate	Date	Amount
Thomas P. O'Neill Campaign Fund	6-11-81	$ 250.00
Russo for Congress Committee	12-29-81	1,000.00
Citizens for Baines Committee	2-26-82	250.00
Citizens for Harkins	6-2-82	250.00
Friends of Gillis Long	7-1-82	250.00
Citizens for Rodino	8-11-82	250.00
Annunzio for People Committee	9-8-82	250.00
Committee for Zeferetti	9-15-82	250.00
Russo for Congress	9-29-82	250.00

Interrogatory No. 2:

> Describe the circumstances under which those contributions were made.

Response to Interrogatory No. 2:

On several occasions between 1980 and 1982, Mrs. Sprague was directed by Board of Trade Clearing Corporation ("Clearing Corporation") President Walter Brinkman ("Brinkman") and Vice

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President James Johnson ("Johnson") to collect campaign contribution checks from Clearing Corporation officers and employees. Mrs. Sprague was also asked by Brinkman to make campaign contributions to designated politicians or political committees. Brinkman's last known residential address is 528 Kenilworth, Kenilworth, Illinois 60043. Johnson's last known residential address is 710 West Douglas, Arlington Heights, Illinois. The last known employer of both Brinkman and Johnson is the Clearing Corporation. The Clearing Corporation is located at 141 West Jackson Boulevard, Suite 1460, Chicago, Illinois 60604.

89040702585

Interrogatory No. 3:

> State whether you received any compensation or reimbursement for making these contributions and, if so, identify all persons or entities that gave you such compensation or reimbursement, and state the amount of each such compensation or reimbursement.

Response to Interrogatory No. 3:

Mrs. Sprague was reimbursed for each of the campaign contributions listed in response to Interrogatory No. 1. The reimbursement was made through Mrs. Sprague's Clearing Corporation payroll checks. The amount of the reimbursement for the contributions listed in response to Interrogatory No. 1 equalled the amount of the campaign contribution.

Interrogatory No. 4:

> Describe all documents or records relating to the above-referenced contributions, reimbursements, or related transactions. In lieu of, or in addition to, such description, you should attach copies of such documents or records to your answer.

Response to Interrogatory No. 4:

Copies of the checks prepared by Mrs. Sprague under the direction of the Clearing Corporation for each of the contributions listed in response to Interrogatory No. 1 are attached.

Respectfully submitted,

Shirley A. Sprague

By: _____
One of Her Attorneys

Edward T. Joyce
Diane MacArthur
Joyce and Kubasiak, P.C.
Three First National Plaza
Suite 3900
Chicago, Illinois 60602
(312) 641-2600

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VERIFICATION

I, Shirley A. Sprague, being first duly sworn upon oath, depose and state that I have read the foregoing RESPONSES OF SHIRLEY SPRAGUE TO INTERROGATORIES OF FEDERAL ELECTION COMMISSION, and that the information set forth therein is true to the best of my knowledge.

Shirley A. Sprague
SHIRLEY A. SPRAGUE

SUBSCRIBED and SWORN to
before me this 17th day
of April, 1987.

Lucy M. Cosby
NOTARY PUBLIC

88040702587

SHIRLEY A. SPRAGUE
WAYNE SPRAGUE
4835 N. MERRIMAC AVE.
CHICAGO, ILL. 60630

1487

07-13-81 1 2 22546115
710

June 11 19 81

PAY TO THE ORDER OF Thomas P. O'Neill Campaign Fund $250.00

Two Hundred Fifty & no/100 DOLLARS

HARRIS BANK
Harris Trust and Savings Bank
Chicago, Illinois

BK 0712381 795761713

MEMO

Shirley A. Sprague

⑆071000288⑆ 906⑈284⑈5⑈ 1487 ⑈0000025000⑈

PAY ANY BANK
CHICAGO FRB 0710-0030-1
2424 04 07-13-81 1 2 22546115

FOR DEPOSIT ONLY
THE TOM O'NEILL COMMITTEE

539

JUL 1-81

INCLGS.
INCLGS.
07-13-81 939 9376 04 795761713

8804070258 8

SHIRLEY A. SPRAGUE
WAYNE SPRAGUE
4835 N. MERRIMAC AVE.
CHICAGO, ILL. 60630

1655

Dec. 29 1981

2-28/710

PAY TO THE ORDER OF Russo for Congress Committee $1,000.00

One Thousand & no/100 DOLLARS

HARRIS BANK

Harris Trust and Savings Bank
Chicago, Illinois

MEMO

Shirley A. Sprague

⑆071000288⑆ 906⑈284⑈5⑈ 1655 ⑈0000100000⑈

PAY TO THE ORDER OF 06 09
THE STEEL CITY NATIONAL BANK
OF CHICAGO
FOR DEPOSIT ONLY
RUSSO FOR CONGRESS COMMITTEE
223-867

JAN 29 82

R30407025 89

SHIRLEY A. SPRAGUE
WAYNE SPRAGUE
4635 N. MERRIMAC AVE.
CHICAGO, ILL. 60630

1698

Feb. 16 1982

2-28/710

PAY TO THE ORDER OF Citizens for Barnes Committee $ 250.00

Two Hundred Fifty & no/100 — DOLLARS

HARRIS BANK
Harris Trust and Savings Bank
Chicago, Illinois

MEMO

Shirley A. Sprague

⑆071000288⑆ 906 284 5 1698 ⑈0000025000⑈

FB '82' 06

PAY ANY BANK
CONTINENTAL BK.
CHICAGO, IL

PAY TO THE ORDER OF
Independance
Bank of Chicago
7930 S. COTTAGE GROVE/CHICAGO, IL 60619
FOR DEPOSIT ONLY
Citizens for Committee
FOR EUGENE M. BARNES
15-417-2

MR '82' 08

CLEARINGS

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SHIRLEY A. SPRAGUE
WAYNE SPRAGUE
4835 N. MERRIMAC AVE.
CHICAGO, ILL. 60630

1786

June 2 19 82

2-28/710

PAY TO THE ORDER OF Citizens for Harkins $250.00

Two Hundred Fifty + 00/100 DOLLARS

HARRIS BANK — Harris Trust and Savings Bank, Chicago, Illinois

MEMO

⑆071000288⑆ 906 284 5 1786 ⑈0000025000⑈

PAY ANY BANK
PAY ANY BANK
PAY ANY BANK

SHIRLEY A. SPRAGUE
WAYNE SPRAGUE
4635 N. SEMINARY AVE
CHICAGO, ILL. 60640

1815

08-23-82

PAY TO THE ORDER OF Friends of Gilbert Lang! $ 250.00

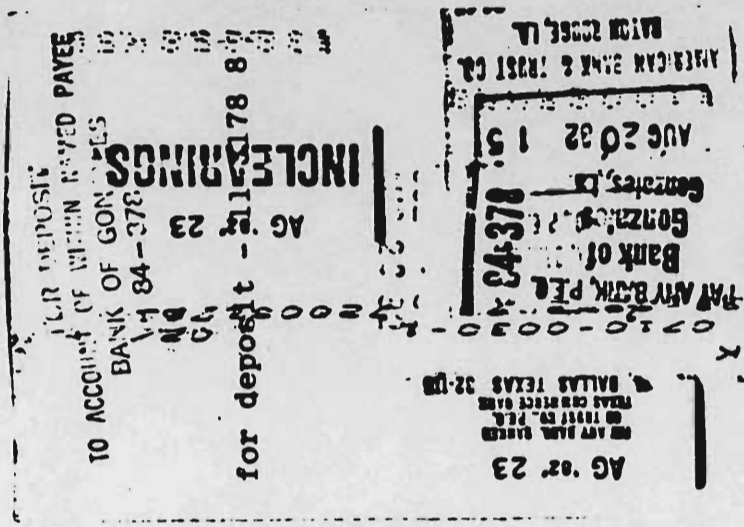
Two Hundred Fifty & no/100 DOLLARS

HARRIS BANK
Harris Trust and Savings Bank
Chicago, Illinois

0015

Shirley A. Sprague

⑆071000288⑆ 906⑈284⑈5⑈ 1815 ⑈0000025000⑈



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SHIRLEY A. SPRAGUE
WAYNE SPRAGUE
4835 N. MERRIMAC AVE.
CHICAGO, ILL. 60630

1844

Aug 11 1982

PAY TO THE ORDER OF Citizens for Rodino $250.00

Two Hundred Fifty + no/100 DOLLARS

HARRIS BANK
Harris Trust and Savings Bank
Chicago, Illinois

MEMO

Shirley A. Sprague

⑆071000288⑆ 906 284 5 1844 ⑈0000025000⑈

FOR DEPOSIT ONLY
CITIZENS FOR RODINO
Brood National
CL
CS

PAY ANY BANK P.E.G.
BROAD
NATIONAL BANK
NEWARK, N.J.
55-607 55-607

SEP 17 82

PAY ANY BANK
CHICAGO TRB 0710-00
ALL OF CH 60-52

SE 17

PAY ANY BANK P.E.G.
FIRST NATIONAL STATE BANK
OF NEW JERSEY
NEWARK, NEW JERSEY

B8-2

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SHIRLEY A. SPRAGUE
WAYNE SPRAGUE
4835 N. MERRIMAC AVE.
CHICAGO, ILL. 60630

1869

Sept 8 1982

2-28/710

PAY TO THE ORDER OF Annunzio for People Committee $ 250.00

Two Hundred & Fifty - 00/100 DOLLARS

HARRIS BANK

Harris Trust and Savings Bank
Chicago, Illinois

MEMO

Shirley A Sprague

⑆071000288⑆ 906 284 5 1869 ⑈0000025000⑈

Pay CENTRAL NATIONAL BANK
TO THE ORDER OF
ANNUNZIO FOR PEOPLE COMMITTEE

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SHIRLEY A. SPRAGUE
WAYNE SPRAGUE
4835 N. MERRIMAC AVE.
CHICAGO, ILL. 60630

1878

Sept. 15 19 82

2-28/710

PAY TO THE ORDER OF Committee for Zeferetti $ 250.00

Two Hundred Fifty & no/100 — DOLLARS

HARRIS BANK
Harris Trust and Savings Bank
Chicago, Illinois

MEMO

Shirley A. Sprague

⑆071000288⑆ 906⑈284⑈5⑈ 1878 ⑈0000025000⑈

PAY ANY BANK, P.E.G.
CHASE MANHATTAN
NEW YORK, NEW YORK
1-2 59 M.L. 1

⑆021023135 092202 25⑈

1803113567 58 INCL

THE CHASE MANHATTAN BANK, N.A.
THE COMMITTEE TO RE-ELECT
LEO C. ZEFERETTI TO CONGRESS
051-1010/94

R 3 0 4 0 7 0 2 5 9 5

SHIRLEY A. SPRAGUE
WAYNE SPRAGUE
4835 N. MERRIMAC AVE.
CHICAGO, ILL. 60630

1893

Sept. 29 1982

2-28/710

PAY TO THE ORDER OF Russo for Congress $ 250.00

Two Hundred Fifty & no/100 DOLLARS

HARRIS BANK
Harris Trust and Savings Bank
Chicago, Illinois

MEMO

Shirley A. Sprague

⑆071000288⑆ 906⑈284⑈5⑈ 1893 ⑈0000025000⑈

PAY ANY BANK, P.E.G.
DROVERS BANK
OF CHICAGO
0710-0034-3

OCT 11 82

806 181182 1424783

PAY TO THE ORDER OF
THE STEEL CITY NATIONAL BANK
OF CHICAGO
FOR DEPOSIT ONLY
RUSSO FOR CONGRESS COMMITTEE
223-867

DT

CLEARING

11 1 6 4 5

0000080048 8

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 1861

NAME OF COUNSEL: Edward T. Joyce

ADDRESS: Diane MacArthur
Joyce and Kubasiak, P.C.
3900 Three First National Plaza
Chicago, Illinois 60602

TELEPHONE: (312) 641-2600

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
87 APR 17 P2:58

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.

April 3, 1987
Date

Shirley A. Sprague
Signature

RESPONDENT'S NAME: Shirley A. Sprague

ADDRESS: 4835 N. Merrimac
Chicago, IL 60630

HOME PHONE: 312-775-6276

BUSINESS PHONE: NONE

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pln

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 5, 1987

Edward T. Joyce, Esquire
Joyce and Kubasiak
Three First National Plaza
Suite 3900
Chicago, Illinois 60602-4276

RE: MUR 1861
Shirley Sprague

Dear Mr. Joyce:

Pursuant to your request, communicated by telephone to Charles Snyder, Esquire of this Office, we are enclosing the proposed conciliation agreement sent to your client during pre-probable cause conciliation.

If you have any questions, direct them to Charles Snyder, Esquire, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
Acting General Counsel

Enclosure
Proposed Conciliation Agreement

8804070259 8

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

87 JUN 23 P4:22

June 23, 1987

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
Acting General Counsel

SUBJECT: MUR # 1861

Attached for the Commission's review is a brief stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. A copy of this brief and a letter notifying the respondent of the General Counsel's intent to recommend to the Commission a finding of probable cause to believe was were mailed on June 23, 1987. Following receipt of the respondent's reply to this notice, this Office will make a further report to the Commission.

Attachments
1-Brief
2-Letter to respondent

83040702599

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 23, 1987

Edward T. Joyce, Esquire
Joyce & Kubasiak
3900 Three First National Plaza
Chicago, Illinois 60602

RE: MUR 1861
Shirley Sprague

Dear Mr. Joyce:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by you, the Federal Election Commission, on October 22, 1985, found reason to believe that your client, Shirley Sprague, violated 2 U.S.C. § 441f, 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.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 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 the 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 whether there is 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. All requests for extension of time must be submitted in writing five days prior to the due date. Further, good cause must be shown.

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A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Charles Snyder, the attorney assigned to handle this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
Acting General Counsel

Enclosure
Brief

83040702601

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Shirley Sprague	)	MUR 1861
	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On October 22, 1985, the Federal Election Commission found reason to believe that Shirley Sprague violated 2 U.S.C. § 441f. The basis for the finding was a referral from the Department of Justice indicating that the Board of Trade Clearing Corporation (hereinafter "BTCC") of Chicago, Illinois used certain of its employees as conduits for the making of prohibited corporate contributions to various candidates for federal office. It appeared that Ms. Sprague was one of the employees who had allowed her name to be used for the making of contributions by BTCC.

An investigation of the matter subsequent to the Commission's finding of reason to believe has clarified Ms. Sprague's role in the scheme. Ms. Sprague, according to a complaint she filed in the Circuit Court of Cook County (hereinafter "court complaint") against BTCC on February 9, 1987, was first employed by BTCC in 1973. In December, 1977, she became secretary to James E. Johnson, Executive Vice-President of BTCC. In May, 1981, she was appointed secretary to Walter W. Brinkman, then President of BTCC. In December, 1981, she was promoted to the position of Office Manager.

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According to the court complaint, Brinkman and Johnson instructed BTCC employees in 1980-1982 to write personal checks payable to the campaigns of specified candidates for federal office. These checks were then given to the respective candidates or their committees. The BTCC employees were then reimbursed from BTCC corporate funds, "either with a miscellaneous or bonus check."

Ms. Sprague played a dual role in this scheme. First, according to her response to interrogatories propounded by the Commission, she collected the campaign contribution checks from other BTCC officers and employees. Second, she herself made campaign contributions to various candidates, and accepted reimbursements for said contributions from BTCC corporate funds. Ms. Sprague permitted her name to be used for the making of a total of $3,000 worth of corporate contributions by BTCC; these contributions were made to the following candidate committees in the following amounts:

Thomas P. O'Neill Campaign Fund	$ 250
Russo for Congress Comittee */	$1,000
Citizens for Barnes Committee	$ 250
Citizens for Harkins	$ 250
Friends of Gillis Long	$ 250
Citizens for Rodino	$ 250
Annunzio for People Committee	$ 250
Committee for Zeferetti */	$ 250
Russo for Congress Committee	$ 250
Total	$3,000

*/ The $1,000 contribution to the Russo Campaign was made on December 29, 1981, while the $250 contribution was made on September 29, 1982. The former, presumably, was made for the primary, and the latter for the general election.

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According to Ms. Sprague's court complaint, BTCC contributed at least $29,600 to various candidates, using over twenty BTCC employees as conduits. The same source also states that the following contributions, "among others," were made pursuant to the scheme:

Candidate or Political Committee	Date of Contribution(s)	Amount of Contribution
Carter-Mondale Presidential Committee	3/80	$ 800.00
Jane Byrne Dinner Committee	11/80	$ 800.00
Friends for the Gillis Long Committee	6/82-7/82	$5,000.00
Citizens for Rodino Committee	8/82	$5,000.00
Annunzio for People Committee	9/82	$5,000.00
Committee to Re-Elect Congress Leo C. Zeferetti	9/82	$5,250.00
Russo for Congressman Committee	12/81-9/82	$7,750.00

Once this scheme was exposed, the U.S. Attorney brought criminal charges against BTCC, Brinkman, and Johnson, for conspiracy and for violations of 2 U.S.C. § 441b, the statute prohibiting corporate contributions. All three defendants entered pleas of guilty to the offenses charged. The United States District Court for the Northern District of Illinois, on October 19, 1984, fined BTCC $100,000. On November 15, 1984, the same court sentenced Brinkman to four years probation, and 1,000 hours of community service, and fined him $35,000; and it sentenced Johnson to two years probation and 250 hours of community service, and fined him $1,000.

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According to respondent's court complaint, she was told by the U.S. Attorney's Office that, if she would plead guilty to a misdemeanor charge, and cooperate with the government, she would not be indicted on felony charges. Respondent declined to plead guilty, but no criminal charges were brought against her.

Respondents also stated in her complaint against BTCC that, on September 4, 1984, BTCC's Board of Governors voted to terminate the employment of Brinkman, Johnson and herself. The court complaint added that: "None of the twenty-two other employees [who acted as conduits] were terminated by the Board of Governors in connection with the criminal investigation. Sprague was the only Clearing Corporation employee who was not charged by the government [in the criminal action] but who was terminated by the Clearing Corporation." As a result of her termination, Ms. Sprague filed her civil action against BTCC.

On March 11, 1986, the Federal Election Commission agreed to Ms. Sprague's request to enter into conciliation prior to a finding of probable cause to believe. That conciliation attempt proved unsuccessful.

II. ANALYSIS

The pertinent statute states: "No person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution in the name of another person or knowingly permit his name to be used to effect such a

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contribution, and no person shall knowingly accept a contribution made by one person in the name of another person." 2 U.S.C. § 441f. Respondent admitted, both in her court complaint and in her answers to the Commission interrogatories that she knowingly permitted her name to be used to effect the making of contributions by another, specifically, the making of contributions by BTCC. She has admitted that she made contributions totalling $3,000 to eight candidates for Federal office, and that she accepted reimbursement in full from BTCC's corporate funds. The clear purpose of this scheme was to disguise corporate contributions to federal candidates, the making of which is clearly prohibited by 2 U.S.C. § 441b, by having each contribution made in the name of a person other than BTCC, the actual source of the contributions. Thus, respondent knowingly allowed her name to be used for the purpose of effecting the making of contributions in the name of another.

Respondent's willing participation in this illegal scheme is evidenced by the fact that, not only did she write checks to certain candidates as directed by Brinkman and Johnson, and accept reimbursements from BTCC funds, she collected on behalf of Brinkman and Johnson contribution checks from other employees. Respondent has not asserted in either her answers to interrogatories or her court complaint that her participation in the scheme was secured through coercion.

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In conclusion, respondent, based on her own statements, knowingly permitted her name to be used to effect the making of a contribution by another. Accordingly, this Office recommends that the Commission find probable cause to believe that Shirley Sprague violated 2 U.S.C. § 441f.

III. GENERAL COUNSEL'S RECOMMENDATION

Find probable cause to believe Shirley Sprague violated 2 U.S.C. § 441f.

6/19/87
Date

Lawrence M. Noble
Acting General Counsel

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GCC# 3746

LAW OFFICES
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COLLEEN T. TYREE

OF COUNSEL
PETER B. CAREY
DANIEL J. KUBASIAK

CABLE ADDRESS:
JOYKUB

LONDON OFFICE:
OF COUNSEL
JOHN McFADDEN
21 UPPER BROOK STREET
W1Y 1PD
(01) 629 1076

June 26, 1987

Secretary of the
Federal Election Commission
Washington, D.C. 20463

Re: In the Matter of Shirley A. Sprague, MUR 1861

Dear Sir or Madam:

Enclosed is the Request of Shirley A. Sprague for Extension of Time in Which to File Responsive Brief in the above matter.

Very truly yours,

JOYCE AND KUBASIAK, P.C.

Diane MacArthur

By: Diane MacArthur
Enclosure
cc: Lawrence M. Noble
Charles Snyder

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of Shirley A. Sprague	)))	MUR 1861

REQUEST OF SHIRLEY A. SPRAGUE FOR EXTENSION OF
TIME IN WHICH TO FILE RESPONSIVE BRIEF

Shirley A. Sprague, by her attorneys Edward T. Joyce and Diane MacArthur, respectfully requests an extension of time until July 31, 1987 in which to respond to the Brief of the General Counsel recommending a finding of probable cause to believe Sprague violated 2 U.S.C. §441(f). In support of this request, Sprague states as follows:

1. In a letter dated June 23, 1987, Sprague was informed that the Federal Election Commission's Office of General Counsel is prepared to recommend that the FEC find probable cause to believe Sprague violated 2 U.S.C. §441(f). A copy of the General Counsel's Brief was enclosed with the letter.

2. The June 23, 1987 letter from the FEC was received by Sprague's counsel on June 25, 1987. The letter states that Sprague may file a responsive brief within 15 days of the letter's receipt. Consequently, Sprague's response is due by July 10, 1987.

3. The attorney principally responsible for Sprague's representation before the FEC, Edward T. Joyce, will be out of the country until July 15, 1987. Because Mr. Joyce wishes to participate in the preparation of Sprague's response to the General Counsel's Brief, Sprague requests that she be granted an

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extension of time until July 31, 1987 in which to file her response. The additional time following Mr. Joyce's return to this country is necessary because between July 16, 1987 and July 27, 1987, Mr. Joyce will be involved in the preparation of a responsive brief due to be filed in the Seventh Circuit Court of Appeals on July 27, 1987.

4. Sprague believes her response will assist the FEC in reaching a determination in this matter. In addition, the General Counsel's Brief reaches certain conclusions which Sprague believes are unfounded and to which a response by Sprague is necessary.

5. This request for additional time is made in good faith and not for purposes of delay.

For these reasons, Shirley A. Sprague respectfully requests an extension of time until July 31, 1987 in which to file a response to the Brief of the General Counsel.

Respectfully submitted,
Shirley A. Sprague

By: Diane MacArthur
One of Her Attorneys

Edward T. Joyce
Diane MacArthur
Joyce and Kubasiak, P.C.
Three First National Plaza
Suite 3900
Chicago, Illinois 60602
(312) 641-2600

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SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Shirley Sprague	)	MUR 1861
	)	

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to Shirley Sprague, based on the assessment of the information presently available.

6/29/87
Date

Lawrence M. Noble
Acting General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 1, 1987

Diane MacArthur, Esquire
Joyce and Kubasiak
Three First National Plaza
Suite 3900
Chicago, IL 60602

RE: MUR 1861
Shirley Sprague

Dear Ms. MacArthur:

This is in response to your letter dated June 26, 1987, which we received on June 29, 1987, requesting an extension of 21 days until July 31, 1987, to respond to the General Counsel's Brief. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on July 31, 1987.

If you have any questions, please contact Charles Snyder, the attorney assigned to this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble
Acting General Counsel

BY: Lois G. Lerner
Associate General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF	)	
	)	MUR 1861
SHIRLEY A. SPRAGUE	)	

RESPONSE OF SHIRLEY A. SPRAGUE
TO GENERAL COUNSEL'S BRIEF

On October 22, 1985, the Federal Election Commission found reason to believe that Shirley A. Sprague violated 2 U.S.C. §441f. The Office of General Counsel has now recommended that the FEC find probable cause to believe that a violation has occurred. This recommendation should be denied because at no time did Sprague possess the specific intent required to constitute a violation of section 441f.

I. BACKGROUND

The Board of Trade Clearing Corporation ("Clearing Corporation") provides clearing services for futures contracts traded on the Board of Trade of the City of Chicago. Sprague was first employed by the Clearing Corporation in December, 1973 as the secretary for one of the corporation's officers. During the next eight years, Sprague served as secretary to James E. Johnson, then the Executive Vice-President of the Clearing Corporation, and as secretary to Walter W. Brinkman, the corporation's President. Following periodic advancements between 1973 and 1981, Sprague was promoted in December 1981 to the position of Office Manager of the Clearing Corporation.

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Beginning in 1980 and extending through 1982, the Clearing Corporation made illegal campaign contributions to federal candidates with corporate funds. The contributions were made through the Clearing Corporation's employees under the direction of Brinkman and Johnson. These two individuals told employees to write personal checks payable to the campaigns of certain designated candidates. Each employee was then reimbursed from corporate funds, either with a miscellaneous or bonus check. Brinkman directed other officers and employees of the corporation to collect the checks from employees. Johnson collected most of the checks and gave them to Brinkman. Brinkman passed on the checks to another person who would give the checks to the candidate or a representative of the candidate. Individuals at the Clearing Corporation then caused the Clearing Corporation's books and records to be falsified so as to make non-deductible political campaign contributions appear as deductible salary expenses or miscellaneous deductible expenses.

Approximately twenty Clearing Corporation employees unknowingly and unintentionally participated in the campaign contribution scheme at the direction of Brinkman, Johnson and others. Sprague was one of the persons who received reimbursement checks from the Clearing Corporation for political contributions made under the direction of Brinkman and Johnson. On several occasions between 1980 and 1982 Sprague was also directed by Brinkman and Johnson to collect campaign contribution checks from Clearing Corporation officers and employees. Sprague

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did not know and had no reason to know that the campaign contributions made by the Clearing Corporation through its employees were illegal.

A criminal investigation into the Clearing Corporation's campaign contribution scheme was begun in 1982 or 1983 by the Federal Bureau of Investigation and the Office of the United States Attorney for the Northern District of Illinois. On September 13, 1984, a federal criminal Information was filed by the Office of the United States Attorney. Two counts of the Information were directed against Brinkman, two counts were directed against Johnson, and four counts were directed against the Clearing Corporation. All three defendants were charged with violations of the Federal Election Campaign Act, 2 U.S.C. §431 et seq., among other statutes. Neither Sprague nor the approximately twenty other Clearing Corporation employees who made campaign contributions under the direction of Brinkman and Johnson were ever charged by the Office of the United States Attorney. In September and October 1984, Brinkman, Johnson and the Clearing Corporation entered pleas of guilty to the charges against them.

In 1985 Sprague and the twenty other Clearing Corporation employees who had prepared campaign contribution checks became the subject of an investigation by the FEC. The representation of all of these employees, including Sprague, was assigned by the Clearing Corporation to a single attorney who agreed to enter into conciliation discussions on behalf of all his clients. Sprague is now represented by separate counsel.

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II. ARGUMENT

NO VIOLATION OF SECTION 441f OCCURRED BECAUSE SPRAGUE'S PARTICIPATION IN THE CAMPAIGN CONTRIBUTION SCHEME WAS NEITHER VOLUNTARY NOR INTENTIONAL

Section 441f of Title 2 provides:

> No person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another.

2 U.S.C. §441f (emphasis added).

In order to violate section 441f, an individual must knowingly permit the use of his or her name to effect the making of a campaign contribution in the name of another. An act is done knowingly if it is done voluntarily and intentionally and not because of mistake or accident or other innocent reason. See United States v. Marvin, 687 F.2d 1221, 1225, 1227-28 (8th Cir. 1982); United States v. Jewell, 532 F.2d 697, 699 n.3, 699-702 (9th Cir. 1976).

A. Sprague's Actions Were Not Voluntary Or Intentional.

Sprague did not act voluntarily in making the campaign contributions or in collecting contribution checks from other employees; she was acting strictly under the orders and direction of her superiors. The contributions were made by Sprague pursuant to a direct order given by her employer, and she had no control over how the checks were eventually used. If the order to prepare the campaign contribution checks had not been given, Sprague simply never would have become involved in the Clearing

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Corporation's scheme. Moreover, Sprague's actions do not constitute a knowing violation of section 441f because an innocent reason existed for preparing or collecting the checks: Sprague's employer ordered her to prepare or collect the checks without any indication that the checks would ultimately be used by the Clearing Corporation in violation of the Federal Election Campaign Act. The express inclusion of a knowledge requirement in section 441f strongly indicates that innocent acts, i.e., acts committed without the requisite level of intent, are not violative of the statute.

B. Sprague's Actions Do Not Constitute A Violation Of Section 441f Because She Had Substantial Reasons For Believing Her Actions Were Lawful.

The absence of the type of intent required to establish a violation of section 441f in Sprague's actions is further evidenced by the fact that she had substantial grounds for believing that her actions were lawful. See e.g., United States v. Tolkow, 532 F.2d 853, 858 (2d Cir. 1976) (term "knowingly" in statute required voluntary commission of proscribed acts without ground for believing that such action were lawful or required conduct marked by careless disregard whether or not actions were lawful). The actions in which Sprague herself participated were legal in and of themselves: the making of a contribution to a candidate by preparing a check directly payable to that candidate or collecting other checks prepared in the same way. Moreover, nothing in the making of a direct campaign contribution triggers any suspicion that the act is illegal. Finally, Sprague had no

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reason to believe that her employer would ask her to perform an illegal act.

C. The Office Of General Counsel Has Failed To Establish Sprague Knowingly Participated In A Scheme In Violation Of Section 441f.

The Office of the General Counsel erroneously argues in its Brief that Sprague has admitted she "knowingly permitted her name to be used to effect the making of contributions by another" and that she has never asserted her participation in the scheme was secured through coercion. Br. at 5. The basis of Sprague's alleged admissions are a Complaint which she filed against the Clearing Corporation and others and her Responses to the FEC's Interrogatories. Rather than establishing knowledge as required by section 441f, however, these two documents overwhelmingly demonstrate that Sprague did not know that her checks or the checks of others were to be used "to effect the making of contributions of another," and that Sprague did not prepare or collect checks on her own initiative. The documents explain in detail the orders from her employer under which Sprague acted.

The statements of the General Counsel in its Brief about Sprague's alleged knowledge or willful actions are conclusions not based on the evidence. A violation of section 441f requires more than simply making a campaign contribution; the section requires that a contribution be knowingly made in the name of another. The Office of General Counsel should not be allowed to read the knowledge requirement out of section 441f or be allowed to continue its attempts to stretch impermissibly the knowledge

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requirement to cover the type of conduct engaged in by Sprague and her co-employees.

D. No Deterrent Effect Is Served By Pursuing An Enforcement Action Against Sprague.

It is the Clearing Corporation, Brinkman and Johnson who knowingly used the names of their employees to effect the making of contributions by another, i.e., the Clearing Corporation. The employees did not themselves knowingly allow their names to be so used. As such, it is the actions of the corporation and its two officers which are proscribed by section 441f, not those of an employee like Sprague who innocently followed the dictates of her employer. No deterrent effect would be served by attempting to enforce section 441f against someone like Sprague who neither knew the ultimate means by which her campaign contribution would be used nor had any reason to know her contribution would be improperly used by her employer.

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III. CONCLUSION

For these reasons, Shirley A. Sprague respectfully requests that the Federal Election Commission find no probable cause to believe that a violation of 2 U.S.C. §441f has occurred.

Respectfully submitted,
Shirley A. Sprague

By: Diane MacArthur
One of Her Attorneys

Edward T. Joyce
Diane MacArthur
Joyce and Kubasiak, P.C.
Three First National Plaza
Suite 3900
Chicago, Illinois 60602
312) 641-2600

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SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

EXECUTIVE SESSION

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In the Matter of	)	
	)	
Shirley Sprague	)	MUR 1861

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GENERAL COUNSEL'S REPORT

I. BACKGROUND

On October 22, 1985, the Federal Election Commission found reason to believe that Shirley Sprague violated 2 U.S.C. § 441f. The basis for this finding was evidence that Ms. Sprague had knowingly permitted her name to be used for the making of contributions in the name of another by the Board of Trade Clearing Corporation ("BTCC") to various federal candidates. After an unsuccessful attempt to settle the matter through pre-probable cause conciliation, this Office sent respondent a brief dated June 19, 1987, recommending that the Commission find probable cause to believe respondent violated 2 U.S.C. § 441f. Respondent's reply brief was received by this Office on August 3, 1987.

II. ANALYSIS

(See General Counsel's Brief, signed June 19, 1987.) Respondent, in her reply brief, did not deny that she permitted her name to be used for the making of a contribution by BTCC. She argues, rather, that she did not do so knowingly, and thus did not violate 2 U.S.C. § 441f. She cites four grounds for her assertion that the action was not "knowing":

1. Respondent argues that she did not have an intention to violate the law, and thus her action of allowing her name to be

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used to effect the making of a contribution by another was not "knowing." Respondent cites, among other criminal cases, United States v. Marvin, 687 F.2d 1221 (8th Cir. 1982), in which it was stated that, for a defendant to be guilty of the crime of unauthorized possession or acquisition of food stamps, he must know that he was violating the law. The Court in Marvin stated that: [W]e are mindful that the crime involved is a felony, punishable by imprisonment in a federal penitentiary for up to five years. The normal purpose of the criminal law is to condemn and punish conduct that society regards as immoral. Usually the stigma of criminal conviction is not visited upon citizens who are not morally to blame because they did not know they were doing wrong." Id., at 1226.

The Marvin case, and the other criminal cases cited by respondent, are inapposite here, in an administrative proceeding concerning an alleged civil offense, as respondent is threatened neither with "the stigma of a criminal conviction" nor with imprisonment in a federal penitentiary. It has not been alleged that her violation of 2 U.S.C. § 441f was knowing and willful, an allegation which requires a showing that she knew her actions were illegal. In this proceeding, the "knowing" requirement of 2 U.S.C. § 441f is satisfied if respondent knew she was permitting her name to be used to effect the making of a contribution in her name by another. It need not be shown that

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she knew that to do so would violate the law. This distinction has been delineated by the U.S. District Court for the Northern District of California, as follows, in a case involving the question whether the California Medical Political Action Committee ("CALPAC") "knowingly" accepted an excessive contribution from the California Medical Association ("CMA"), in violation of 2 U.S.C. § 441a(f):

> The Court also concludes that CALPAC violated 2 U.S.C. § 441a(f) by knowingly accepting such excessive contributions from CMA during each of the years in question. The record clearly establishes that CALPAC knew that CMA was paying for its operating and administrative expenses and that CALPAC voluntarily and intentionally accepted CMA's in-kind payments. That CALPAC did not know whether in-kind contributions by unincorporated associations were subject to the $5,000 limit, a fact which no one "knew" until the Ninth Circuit's decision was handed down on May 23, 1980, does not save it from liability. CALPAC knew the facts (accepting in-kind contributions exceeding $5,000 from CMA) which rendered its conduct unlawful. Such knowledge is sufficient to create civil liability under 2 U.S.C. § 441a(f). Cf. In re Federal Election Campaign Act Litigation, 474 F.Supp. 1044, 1047 (D.D.C. 1979). CALPAC has not been charged with a "knowing and willful violation" which must be shown in order to impose FECA's double-penalty provision. 2 U.S.C. § 437g(a)(6)(C).

Federal Election Commission v. California Medical Association, et al., 502 F.Supp. 196, 203-204 (N.D. Cal. 1980).

In the present case, which also involves an allegation of civil, and not criminal, liability, it is sufficient that respondent knew the relevant facts: i.e. that she made out checks in her own name to various federal candidates, and that BTCC reimbursed her for these checks, so that the contributions

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made in her name were actually made by BTCC. Respondent has admitted that she knew the aforesaid facts surrounding the violation. It is not necessary, in order to establish civil liability, to establish that she also knew that her conduct was illegal.

2. Respondent's argument that the Commission should not proceed against her because her superiors at BTCC provided the initiative for the scheme, and if they had not told her to make out the checks, "Sprague would never had become involved," is without merit. Typically, where a contribution is made in the name of another, the person providing the money for the contribution would take the initiative, but the person providing the name is also in violation pursuant to the language of 2 U.S.C. § 441f. Respondent agreed to participate, and when she permitted her name to be used to effect the making of a contribution by BTCC, she violated the Act.

3. Respondent states that her superiors at BTCC told her to prepare the checks "without any indications that the checks would ultimately be used" to violate the Act. Notwithstanding this assertion, respondent, in the same brief, also states that she prepared checks "directly payable to" specific candidates. Obviously, she knew the purpose of these checks. She also knew, because she was reimbursed, that BTCC was actually bearing the cost of these contributions made in her

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name. Respondent also admits in her brief that she collected contribution checks from other employees of BTCC. Under these circumstances, it is evident that she was aware of the nature of the contribution scheme.

4. Finally, respondent states she did not know her actions were illegal and had no reason to suppose her superiors would ask her to perform an illegal act. As stated above, specific knowledge of illegality is not an element of the violation alleged.

Based on the above discussion, this Office recommends that the Commission find probable cause to believe respondent violated 2 U.S.C. § 441f.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

IV. RECOMMENDATIONS

1. Find probable cause to believe Shirley Sprague violated 2 U.S.C. § 441f.

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2. Approve the attached conciliation agreement and letter.

6-28-87
Date

Lawrence M Noble (FO)
Lawrence M. Noble
Acting General Counsel

Attachments
1. Respondent's brief
2. Proposed Conciliation Agreement
3. Letter

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1861
Shirley Sprague	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of October 8, 1987, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 1861:

1. Find probable cause to believe Shirley Sprague violated 2 U.S.C. § 441f.

2. Approve the conciliation agreement attached to the General Counsel's report dated September 28, 1987, subject to

3. Approve the letter attached to the General Counsel's report dated September 28, 1987.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

10-8-87
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

14 October 1987

Edward T. Joyce, Esq.
Joyce and Kubasiak
Three First National Plaza
Suite 3900
Chicago, Illinois 60602-4276

RE: MUR 1861
Shirley Sprague

Dear Mr. Joyce:

On October 8, 1987, the Federal Election Commission found that there is probable cause to believe your client, Shirley Sprague, violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended, in connection with permitting her name to be used for the making of a contribution by the Board of Trade Clearing Corporation.

The Commission has a duty to attempt to correct such violations for a period of 30 to 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement during that period, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission within 10 days. I will then recommend that the Commission approve the agreement. Please make your check for the civil penalty payable to the Federal Election Commission.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Charles Snyder, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

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21 UPPER BROOK STREET
W1Y 1PD
(01) 629-1076

November 3, 1987

Charles Snyder, Esq.
Office of General Counsel
Federal Election Commission
999 E Street N.W.
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 NOV -5 AM 9:42

Re: Mur 1861-Shirley Sprague

Dear Mr. Snyder:

This shall confirm our telephone conversation during the week of October 26, 1987, in which you explained to me that by statute Mrs. Sprague is entitled to a minimum of 30 days from the date of your letter in which to make her decision whether to enter into a Conciliation Agreement with the Federal Election Commission in connection with the charges against her.

Very truly yours,

JOYCE AND KUBASIAK, P.C.

Diane MacArthur

By: Diane MacArthur

DM:mlw

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RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

87 NOV 27 AM 10: 12

LAW OFFICES
JOYCE AND KUBASIAK
PROFESSIONAL CORPORATION
THREE FIRST NATIONAL PLAZA
SUITE 3900
CHICAGO, ILLINOIS 60602-4276
(312) 641-2600
TELECOPIER (312) 263-0571

EDWARD T. JOYCE
GERALD E. KUBASIAK
RICHARD J. CREMIEUX
STEVEN J. ROTUNNO

ARLYN G. AFREMOW
VYTAS P. AMBUTAS
ARTHUR W. AUFMANN
PAUL A. CASTIGLIONE
JOHN T. DOYLE
DIANE MacARTHUR
RICHARD S. REIZEN
MARK E. RESNIK
COLLEEN T. TYREE

OF COUNSEL
PETER B. CAREY
DANIEL J. KUBASIAK

CABLE ADDRESS:
JOYKUB

LONDON OFFICE:
21 UPPER BROOK STREET
W1Y 1PD
(01) 629-1076

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

87 NOV 27 PM 12: 39

November 24, 1987

Charles Snyder, Esq.
Office of General Counsel
999 E Street, N.W.
Washington, D.C. 20463

Re: Shirley Sprague
MUR 1861

Dear Mr. Snyder:

On November 16, 1987, I contacted you concerning the Conciliation Agreement which has been sent to Mrs. Sprague for her consideration. I informed you that although Mrs. Sprague is currently inclined to accept the proposed Agreement, we would like to wait a period of at least thirty (30) days before making a final decision concerning the Agreement. The reason for this delay is due to discussions which are currently being held in connection with Mrs. Sprague's lawsuit against her former employer pending in the Circuit Court of Cook County, Illinois.

You informed me that there is no statutory impediment to allowing Mrs. Sprague an additional thirty (30) days in which to consider the execution of the Conciliation Agreement.

I will keep you informed as to the progress of Mrs. Sprague's decision concerning the Agreement.

Very truly yours,

JOYCE AND KUBASIAK, P.C.

Diane MacArthur

By: Diane MacArthur

DM:cg

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plm

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

14 December 1987

Diane MacArthur, Esquire
Joyce and Kubasiak
Three First National Plaza
Suite 3900
Chicago, Ill 60602-4276

RE: MUR 1861
Shirley Sprague

Dear Ms. MacArthur:

This is to acknowledge receipt of your letter dated November 24, 1987, in which you state that you will need a period of 30 days (until December 24, 1987) to consider whether to sign the proposed agreement sent by the Commission on October 14, 1987.

Please note that pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), the conciliation period in this matter may not extend for more than 90 days. In this matter, the maximum period for conciliation will end on January 14, 1988. Accordingly, a recommendation concerning the filing of civil suit will be made to the Commission by the Office of General Counsel unless we receive a response from you before that date.

Should you have any questions, please contact Charles Snyder, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

8 8 0 4 0 7 0 2 6 3 1

GCC#5100

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

88 JAN 11 AM 9:40

LAW OFFICES

JOYCE AND KUBASIAK

PROFESSIONAL CORPORATION

THREE FIRST NATIONAL PLAZA

SUITE 3900

CHICAGO, ILLINOIS 60602-4276

(312) 641-2600

TELECOPIER (312) 263-0571

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STEVEN J. ROTUNNO

ARLYN G. AFREMOW
VYTAS P. AMBUTAS
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DIANE MacARTHUR
RICHARD S. REIZEN
MARK E. RESNIK
COLLEEN T. TYREE

OF COUNSEL
PETER B. CAREY
DANIEL J. KUBASIAK

CABLE ADDRESS:
JOYKUB

LONDON OFFICE:
21 UPPER BROOK STREET
W1Y 1PD
(01) 629-1076

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

88 JAN 11 PM 3:45

January 7, 1988

Charles Snyder, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D. C. 20463

Re: MUR 1861 - Shirley Sprague

Dear Mr. Snyder:

This shall inform you that our client, Shirley Sprague, has decided to sign the proposed Agreement sent to us by the Federal Election Commission on October 14, 1987. Pursuant to the Agreement, Mrs. Sprague will pay a civil penalty to the Treasurer of the United States in the amount of $100.00. This decision by Mrs. Sprague is based solely on her desire to resolve this matter. Mrs. Sprague simply cannot afford to continue with a defense of the FEC proceeding.

I will send to you within the next fourteen days a Conciliation Agreement executed by Mrs. Sprague, and a check in the amount of $100.00.

Very truly yours,

JOYCE AND KUBASIAK, P.C.

Diane MacArthur

By: Diane MacArthur

DM:cg

cc: Mrs. Shirley Sprague

8 8 0 4 0 7 0 2 6 3 2

JOYCE & KUBASIAK
PROFESSIONAL CORPORATION
3 FIRST NATIONAL PLAZA • SUITE 3900
CHICAGO, ILLINOIS 60602

REMITTANCE ADVICE					

2-15
710

11255

PAY THE SUM 250 00/100 DOLLARS

DATE	TO THE ORDER OF	REFERENCE	
1-29-88	Federal Election Comm.		

CHECK AMOUNT
250 00

JOYCE & KUBASIAK, P.C.

AUTHORIZED SIGNATURE

THE NORTHERN TRUST COMPANY
CHICAGO, ILLINOIS

⑈011255⑈ ⑆071000152⑆ 0000466336⑈

830407026533

SHIRLEY A. SPRAGUE
WAYNE SPRAGUE
4835 N. MERRIMAC AVE.
CHICAGO, ILL. 60630

No. 3184

February 1 88

2-28/710

Pay to the order of Federal Election Commission $ 100.00

One Hundred & no/100 DOLLARS

HARRIS BANK
Harris Trust and Savings Bank
Chicago, Illinois 60690

Memo

⑆071000288⑆ 906⑈284⑈5⑈ 3184

SENSITIVE

FEDERAL ELECTION COMMISSION

BEFORE THE FEDERAL ELECTION COMMISSION

88 FEB 25 PM 5:20

In the Matter of	)	
	)	
Shirley Sprague	)	MUR 1861
	)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by Shirley Sprague, respondent in the above referenced matter, and by Diane MacArthur, counsel for Shirley Sprague.

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II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with Shirley Sprague.

2. Close the file.

3. Approve the attached letters.

Lawrence M. Noble
General Counsel

2/26/88
Date

Lois G. Lerner
Associate General Counsel

Attachments
1. Conciliation Agreement
2. Photocopy of civil penalty checks
3. Letter to Respondent
4. Letter to Thomas Breen
5. Letter to Matthias A. Lydon
6. Letter to Debra Lundin-Dickerson
7. Letter to George J. Murtaugh, Jr.
8. Letter to Eugene R. Wedoff
9. Letter to Dennis A. Dutterer
10. Letter to Craig C. Donsanto

Staff Person: Charles Snyder

3 3 0 4 0 7 0 2 6 3 5

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1861
Shirley Sprague	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on March 2, 1988, the Commission decided by a vote of 6-0 to take the following actions in MUR 1861:

1. Accept the conciliation agreement with Shirley Sprague, as recommended in the General Counsel's report signed February 26, 1988.

2. Close the file.

3. Approve the letters, as recommended in the General Counsel's report signed February 26, 1988.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

3/2/88
Date

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

Received in the Office of Commission Secretary: Fri., 2-26-88, 5:20
Circulated on 48 hour tally basis: Mon., 2-29-88, 11:00
Deadline for vote: Wed., 3-02-88, 11:00

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plem

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 8, 1988

Diane MacArthur, Esquire
Joyce and Kubasiak
Three First National Plaza
Suite 3900
Chicago, Illinois 60602-4276

RE: MUR 1861
Shirley Sprague

Dear Ms. MacArthur:

On March 2, 1988, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to your client. This matter will become a part of the public record within 30 days. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Charles Snyder, the attorney assigned to this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

93040702637

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of Shirley Sprague	)))	MUR 1861

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that Shirley Sprague ("Respondent") violated 2 U.S.C. § 441f.

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

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding.

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

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

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

1. Respondent was an employee of a corporation, the Board of Trade Clearing Corporation, from 1973 to 1984.

2. In the period from June 11, 1981 to September 29, 1982, respondent permitted herself to be identified as the source of $3,000 worth of contributions to various candidates for federal office, although the Board of Trade

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Clearing Corporation was the actual source of said contributions. Respondent accepted reimbursements in full from the Board of Trade Clearing Corporation for contributions made in her name.

V. Respondent consented to the use of her name to effect the making of a contribution by a person in the name of another, in violation of 2 U.S.C. §441f. Respondent asserts that this violation was not knowing and willful.

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of ~~One Hundred~~ Three hundred fifty dollars ~~dollars~~ ($~~100~~ 350.00), pursuant to 2 U.S.C. §437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

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X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M Noble (LHJ) 3/7/88

Lawrence M. Noble
General Counsel

Date

FOR THE RESPONDENT:

Shirley A. Sprague 1/19/88

(Name)
(Position)

Date

Sue MacArthur February 1, 1988

(Name)
(Position) Counsel for Respondent

Date

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FEDERAL ELECTION COMMISSION
MAIL ROOM

88 JAN 11 AM 9:40

LAW OFFICES

JOYCE AND KUBASIAK

PROFESSIONAL CORPORATION

THREE FIRST NATIONAL PLAZA

SUITE 3900

CHICAGO, ILLINOIS 60602-4276

(312) 641-2600

TELECOPIER (312) 263-0571

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OF COUNSEL
PETER B. CAREY
DANIEL J. KUBASIAK

CABLE ADDRESS:
JOYKUB

LONDON OFFICE:
21 UPPER BROOK STREET
W1Y 1PD
(01) 629-1076

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

88 JAN 11 PM 3:45

8804070254 1

January 7, 1988

Charles Snyder, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D. C. 20463

Re: MUR 1861 - Shirley Sprague

Dear Mr. Snyder:

This shall inform you that our client, Shirley Sprague, has decided to sign the proposed Agreement sent to us by the Federal Election Commission on October 14, 1987. Pursuant to the Agreement, Mrs. Sprague will pay a civil penalty to the Treasurer of the United States in the amount of $100.00. This decision by Mrs. Sprague is based solely on her desire to resolve this matter. Mrs. Sprague simply cannot afford to continue with a defense of the FEC proceeding.

I will send to you within the next fourteen days a Conciliation Agreement executed by Mrs. Sprague, and a check in the amount of $100.00.

Very truly yours,

JOYCE AND KUBASIAK, P.C.

Diane MacArthur

By: Diane MacArthur

DM:cg

cc: Mrs. Shirley Sprague

JOYCE & KUBASIAK
PROFESSIONAL CORPORATION
3 FIRST NATIONAL PLAZA • SUITE 3900
CHICAGO, ILLINOIS 60602

REMITTANCE ADVICE

2-15
710

11255

PAY THE SUM 250 00/100 DOLLARS

CHECK AMOUNT 250.00

DATE	TO THE ORDER OF	REFERENCE
1-29-88	Federal Election Comm.	

JOYCE & KUBASIAK, P.C.

AUTHORIZED SIGNATURE

THE NORTHERN TRUST COMPANY
CHICAGO, ILLINOIS

⑈011255⑈ ⑆071000152⑆ 0000466336⑈

8 8 0 4 0 7 0 2 6 4 2

SHIRLEY A. SPRAGUE
WAYNE SPRAGUE
4835 N. MERRIMAC AVE.
CHICAGO, ILL. 60630

No. 3184

February 1 19 88

2-28/710

Pay to the order of Federal Election Commission $ 100.00

One Hundred & no/100 DOLLARS

HARRIS BANK
Harris Trust and Savings Bank
Chicago, Illinois 60690

Memo

⑆071000288⑆ 906⑈284⑈5⑈ 3184

CCC#6

MEMORANDUM

TO: DEBRA A. TRIMIEW

FROM: CECILIA LIEBER

TO: CECILIA LIEBER

FROM: DEBRA A. TRIMIEW

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
88 FEB -3 PM 3:37

CHECK NO. 11255 { A COPY OF WHICH IS ATTACHED } RELATING TO

MUR 1861 (Snyder) AND NAME Shirley Sprague

WAS RECIEVED ON 2/3/88. PLEASE INDICATE THE ACCOUNT INTO WHICH IT SHOULD BE DEPOSITED:

/ ✓ / BUDGET CLEARING ACCOUNT { 95F3875.16 }

/ / CIVIL PENALTIES ACCOUNT { 95-1099.160 }

/ / OTHER _____

SIGNATURE Debra A. Trimiew DATE 2/4/88

2 3 0 4 0 7 0 2 6 4

CCC# 6286

MEMORANDUM

TO: DEBRA A. TRIMIEW

FROM: CECILIA LIEBER

TO: CECILIA LIEBER

FROM: DEBRA A. TRIMIEW

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
88 FEB -3 PM 3:37

CHECK NO. 3134 { A COPY OF WHICH IS ATTACHED } RELATING TO

MUR 1861 (Snyder) AND NAME Shirley Sprague

WAS RECIEVED ON 2/3/88. PLEASE INDICATE THE ACCOUNT INTO WHICH IT SHOULD BE DEPOSITED:

/ ✓ / BUDGET CLEARING ACCOUNT { 95F3875.16 }

/ / CIVIL PENALTIES ACCOUNT { 95-1099.160 }

/ / OTHER _____

SIGNATURE Debra A. Trimiew DATE 2/4/88

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

March 8, 1988

Thomas M. Breen, Esquire
221 North LaSalle Street
Suite 2114
Chicago, Illinois 60601

RE: MUR 1861
Thomas S. Andrews et al.

Dear Mr. Breen:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Charles Snyder, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

8804070264

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

March 8, 1988

Debra Lundin-Dickenson
876 Spring Hill
Naperville, Illinois

RE: MUR 1861
Debra Lundin-Dickenson

Dear Ms. Lundin-Dickenson:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Charles Snyder, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

38040702645

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 8, 1988

Matthias A. Lydon, Esquire
Pierce, Lydon, Griffin & Montana
Eighteenth Floor
100 West Monroe Street
Chicago, Illinois 60603

RE: MUR 1861
John F. Walsh

Dear Mr. Lydon:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Charles Snyder, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

8 3 0 4 0 7 0 2 6 4 6

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

March 8, 1988

George J. Murtaugh, Jr., Esquire
100 West Monroe Street
Suite 1800
Chicago, Illinois 60603

RE: MUR 1861
James E. Johnson

Dear Mr. Murtaugh:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Charles Snyder, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

8804070264 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 8, 1988

Dennis A. Dutterer, Esquire
Vice President and General Counsel
Board of Trade Clearing Corporation
141 West Jackson Blvd. - Suite 1460
Chicago, Illinois 60604

RE: MUR 1861
Board of Trade Clearing
Corporation

Dear Mr. Dutterer:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Charles Snyder, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

8 8 0 4 0 7 0 2 6 4 8

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

March 8, 1988

Eugene R. Wedoff, Esquire
Jenner & Block
One IBM Place
Chicago, Illinois 60611

RE: MUR 1861
Walter Brinkman

Dear Mr. Wedoff:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Charles Snyder, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

8 8 0 4 0 7 0 2 6 4 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 8, 1988

Craig C. Donsanto
Election Crimes Branch
Public Integrity Section
Dept. of Justice
Tenth & Constitution Avenue, N.W.
Washington, D.C. 20530

RE: MUR 1861

Dear Mr. Donsanto:

This is in reference to the matter involving the Board of Trade Clearing Corporation, which your office referred to the Federal Election Commission.

After conducting an investigation into this matter, the Commission found that there was probable cause to believe Shirley Sprague violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended, and has now entered into a conciliation agreement in the matter. A copy of this agreement is enclosed for your information.

On March 12, 1985, the Commission found that there was reason to believe Walter Brinkman, James E. Johnson, and the Board of Trade Clearing Corporation violated 2 U.S.C. § 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended. On March 11, 1986, the Commission determined to take no further action against Walter Brinkman, James E. Johnson, and the Board of Trade Clearing Corporation. On October 22, 1985 the Commission found reason to believe that Thomas S. Andrews, Richard A. Baker, Christine A. Beauprie, Leonard G. Centoni, Justine Cooper, Lorraine C. Hagen, Charles K. Hayes, John William Heiser, Gloria Hill, Eufemio B. Jara, William H. Kasper, Larry A. Krell, Gary W. Nessel, Edward J. Pocica, Ronald E. Radowich, Clyde J. Rudofski, Robert L. Taylor, John F. Walsh, Louis A. Clark, Ellen Federowski, Donald H. Halenya, Jr., Debra Lundin-Dickenson, Shirley A. Sprague, and Nancy K. Stewart violated 2 U.S.C. § 441f, and has now entered into conciliation agreements in the matter. A copy of the agreement with John F. Walsh, which is identical to the agreements signed with all the aforesaid respondents (except for

8804070250

the last three named), is enclosed for your information. The Commission also determined to take no further action against Nancy K. Stewart and Debra Lundin-Dickenson. As stated above, a finding of probable cause to believe was made as to Shirley Sprague.

We appreciate your cooperation in helping the Commission meet its enforcement responsibilities under the Federal Election Campaign Act of 1971, as amended.

If you have any questions, please contact Charles Snyder, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosures
Conciliation Agreements

8 8 0 4 0 7 0 2 6 5 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 1861

DATE FILMED 5/9/88 CAMERA NO. 2

CAMERAMAN GPC

8 8 0 4 0 7 0 2 6 5 2