



FEDERAL ELECTION COMMISSION

1125 K STREET NW  
WASHINGTON, DC 20463

THIS IS THE END OF TAP # 2037

Date Filmed 10/9/85 Camera No. --- 3

Cameraman AS

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FEDERAL ELECTION COMMISSION

Conculation Information

Routing Slips

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

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

Signed

J. Medford

date

10/3/85

FEC 9-21-77

85040543077

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Riverhead Savings Bank, FSB ) MUR 2037

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on September 25, 1985, the Commission decided by a vote of 4-0 to take the following actions in MUR 2037:

1. Accept the conciliation agreement attached to the General Counsel's Report signed September 20, 1985.
2. Close the file.
3. Send the letter attached to the General Counsel's Report signed September 20, 1985.

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

Attest:

9-25-85  
Date

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

Received in Office of Commission Secretary:	Fri.,	9-20-85,	4:44
Circulated on 48 hour tally basis:	Mon.,	9-23-85,	11:00
Deadline for vote:	Wed.,	9-25-85,	11:00

85040543078



**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

October 2, 1985

Harvey B. Besunder, Esquire  
Cruser, Hills, Hills & Besunder  
206 Roanoke Avenue  
Riverhead, N.Y. 11901

Re: MUR 2037

Dear Mr. Besunder:

On September 25, 1985, the Commission accepted the conciliation agreement signed by your client and a civil penalty in settlement of a violation of 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended.

Accordingly, the file has been closed in this matter and it will become a part of the public record within thirty days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

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

Sincerely,

Charles N. Steele  
General Counsel

  
By: Kenneth A. Gross  
Associate General Counsel

Enclosure  
Conciliation Agreement

85040543079



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Harvey B. Besunder, Esquire  
Cruser, Hills, Hills & Besunder  
206 Roanoke Avenue  
Riverhead, N.Y. 11901

Re: MUR 2037

Dear Mr. Besunder:

On September , 1985, the Commission accepted the conciliation agreement signed by your client and a civil penalty in settlement of a violation of 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended.

Accordingly, the file has been closed in this matter and it will become a part of the public record within thirty days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

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

Sincerely,

Charles N. Steele  
General Counsel

By: Kenneth A. Gross  
Associate General Counsel

Enclosure  
Conciliation Agreement

*JA*  
*9/30/85*

85040543090



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Harvey B. Besunder, Esquire  
Cruser, Hills, Hills & Besunder  
206 Roanoke Avenue  
Riverhead, N.Y. 11901

Re: MUR 2037

Dear Mr. Besunder:

On September , 1985, the Commission accepted the conciliation agreement signed by your client and a civil penalty in settlement of a violation of 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended.

Accordingly, the file has been closed in this matter and it will become a part of the public record within thirty days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

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

Sincerely,

Charles N. Steele  
General Counsel

By: Kenneth A. Gross  
Associate General Counsel

Enclosure  
Conciliation Agreement

85040543081

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Riverhead Savings Bank, )  
Federal Savings Bank )

MUR 2037

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. The Commission found reason to believe that Riverhead Savings Bank, Federal Savings Bank ("Respondent") violated 2 U.S.C. 441b(a) by making contributions in connection with state and local elections.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding of 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 into 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, Riverhead Savings Bank Federal Savings Bank, became a federal savings bank, on September 30, 1983.

8504054303

2. Respondent made the following political contributions totalling \$1,465 after its conversion to a federal savings bank:

Date	Amount	Description
10/26/83	\$100	N.Y. State Republican Club
10/26/83	\$150	Riverhead Town Republican Club
4/19/84	\$100	N.Y. State Senate Democrat '84
4/25/84	\$100	Bianchi for Assembly
8/14/84	\$240	Friends of Supervisor J. Janoski
8/27/84	\$250	Brookhaven Town Republican Pre-Primary Committee
8/27/84	\$250	Suffolk County Democratic Committee Testimonial Dinner
10/11/84	\$175	Riverhead Town Republican Club Annual Pre-Election Dinner Dance
11/01/84	\$100	Riverhead Town Democratic Committee Dinner and Dance

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V. Respondent violated 2 U.S.C. § 441b(a) by making contributions in connection with state and local elections.

VI. Respondent will pay a civil penalty to the Treasurer of the United States in the amount of seven hundred thirty dollars (\$730), pursuant to 2 U.S.C. § 437g(a)(5)(A).

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

VIII. 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.

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

X. 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.

85040543094

XI. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other staement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be valid.

FOR THE COMMISSION:

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

*October 1, 1985*  
Date

FOR THE RESPONDENT:

*Robert M. Brown*

*9/13/85*  
Date

85040543085

RIVERHEAD SAVINGS BANK<sub>FSB</sub>  
TELLERS ACCOUNT  
RIVERHEAD, NEW YORK

01 022944

August 28, 19 85

1-103  
210

PAY TO THE ORDER OF Treasurer of the United States \*\*\*\*\* \$ 730.00

73000 CTS

DOLLARS

COUNTERSIGNATURE REQUIRED ON CHECKS OVER \$2000.

*Michael J. Spence*  
AUTHORIZED SIGNATURE

 **Bankers Trust Company**  
Sixteen Wall Street, New York, New York 10015

⑆0⑆022944⑆ ⑆02⑆00⑆033⑆ 0⑆ ⑆0⑆406555⑆

MEMORANDUM

TO: RETHA DIXON

TO: JOAN HARRIS

FROM: JOAN HARRIS

FROM: RETHA DIXON

CHECK NO. 022944 (a copy of which is attached) RELATING  
TO MUR 2037 AND NAME Riverhead Savings Bank  
WAS RECEIVED ON Sept. 16, 1985 Federal Savings Bank. PLEASE INDICATE THE ACCOUNT INTO  
WHICH IT SHOULD BE DEPOSITED:

1  BUDGET CLEARING ACCOUNT (\$95F3875.16)

1 / CIVIL PENALTIES ACCOUNT (\$95-1099.160)

1 / OTHER

SIGNATURE

Retha L. Dixon

DATE

9-17-85

(6)



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 2, 1985

Michael L. Simone  
Supervisory Agent  
Federal Home Loan Bank Board  
Second District  
One World Trade Center  
Floor 103  
New York, NY 10048

Re: MUR 2037  
(Riverhead Savings Bank, FSB)

Dear Mr. Simone:

This is in reference to the captioned matter involving Riverhead Savings Bank, which your office referred to the Commission.

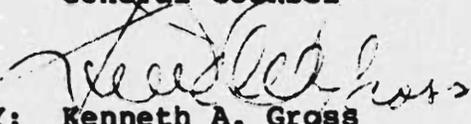
After conducting an investigation into this matter, the Commission determined that there was reason to believe that Riverhead Savings Bank violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended, and has now entered into a conciliation agreement in the matter. A copy of this agreement is enclosed for your information.

We appreciate your cooperation in helping the Commission meet its enforcement responsibilities under the Federal Election Campaign Act.

If you have any questions, please contact Judy Thedford, at (202) 523-4000.

Sincerely,

Charles N. Steele  
General Counsel

  
BY: Kenneth A. Gross  
Associate General Counsel

Enclosure  
Conciliation Agreement

35040543087



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Michael L. Simone  
Supervisory Agent  
Federal Home Loan Bank Board  
Second District  
One World Trade Center  
Floor 103  
New York, NY 10048

Re: MUR 2037  
(Riverhead Savings Bank, FSB)

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We appreciate your cooperation in helping the Commission meet its enforcement responsibilities under the Federal Election Campaign Act.

If you have any questions, please contact Judy Thedford, at (202) 523-4000.

Sincerely,

Charles N. Steele  
General Counsel

BY: Kenneth A. Gross  
Associate General Counsel

Enclosure  
Conciliation Agreement

JA 9/30/85

85040543088



**FEDERAL ELECTION COMMISSION**

WASHINGTON, D C 20463

**Michael L. Simone  
Supervisory Agent  
Federal Home Loan Bank Board  
Second District  
One World Trade Center  
Floor 103  
New York, NY 10048**

**Re: MUR 2037  
(Riverhead Savings Bank, FSB)**

**Dear Mr. Simone:**

This is in reference to the captioned matter involving Riverhead Savings Bank, which your office referred to the Commission.

After conducting an investigation into this matter, the Commission determined that there was reason to believe that Riverhead Savings Bank violated 2 U.S.C. § 441b(a), 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.

We appreciate your cooperation in helping the Commission meet its enforcement responsibilities under the Federal Election Campaign Act.

If you have any questions, please contact Judy Thedford, at (202) 523-4000.

**Sincerely,**

**Charles N. Steele  
General Counsel**

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

**Enclosure  
Conciliation Agreement**

85040543089

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Riverhead Savings Bank, FSB ) MUR 2037

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 7, 1985, the Commission decided by a vote of 5-0 to take the following actions in MUR 2037:

1. Enter into conciliation negotiations prior to a finding of probable cause to believe with Riverhead Savings Bank, Federal Savings Bank.
2. Approve the agreement and letter attached to the General Counsel's Report signed August 1, 1985.

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

Attest:

8-7-85  
Date

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

85040543090

Received in Office of Commission Secretary:  
Circulated on 48 hour tally basis:

8-2-85, 5:03  
8-5-85, 11:00



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 15, 1985

Harvey B. Besunder, Esquire  
Cruser, Hills, Hills and Besunder  
206 Roanoke Avenue  
Riverhead, New York 11901

RE: MUR 2037  
Riverhead Savings Bank, FSB

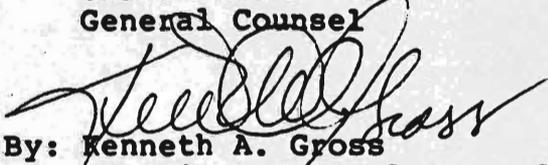
Dear Mr. Besunder:

On June 10, 1985, the Commission found reason to believe that the Riverhead Savings Bank, FSB violated 2 U.S.C. § 441b(a). At your request, the Commission determined on August 7, 1985, 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 client agrees 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 Judy Thedford, at (202) 523-4000.

Sincerely,

Charles N. Steele  
General Counsel

  
By: Kenneth A. Gross  
Associate General Counsel

Enclosure

85040543091



**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

**Harvey B. Besunder, Esquire**  
**Cruser, Hills, Hills and Besunder**  
**206 Roanoke Avenue**  
**Riverhead, New York 11901**

**RE: MUR 2037**  
**Riverhead Savings Bank, FSB**

**Dear Mr. Besunder:**

On June 10, 1985, the Commission found reason to believe that the Riverhead Savings Bank, FSB violated 2 U.S.C. § 441b(a). At your request, the Commission determined on July, 1985, 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 client agrees 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 Judy Thedford, at (202) 523-4000.

Sincerely,

**Charles N. Steele**  
**General Counsel**

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

**Enclosure**

*JA*  
*8/2/85*

85040543092



**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

**Harvey B. Besunder, Esquire**  
**Cruser, Hills, Hills and Besunder**  
**206 Roanoke Avenue**  
**Riverhead, New York 11901**

**RE: MUR 2037**  
**Riverhead Savings Bank, FSB**

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Sincerely,

**Charles N. Steele**  
**General Counsel**

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

**Enclosure**

85040543093

OGC Docket #



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RECEIVED  
OFFICE OF THE FEC  
COMMISSION SECRETARY

85 AUG 14 A 9: 13

August 14, 1985

**SENSITIVE**

MEMORANDUM TO: The Commission

FROM: Charles N. Steele  
General Counsel

By: Kenneth A. Gross  
Associate General Counsel

SUBJECT: General Counsel's Report on MUR 2037 signed  
August 1, 1985 ( Riverhead Savings Bank, FSB)

Attached please find a revised page 1 for the General Counsel's Report on MUR 2037 which was circulated to the Commission on August 5, 1985. The revised page corrects the number of additional contributions that the respondent identified to the Commission in its July 1, 1985 letter. The number in the report is "five", the correct number is "four".

85044543094



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RECEIVED  
OFFICE OF THE FEC  
COMMISSION SECRETARY

85 AUG 14 A 9: 13

August 14, 1985

**SENSITIVE**

MEMORANDUM TO: The Commission

FROM: Charles N. Steele  
General Counsel

By: Kenneth A. Gross  
Associate General Counsel *KAG*

SUBJECT: General Counsel's Report on MUR 2037 signed  
August 1, 1985 ( Riverhead Savings Bank, FSB)

Attached please find a revised page 1 for the General Counsel's Report on MUR 2037 which was circulated to the Commission on August 5, 1985. The revised page corrects the number of additional contributions that the respondent identified to the Commission in its July 1, 1985 letter. The number in the report is "five", the correct number is "four".

85040543095

BEFORE THE FEDERAL ELECTION COMMISSION

In The Matter Of )  
Riverhead Savings Bank, FSB )

MUR 2037

GENERAL COUNSEL'S REPORT

RECEIVED  
AUG 2 1985  
FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C.

85040543096

I. Background:

On June 10, 1985, the Commission found reason to believe the Riverhead Savings Bank, Federal Savings Bank ("the Bank") violated 2 U.S.C. § 441b by making contributions totalling \$690 in connection with state and local elections. The Bank was also requested to identify any other contributions it had made in connection with state and local elections.

On July 1, 1985, the Bank responded to the Commission's reason to believe letter. The letter requested pre-probable cause conciliation and identified four additional contributions it had made in connection with local elections. The date, amount, and description of the newly identified contributions are as follows:

<u>Date</u>	<u>Amount</u>	<u>Description</u>
8/27/84	\$250	Suffolk County Democratic Committee Testimonial Dinner
8/27/84	\$250	Brookhaven Town Republican Pre-Primary Committee



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE  
GENERAL COUNSEL

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

DATE: AUGUST 7, 1985

SUBJECT: COMMENTS RE: MUR 2037 General Counsel's  
Report signed August 1, 1985

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

85040543097

Attachment:  
copy of vote sheet



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary  
 FROM: Office of General Counsel *pd*  
 DATE: August 2, 1985  
 SUBJECT: MUR 2037 - General Counsel's Report

The attached is submitted as an Agenda document  
 for the Commission Meeting of \_\_\_\_\_  
 Open Session \_\_\_\_\_  
 Closed Session \_\_\_\_\_

CIRCULATIONS

DISTRIBUTION

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

85040543098

BEFORE THE FEDERAL ELECTION COMMISSION

**SENSITIVE**

85 AUG 2 P 5: 04

RECEIVED  
OFFICE OF THE FEC  
COMMISSION SECRETARY

In The Matter Of )  
Riverhead Savings Bank, FSB )

MUR 2037

GENERAL COUNSEL'S REPORT

I. Background:

On June 10, 1985, the Commission found reason to believe the Riverhead Savings Bank, Federal Savings Bank ("the Bank") violated 2 U.S.C. § 441b by making contributions totalling \$690 in connection with state and local elections. The Bank was also requested to identify any other contributions it had made in connection with state and local elections.

On July 1, 1985, the Bank responded to the Commission's reason to believe letter. The letter requested pre-probable cause conciliation and identified five additional contributions it had made in connection with local elections. The date, amount, and description of the newly identified contributions are as follows:

<u>Date</u>	<u>Amount</u>	<u>Description</u>
8/27/84	\$250	Suffolk County Democratic Committee Testimonial Dinner
8/27/84	\$250	Brookhaven Town Republican Pre-Primary Committee

85040543099

10/11/84	\$175	Riverhead Town Republican Club Annual Pre-Election Dinner Dance
11/01/84	\$100	Riverhead Town Democratic Committee Dinner and Dance

In light of this new information, the Bank's total contributions to state and local elections equals \$1,465.

The Office of General Counsel recommends entering into conciliation prior to a finding of probable cause to believe with the Bank.

III. Recommendation:

1. Enter into conciliation negotiations prior to a finding of probable cause to believe with Riverhead Savings Bank, Federal Savings Bank.

85040543100

2. Approve the attached agreement and letter.

Charles N. Steele  
General Counsel

August 1, 1985  
Date

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

Attachments

1. Bank Letter
2. Proposed letter and agreement

85040543101



**RIVERHEAD SAVINGS BANK**

Incorporated 1872

7 West Main Street • Riverhead, N.Y. 11901 • 516-727-3600

6007894  
RECEIVED AT THE FEC  
85 JUL 1 49:11

June 27, 1985

15 JUL 1 3:55

FEDERAL ELECTION COMMISSION  
Washington, DC 20463

Re: MUR 2037

Dear Sir or Madam:

In response to your letter of June 20, 1985, please be advised that Riverhead Savings Bank FSB, would like to avail themselves to enter into conciliation.

As per your request, Riverhead Savings Bank FSB, has made contributions after August 14, 1984 as follows:

<u>Date</u>	<u>Amount</u>	<u>Description</u>
8/27/84	\$250	Suffolk County Democratic Committee Testimonial Dinner
8/27/84	\$250	Brookhaven Town Republican Pre-Primary Committee
10/11/84	\$175	Riverhead Town Republican Club Annual Pre-Election Dinner Dance
11/01/84	\$100	Riverhead Town Democratic Committee Dinner and Dance

Please find enclosed, the statement of designation of counsel.

Very truly yours,

Gus Poulos  
Executive Vice President

Enc.

85040543102

①

STATEMENT OF DESIGNATION OF COUNSEL

85 JUL 1 9: 11

MUR 2037

NAME OF COUNSEL: Harvey B. Besunder, Esq.  
CRUSER, HILLS, HILLS & BESUNDER, ATTYS.

ADDRESS: 206 Roanoke Avenue

Riverhead, New York 11901

TELEPHONE: 516-727-3904

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.

6/27/85  
Date

  
\_\_\_\_\_  
Signature  
Gus Poulos  
Executive Vice President

RESPONDENT'S NAME: Gus Poulos  
Business RIVERHEAD SAVINGS BANK FSB  
ADDRESS: 7 West Main Street

Riverhead, New York 11901

HOME PHONE: 475-2023 (516)

BUSINESS PHONE: 727-3600 (516)

85040543103

8



**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

**Harvey B. Besunder, Esquire  
Cruser, Hills, Hills and Besunder  
206 Roanoke Avenue  
Riverhead, New York 11901**

**RE: MUR 2037  
Riverhead Savings Bank, FSB**

**Dear Mr. Besunder:**

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Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If your client agrees 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 Judy Thedford, at (202) 523-4000.

**Sincerely,**

**Charles N. Steele  
General Counsel**

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

**Enclosure**

3

85040543104



**RIVERHEAD SAVINGS BANK FSB**

Incorporated 1872

7 West Main Street • Riverhead, N.Y. 11901 • 516-727-3500

6007894  
RECEIVED AT THE FED

85 JUL 1 10:11

June 27, 1985

35 JUL 1 3:55

RECEIVED  
OFFICE OF THE  
GENERAL COUNSEL

FEDERAL ELECTION COMMISSION  
Washington, DC 20463

Re: MUR 2037

Dear Sir or Madam:

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<u>Date</u>	<u>Amount</u>	<u>Description</u>
8/27/84	\$250	Suffolk County Democratic Committee Testimonial Dinner
8/27/84	\$250	Brookhaven Town Republican Pre-Primary Committee
10/11/84	\$175	Riverhead Town Republican Club Annual Pre-Election Dinner Dance
11/01/84	\$100	Riverhead Town Democratic Committee Dinner and Dance

Please find enclosed, the statement of designation of counsel.

Very truly yours,

Gus Poulos  
Executive Vice President

Enc.

85040543105

STATEMENT OF DESIGNATION OF COUNSEL

US JUL 1 1985

MUR 2037

NAME OF COUNSEL: Harvey B. Besunder, Esq.  
CRUSER, HILLS, HILLS & BESUNDER, ATTYS.

ADDRESS: 206 Roanoke Avenue

Riverhead, New York 11901

TELEPHONE: 516-727-3904

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.

6/27/85  
Date

  
Signature  
Gus Poulos  
Executive Vice President

RESPONDENT'S NAME: Gus Poulos  
Business RIVERHEAD SAVINGS BANK FSB  
ADDRESS: 7 West Main Street

Riverhead, New York 11901

HOME PHONE: 475-2023 (516)

BUSINESS PHONE: 727-3600 (516)

85040543106

3107  
350405



**RIVERHEAD  
SAVINGS BANK** INC.

7 West Main Street  
Riverhead, N.Y. 11901

FEDERAL ELECTION COMMISSION

Washington, DC 20463



AS JUL 1, 1985  
11:6v 170688



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Riverhead Savings Bank, FSB ) Pre-MUR 145

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 10, 1985, the Commission decided by a vote of 6-0 to take the following actions in Pre-MUR 145:

1. Open a MUR.
2. Find reason to believe the Riverhead Savings Bank, Federal Savings Bank, violated 2 U.S.C. § 441b(a).
3. Approve and send the letter and legal and factual analysis attached to the First General Counsel's Report signed June 5, 1985.

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

Attest:

6-12-85

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary of the Commission

Received in Office of Commission Secretary:  
Circulated on 48 hour tally basis:

6-6-85, 10:59  
6-6-85, 4:00

8 5 0 4 0 5 4 3 1 0 8



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 20, 1985

Michael L. Simone, Supervisory Agent  
Federal Home Loan Bank Board  
Supervisory Agent-Second District  
One World Trade Center  
Floor 103  
New York, NY 10048

RE: MUR 2037

Dear Mr. Simone:

This is to acknowledge receipt of your letter of May 9, 1985 advising us of the possibility of a violation of the Federal Election Campaign Act of 1971, as amended, by the Riverhead Savings Bank, FSB. We are currently reviewing the matter and will advise you of the Commission's final determination.

Pursuant to 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), the Commission's review of this matter shall remain confidential.

If you have any questions or additional information, please call Judy Thedford, the staff member assigned to this matter, at (202) 523-4000. Our file number for this matter is MUR 2037.

Sincerely,

Charles N. Steele  
General Counsel

  
BY: Kenneth A. Gross  
Associate General Counsel

85040543109



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Michael L. Simone, Supervisory Agent  
Federal Home Loan Bank Board  
Supervisory Agent-Second District  
One World Trade Center  
Floor 103  
New York, NY 10048

RE: MUR \_\_\_\_\_

Dear Mr. Simone:

This is to acknowledge receipt of your letter of May 9, 1985 advising us of the possibility of a violation of the Federal Election Campaign Act of 1971, as amended, by the Riverhead Savings Bank, FSB. We are currently reviewing the matter and will advise you of the Commission's final determination.

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Sincerely,

Charles N. Steele  
General Counsel

BY: Kenneth A. Gross  
Associate General Counsel

3 5 0 4 0 5 4 3 1 1 0

*Kellogg*



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Michael L. Simone, Supervisory Agent  
Federal Home Loan Bank Board  
Supervisory Agent-Second District  
One World Trade Center  
Floor 103  
New York, NY 10048

RE: MUR \_\_\_\_\_

Dear Mr. Simone:

This is to acknowledge receipt of your letter of May 9, 1985 advising us of the possibility of a violation of the Federal Election Campaign Act of 1971, as amended, by the Riverhead Savings Bank, FSB. We are currently reviewing the matter and will advise you of the Commission's final determination.

Pursuant to 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), the Commission's review of this matter shall remain confidential.

If you have any questions or additional information, please call Judy Thedford, the staff member assigned to this matter, at (202) 523-4000. Our file number for this matter is MUR\_\_\_\_\_.

Sincerely,

Charles N. Steele  
General Counsel

BY: Kenneth A. Gross  
Associate General Counsel

8504054311



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 20, 1985

Riverhead Savings Bank, FSB  
7 West Main Street  
Riverhead, New York 11901

RE: MUR 2037  
Riverhead Savings Bank, FSB

Dear Madam or Sir:

On June 10, 1985 the Federal Election Commission determined that there is reason to believe The Riverhead Savings Bank, FSB violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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

In the absence of any additional information which demonstrates that no further action should be taken against 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

85040543112

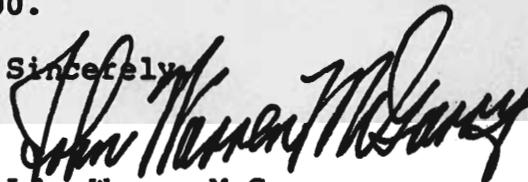
Riverhead Savings Bank, FSB  
Page 2

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.

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 Judy Thedford, the at (202) 523-4000.

Sincerely,



John Warren McGarry  
Chairman

Enclosures

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

85040543113

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 2037

RESPONDENT: Riverhead Savings Bank, FSB

SUMMARY OF ALLEGATIONS

From a review of the records of the Riverhead Savings Bank ("the Bank") conducted by the Federal Home Loan Bank Board, it is alleged that Bank made contributions totalling \$690 in connection with state and local elections. The \$690 breaks down as follows:

<u>Date</u>	<u>Amount</u>	<u>Description</u>
10/26/83	\$100	NY State Republican Committee
10/26/83	\$150	Riverhead Town Republican Club
4/19/84	\$100	NY State Senate Democrat '84
4/25/84	\$100	Bianchi for Assembly
8/14/84	\$240	Friends of Supervisor J. Janoski

The Bank prior to 9/30/83 was a New York State chartered savings bank. Under New York State Banking laws, the Bank was allowed to make political contributions up to \$5,000 per year for state and local elections. On September 30, 1983, the Bank converted to a federal savings bank. According to the Federal Home Loan Bank Board, after its conversion the Bank's management was under the impression that it retained authority to make political contributions as it had in the past.

85040543114

**FACTUAL BASIS AND LEGAL ANALYSIS**

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any national bank to make a contribution or expenditure in connection with any election to any political office.

The Bank by making contributions totalling \$690 in connection with state and local elections has violated the Act. The Office of General Counsel recommends opening a MUR, finding reason to believe the Bank violated 2 U.S.C. § 441b(a) and requesting the Bank to identify any additional contributions or expenditure it may have made from August 14, 1984 to the present.

85040543115

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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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** \_\_\_\_\_

**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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**Interrogatories-Riverhead Savings Bank, FSB**

- 1) **From August 14, 1983 to the present, has the Riverhead Savings Bank, FSB made any contribution or expenditure in connection with any election.**
- 2) **If your answer to question #1 is yes, please identify the recipient of the contribution or expenditure, the amount, and the date given.**

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Riverhead Savings Bank, FSB  
7 West Main Street  
Riverhead, New York 11901

RE: MUR \_\_\_\_\_  
Riverhead Savings Bank, FSB

Dear Madam or Sir:

On \_\_\_\_\_, 1985 the Federal Election Commission determined that there is reason to believe The Riverhead Savings Bank, FSB violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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

In the absence of any additional information which demonstrates that no further action should be taken against 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

85040543120

Riverhead Savings Bank, FSB  
Page 2

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.

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 Judy Thedford, the at (202) 523-4000.

Sincerely,

Enclosures

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

8 5 0 4 0 5 4 3 1 2 1 .



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Riverhead Savings Bank, FSB  
7 West Main Street  
Riverhead, New York 11901

RE: MUR \_\_\_\_\_  
Riverhead Savings Bank, FSB

Dear Madam or Sir:

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If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form

85040543122

Riverhead Savings Bank, FSB  
Page 2

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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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 Judy Thedford, the at (202) 523-4000.

Sincerely,

Enclosures

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

85040543123



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary  
FROM: Office of General Counsel *pd*  
DATE: June 6, 1985  
SUBJECT: PM 145 - First General Counsel's Report

The attached is submitted as an Agenda document  
for the Commission Meeting of \_\_\_\_\_  
Open Session \_\_\_\_\_  
Closed Session \_\_\_\_\_

CIRCULATIONS

DISTRIBUTION

48 Hour Tally Vote [X]  
Sensitive [X]  
Non-Sensitive [ ]  
24 Hour No Objection [ ]  
Sensitive [ ]  
Non-Sensitive [ ]  
Information [ ]  
Sensitive [ ]  
Non-Sensitive [ ]  
Other [ ]

Compliance [X]  
Audit Matters [ ]  
Litigation [ ]  
Closed MUR Letters [ ]  
Status Sheets [ ]  
Advisory Opinions [ ]  
Other (see distribution below) [ ]

85040543124

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

RECEIVED SENSITIVE

OFFICE OF THE FEDERAL ELECTION COMMISSION SECRETARY

FIRST GENERAL COUNSEL'S REPORT 6 A10: 59

DATE AND TIME OF TRANSMITTAL \_\_\_\_\_ PM 145  
BY OGC TO THE COMMISSION \_\_\_\_\_ STAFF MEMBER: Thedford

SOURCE OF MUR: INTERNALLY GENERATED

RESPONDENT'S NAME: Riverhead Savings Bank, FSB

RELEVANT STATUTE: 2 U.S.C. § 441b(a)

INTERNAL REPORTS CHECKED: N/A

FEDERAL AGENCIES CHECKED: N/A

GENERATION OF MATTER

This matter was referred to the Commission by Michael L. Simone, Supervisory Agent for the Federal Home Loan Bank Board, on May 9, 1985.

SUMMARY OF ALLEGATIONS

From a review of the records of the Riverhead Savings Bank, FSB ("the Bank") conducted by the Federal Home Loan Bank Board, it is alleged that Bank made contributions totalling \$690 in connection with state and local elections. The \$690 breaks down as follows:

<u>Date</u>	<u>Amount</u>	<u>Description</u>
10/26/83	\$100	NY State Republican Committee
10/26/83	\$150	Riverhead Town Republican Club
4/19/84	\$100	NY State Senate Democrat '84
4/25/84	\$100	Bianchi for Assembly
8/14/84	\$240	Friends of Supervisor J. Janoski

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The Bank prior to 9/30/83 was a New York State chartered savings bank. Under New York State Banking laws, the Bank was allowed to make political contributions up to \$5,000 per year for state and local elections. On September 30, 1983, the Bank converted to a federal savings bank. According to the Federal Home Loan Bank Board, after its conversion the Bank's management was under the impression that it retained authority to make political contributions as it had in the past.

**FACTUAL AND LEGAL ANALYSIS**

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any national bank to make a contribution or expenditure in connection with any election to any political office.

The Bank by making contributions totalling \$690 in connection with state and local elections has violated the Act. The Office of General Counsel recommends opening a MUR, finding reason to believe the Bank violated 2 U.S.C. § 441b(a) and requesting the Bank to identify any additional contributions or expenditure it may have made from August 14, 1984 to the present.

**RECOMMENDATION**

1. Open a MUR.
2. Find reason to believe the Riverhead Savings Bank, Federal Savings Bank, violated 2 U.S.C. § 441b(a).

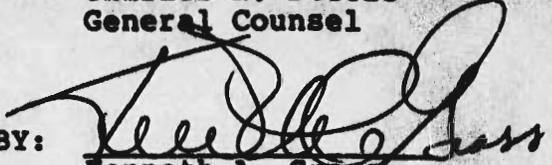
85040543126

3. Approve and send the attached letter and legal and factual analysis.

Charles N. Steele  
General Counsel

June 5, 1985  
Date

BY:

  
Kenneth A. Gross  
Associate General Counsel

Attachments:  
Simone Letter  
GC Factual and Legal Analysis  
Letters

85040543127

RECEIVED AT THE FEC  
GC# 7457  
85 MAY 15 09:35

**FEDERAL HOME LOAN BANK BOARD**

**SUPERVISORY AGENT - SECOND DISTRICT**

ONE WORLD TRADE CENTER, FLOOR 103, NEW YORK, N. Y. 10048

RECEIVED  
OFFICE OF THE  
GENERAL COUNSEL  
MAY 15 10:17  
FHLBB NO 792

May 9, 1985

Federal Election Commission  
Office of General Counsel  
1325 "K" Street, N. W.  
Washington, D.C 20463

Gentleman:

This letter is to bring to your attention possible violations of the Federal Election Campaign Act of 1971, as amended, by the Riverhead Savings Bank, FSB, 7 West Main Street, Riverhead, New York 11901.

Riverhead Savings Bank converted from a New York State chartered savings bank to a federal savings bank on September 30, 1983. Prior to its conversion, Riverhead was permitted, under New York State Banking Law, to make political contributions of up to \$5,000 per year in state and local elections. After its conversion to a federal savings bank management of Riverhead was under the impression that it retained the authority to make political contributions as it had in the past. A Federal Home Loan Bank Board examination on September 24, 1984 disclosed that from the date of conversion through August 14, 1984, \$690 had been expended on state and local elections. These contributions, as identified in the bank's daily transactions journal, are summarized below:

85040543128

<u>Date</u>	<u>Amount (\$)</u>	<u>Description</u>
10/26/83	100	N. Y. State Republican Committee
10/26/83	150	Riverhead Town Republican Club
4/19/84	100	N. Y. State Senate Democrat '84
4/25/84	100	Bianchi for Assembly
8/14/84	240	Friends of Supervisor J. Janoski

May 10, 1985

The prohibition against political contributions has been brought to the attention of the Board of Trustees at Riverhead Savings Bank. The Board has been advised that the savings bank must comply with the provisions of the Federal Election Campaign Act of 1971, as amended. Additionally, Riverhead Savings Bank was informed that this matter was being referred to the Federal Election Commission.

We would appreciate hearing from you concerning whatever action your office may consider with respect to Riverhead, and ask that you provide us with copies of all relevant correspondence with the savings bank. Please feel free to call should you have any questions or require additional information.

Very truly yours,



Michael L. Simone  
Supervisory Agent

85040543129

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. \_\_\_\_\_

RESPONDENT: Riverhead Savings Bank, FSB

SUMMARY OF ALLEGATIONS

From a review of the records of the Riverhead Savings Bank ("the Bank") conducted by the Federal Home Loan Bank Board, it is alleged that Bank made contributions totalling \$690 in connection with state and local elections. The \$690 breaks down as follows;

<u>Date</u>	<u>Amount</u>	<u>Description</u>
10/26/83	\$100	NY State Republican Committee
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4/25/84	\$100	Bianchi for Assembly
8/14/84	\$240	Friends of Supervisor J. Janoski

The Bank prior to 9/30/83 was a New York State chartered savings bank. Under New York State Banking laws, the Bank was allowed to make political contributions up to \$5,000 per year for state and local elections. On September 30, 1983, the Bank converted to a federal savings bank. According to the Federal Home Loan Bank Board, after its conversion the Bank's management was under the impression that it retained authority to make political contributions as it had in the past.

85040543130

**FACTUAL BASIS AND LEGAL ANALYSIS**

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any national bank to make a contribution or expenditure in connection with any election to any political office.

The Bank by making contributions totalling \$690 in connection with state and local elections has violated the Act. The Office of General Counsel recommends opening a MUR, finding reason to believe the Bank violated 2 U.S.C. § 441b(a) and requesting the Bank to identify any additional contributions or expenditure it may have made from August 14, 1984 to the present.

85040543131



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Riverhead Savings Bank, FSB  
7 West Main Street  
Riverhead, New York 11901

RE: MUR \_\_\_\_\_  
Riverhead Savings Bank, FSB

Dear Madam or Sir:

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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 ten days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against 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

8 5 0 4 0 5 4 3 1 3 2

Riverhead Savings Bank, FSB  
Page 2

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.

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 Judy Thedford, the at (202) 523-4000.

Sincerely,

Enclosures

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

8 5 0 4 0 5 4 3 1 3 3

**Interrogatories-Riverhead Savings Bank, FSB**

- 1) From August 14, 1983 to the present, has the Riverhead Savings Bank, FSB made any contribution or expenditure in connection with any election.
- 2) If your answer to question #1 is yes, please identify the recipient of the contribution or expenditure, the amount, and the date given.

85040543134



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Michael L. Simone, Supervisory Agent  
Federal Home Loan Bank Board  
Supervisory Agent-Second District  
One World Trade Center  
Floor 103  
New York, NY 10048

RE: MUR \_\_\_\_\_

Dear Mr. Simone:

This is to acknowledge receipt of your letter of May 9, 1985 advising us of the possibility of a violation of the Federal Election Campaign Act of 1971, as amended, by the Riverhead Savings Bank, FSB. We are currently reviewing the matter and will advise you of the Commission's final determination.

Pursuant to 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), the Commission's review of this matter shall remain confidential.

If you have any questions or additional information, please call Judy Thedford, the staff member assigned to this matter, at (202) 523-4000. Our file number for this matter is MUR\_\_\_\_\_.

Sincerely,

Charles N. Steele  
General Counsel

BY: Kenneth A. Gross  
Associate General Counsel

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FEDERAL ELECTION COMMISSION

1125 K STREET N.W.  
WASHINGTON, D.C. 20543

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THIS IS THE BEGINNING OF MUR # 2037

Date Filmed 10/9/85 Camera No. --- 3

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