FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 1971

Date Filmed 6/27/85 Camera No. --- 1

Cameraman AS

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MUR 1971

SUMMARY FILE CHECK-OFF

MUR # 1971

5/21/85 Date of Close-out Letters (Mailing Date)

CONTENT CHECK-OFF

X Close-Out Letter(s)

____ Final OGC Report or Memorandum or Conciliation Agreement(s)

____ Respondent(s) Reply to Brief(s)

____ General Counsel's Brief(s)

____ Respondent's Reply to RTB Finding

X First General Counsel's Report

X Respondent's Reply to the Complaint

X Original Complaint(s) (If Any)

____ Other Report or Correspondence*

X All Certifications**

Anne A. Weissenborn Preparer of the Summary File

Date 6/18/85 File Reviewed by [illegible]

* To be included if, in the opinion of the staff member, it is important.

** Certifications of Commission actions should be placed in the Summary File prior to the documents which formed the basis of the action and in reverse chronological order.

(Revised 7/5/83)

3504052531

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 21, 1985

Kenneth Woo
2740 West Arthur Avenue
Chicago, Illinois 60645

RE: MUR 1971

Dear Mr. Woo:

The Federal Election Commission has received your letter of April 29, 1985, in which you requested that the complaint you filed against The LaRouche Campaign be withdrawn. Under 2 U.S.C. § 437g, the Commission is empowered to review a complaint properly filed with it and to take action which it deems appropriate under the Federal Election Campaign Act of 1971, as amended ("the Act"). Any request for withdrawal of a complaint does not prevent the Commission from taking any action appropriate under the Act. However, your request will become part of the public record within thirty days after the entire file has been closed.

The Commission has reviewed the allegations in your complaint and, on May 15, 1985, determined that, on the basis of the information provided in your complaint and by the Respondent, there is no reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended ("the Act") has been committed as regards the Committee's late repayment of your loans. Accordingly, the Commission has decided to close the file in this matter.

The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

8504052523 2

Should additional information come to your attention which you believe establishes a violation of the Act, you may file a complaint pursuant to the requirements set forth in 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Enclosures
General Counsel's Report

8 5 0 4 0 5 5 2 5 2 3 3

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
5/13/85 - 9:10

MUR # 1971
DATE COMPLAINT RECEIVED BY OGC April 5, 1985

DATE OF NOTIFICATION TO RESPONDENT April 10, 1985

STAFF MEMBER
Anne Weissenborn

COMPLAINANT'S NAME: Kenneth Woo

RESPONDENTS' NAMES: The LaRouche Campaign
Edward Spannaus, as treasurer

RELEVANT STATUTES: 2 U.S.C. § 431, et al

INTERNAL REPORTS CHECKED: The LaRouche Campaign

SUMMARY OF ALLEGATIONS

On March 15, 1985, the Commission received a complaint from Kenneth Woo of Chicago, Illinois, alleging the non-repayment of two loans made to The LaRouche Campaign on April 22 or 30, 1984, in the amounts of $200 and $100. The loans were to have been repaid within sixty days. No repayments had been received as of the date of the complaint.

The LaRouche Campaign has reported both loans as receipts and as debts owed. In the response to the complaint submitted on behalf of the Committee, counsel stated that loans totaling $300 from Mr. Woo were repaid on April 20, 1985. (Attachment 1). Earlier, on May 2, 1985, this Office had received a letter from the respondent stating that his loans had been repaid and that he wished to drop his complaint. (Attachment 2).

8504052523 4

FACTUAL AND LEGAL ANALYSIS

Whether or not Mr. Woo has been made whole, it appears that no violation of a law within the Commission's jurisdiction has occurred as regards the failure of the Committee to repay his loans within the time frame originally established. The loans at issue were made by an individual, not by a bank or corporation, and therefore, constituted contributions pursuant to 2 U.S.C. § 431(8)(A) at the time they were made. Neither the Federal Election Campaign Act nor the Commission's regulations address the issue of the late repayment of loans received by a political committee from an individual. Therefore, this Office recommends that a Commission determination that there is no reason to believe that the Committee has violated the Federal Election Campaign Act as regards the late repayment of the loans at issue.

RECOMMENDATIONS

1. Find no reason to believe that The LaRouche Campaign, Inc., and Edward Spannaus, as treasurer, have violated the Act as regards the non-repayment of loans.

2. Close the file in this matter.

3. Approve the attached letters.

Charles N. Steele
General Counsel

May 9, 1985

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

Attachments
1. Committee response
2. Letters (2)

8504052523 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Kenneth Woo
2740 West Arthur Avenue
Chicago, Illinois 60645

RE: MUR 1971

Dear Mr. Woo:

The Federal Election Commission has received your letter of April 29, 1985, in which you requested that the complaint you filed against The LaRouche Campaign be withdrawn. Under 2 U.S.C. § 437g, the Commission is empowered to review a complaint properly filed with it and to take action which it deems appropriate under the Federal Election Campaign Act of 1971, as amended ("the Act"). Any request for withdrawal of a complaint does not prevent the Commission from taking any action appropriate under the Act. However, your request will become part of the public record within thirty days after the entire file has been closed.

The Commission has reviewed the allegations in your complaint and, on May 15, 1985, determined that, on the basis of the information provided in your complaint and by the Respondent, there is no reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended ("the Act") has been committed as regards the Committee's late repayment of your loans. Accordingly, the Commission has decided to close the file in this matter.

The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

3 5 0 4 0 5 5 2 5 2 3 6

AW 5/20/85

Should additional information come to your attention which you believe establishes a violation of the Act, you may file a complaint pursuant to the requirements set forth in 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Enclosures
General Counsel's Report

8 5 0 4 0 5 2 5 2 3 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 21, 1985

Tracy Roach, Esquire
Anderson and Associates, P.C.
One Longfellow Place
Boston, Massachusetts 02114

RE: MUR 1971

Dear Ms. Roach:

On March 25, 1985, the Commission notified The LaRouche Campaign, Inc., and Edward Spannaus, as treasurer, of a complaint concerning the complainant's failure to receive repayments of two loans made to the committee.

The Commission, on May 15, 1985, determined that on the basis of the information in the complaint, and of information provided by you on behalf of your clients, there is no reason to believe that a violation of the Federal Election Campaign Act has been committed. Accordingly, the Commission has closed its files in this matter. The matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Enclosure
General Counsel's Report

8504052523 8

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
5/13/85 - 9:10

MUR # 1971
DATE COMPLAINT RECEIVED BY OGC April 5, 1985

DATE OF NOTIFICATION TO RESPONDENT April 10, 1985

STAFF MEMBER
Anne Weissenborn

COMPLAINANT'S NAME: Kenneth Woo

RESPONDENTS' NAMES: The LaRouche Campaign
Edward Spannaus, as treasurer

RELEVANT STATUTES: 2 U.S.C. § 431, et al.

INTERNAL REPORTS CHECKED: The LaRouche Campaign

SUMMARY OF ALLEGATIONS

On March 15, 1985, the Commission received a complaint from Kenneth Woo of Chicago, Illinois, alleging the non-repayment of two loans made to The LaRouche Campaign on April 22 or 30, 1984, in the amounts of $200 and $100. The loans were to have been repaid within sixty days. No repayments had been received as of the date of the complaint.

The LaRouche Campaign has reported both loans as receipts and as debts owed. In the response to the complaint submitted on behalf of the Committee, counsel stated that loans totaling $300 from Mr. Woo were repaid on April 20, 1985. (Attachment 1). Earlier, on May 2, 1985, this Office had received a letter from the respondent stating that his loans had been repaid and that he wished to drop his complaint. (Attachment 2).

8504052523 9

FACTUAL AND LEGAL ANALYSIS

Whether or not Mr. Woo has been made whole, it appears that no violation of a law within the Commission's jurisdiction has occurred as regards the failure of the Committee to repay his loans within the time frame originally established. The loans at issue were made by an individual, not by a bank or corporation, and therefore, constituted contributions pursuant to 2 U.S.C. § 431(8)(A) at the time they were made. Neither the Federal Election Campaign Act nor the Commission's regulations address the issue of the late repayment of loans received by a political committee from an individual. Therefore, this Office recommends that a Commission determination that there is no reason to believe that the Committee has violated the Federal Election Campaign Act as regards the late repayment of the loans at issue.

RECOMMENDATIONS

1. Find no reason to believe that The LaRouche Campaign, Inc., and Edward Spannaus, as treasurer, have violated the Act as regards the non-repayment of loans.

2. Close the file in this matter.

3. Approve the attached letters.

Charles N. Steele
General Counsel

May 9, 1985

BY: Kenneth A. Gross
Associate General Counsel

Attachments
1. Committee response
2. Letters (2)

8504052524 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Tracy Roach, Esquire
Anderson and Associates, P.C.
One Longfellow Place
Boston, Massachusetts 02114

RE: MUR 1971

Dear Ms. Roach:

On March 25, 1985, the Commission notified The LaRouche Campaign, Inc., and Edward Spannaus, as treasurer, of a complaint concerning the complainant's failure to receive repayments of two loans made to the committee.

The Commission, on May 15, 1985, determined that on the basis of the information in the complaint, and of information provided by you on behalf of your clients, there is no reason to believe that a violation of the Federal Election Campaign Act has been committed. Accordingly, the Commission has closed its files in this matter. The matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Enclosure
General Counsel's Report

3504052524

AW 5/20/85

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1971
The LaRouche Campaign	)	
Edward Spannaus, as treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 15, 1985, the Commission decided by a vote of 6-0 to take the following actions in MUR 1971:

1. Find no reason to believe that The LaRouche Campaign, Inc., and Edward Spannaus, as treasurer, have violated the Act as regards the non-repayment of loans.

2. Close the file in this matter.

3. Approve the letters attached to the First General Counsel's Report signed May 9, 1985.

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

Attest:

5-17-85
Date

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

Received in Office of Commission Secretary: 5-13-85, 9:08
Circulated on 48 hour tally basis: 5-13-85, 4:00

8504052542

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary

FROM: Office of General Counsel

DATE: May 16, 1985

SUBJECT: MUR 1971 - Memorandum to The Commission

The attached is submitted as an Agenda document for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS		DISTRIBUTION	
48 Hour Tally Vote	[ ]	Compliance	[X]
Sensitive	[ ]		
Non-Sensitive	[ ]	Audit Matters	[ ]
24 Hour No Objection	[ ]	Litigation	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Closed MUR Letters	[ ]
Information	[ ]	Status Sheets	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Advisory Opinions	[ ]
Other	[X]	Other (see distribution below)	[ ]

SENSITIVE

CIRCULATE ON GREEN PAPER

Replacement page to previously circulated 1st GC Report

3 5 0 4 0 5 2 5 2 4 3

SENSITIVE

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE SECRETARY OF THE FEC
COMMISSION SECRETARY
85 MAY 16 A11:11

May 16, 1985

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele,
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

SUBJECT: MUR 1971, First General Counsel's Report circulated May 13, 1985, Errata

Attached is a replacement for page 1 of the above-cited report. This replacement contains a correction in the last sentence of paragraph 2 to the effect that it was the complainant who has requested in a letter dated May 2, 1985, that his complaint be dropped, not the respondent.

Attachment
Replacement page

3 5 0 4 0 5 2 5 2 4 4

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

MUR # 1971
DATE COMPLAINT RECEIVED
BY OGC April 5, 1985

DATE OF NOTIFICATION TO
RESPONDENT April 10, 1985

STAFF MEMBER
Anne Weissenborn

COMPLAINANT'S NAME: Kenneth Woo

RESPONDENTS' NAMES: The LaRouche Campaign
Edward Spannaus, as treasurer

RELEVANT STATUTES: 2 U.S.C. § 431, et aL

INTERNAL REPORTS
CHECKED: The LaRouche Campaign

SUMMARY OF ALLEGATIONS

On March 15, 1985, the Commission received a complaint from Kenneth Woo of Chicago, Illinois, alleging the non-repayment of two loans made to The LaRouche Campaign on April 22 or 30, 1984, in the amounts of $200 and $100. The loans were to have been repaid within sixty days. No repayments had been received as of the date of the complaint.

The LaRouche Campaign has reported both loans as receipts and as debts owed. In the response to the complaint submitted on behalf of the Committee, counsel stated that loans totaling $300 from Mr. Woo were repaid on April 20, 1985. (Attachment 1). Earlier, on May 2, 1985, this Office had received a letter from the complainant stating that his loans had been repaid and that he wished to drop his complaint. (Attachment 2).

8 5 0 4 0 5 0 5 2 4 5

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
5/13/85 - 9:10

MUR # 1971
DATE COMPLAINT RECEIVED BY OGC April 5, 1985

DATE OF NOTIFICATION TO RESPONDENT April 10, 1985

STAFF MEMBER
Anne Weissenborn

COMPLAINANT'S NAME: Kenneth Woo

RESPONDENTS' NAMES: The LaRouche Campaign
Edward Spannaus, as treasurer

RELEVANT STATUTES: 2 U.S.C. § 431, et aL

INTERNAL REPORTS CHECKED: The LaRouche Campaign

SUMMARY OF ALLEGATIONS

On March 15, 1985, the Commission received a complaint from Kenneth Woo of Chicago, Illinois, alleging the non-repayment of two loans made to The LaRouche Campaign on April 22 or 30, 1984, in the amounts of $200 and $100. The loans were to have been repaid within sixty days. No repayments had been received as of the date of the complaint.

The LaRouche Campaign has reported both loans as receipts and as debts owed. In the response to the complaint submitted on behalf of the Committee, counsel stated that loans totaling $300 from Mr. Woo were repaid on April 20, 1985. (Attachment 1). Earlier, on May 2, 1985, this Office had received a letter from the respondent stating that his loans had been repaid and that he wished to drop his complaint. (Attachment 2).

8 5 0 4 0 5 2 5 2 4 6

THE FEC
HAND DELIVERED
85 MAY 7 P12:29

ANDERSON & ASSOCIATES, P.C.

ATTORNEYS AT LAW

ODIN P. ANDERSON
ROBERT L. ROSSI
A. DAVID DAVIS
TRACY ROACH

ONE LONGFELLOW PLACE
SUITE 216
BOSTON, MASSACHUSETTS 02114
(617) 742-8200

May 6, 1985

7 P2:52

Charles N. Steele, General Counsel
Federal Election Commission
1324 K Street, N.W.
Washington, D.C. 20463

Re: MUR 1971

Dear Mr. Steele:

This letter is in response to notification from the Commission, received on April 22, 1985 by Edward Spannaus, Treasurer of The LaRouche Campaign ("TLC"), and Gerald Petchenuk, a TLC volunteer, that a complaint by Kenneth Woo alleges that a violation of the Federal Election Campaign Act of 1971, as amended ("the Act"), may have occurred. The response is made on behalf of all three respondents; a designation of counsel form for Mr. Petchunuk will be forwarded to you under separate cover.

The two loans made to the campaign were repaid on April 20, 1985 (See attached Exhibit 1). The debt owed Mr. Woo is extinguished, as is the basis for his complaint. TLC records reflect the entire transaction and reporting requirements have and will continue to be fulfilled.

As Kenneth Gross stated on your behalf in the two General Counsel Reports upon which the Commission based its April 23, 1985 dismissal of MURs 1864 and 1879, "Neither the Federal Election Campaign Act nor the Commission's regulations address the issue of the late repayment of loans received by a political committee from an individual." If this in fact is the Commission's position, and the respondents strongly believe it must be, it behooves one to inquire why jurisdiction continues to be asserted over such matters.

It is requested that MUR 1971 be dismissed forthwith.

Very truly yours,
The LaRouche Campaign
Edward Spannaus, Treasurer
By Their Attorney,

TRACY ROACH

TR/jm

Attachment 1 (1)

8 5 0 4 0 5 5 2 4 7

FACTUAL AND LEGAL ANALYSIS

Whether or not Mr. Woo has been made whole, it appears that no violation of a law within the Commission's jurisdiction has occurred as regards the failure of the Committee to repay his loans within the time frame originally established. The loans at issue were made by an individual, not by a bank or corporation, and therefore, constituted contributions pursuant to 2 U.S.C. § 431(8)(A) at the time they were made. Neither the Federal Election Campaign Act nor the Commission's regulations address the issue of the late repayment of loans received by a political committee from an individual. Therefore, this Office recommends that a Commission determination that there is no reason to believe that the Committee has violated the Federal Election Campaign Act as regards the late repayment of the loans at issue.

RECOMMENDATIONS

1. Find no reason to believe that The LaRouche Campaign, Inc., and Edward Spannaus, as treasurer, have violated the Act as regards the non-repayment of loans.

2. Close the file in this matter.

3. Approve the attached letters.

Charles N. Steele
General Counsel

May 9, 1985

BY: Kenneth A. Gross
Associate General Counsel

Attachments
1. Committee response
2. Letters (2)

8 5 0 4 0 5 2 5 2 4 8

Mel Klenetsky
National Campaign Direct
Edward Spannaus
Treasurer

~~P.O. Box 2150, GPO, New York, N.Y. 10116 (212) 247-8820~~
PO Box 17729, Washington, DC 20041-0729

April 20, 1985

Kenneth Woo
2704 W. Arthur Ave
Chicago, Ill. 96645

Mr. Woo--

Please find enclosed a check for $300 from The LaRouche Campaign. This repays in full your loan to the campaign.

Frank Bell

8 5 0 4 0 5 2 5 2 4 9

THE LAROUCHE CAMPAIGN
304 WEST 58TH STREET
NEW YORK, NY 10019

2696

April 20 19 85

1-1/210 463

PAY TO THE ORDER OF Kenneth Woo $300.00

three-hundred and no/100 DOLLARS

THE BANK OF NEW YORK
51 WEST 52ND STREET, NEW YORK, N.Y. 10019

MEMO Ill.

Frank Bell

EXHIBIT 1

2

RECEIVED AT THE FEC

85 MAY 2 P1:24

2704 West Arthur Avenue
Chicago, Illinois 60645
April 29, 1985

MAY 2 P3:00

General Counsel
Federal Election Commission
Washington, D.C. 20463

To whom it may concern:
I wish to drop my complaint against the LaRouche Campaign. On April 24th I received a check from their Washington, D.C. office for $300.00 and it covers the entire amount that I loaned out.

Yours truly,

Kenneth Woo

Mr. Kenneth Woo

8504052250

Attachment 2 (3)

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Tracy Roach, Esquire
Anderson and Associates
Longfellow Place
Boston, Massachusetts

RE: MUR 1971

Dear Ms. Roach:

On March 25, 1985, the Commission notified The LaRouche Campaign, Inc., and Edward Spannaus, as treasurer, of a complaint concerning the complainant's failure to receive repayments of two loans made to the committee.

The Commission, on May , 1985, determined that on the basis of the information in the complaint, and by information provided by you on behalf of your clients, there is no reason to believe that a violation of the Federal Election Campaign Act has been committed. Accordingly, the Commission has closed its files in this matter. The matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Enclosure
General Counsel's Report

8 5 0 4 0 5 2 5 2 5 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Kenneth Woo
2740 West Arthur Avenue
Chicago, Illinois 60645

RE: MUR 1971

Dear Mr. Woo:

The Federal Election Commission has received your letter of April 29, 1985, in which you requested that the complaint you filed against The LaRouche Campaign be withdrawn. Under 2 U.S.C. § 437g, the Commission is enpowered to review a complaint properly filed with it and to take action which it deems appropriate under the Federal Election Campaign Act of 1971, as amended ("the Act"). Any request for withdrawal of a complaint does not prevent the Commission from taking any action appropriate udner the Act. However, your request will become part of the public record within thirty days after the entire file has been closed.

The Commission has reviewed the allegations in your complaint and. on May , 1985, determined that, on the basis of the information provided in your complaint and by the Respondent, there is no reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended ("the Act") has been committed as regards the Committee's late repayment of your loans. Accordingly, the Commission has decided to close the file in this matter.

The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Should additional information come to your attention which you believe establishes a violation of the Act, you may file a complaint pursuant to the requirements set forth in 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Enclosures
General Counsel's Report

3 5 0 4 0 5 2 5 2 5 2

(5)

GCC#7462
Weissenborn

ANDERSON & ASSOCIATES, P.C.

ATTORNEYS AT LAW

ODIN P. ANDERSON
ROBERT L. ROSSI
A. DAVID DAVIS
TRACY ROACH

ONE LONGFELLOW PLACE
SUITE 216
BOSTON, MASSACHUSETTS 02114
(617) 742-8200

RECEIVED
GENERAL COUNSEL
MAY 15 P 2:42

May 14, 1985

Charles N. Steele, General Counsel
Federal Election Commission
1324 K Street, N.W.
Washington, D.C. 20463

Re: MUR 1971

Dear Mr. Steele:

Enclosed please find a Statement of Designation of Counsel for Gerald Petchenuk in the above referenced matter. A response on his behalf was submitted along with that of The LaRouche Campaign and Edward Spannaus on May 6, 1985.

Very truly yours,

TRACY ROACH

Enclosure

TR/jm

3 5 0 4 0 5 2 5 2 5 3

GCC# 7462

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1971

NAME OF COUNSEL: Tracy Roach

ADDRESS: Anderson & Associates
One Longfellow Place
Boston, Mass. 02114

TELEPHONE: 617) 742-8200

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
85 MAY 15 P2:42

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 7, 1985
Date

Gerald Pechenuk
Signature

RESPONDENT'S NAME: Gerald Petchenuk

ADDRESS: c/o 4507 North Kedzie Ave.
Chicago, Ill. 60625

HOME PHONE: unpublished

BUSINESS PHONE:

8504052521

RECEIVED AT THE FEC

2704 West Arthur Avenue
Chicago, Illinois 60645
April 29, 1985

MAY 2 P3:00

General Counsel
Federal Election Commission
Washington, D.C. 20463

To whom it may concern:
I wish to drop my complaint against the LaRouche Campaign. On April 24th I received a check from their Washington, D.C. office for $300.00 and it covers the entire amount that I loaned out.

Yours truly,

Kenneth Woo

Mr. Kenneth Woo

8 5 0 4 0 5 2 5 2 5 5

Mel Klenetsky
National Campaign Director
Edward Spannaus
Treasurer

~~P.O. Box 3160, GPO, New York, N.Y. 10116 (212) 247-8820~~
PO Box 17729, Washington, DC 20041-0729

April 20, 1985

Kenneth Woo
2704 W. Arthur Ave
Chicago, Ill. 96645

Mr. Woo--

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Frank Bell

THE LAROUCHE CAMPAIGN
304 WEST 58TH STREET
NEW YORK, NY 10019

2696

April 20 19 85 1-1/210 463

PAY TO THE ORDER OF Kenneth Woo $300.00

three-hundred and no/100 DOLLARS

THE BANK OF NEW YORK
51 WEST 52ND STREET, NEW YORK, N.Y. 10019

MEMO Fill

Frank Bell

EXHIBIT 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 10, 1985

Mr. Kenneth Woo
2704 West Arthur Avenue
Chicago, Illinois 60645

Dear Mr. Woo:

This letter is to acknowledge receipt of your complaint which we received on April 5, 1985, against Edward Spannaus, the LaRouche Campaign and Mr. Gerald Petchenuk, which alleges violations of the Federal Election Campaign laws. A staff member has been assigned to analyze your allegations. The respondent will be notified of this complaint within five days.

You will be notified as soon as the Commission takes final action on your complaint. Should you have or receive any additional information in this matter, please forward it to this office. We suggest that this information be sworn to in the same manner as your original complaint. For your information, we have attached a brief description of the Commission's procedure for handling complaints. If you have any questions, please contact Cheryl Thomas at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure

8 5 0 4 0 5 2 5 2 5 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 10, 1985

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Edward Spannaus
Treasurer
The LaRouche Campaign, Inc.
P. O. Box 2150 GPO
New York, New York 10016

Re: MUR 1971

Dear Mr. Spannaus:

This letter is to notify you that on April 5, 1985 the Federal Election Commission received a complaint which alleges that The LaRouche Campaign and you may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 1971. Please refer to this number in all future correspondence.

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

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

This matter will remain confidential in accordance with 2 U.S.C. 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

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

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

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosures

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

8504052257

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 10, 1985

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gerald Petchenuk
4507 North Kedzie Avenue
Chicago, Illinois 60625

Re: MUR 1971

Dear Mr. Petchenuk:

This letter is to notify you that on April 5, 1985 the Federal Election Commission received a complaint which alleges that The LaRouche Campaign and you may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 1971. Please refer to this number in all future correspondence.

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

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

This matter will remain confidential in accordance with 2 U.S.C. 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

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

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

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosures

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

8504052261

1-312-761-6683 (home)
1-312-673-8300 (work)
2704 West Arthur Avenue
Chicago, Illinois 60645
March 18, 1985

RECEIVED AT THE FEC
85 APR 5 A9:16

General Counsel
Federal Election Commission
Washington, D.C. 20463

To whom it concern:
I need your assistance to obtain repayment of two loans that I made to

The LaRouche Campaign
P.O. Box 2150
GPO
New York, N.Y. 10116
1-212-247-8820

The loans were obtained by

Mr. Gerald Petchenuk
4507 North Kedzie Avenue
Chicago, Illinois 60625
1-312-463-5910

The address for Mr. Petchenuk is the last address that I have for the Chicago office of The LaRouche Campaign and The National Democratic Policy Committee. Mr. Petchenuk acquired the loans from me through a series of telephone conversations that culminated in two charges placed on my Visacard charge account.

The transactions and subsequent activities were as follows:

(1) 4/22/84 post date: $200.00 , sixty-day loan due 6/30/84,
two promissory notes received within 1 month of posting,
one of the notes was signed by a LaRouche Campaign official
(2) 5/29/84 post date: $100.00 , sixty-day loan due 7/30/84,
unsigned promissory note received approximately 12/1/84

Before verbally approving the loans, Mr. Petchenuk each time assured me that federal election laws required repayment at the end of the loan period.

During the summer, I spoke with Mr. Petchenuk regarding repayment of the loans and he claimed that he put in an inquiry with Mr. Edward Spannaus, the LaRouche Campaign treasurer. Mr. Spannaus, according to Mr. Petchenuk, did not respond. Following Mr. Petchenuk's suggestion, I then wrote a letter to Mr. Spannaus and followed up with a telephone call to the New York office; Mr. Spannaus was not present and subsequently refused to acknowledge my call.

On the day before the presidential election, I once again called Mr. Petchenuk about the loan repayment and told him that I would file a complain with the FEC regarding non-repayment. He became extremely angry with me and claimed that I was only one of 14 persons nationwide complaining to the FEC about LaRouche Campaign loan repayments and that I was "too small" to accept (an unagreed to) extended period for loan repayment. He further complained to me that the FEC was a criminal organization and that a loan repayment committee would be formed by Lyndon LaRouche the day after the election. The LaRouche Campaign knew that the loans would not be paid back on time per the promissory notes and fraudulently misrepresented their intentions to me. Later, within 1 month of the election, I received two letters from the LaRouche Campaign alledging some funding problems.

Attached are copies of all my pertinent records.

Yours truly,

Kenneth Woo

Mr. Kenneth Woo

Subscribed and sworn to before me
this 30 day of March 85
at Chicago, County of Cook State of Illinois
Maria Hernandez
Notary Public

8504052562

The LaRouche Campaign
P.O. Box 2150, G.P.O
New York, N.Y. 10116

KENNETH F. WOO
2704 W. ARTHUR AVE.
CHICAGO IL 60645

The LaRouche Campaign acknowledges that on 04/30/84 the above individual loaned $200.00 to The LaRouche Campaign, located at 304 West 58th Street, 5th Floor, New York, New York.

The LaRouche Campaign acknowledges its indebtedness to KENNETH F. WOO only, in the amount of $200.00, which it shall repay to KENNETH F. WOO by 06/30/84. This obligation of the LaRouche Campaign to KENNETH F. WOO shall not be assigned, transferred, or discounted.

Edward Spannaus
Treasurer
The LaRouche Campaign

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ACCOUNT NUMBER	CREDIT LIMIT	AVAILABLE CREDIT	DAYS IN BILLING CYCLE	BILLING CYCLE DATE	PAYMENT DUE DATE	MINIMUM PAYMENT DUE
[illegible]	500	205	30	0[illegible]3/84	06/17/84	12.00

DATE OF TRANS	DATE OF POST	REFERENCE NUMBER	CHARGES, PAYMENTS AND CREDITS SINCE LAST STATEMENT	AMOUNT
0410	0502	A029708G600052402	NSSI CHATTANOOGA TN	69.34
0503	0503	B030201GGX2CLBL22	PAYMENT - THANK YOU	84.03-
0501	0507	A021700GDF00299WD	THE LAROUCHE CAMPAIGN NEW YORK NY	200.00
0422	0509	A001800GH03227762	NAT'L DEMOCRATIC POLIC NEW YORK NY	25.00

REC'D
CITICORP SAVINGS OF ILLINOIS
A FEDERAL SAVINGS & LOAN ASSN
JUN 7 1984
028—0650

PREVIOUS BALANCE	PAYMENTS	CREDITS	PURCHASES AND CASH ADVANCES	DEBIT ADJUSTMENTS	FINANCE CHARGE	NEW BALANCE
84.03	84.03	0.00	294.34	0.00	0.00	294.34

AN AMOUNT FOLLOWED BY A MINUS SIGN (-) IS A CREDIT OR A CREDIT BALANCE UNLESS OTHERWISE INDICATED.

* DON'T LET A THIEF CASH IN ON YOUR *
* SUMMER VACATION - REPORT LOST OR *
* STOLEN CREDIT CARDS IMMEDIATELY *
* 1 - 800 - 556 - 5678 *

SEND INQUIRIES TO First Federal of Chicago Attention VISA Card Services Department P.O. Box 87581 Chicago Ill 60680

	CASH ADVANCES	PURCHASES		AVERAGE DAILY BALANCE OF PURCHASES AND CASH ADVANCES
ANNUAL PERCENTAGE RATE	19.80%	19.80%	See Reverse Side for explanation of how FINANCE CHARGE is computed.	
PERIODIC RATE (MONTHLY)	1.650%	1.650%		0.00

VISA 8C

The New Balance must be paid in full by the Payment Due Date to Avoid Finance Charge on Merchandise Purchases. Finance Charge on each Cash Advance continues to accrue until the Advance is Repaid. The New Balance may be paid in Full or in part without Prepayment Penalty

NOTICE: See reverse side and accompanying statement(s), if any, for important information.

VISA

DATE	ACCOUNT NUMBER	AMOUNT OF PAYMENT
6-7-84	4 3 0 2 0 1 0 0 1 0 0 1 4 9 1 4	29434

TELLER STAMP
REC'D
CITICORP SAVINGS OF ILLINOIS
A FEDERAL SAVINGS & LOAN ASSN
JUN 7 1984
028—0650

PAYMENT RECEIPT

Kenneth Woo
CARDHOLDER NAME

FIRST FEDERAL OF CHICAGO
VISA CARD SERVICES DEPARTMENT
P.O. BOX 87581
CHICAGO ILLINOIS 60680

RECEIVED CASH ▶	29434
TOTAL CHECKS	
TOTAL RECEIVED	29434
LESS TOTAL DUE ▶	29434
CASH RETURNED ▶	

PAYMENTS RECEIVED AT THE ABOVE MAILING ADDRESS BEFORE 11:00 A.M. WILL BE CREDITED TO YOUR ACCOUNT AS OF THE DATE RECEIVED. PAYMENTS RECEIVED AT ANY OTHER LOCATION MAY BE SUBJECT TO A DELAY IN CREDITING OF UP TO 5 DAYS AFTER DATE OF RECEIPT.

TC:AW 10830400150 SUB LED RC

CARDHOLDER COPY

8504052526 4

AMOUNT: $200.00 DATE:APRIL 26, 1985

PROMISSORY NOTE

THE LAROUCHE CAMPAIGN acknowledges that on APRIL 26, 1984, KEN WOO , of 2704 W. Arthur Ave., Chicago, Il., loaned TWO HUNDRED DOLLARS AND 00/XX CENTS ($200.00) to THE LAROUCHE CAMPAIGN, located at 304 W. 58th Street, New York, N.Y.

THE LAROUCHE CAMPAIGN acknowledges its indebtedness to KEN WOO only in the amount of TWO HUNDRED DOLLARS AND 00/XX CENTS ($200.00) which it shall repay to KEN WOO within SIXTY (60) DAYS. This obligation shall not be transferred, assigned, or discounted.

Paul Greenberg
PAUL GREENBERG
Authorized Representative
of THE LAROUCHE CAMPAIGN

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ACCOUNT NUMBER	CREDIT LIMIT	AVAILABLE CREDIT	BILLING CYCLE	BILLING CYCLE CLOSING DATE	PAYMENT DUE DATE	MINIMUM PAYMENT DUE
	500	316	30	06/22	07/17/84	10.00

DATE OF TRANS	DATE OF POST	REFERENCE NUMBER	CHARGES, PAYMENTS AND CREDITS SINCE LAST STATEMENT	AMOUNT
0529	0601	A021700H8F00EHKBT	THE LAROUCHE CAMPAIGN NEW YORK NY	100.00
0607	0607	B030201HKX2CLBL1Y	PAYMENT - THANK YOU	294.34-
0612	0615	B7A8500HP21B3GKXN	TOLLHOUSE INN LOS GATOS CA	83.60

RECD
CITICORP SAVINGS OF ILL
A FEDERAL SAVINGS & LOAN ASSN

JUL 05 1984

025—0643

PREVIOUS BALANCE	PAYMENTS	CREDITS	PURCHASES AND CASH ADVANCES	DEBIT ADJUSTMENTS	FINANCE CHARGE	NEW BALANCE
294.34	294.34	0.00	183.60	0.00	0.00	183.60

AN AMOUNT FOLLOWED BY A MINUS SIGN (-) IS A CREDIT OR A CREDIT BALANCE UNLESS OTHERWISE INDICATED.

CITICORP SAVINGS OFFERS COMPETITIVE RATES AND TERMS
ON AUTO, BOAT, RV AND HOME IMPROVEMENT LOANS.
CALL OR STOP BY YOUR NEARBY BRANCH FOR DETAILS.

SEND INQUIRIES TO First Federal of Chicago Attention VISA
Card Services Department P O Box 87581 Chicago Ill 60680

	CASH ADVANCES	PURCHASES
ANNUAL PERCENTAGE RATE	19.80%	19.80%
PERIODIC RATE (MONTHLY)	1.650%	1.650%

See Reverse Side for explanation of how **FINANCE CHARGE** is computed.

AVERAGE DAILY BALANCE OF PURCHASES AND CASH ADVANCES
0.00

VISA 8C

The New Balance must be paid in full by the Payment Due Date to Avoid Finance Charge on Merchandise Purchases. Finance Charge on each Cash Advance continues to accrue until the Advance is Repaid. The New Balance may be paid in Full or in part without Prepayment Penalty.

NOTICE: See reverse side and accompanying statement(s), if any, for important information.

VISA	DATE	ACCOUNT NUMBER	AMOUNT OF PAYMENT
	7-5-84	4302010010014914	18360

PAYMENT RECEIPT

RECD
TELLER STAMP
CITICORP SAVINGS OF ILLINOIS
A FEDERAL SAVINGS & LOAN ASSN

Kenneth Woo
CARDHOLDER NAME

JUL 05 1984

025—0643

FIRST FEDERAL OF CHICAGO
VISA CARD SERVICES DEPARTMENT
P.O. BOX 87581
CHICAGO ILLINOIS 60680

RECEIVED CASH ▶	183 60
TOTAL CHECKS	
TOTAL RECEIVED	183 60
LESS TOTAL DUE ▶	183 60
CASH RETURNED ▶	

PAYMENTS RECEIVED AT THE ABOVE MAILING ADDRESS BEFORE 11:00 A.M. WILL BE CREDITED TO YOUR ACCOUNT AS OF THE DATE RECEIVED. PAYMENTS RECEIVED AT ANY OTHER LOCATION MAY BE SUBJECT TO A DELAY IN CREDITING OF UP TO 5 DAYS AFTER DATE OF RECEIPT.

TC:AW 10830400150 SUB LED RC

CARDHOLDER COPY

8504052525

The LaRouche Campaign
P.O. Box 2150, G.P.O
New York, N.Y. 10116

KENNETH F. WOO
2704 W. ARTHUR AVE.
CHICAGO IL 60645

The LaRouche Campaign acknowledges that on 05/29/84 the above individual loaned $100.00 to The LaRouche Campaign, located at 304 West 58th Street, 5th Floor, New York, New York.

The LaRouche Campaign acknowledges its indebtedness to KENNETH F. WOO only, in the amount of $100.00, which it shall repay to KENNETH F. WOO by 07/29/84. This obligation of the LaRouche Campaign to KENNETH F. WOO shall not be assigned, transferred, or discounted.

Edward Spannaus
Treasurer
The LaRouche Campaign

85040552567

2704 West Arthur Avenue
Chicago, Illinois 60645
September 9, 1984

Mr. Edward Spannaus
Treasurer
The LaRouche Campaign
304 West 58th Street
New Work, New York 10116

Mr. Spannaus:
I wish to remind you of your failure to repay two loans that I recently made to the LaRouche Campaign. Attached are copies of the pertinent information that I have. The following is a summary of the transactions that I conducted with Mr. Gerald Petchenuk of your Chicago office:

4/22/84 - Visacard charge - $200.00 / 60-day loan due 6/30/84
Promissory note received.

5/29/84 - Visacard charge - $100.00/ 60-day loan due 7/30/84
No promissory note received.

According to Mr. Petchenuk, he put in an inquiry regarding repayment of the loans nearly a month ago and received no answer from you.

If you do not return the funds to me by 9/29/84 I intend to file a complaint with the U.S. attorney general about failure to comply with federal election statutes, mail and credit card fraud. Each time that I contact Mr. Petchenuk regarding loan repayment is personally embarassing for him. If you had promptly returned the funds and indicated to me your personal integrity, I would have been more than happy to reloan the money. You can be sure I will more careful next time.

Yours truly,

Kenneth Woo

Mr. Kenneth Woo
1-312-673-8300

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Mel Klenetsky
National Campaign Director
Edward Spannaus
Treasurer

P.O. Box 2150, GPO, New York, N.Y. 10116, (212) 247-8820

Nov. 6, 1984

Dear Supporter:

On several successive days the National Broadcasting Company's Boston affiliate, WBZ-TV, broadcast false information concerning the finances of my presidential campaign, and, on these broadcasts, bragged that it, with aid of this false information, had prompted governmental agencies to open an investigation of my campaign's finances. The investigation which WBZ-TV claimed to have prompted by aid of the false information it broadcast became the pretext for unleashing massive, "Watergate-style dirty tricks" against the campaign during the period immediately following those WBZ-TV broadcasts.

Approximately the end of September and the beginning of October 1984, letters to me from supporters who had contributed loans to the campaign led to my discovery of a targetting of both contributors and the campaign's finances by some outside organization or organizations. On receipt of the first such letter from a lender, I consulted with the campaign's treasurer, and we jointly requested a comprehensive investigation.

Fortunately, at the beginning of the campaign, the campaign organization had retained the services of a data-processing firm to provide a "fail-safe" automatic auditing of every sum contributed or loaned to my campaign-organization, The LaRouche Campaign; this same program was adopted and employed by my second campaign organization, Independent Democrats for LaRouche. Every contribution or loan received for deposit to the national campaigns is completely audited during a processing-cycle of approximately two weeks from the time the deposit occurs. In the instance of loans to the campaign, every deposit automatically generates a confirmation mailed to the lender. There is a semi-automatic data-processing monitoring of credit-card "charge-backs" to the campaign's accounts, which acts as a method of quality control over fund-raising activities by local volunteers in each and every locality in the nation. Special teams of volunteers associated with the national campaign staff's finance department act upon every complaint reported.

Mr. Spannaus and I requested a comprehensive audit of all records and related information of both campaign organizations,

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with special attention to the category of loans to either campaign.

While this audit was in progress, we received information from confidential sources to the effect that entities known to be my political adversaries were attempting a "sting" operation against the campaign's finances. We also received letters from contributors stating that they had come under pressure by third parties; telephone communications with these contributors tended to confirm the information received from confidential sources. It was therefore requested that the audit focus its attention on any evidence which might lead to discovery of an attempted "sting" operation.

Later, on Wednesday, October 31, 1984, in consultation with counsel, I placed authority for investigation of WBZ-TV's allegations against the Boston, Massachusetts local volunteers' fund-raising to Mr. Mel Klenetsky. I further requested that Mr. Klenetsky act upon my delegated authority to place the Massachusetts fund-raising activities in temporary receivership for the period of the investigation of WBZ-TV's charges.

As of October 31, 1984, prompted by new information received from confidential sources, I requested that the campaign organization multiply its audit and investigations to search most energetically to discover each and every instance in which any of the symptoms of a "sting" operation might be noted.

I have requested the following report of the results of that audit to be circulated as efficiently as is physically possible, to all contributors and lenders to both campaigns, with priority of delivery to persons whose loans have been either recently repaid or are awaiting repayment during the period ahead.

We are determined to track down this dirty political operation against my campaign and its friends, and I request your assistance to aid me and my associates in uncovering and neutralizing the perpetrators. If you have any information which might fit into the pattern described to you here, please write to:

Audit Section
Independent Democrats for LaRouche
P.O. Box 859, Radio City Station,
New York, New York 10101

or to:

Audit Section
The LaRouche Campaign
P.O. Box 2150, G.P.O.
New York, New York 10116

Or contact our local or national offices by telephone.

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If any person has approached you either to deliver defamatory allegations concerning our campaigns' finances, or to attempt to threaten you to make statements you would not make without being subjected to such threats, please inform us.

We need information leading toward detection of agencies responsible for instances in which charges for my campaigns have been made to an account, but in which no transfer to my campaigns' accounts has occurred. If you have information which might lead us to discover additional such cases, please help by informing us of the person we might contact in aid of our efforts to track down the perpetrators.

Fortunately, our campaign finances as a whole are very, very clean. Except for our scramble to repay loans as rapidly as possible, as a whole, we are pleased with the result. We are displeased that about one percent of the total number of contributors and lenders appear to have suffered political harassment through our adversaries' access to Federal Election Commission information, and that false statements have apparently been extorted from a handful of good-hearted contributors and lenders. On these cases, I am much more angry than if the same actions had been done against me directly; the most painful and frustrating thing is to know that some third party caused injury to any person who had placed faith in me to the extent of lending assistance to my campaign.

To the limit of my powers, I shall not tolerate any among you being abused. Help me to do just that, by supplying my campaign's Audit Section with any information you might possess which could assist us in tracking down the perpetrators.

Very truly yours,

Lyndon H. LaRouche, Jr.

Lyndon H. LaRouche, Jr.

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Mel Klenetsky
National Campaign Director
Edward Spannaus
Treasurer

P.O. Box 2150, GPO, New York, N.Y. 10116, (212) 247-8820

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SUMMARY OF INVESTIGATION IN PROGRESS: NBC-LINKED "SCAM" AGAINST THE LAROUCHE CAMPAIGNS

By Mel Klenetsky

1. FUND-RAISING BY THE CAMPAIGNS TO DATE

According to current records, The LaRouche Campaign received a combined total of $4,401,590 in contributions and loans, plus $494,146 in Federal Matching Funds. Independent Democrats for LaRouche has received, similarly, $2,547,500. Independent Democrats for LaRouche has not applied for Federal Matching Funds.

The total number of deposits to the national campaign accounts, for both The LaRouche Campaign and Independent Democrats for LaRouche, is 17,500, entered and processed to date. Of this total, there have been approximately 650 instances of communication to the campaign concerning campaign finances by contributors and lenders: 3% of the total population of deposits. These communications have been principally inquiries from lenders. Of this approximately 650 communications, 116, or 18%, might be classed as actual or potential complaints. Of this total, 22, or 3%, are indicated as complaints filed with the Federal Election Commission.

Of the 22 complaints filed with the FEC, 17 have been rejected by the FEC as improperly filed. Of the remaining 5 cases, the following is known. Two of the cases involved lenders who had been fully repaid; in one of these two cases, the lenders had received both full repayment and had also taken a charge-back, so that they owed the campaign $2,000! In the remaining three cases, audit shows that the allegations made are without basis in fact.

Audit of the five cases of complaint claimed by WBZ-TV shows that in at least two of the cases, the transactions in question were loans which had long since been repaid at the time of the broadcast.

On the basis of information received from confidential sources, the New York campaign office has been alerted to search for instances outside the population of persons who have contributed or made loans to the campaigns. So far, the New York office's investigation of two complaints shows that the funds allegedly taken by the campaign were never received by the

campaign. We have no way of knowing how many instances might exist in which some third party may have used the well-known name of the LaRouche Campaign for fraudulently securing funds from a victim, except as the victims report the matter directly to us for investigation. We ask for leads which might aid us in discovering additional cases of this or related kinds.

2. PROBLEMS FACED IN AUDITING

If a third party wished to run a "sting" operation against either the campaign, or contributors, or both, the most likely method for attempting this would be through credit-card charge-backs. The potential threat to all political campaigns in this area was noted by the Federal Election Commission (FEC), which defined its procedures and rules for accounting of contributions and loans on the basis of the fact that there is no simple procedure available to any political campaign to distinguish between proper and improper charge-backs by contributors.

We recognized this problem at the beginning of the 1984 presidential campaign. The New York office prescribed that the accounting methods adopted must not only satisfy all FEC requirements in this area, but must also provide the best possible methods and procedures for detecting certain kinds of irregularities in credit-card charges and charge-backs. Since we were forewarned that certain agencies which are our political adversaries would almost certainly attempt to run a "sting" operation against us, we gave special attention to those kinds of irregularities in credit-card transactions which might include fraud by persons attempting to injure the campaign and its contributors.

The greatest problem is that it is impossible to show by accounting-records whether or not a charge-back is legitimate. In nearly all instances, we have no option but to act as if a charge-back were fully legitimate, even when we have knowledge that it is not.

The explosion of "plastic money" has produced changes in behavior among a large portion of the population as a whole. It has become increasingly the practice of credit-card users to use a charge-back as a way of nullifying a payment which they had previously authorized. In an investigation my associates conducted prior to the 1984 campaign, it was reported to us by relevant authorities that in the case of telephone solicitation, charge-back averages reaching to 10% of total sales are commonplace. In all cases, it was reported to us by these sources, an 8% rate of charge-back on sales is nothing out of the ordinary.

Credit-card usage has created the following moral paradox for those who purchase or contribute by credit cards via telephone solicitation. If, after making such a purchase or contribution, the credit-card user changes his or her mind within the following days, the user has two ways of securing return of his payment. One is by applying for a refund from the

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recipient. The person's second option is to report that the transfer of funds was not authorized. If the credit-card user says honestly, "I've changed my mind," the charge-back could not be made; if the user says, instead, "I did not authorize that," the charge-back is placed. If the user does not tell this "little white lie," the user must write a letter stating, for example, that he believes he was "over-sold" on the proposition, and therefore bought without having a fair chance to make a proper buying decision. Or, he might report that he had overlooked some hardship he incurred by making that purchase. In such cases, he would have his money returned by the campaign, but it could take anywhere from two to eight weeks because of the delay caused by the mails and the campaign's own accounting and auditing procedures involved. If the credit-card user wishes to have the refund processed immediately, he has no means available but to tell the "little white lie."

Under ordinary circumstances, we would not worry about such charge-backs as long as the charge-backs were at a level of percentile below what we had been informed is the prevailing averages for comparable methods of sales. However, since we had been forewarned to expect attempted "sting" operations, we were forced to consider every charge-back made on the basis of allegation of "unauthorized charges" as potentially a symptom of an attempted "sting."

There were three areas we identified as areas to be watched as most probable avenues used by our political adversaries for an attempted "sting" operation:

1. Persons who made contributions or loans for the purpose of qualifying themselves to allege fraudulent solicitation.
2. Efforts by political adversaries to plant a "mole" among our volunteers who might perpetrate fraudulent acts for the purpose of attempting to entrap the campaign.
3. Use of lists of contributions and contributors by political adversaries as a target-list of potential victims of extortion, to extort false statements against the campaign from such victims of extortion.

During the month of October, our campaign offices received letters and telephone communications from contributors and lenders which showed a pattern of attempted extortion against at least some lenders and contributors. In several cases, not only did the person make a complaint stating that this was instigated by information received from unnamed parties, but in telephone communication with some such letter-writers, they stated that they would not reveal the source. Since the allegations made were not only false, but had similarities of language which could not be a coincidence, it was clear that pressures tantamount to extortion were being applied to some contributors and lenders by our political adversaries.

We had indications of problems of the first category, which cases are currently under investigation.

Since Mr. Spannaus and Mr. LaRouche first requested the

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present audit and investigation, about a month ago, we have been auditing all information in the effort to detect patterns of behavior which might lead to discovery of efforts by a "sting" operation to plant a "mole" among volunteers in some part of the national campaign.

The kind of "sting" we have detected to be in operation against the campaign and some of its contributors appears to have begun during middle to late September 1984. We supply the following background information to supporters of the campaign, in the hope that any who possess relevant information might better recognize the kinds of facts for which our audits and investigations are searching now.

The area to which we are giving greatest attention is credit-card transfers, for the reasons we have identified above. Among credit-card transfers as a whole, the area of greatest interest to us is loans. The design of our accounting and procedures ensures that the national campaign offices will detect discrepancies bearing upon funds deposited and most charge-backs within approximately two weeks from the date of receipt. As long as lenders discovering any discrepancies respond to the confirming information mailed to them as a result of these accounting procedures, the auditing is almost fool-proof. Therefore, a political adversary attempting to run a "sting" operation against the campaign and its contributors has a very limited range of opportunities to do so.

The chief vulnerability to a "sting" operation lies in the area of loans made by credit-card transfers. This would require that the political adversary running the "sting" have access to both a contributor's credit-card number and name, and also an authorization number issued by the official agency supplying such authorization numbers.

Because of the methods and procedures of campaign accounting, our investigation has concentrated on the two-week interval between receipt of (chiefly) a loan authorization and the normal completion of initial auditing procedures. Our investigation concentrates on persons and agencies which might have access to the name, credit-card number, and authorization number of an account-item at the beginning of any such two-week interval, especially the first week of that interval.

The authorization numbers for cases applicable to credit-card transfers of The LaRouche Campaign and Independent Democrats for LaRouche are under the control of one company, the National Data Corporation, a firm which also happens to contract with the Federal Election Commission. This company's records is the one location in which all of the information needed to run a "sting" against the campaign and contributors is centrally located.

Starting on September 10, 1984, National Data Corporation also entered into a contractual relationship with the FEC, under which that company had full access to the FEC's data base of receipts and expenditures reports filed by all political campaigns. Through National Data Corp., the FEC's computer records on each political campaign were made available to local

election officials and others throughout the nation. This one company therefore not only had access to all FEC records concerning this and other political campaigns, but it also had full, instantaneous access to credit card transactions being conducted by the LaRouche campaigns!

Our best information is that the "sting" operation being run against the campaign and its contributors went into operation during or shortly after the interval of September 10-15. Our first indications that a "sting" operation might be in place came at the end of September and beginning of October. In late September, according to information transmitted to us by an Ohio contributor, a Boston bank had committed certain irregularities in processing his credit-card transfer to us. His report contained information pointing to complicity of official government agencies in setting up a sting operation. We first obtained definite proof that such an operation was being run against the campaign by outside agencies as a result of the audit Mr. LaRouche and Mr. Spannaus requested, that, in at least two instances, someone was taking substantial sums of money from individual credit-card accounts in the name of the campaign, but no corresponding transfer had occurred to the campaign's accounts.

We have received information alleging the identities of the authors of the "sting" operation, and that information has been substantially corroborated by the actions of WBZ-TV in Boston. However, beyond reporting the fact that this corroborated information involves known political adversaries in official agencies, it were better not to report more definite information at this point in our investigation of possible fraud against the campaign.

3. CAMPAIGN EXPENDITURES

Except for about $300,000 of campaign funds diverted from our campaign by banks in collusion with the FBI this past week, the net contributions and loans of approximately $6,452,877 received by both campaigns have been spent chiefly as follows:

		PERCENTILE	AMOUNT
1.	CAMPAIGN ADVERTISING		
	National Television Broadcasts	43	$ 2,806,896
	TV Production Costs	7	426,737
	Local Television Broadcasts	11	749,304
	Radio Advertising	10	623,994
	Newspaper Advertising	1	37,549
	Printed Materials		
	Books & Pamphlets	2	127,248
	Other	6	357,479
	Other Advertising	2	128,243
2.	TRAVEL & SECURITY EXPENSES	4	257,364
3.	ADMINISTRATIVE EXPENSES	8	561,680
4.	LEGAL EXPENSES	6	359,809

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These are preliminary totals, but they show accurately the character of the campaign as a whole. The policy practiced by the campaign throughout was to concentrate on bringing to as many voters as possible a thoughtful and factual presentation of the real issues facing the United States today. The 15 half-hour TV network broadcasts are the best example of this character of the campaign as a whole. No modern political campaign has come close to ours in efforts to inform the voters on those major issues not reported to them by the popular news media. Unfortunately, we were forced to spend much more than we wished on security and legal expenses. Mr. LaRouche continues to be under a high level of assassination-threat, and we were denied Secret Service cooperation; every legal roadblock imaginable was thrown in our way, including some of the most massive electoral fraud in modern history.

It is the general view around Washington, D.C., that our campaigns' broadcasts have changed significantly the way in which many citizens, including high levels of government and the diplomatic community, think about the world. We have succeeded in changing things for the better. Whether we have succeeded in doing enough remains to be seen. Since Mr. LaRouche entered the campaign with nothing but the twenty dollars he has been carrying in his wallet for several years, nothing we accomplished would have been possible without the contributions and loans which made it possible for our campaigns' teams to conduct the kind of campaign which could not be stopped, right up to the evening of the general election.

Many gave what they could ill-afford, and did so chiefly for motives of a citizen's true patriotism. Some have suffered abuse by our political adversaries inside and outside government, because of their support for the campaign. These contributors have acted as patriots without arms, in a war to attempt to protect and strengthen our constitutional republic. On these accounts, they deserve the honor and pride of having been true patriots, and will be remembered so.

8 5 0 4 0 5 2 5 2 7 7

Mr. Kenneth Woo
2204 West Arthur Avenue
Chicago, Illinois 60645

General Counsel
Federal Election Commission
Washington, D.C. 20463

85 APR 5 A9:13

FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 1971

Date Filmed 6/27/85 Camera No. --- 1

Cameraman AS

85040552279

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THE FOLLOWING MATERIAL IS BEING ADDED TO THE

PUBLIC FILE OF CLOSED MUR 1971 .

8504055425 2

RECEIVED AT THE FEC
HAND DELIVERED
85 MAY 7 P2:25

ANDERSON & ASSOCIATES, P.C.

ATTORNEYS AT LAW

RECEIVED
GENERAL COUNSEL
85 MAY 7 P2:52

May 6, 1985

ODIN P. ANDERSON
ROBERT L. ROSSI
A. DAVID DAVIS
TRACY ROACH

ONE LONGFELLOW PLACE
SUITE 216
BOSTON, MASSACHUSETTS 02114
(617) 742-8200

Charles N. Steele, General Counsel
Federal Election Commission
1324 K Street, N.W.
Washington, D.C. 20463

Re: MUR 1971

Dear Mr. Steele:

This letter is in response to notification from the Commission, received on April 22, 1985 by Edward Spannaus, Treasurer of The LaRouche Campaign ("TLC"), and Gerald Petchenuk, a TLC volunteer, that a complaint by Kenneth Woo alleges that a violation of the Federal Election Campaign Act of 1971, as amended ("the Act"), may have occurred. The response is made on behalf of all three respondents; a designation of counsel form for Mr. Petchunuk will be forwarded to you under separate cover.

The two loans made to the campaign were repaid on April 20, 1985 (See attached Exhibit 1). The debt owed Mr. Woo is extinguished, as is the basis for his complaint. TLC records reflect the entire transaction and reporting requirements have and will continue to be fulfilled.

As Kenneth Gross stated on your behalf in the two General Counsel Reports upon which the Commission based its April 23, 1985 dismissal of MURs 1864 and 1879, "Neither the Federal Election Campaign Act nor the Commission's regulations address the issue of the late repayment of loans received by a political committee from an individual." If this in fact is the Commission's position, and the respondents strongly believe it must be, it behooves one to inquire why jurisdiction continues to be asserted over such matters.

It is requested that MUR 1971 be dismissed forthwith.

Very truly yours,
The LaRouche Campaign
Edward Spannaus, Treasurer
By Their Attorney,

TRACY ROACH

TR/jm

8504055425 3

Mel Klenetsky
National Campaign Director
Edward Spannaus
Treasurer

PO Box 17729, Washington, DC 20041-0729

April 20, 1985

Kenneth Woo
2704 W. Arthur Ave
Chicago, Ill. 96645

Mr. Woo--

Please find enclosed a check for $300 from The LaRouche Campaign. This repays in full your loan to the campaign.

Frank Bell

8504055542 54

THE LAROUCHE CAMPAIGN
304 WEST 58TH STREET
NEW YORK, NY 10019

2696

April 20 19 85 1-1/210 463

PAY TO THE ORDER OF Kenneth Woo $300.00

three-hundred and no/100 DOLLARS

THE BANK OF NEW YORK
61 WEST 62ND STREET, NEW YORK, N.Y. 10019

MEMO Fill

Frank Bell

⑆021000018⑆ ⑈18 4942⑈ 2696

EXHIBIT 1