FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2073

DATE FILMED 6/29/89 CAMERA NO. 3

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AR-85-30

MISSION

August 14, 1985

FEDE
WAS

MEMORANDUM: STEELE
COUNSEL

TO: C. SURINA
AFF DIRECTOR

THROUGH: ROBERT J. COSTA
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

FROM:

SUBJECT: CRANSTON FOR PRESIDENT COMMITTEE, INC. - MATTERS REFERRED TO OGC IN FINAL AUDIT REPORT

On August 14, 1985 the Commission approved the final audit report on the above subject committee. Attached at Exhibits A through C are matters noted in the final report which the Commission also voted to refer to your office for review and consideration.

All workpapers in support of these matters are available for review in the Audit Division.*/ Should you have any questions, please contact Tom Nurthen or Rick Halter at 523-4155.

Attachments as stated

*/ CAB reports are included pursuant to your request.

AR-85-30

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 14, 1985

MEMORANDUM:

TO: CHARLES N. STEELE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

FROM: ROBERT J. COSTA
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: CRANSTON FOR PRESIDENT COMMITTEE, INC. - MATTERS REFERRED TO OGC IN FINAL AUDIT REPORT

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Attachments as stated

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Exhibit

Allocation of Expenditures to States

Section 9035(a) of Title 26, United States Code states, in part, that no candidate shall knowingly incur qualified campaign expenses in excess of the expenditure limitation applicable under section 441a(b)(1)(A) of Title 2.

Sections 441a(b)(1)(A) and 441a(c) of Title 2, United States Code provide, in part, that no candidate for the office of President of the United States who is eligible under section 9033 of Title 26 to receive payments from the Secretary of the Treasury may make expenditures in any one State aggregating in excess of the greater of 16 cents multiplied by the voting age population of the State, or $200,000, whichever is greater, as adjusted by the Consumer Price Index.

Section 9038.2(b)(2)(i)(A) of Title 11, Code of Federal Regulations provides, in part, that the Commission may determine that amount(s) of any payments made to a candidate from the matching payment account, or contributions received by the candidate, were used for purposes other than qualified campaign expenses. Further, 11 C.F.R. § 9038.2(b)(2)(ii)(A) provides, in part, that an example of a Commission repayment determination under paragraph (b)(2) of this section includes determinations that a candidate, a candidate's authorized committee(s) or agents have made expenditures in excess of the limitations set forth in 11 C.F.R. § 9035.

The Commission's Regulations at 11 C.F.R. § 106.2(a)(1) apply to Presidential primary candidates receiving or expecting to receive Federal matching funds. Except for expenditures exempted under 11 C.F.R. § 106.2(c), expenditures incurred by a candidate's authorized committee for the purpose of influencing the nomination of that candidate for the office of President with respect to a particular State shall be allocated to that State. An expenditure shall not necessarily be allocated to the State in which the expenditure is incurred or paid.

Section 106.2(b)(1) of Title 11, Code of Federal Regulations states that an expenditure incurred by a candidate's authorized committee for the purpose of influencing the nomination of that candidate in more than one State shall be allocated to each State on a reasonable and uniformly applied basis.

The Committee's FEC Form 3P, page 3, covering activity through May 31, 1984, disclosed $699,678.35 as allocable to the Iowa expenditure limitation of $684,537.50. However, the sum of the periodic report totals filed by the Committee through May 31, 1984, is $712,118.98.

At the entrance conference on July 3, 1984, the matter of the allocation of expenditures to Iowa was discussed. Committee officials stated that they were presently reviewing expenditures, reports, and allocation methods and that amendments may be filed. On July 25, 1984, the Committee filed an amended FEC Form 3P, page 3, changing the allocated amount for Iowa to $553,194.24.

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During the audit fieldwork, the Committee provided the Audit staff with its internal worksheets on which $624,972.10 was recorded as allocable to Iowa. It should be noted that the amount allocated by the Committee on Form 3P, page 3, (Iowa) could not be reconciled to the Committee's internal worksheets. Committee officials stated that with respect to its Iowa allocations their internal worksheets were not accurate.

A review of the Committee's allocation procedures indicated that a computerized general ledger was used to record allocated costs for the period January 1, 1983 through September 30, 1983. From October 1, 1983, through February 29, 1984, the Committee manually recorded allocated costs on spread sheets which listed disbursements by check number and amount. Each disbursement, or portion thereof, was then allocated to fundraising, legal and accounting, national campaign, Iowa, New Hampshire, etc. The Audit staff noted that the Committee did not allocate any expenses paid from its two (2) Iowa bank accounts in January, 1984. Further, disbursements made after February 29, 1984, were not recorded by the Committee, since a separate spread sheet was used to record allocable debts outstanding as of February 29, 1984.

In view of the irregularities noted in the Committee procedures and allocations, the Audit staff reviewed all costs incurred by the Committee and determined that $951,825.65 required allocation to Iowa.

The interim audit report recommended that, absent a showing to the contrary, the Committee adjust its accounting records and, where necessary, file amendments to reflect the expenditures not previously allocable to Iowa. As part of its response to the interim report recommendations, the Committee presented additional expenditure documentation which not only challenged expenses allocated by the Audit staff to Iowa, but also expenses previously recorded by the Committee on its internal worksheets as allocable to Iowa.

The Audit staff reviewed the additional documentation and made certain adjustments to the interim report allocations. Presented below are categories of expenses (amounts paid or amounts outstanding) which are not recorded on the Committee's internal worksheets as allocable to Iowa.

1. <u>Salaries, Employer FICA and Consultant Fees</u>

Section 106.2(b)(2)(ii) of Title 11, Code of Federal Regulations requires that, except for expenditures exempted under paragraph (c) of this section (relating to national campaign expenditures exempted from allocation), salaries paid to persons working in a particular State for five consecutive days or more,

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including advance staff, shall be allocated to each State in proportion to the amount of time spent in that State during a payroll period. Further, 11 C.F.R. § 106.2(a)(1) states, in part, that expenditures incurred by a candidate's authorized committee(s) for the purpose of influencing the nomination of that candidate for the office of President with respect to a particular State shall be allocated to that State.

The Audit staff's review identified persons who had incurred expenditures while working in Iowa for five or more consecutive days. Their names were traced to payroll records to determine whether their salaries, employer FICA, or consultant fees had been allocated to Iowa.

Based upon this review, the Audit staff determined that additional salaries, employer FICA, and consultant fees allocable to Iowa totaled $142,407.53. The Committee did not allocate certain salaries, employer FICA, consultant fees, and payroll taxes paid from its national account; and salaries, employer FICA and consultant fees paid from its Iowa bank accounts during January, 1984. In certain instances, the Committee allocated net salaries to Iowa but not the associated payroll taxes and employer FICA.

The Committee, in its reponse to the interim audit report, questioned the inclusion of $73,684.30 in staff salaries, employer FICA and consulting fees applied to the Iowa limitation by the Audit staff.

For expenses totaling $56,405.98, the Committee submitted documentation which consisted of written statements from Committee officials, check request authorization forms, copies of expense reimbursement vouchers (some with copies of receipts attached) to support its contention that these expenses do not require allocation to Iowa.

For the remaining $17,278.32, the Committee states that "the Committee did not pay salaries to many of its staff primarily for the month of February and considered this to be voluntary services to the campaign. Some of these unpaid salaries which amounted to $17,278.32 were allocated by the Audit staff to Iowa. Accordingly, the amount of expenditures for Iowa should be reduced by $17,278.32, which is the amount of unpaid salaries in Iowa."

With respect to the $56,405.98 in expenditure documentation made available, the Audit staff analyzed this information and found in several instances that the documentation submitted was not sufficient to demonstrate that an expense(s) did not require allocation to Iowa. For example, if only a statement, signed by a Committee official, was provided without

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copies of travel vouchers signed by the individual in question or other documentation to demonstrate that this individual was not working in Iowa during the relevant time period (or portion thereof), the Audit staff did not reduce the amount allocable to Iowa. In cases where adequate supporting documentation demonstrated that the traveler was not working in Iowa, the amount originally determined as allocable to Iowa by the Audit staff was reduced accordingly. Thus, it is the Audit staff's opinion that the Committee's submission of these statements, signed by Committee officials, without further documentation or proof are not sufficient to meet the Committee's burden that the expenses in question are qualified campaign expenses (i.e., not chargeable to the Iowa limit). Based on the application of this criteria, the Audit staff concluded that $36,193.33 of the $56,405.98 in documentation submitted by the Committee is sufficient to reduce the amount allocable to the Iowa limit. The remainder ($20,212.65) of the expenses challenged by the Committee, are still considered allocable to Iowa.

The Audit staff disagrees with the Committee's position that the amount of unpaid salaries ($17,278.32)*/ for staff working in Iowa does not require allocation to Iowa. It should be noted that the Committee did not present any documentation from its staff verifying that their services for the month of February 1984 were voluntary. It is the opinion of the Audit staff that the Committee may not exclude these expenses without sufficient documentation from its staff.

Therefore, the amount required to be allocated to Iowa has been reduced to $106,214.20 ($142,407.53 - $36,193.33).

2. Intra-State Travel and Subsistence Expenditures

Section 106.2(b)(2)(iii) of Title 11, Code of Federal Regulations states that travel and subsistence expenditures for persons working in a State for five consecutive days or more shall be allocated to that State in proportion to the amount of time spent in each State during a payroll period. This same allocation method shall apply to intra-State travel and subsistence expenditures of the candidate and his family or the candidate's representatives.

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*/ It should be noted that $15,435.28 of this amount was disclosed on the Committee's Schedules D-P (Debts and Obligations owed by the Committee) through October 31, 1984. Further, it appears that, based on a review of the Committee's Schedules B-P, Salary Payments totaling $1,843.04 were made against the $17,278.32. This matter will be reviewed in detail during the follow-up fieldwork.

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A review of supporting documentation revealed that expenditures for intra-State travel and subsistence had been incurred by persons working in Iowa for five or more consecutive days. Based upon this review, the Audit staff determined that additional intra-State travel and subsistence expenditures totaling $71,329.01 should be allocated to Iowa.

In response to the interim audit report, the Committee provided additional documentation consisting of expense reimbursement vouchers and vendor receipts totaling $25,435.27. This documentation, presented for the first time in the Committee's response, indicated that $24,787.62 in expenses initially deemed allocable to Iowa are exempt from allocation in accordance with 11 C.F.R. § 106.2(c)(4) (the exemption for interstate travel expenses).

Therefore, the amount requiring allocation to Iowa has been reduced to $46,541.39 ($71,329.01 -$24,787.62).

3. Media and Polling Expenditures

Section 106.2(b)(2)(i)(B) of Title 11, Code of Federal Regulations requires that expenditures for radio, television and similar types of advertisements purchased in a particular media market that covers more than one State shall be allocated to each State in proportion to the estimated audience. This allocation of expenditures, including any commission charged for the purchase of broadcast media, shall be made using industry market data.

Also, 11 C.F.R. § 106.2(b)(2)(vi) states, in part, that expenditures incurred for taking of a public opinion poll covering only one State shall be allocated to that State.

The Committee paid a vendor $131,699.20 for media buys. In a letter dated July 9, 1984, the vendor notified the Committee of the amount of each buy and the percentage of each buy that required allocation to Iowa.

The vendor's allocable percentages were based on the 1983-84 Arbitron Ratings Universe Estimates Summary, published by the Arbitron Ratings Company. Application of such percentages require that $100,241.74 be allocated to Iowa; however, the Committee only allocated $95,598 to Iowa, leaving a difference of $4,643.74.

With respect to polling expenses, the Committee paid $10,874 to a vendor for a telephone poll targeted at a select group of potential Iowa caucus participants. According to the contract, the poll was conducted between September 10, 1983 and October 2, 1983; however, the Committee did not allocate this cost ($10,874) to Iowa.

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In summary, the Audit staff determined that an additional $15,517.74 should be allocated to Iowa (media $4,643.74 and polling $10,874).

In its response to the interim audit report, the Committee did not question the allocation of $15,517.74 in media and polling expenditures to the Iowa limit.

4. Overhead and Miscellaneous Expenditures

Section 106.2(b)(2)(iv) of Title 11, Code of Federal Regulations states that except for expenditures exempted under paragraph (c) of this section, overhead expenditures of offices located in a particular State shall be allocated to that State. For purposes of this section, overhead expenditures include, but are not limited to rent, utilities, office equipment, furniture, supplies, and telephone service base charges.

a. General Overhead and Miscellaneous

Our review also disclosed that expenditures were incurred in Iowa for office rent, telephones, postage, shipping, printing, office supplies, utilities, voter lists, furniture, equipment and miscellaneous expenses.

Based upon this review, the Audit staff determined that an additional $97,599.27 should be allocated to Iowa.

In its response to the interim audit report, the Committee provided documentation for expenditures totaling $3,121.45. The documentation submitted consisted of individual expense vouchers and vendor receipts, our review of which indicated that $3,023.43 of the expenses in question are not allocable to Iowa.

Therefore, the amount requiring allocation is reduced to $94,575.84 ($97,599.27 - $3,023.43).

b. Iowa Designated as a Regional Headquarters

Under 11 C.F.R. § 106.2(b)(2)(iv)(B), except for expenditures exempted under paragraph (c) of this section, overhead expenditures of a regional office or any office with responsibilities in two or more States shall be allocated to each State on a reasonable and uniformly applied basis. For purposes of this section, overhead expenditures include but are not limited to, rent, utilities, office equipment, furniture, supplies, and telephone service base charges.

At an interim conference on July 25, 1984, Committee officials stated that in accordance with 11 C.F.R. § 106.2(b)(2)(iv)(B), Iowa was being designated as "the regional headquarters" for eight other States. The states in the "region" and their respective primary/caucus dates, as defined by the Committee, are as follows: Iowa as headquarters (2/20/84);

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Illinois (3/20/84); Kansas (3/24/84); Michigan (3/17/84); Minnesota (3/20/84); Missouri (4/17/84); Nebraska (5/15/84); Ohio (5/8/84); and Wisconsin (4/3/84). As a result, overhead expenses incurred at the Iowa office totaling $95,950.95 were reallocated among these states on the Voting Age Population basis. This resulted in $90,577.71 of Iowa overhead expenses being reallocated to these other states.

In order to evaluate the reasonableness of the designation of the office as a "regional office", the Audit staff performed a number of analyses to identify the activities which related to more than one state.

The long-distance billing for the Iowa office was reviewed to determine whether there was a significant level of telephonic communication between Iowa (headquarters) and the other states in the "region." These billings listed 120,543 long distance telephone calls. The result of this review was that there were 1,276 telephone calls, or only 1.05%, to all the States in the "region". */ The telephone records from the other States were also reviewed and no significant levels of telephone activity relating to Iowa were discovered. **/

Except for Iowa, the Committee did not maintain bank accounts in any of the states within the "region." The activity in the Iowa bank accounts was reviewed for disbursements made in or on behalf of these other states. Our review disclosed no activity on behalf of the other states.

The Audit staff reviewed all the correspondence, notes, contemporaneous memoranda, and other organizational and budgetary documentation for information concerning the administration, control or operation by Iowa as a regional headquarters. This review did not produce any information regarding Iowa functioning as a regional headquarters.

On July 26, 1984, the Audit staff requested, in writing, that the Committee provide the planning documents for the set-up and operation of Iowa as a regional headquarters. The Committee has not provided the planning documents, as requested.

On August 30, 1984, Committee officials provided a memorandum titled "TERMS OF EMPLOYMENT". This memorandum confirms an offer of employment to an individual for the position of Midwest Coordinator (see Attachment I). The memorandum was dated January 3, 1983 and describes the duties of the "Midwest Coordinator" as having responsibility for the following States: North Dakota, South Dakota, Nebraska, Kansas, Missouri, Iowa, Minnesota, Wisconsin, Illinois, Indiana, Michigan and Ohio. ***/ In addition, the memorandum also discusses the establishment of a Midwest Regional Headquarters and support staff to service the above states.

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*/ The results of the review of telephone calls made, represented by percentages, are: Iowa (intra-State) -93.12%; Illinois -.36%; Kansas - .02%; Michigan - .04%; Minnesota - .06%; Missouri -.03%; Nebraska - .4%; Ohio -.04%; Wisconsin -.1%; and all other States - 5.83%.

**/ These records consisted of telephone reimbursements to Committee staff and telephone billings for one of the states in which a telephone was maintained by the Committee.

***/ Based on the document, the "Midwest Coordinator" had responsibility for three states not included in the "region", specifically, North Dakota, South Dakota and Indiana.

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The Audit staff found no evidence that a Midwest Regional Headquarters was established as outlined in the memorandum, or that the Iowa state office functioned as the Regional Office as alleged by the Committee.

In its May 2, 1985 response to the interim report, the Committee stated that:

"its designation of Iowa as a regional headquarters is appropriate under 11 C.F.R. § 106.2(b)(2)(iv)(B). This regulation states 'that overhead expenditures of a regional office...shall be allocated to each State on a reasonable and uniformly applied basis.' (emphasis added). It is clear from the regulation that the right to designate an office as a regional office lies with the Committee. The Audit staff may then review the allocation to determine whether the expenses have been allocated on a reasonable and uniform basis, but the regulation does not provide for a challenge to the Committee's designation of its Iowa office as a regional office.

"The Audit Report reaches the conclusion that the Iowa office could not be a regional office based primarily on the admittedly low telephone billings to other states within the region. However, the Audit staff omitted to factor in its analysis the crucial fact that the primaries in the other states within the region were not scheduled until after March 1, 1984, the day on which Senator Cranston withdrew his candidacy (3). Thus, the Committee lacks detailed documentation of activity in other states in the region only because the campaign did not last through those primaries, not because the Iowa office was not expected to function as a regional office.

"The Committee should not be deprived of its right to designate Iowa as a regional office and allocate certain overhead expenses accordingly. To do so would penalize unsuccessful candidates disproportionately vis a vis successful candidates, a disparity for which there is no rationale in law or policy (4).

"(3) In fact, the next primary in the region was not scheduled until March 20, 1984, a month after the Iowa caucuses.

"(4) The Committee allocated the expenditures based on the voting population of each State, which results in $90,577.71 allocated to the region. While this result is both reasonable and uniform, the Audit staff, if it disagrees with this method, has other measures available. It could, for example, allocate the expenditures based on the work which was directly attributable to other states within the region. Thus, for example, if it were to allocate the expenses on the basis of phone calls alone, at least 7% should be allocated to other states."

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There are two points contained in the above cited response to which the Audit staff takes exception. First, the Committee asserts that the regulation, (referring to 11 C.F.R. 106.2(b)(2)(iv)(B)) does not provide for a challenge to the Committee designation of its Iowa office as a regional office.

It is the opinion of the Audit staff that the issue is not whether the Commission may look behind the Committee's designation, but rather whether such designation has significance, i.e. whether the Committee has shown that its Iowa office functioned as a regional headquarters so that its allocation of Iowa overhead to other states is reasonable.

It is evident, based on our review of materials made available, that the Committee has not demonstrated that the Iowa office ever functioned as a regional office. By the Committee's own admission in the response ("... the crucial fact the primaries in the other states within the region were not scheduled until after March 1, 1984, the day on which Senator Cranston withdrew his candidacy (3). Thus the Committee lacks detailed documentation of the activity in other states in the region only because the campaign did not last through those primaries, not because the Iowa office was not expected to function as a regional office"), it demonstrates its failure to satisfy the regulatory requirements. The regulations refer to "a regional office with <u>responsibilities in two or more states</u> ..." (emphasis added). The Committee admits there is a lack of documentation of activity in other states in the region only because the campaign did not last through those primaries. Given the fact that organizational work, staffing and preparations attendant to the 2/20/84 Iowa caucus began as early as mid-1983 (8 months prior to the date of the caucus), it seems as if similar activity should have occurred with respect to Illinois (date of primary 3/20/84), as well as other primaries occurring in March and April, 1984. The admitted lack of activity with respect to the other states in the "region", (given the proximity of the other states' primary dates) demonstrates that the Iowa office was not intended to function as a regional office.

Second, the Committee suggests (in footnote (4) of its response) that at a minimum at least 7% of Iowa overhead expenses should be allocated elsewhere "on the basis of phone calls alone". It should be noted that the Audit staff's analysis of long-distance billings for the Iowa office concluded that only about 1% of long-distance phone calls from the Iowa office went to states in the asserted "region"; the 7% figure cited by the Committee is the approximate percentage of <u>all</u> long-distance calls to states outside Iowa. The implicit suggestion that overhead may be diverted from a state under the "regional headquarters" regulation solely on the basis of a relatively small number of interstate phone calls, especially in view of the

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regulations' specific exclusion of such expenses from state allocation, 11 C.F.R. § 106.2(b)(2)(v)(B), appears beyond the regulation's intent.

5. Allocation of Compliance Costs and Fundraising Expenditures

Section 106.2(c)(5) of Title 11, Code of Federal Regulations states, in part, that an amount equal to 10% of campaign workers' salaries and overhead expenditures in a particular State may be excluded from allocation to that State as an exempt compliance cost. An additional amount equal to 10% of such salaries and overhead expenditures in a particular State may be excluded from allocation to that State as exempt fundraising expenditures, but this exemption shall not apply within 28 calendar days of the primary election as specified in 11 CFR 110.8(c)(2).

In the preparation of the state allocation amendment filed on July 25, 1984, which disclosed an amended allocation of $553,194.24 to Iowa, the Committee attempted to apply the 10% allocation for compliance costs and fundraising expenditures.

The Committee calculated the 10% compliance exemption based on their determination of the gross amount allocable to Iowa rather than on payroll and overhead expenditures, as required. The Committee's calculation resulted in an exemption of $55,366.04.

The Committee also calculated the 10% exemption from allocation for fundraising expenditures on this same basis and did not exclude payroll and overhead expenditures which occurred within 28 days of the caucus. The Committee's 10% exemption for fundraising expenditures for Iowa totaled $55,366.04.

Based on the records made available, the Audit staff calculated the 10% compliance exemption. The base figure ($553,194.24) utilized by the Committee was adjusted downward to $367,686.40, resulting in a compliance exemption of $36,768.60. The interim report advised the Committee that it may recompute the fundraising exemption; however, all relevant documentation in support of this calculation should be provided with its response to the interim report.

In its response to the interim audit report, the Committee revised its original base figures for both the compliance and fundraising exemptions. The original base figure ($553,194.24) for the compliance exemption was reduced to $315,792.70, resulting in an exemption to the Iowa state limit of $31,579.27. The Audit staff reviewed the information presented and reduced the Committee's figure to $293,385.40, resulting in

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an exemption of $29,338.54. Certain disbursements included in the Committee's figure were not classifiable as overhead and payroll expenses relative to Iowa.

With respect to the 10% exemption for overhead and payroll related to fundraising in Iowa, the Committee submitted worksheets in support of an exemption of $11,692.33. The reduction of approximately $43,000 from its original calculation ($55,366.04) resulted from the Committee's attempt to delete from the original base figures: (1) expenses not allocable to Iowa, (2) expenses (allocable to Iowa) not considered overhead or payroll, and (3) the costs associated with fundraising occurring within 28 days of the Iowa caucuses (see 11 C.F.R. § 110.8(c)(2)). The Audit staff reviewed the worksheets supporting this calculation and found that approximately $80,000 in fundraising expenses have been incorrectly excluded from the base. After adjusting for this error, the fundraising exemption increased from $11,692.22 to $19,632.33.

Thus, the Committee is entitled to exempt from allocation to the Iowa state limit, $29,338.54 in compliance related expenses and $19,632.33 in expenses related to fundraising pursuant to 11 C.F.R. § 106.2(c)(5).

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Recap of Allocable Expenditures

	Expenditures recorded by the Committee as Allocable to Iowa on its internal worksheets	$606,208.69 */
	Expenditures Not Recorded by the Committee as Allocable to Iowa on its Internal Worksheets:	
II.A.1.	Salaries, Employer FICA and Consultant Fees	106,214.20
II.A.2.	Intra-State Travel and Subsistence	46,541.39
II.A.3.	Media and Polling Expenditures	15,517.74
II.A.4.	Overhead and Miscellaneous	94,575.84
	Total	859,057.86
II.A.5.	less 10% Exemption for Compliance Costs	(29,338.54)
	less 10% Exemption for Fundraising Costs	(19,632.23)
	Total	820,087.09
	less 2 U.S.C. §441a Iowa State Spending limitation	(684,537.50)
	Total Expenditures Incurred in Excess of State Limitation	$135,549.59

Recommendation

The Audit staff recommends that this matter be referred to the Commission's Office of General Counsel.

*/ As noted on page 2 of this exhibit, $624,972.10 was recorded by the Committee on its internal worksheets as allocable to Iowa. However, the Committee submitted documentation which demonstrated that $18,763.41 in expenditures were erroneously recorded by the Committee as allocable to Iowa. Therefore, the amount recorded as allocable to Iowa has been reduced accordingly ($624,972.10 -$18,763.41).

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EXHIBIT A
P. 1 OF 2

PERSONAL AND CONFIDENTIAL

JANUARY 3, 1983

TO: MONICA E. MC FADDEN

FROM: SERGIO BENMIXEN, CAMPAIGN MANAGER

RE: TERMS OF EMPLOYMENT

This is to confirm my offer to you of January 3, 1983 of employment with the Alan Cranston for President Campaign. Your position will be Midwest Coordinator. The duties and terms of your employment are specified below.

1. DUTIES

You will be responsible for the following states: North Dakota, South Dakota, Nebraska, Kansas, Missouri, Iowa, Minnesota, Wisconsin, Illinois, Indiana Michigan and Ohio. Prioritization of these states in terms of effort will be determined by the National Headquarters in consultation with you.

You will maintain primary responsibility for the development and implementation of caucus/primary and delegate selection strategies within these states. Specifically, your duties will include the following:

a. Develop and implement written strategy plans for each of these states ~~subprotopalpheolabgeppossible~~ number of delegates for Alan Cranston, subject only to the approval of myself and the National Field Director.
b. Hire all State Coordinators, subject ~~thethe~~ approval of myself and/or the National Field Director.
c. Develop and monitor budgets for each of the state efforts, subject to the approval of myself and the National Field Director.
d. Assist in the selection and hiring of all other field staff within the region, subject to the approval of myself and/or the National Field Director.
e. In those states which will not have paid staff, work with the volunteer committees to develop and implement plans.
f. Supervise all paid staff in the region and oversee all caucus/primary activities.
g. Assist in the development and implementation of all media activities in these states, including paid and unpaid media.
h. Assist in the development of the schedule for Senator Cranston in these states.
i. Coordinate all constituent work in these states (labor, teachers, minority groups, interest groups, women, etc.)
j. Participate in all field strategy meetings and decisions at the National level which pertain to your region.
k. Participate in the planning, ~~and strategy and~~ implementation efforts relating to the 1984 National Democratic Convention in a role to be specified at a later date.
j. All other duties assigned by the Campaign Manager

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ATTACHMENT I TO EXHIBIT A PAGE 1 OF 2

P.22 - MONICA E. MCFADDEN, TERMS OF EMPLOYMENT, 1/3/83

E. SALARY AND BENEFITS

a. You will receive compensation of $3000 per month, to be paid on the 15tA5ahdand 31st day of each month. Compensation will be on a salary basis.

b. Usual and customary travel expenses will be paid by the campaign. These will include normal air and car travel, lodging and food on overnight trips, local transportation and parking, and other such expenses.

c. Car travel in your personal car will be reimbursed at the rate of _____¢ per mile.

c. A comprehensive health insurance policy will be provided by the campaign, with full details to be developed by February 1, 1983.

d. Other usual and customary benefits given to all employees of the campaign.

3. HEADQUARTERS AND SUPPORT STAFF

At your earliesttconvenience, you will locate and secure appropriate office space for the Midwest Regional Headquarters in Des Moines, Iowa. This space should be closely affiliated with space for the Iowa campaign.

You will at your earliest convenience obtain clerical support for the Midwest region.

These matters will be finalized upon the presentation to and approval by myself of a budget for the Midwest Regional operation.

4. TENURE IN POSITION

You will be retained in this position until the termination of the campaign except for gross insubordination. However, you may be promoted to a higher position within the campaign, upon mutual agreement.

At the termintation of the campaign, we will make every effort to assistyou in finding suitable employment, including but not limited to letters of reference and reference calls.

5. ANNOUNCEMENT OF YOUR HIRING

You will hahdle all immediate details of the announcement of your hiring within the state of Iowa. You are authorized to make personal phone calls to appropriate individuals, including members of the media, and to develop and send personal letters to selected members of the Iowa political community. Expenses will be borne by the campaign.

In addition, National Headquarters will prepare and distribute a press release on your hiring to the Iowa media and will follow all other normal notification procedures.

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Contributions in Excess of the Limitations

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

Section 431(8)(A)(i) of Title 2, United States Code, defines the term "contribution" to include any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office.

The results of our review of the Committee's receipt activity for the period audited are summarized below.

1. Direct Contributions by Individuals and a Political Committee

The Act provides at 2 U.S.C. § 441a(a)(2)(A) that no multicandidate political committee shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $5,000.

The Audit staff's review revealed that the Committee received 68 contributions from individuals and one contribution from a political committee in the form of checks which were in excess of the limitations. The excessive portions totaled $35,119.70. In addition, it was noted that the Committee refunded 14 contributions (not included above) for which the refunded portion totaled $3,240. These refunds occurred between 153 days and 679 days of receipt of the excessive contributions.

At the exit conference on October 19, 1984, the Audit staff presented Committee officials with schedules of contributions from individuals and the political committee which were in excess of the limitations.

In the interim audit report, the Audit staff recommended that the Committee provide documentation which verified that the contributions are not in excess of the limitation, or issue refund checks to the individuals.

On May 2, 1985, the Committee provided the following:

$19,929.70 (excessive portion) are attributable to other persons

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- documentation that one contribution for $500 (excessive portion) was erroneously reported twice by the Committee

- documentation that verified 10 contributions totaling $3,690 (excessive portion), were refunded to the contributors - the refund checks were dated between 2 days */ and 627 days of receipt of the excessive contributions

In addition, the Committee's response to the interim audit report indicated that 16 other excessive contributions totaling $11,000, were reattributed to other individuals. However, the Committee failed to submit documentation which support such reattributions.

Recommendation

The Audit staff recommends that pursuant to the Materiality Thresholds this matter be referred to the Commission's Office of General Counsel.

2. Irrevocable Letters of Credit

Under 11 C.F.R. § 100.7(a)(1)(i)(A), the term "loan" includes a guarantee, endorsement, and any other form of security. A loan which exceeds the contribution limitations of 2 U.S.C. 441a and 11 C.F.R. Part 110 shall be unlawful whether or not it is repaid.

As a prerequisite for providing telephone service, various telephone companies required the Committee to make security deposits. In lieu of actual deposits of money, the Committee provided the telephone companies with seven Irrevocable Letters of Credit. These letters of credit, totaling $101,000, were issued by banks as a result of individuals either pledging or depositing amounts equal to the value of each letter (see Attachment I). Four individuals each provided a Letter of Credit. Another individual provided two Letters of Credit. The individual(s) providing the funds for Letter of Credit No. 10092 from the Wilmette Bank of Wilmetter, Illinois could not be identified. The Committee did not disclose this activity on its reports.

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*/ A $2,000 refund check (for an excessive contribution received July 18, 1984) was dated July 20, 1984, but did not clear the bank until November 20, 1984.

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In the interim report, the Audit staff recommended that the Committee provide documentation which identifies the source of funds for Letter of Credit No. 10092 from the Wilmette Bank of Wilmette, Illinois. In addition, the Audit staff recommended that the Committee provide the current status of each letter of credit, as well as copies of the security agreements between the banks and the individuals who secured these letters of credit.

On May 2, 1985, the Committee responded to the audit report that "none of the letters of credit provided to the telephone companies were ever drawn upon, and all telephone charges have been satisfied." The response also stated that the Committee does not have copies of the security agreements. In addition, the Committee provided documentation verifying the closed status of each letter of credit, as well as the source of funds for Letter of Credit No. 10092.

Finally, the Committee provided a copy of a Letter of Credit, drawn on their behalf, to secure telephone services. It appears that this Letter of Credit (No. 116 - The First Women's Bank, New York) was drawn at the request of a corporation for $3,600 (see copy of Letter of Credit No. 116 at Attachment II). However, it should be noted that the Committee, in a letter to the telephone company, referred to the maker of this letter of credit as an individual (Francisco Aruca) */ and not a corporation.

Recommendation

The Audit staff recommends that pursuant to the Materiality Thresholds this matter be referred to the Commission's Office of General Counsel.

3. Commodities Transaction

At an interim conference on August 30, 1984, Committee officials related the information noted below.

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*/ If the contribution is determined to have been made by this individual, the excessive portion is $2,600 (no other contributions were noted from this individual). Conversely, if it is determined that the corporation made the contribution, the entire amount ($3,600) would be viewed as impermissible.

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During December 1983, an individual approached the Committee with an opportunity to invest in the commodities market. The Committee stated that they sought advice as to the legality of this type of investment. Although the Committee could not recall who gave them the advice, they were assured that this activity was legal. The Committee stated that the legal advice was not from the Commission nor was it in writing.

The Committee agreed to invest in the commodities market and provided a $9,000 check made payable to the "Conti Commodity Service" on December 15, 1983. This check was not cashed.

On January 24, 1984, the Committee received $15,000 by wire transfer. The Committee stated they believed that the $15,000 represented profits of its commodities transactions. The receipt of the $15,000 was itemized on the disclosure report listing a Chicago bank as the person providing the funds.

According to the Committee, their commodities trader contacted them and related that an additional $30,000 in profit from the commodities trading was due them and would be forthcoming. However, there was a problem having the money released from the commodities broker. Nevertheless, on February 8, 1984, the Committee received $30,000 by wire transfer. The receipt of the $30,000 was itemized on the disclosure report listing the commodities trader as the person providing the funds.

Further, Committee officials stated there was a conversation between the commodities trader and a Committee staff member shortly after the $30,000 was received. It was during this conversation that the commodities trader told the Committee that because of the problem of having the money released from the commodities broker, the commodities trader used $30,000 of his personal funds to send to the Committee. The commodities trader believed the $30,000 was a loan to the Committee until the money was released. As a result of this conversation, the Committee stated that the next day they sent a $30,000 refund check to the commodities trader.

The documentation available concerning the $30,000 refund consisted of an unsigned letter dated February 8, 1984 which refers to, and purportedly accompanied, the refund. Committee records indicate that the refund check was dated February 8, 1984, however, their check register disclosed that the account on which the refund check was drawn had a negative balance of $136,166.32 on the date the refund check was allegedly issued. The Committee did not report the $30,000 refund made to the commodities trader on its March Monthly FEC report. However, on June 20, 1984, in their June Monthly FEC report the Committee notified the Commission that:

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"On or about May 14, 1984, based on information that had recently become available, the Treasurer determined (1) that $15,000 previously (reported as a profit on commodities' trading in the February FEC Report) (thought to be a profit on commodities' trading) should be refunded to avoid a possibly illegal contribution, and (2) that a check issued on February 8, 1984 refunding $30,000 to avoid a possibly illegal contribution had not been cashed promptly, and the account on which the check was drawn now has no funds. These refunds are due to be made to the same person, but because of insufficient funds, they cannot be made in full immediately. As of May 31, 1984, a total amount of $10,000 was refunded. The balance will be refunded as quickly as the Committee can raise the necessary funds."

As of October 19, 1984, the Committee has refunded a total of $30,000 to the commodities trader.

In the interim report, the Audit staff recommended that the Committee refund the remaining $15,000 and provide evidence of such refund along with a full explanation of these transactions.

On May 2, 1985, the Committee provided copies of the negotiated refund checks totaling $15,000. In addition, the Committee provided the same explanation that was previously provided to the Audit staff and noted in this report.

Recommendation

The Audit staff recommends that pursuant to the Materiality Thresholds this matter be referred to the Commission's Office of General Counsel.

4. Security for Airline Debt

Our review also disclosed that between February 29, 1984 and July 31, 1984, the Committee had a debt to an air carrier ranging in value between $11,783.48 and $12,139.71. This debt is secured by "American Express." As of 7/31/84 the debt was over 194 days old and was not disclosed by the Committee. */

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*/ Information concerning this transaction was recorded on a Civil Aeronautics Board report, entitled: Extension of Credit to Political Candidates for the Federal Election of 1984.

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In order to determine whether this is a contribution in excess of the limitation, the Audit staff asked the Committee (at the exit conference) for the identification of the holder(s) of the American Express card that was used to secure this debt. The Committee officials stated that they did not know the identity of the holder(s) of the American Express card.

In the interim audit report, the Audit staff recommended that the Committee provide the identity of the holder(s) of the American Express card that was used to secure the debt and all related documentation.

In its May 2, 1985 response to the interim audit report, the Committee stated that "in early 1984, several staff members charged airline tickets on American Central Airlines, Inc. (ACA) to the Committee. Apparently some individual erroneously provided the airline with Senator Cranston's personal American Express card number. Senator Cranston's American Express card was never intended to secure the charges.(6)

"(6). Indeed, it was not generally available to the Committee or the staff, and used only by Senator Cranston in connection with his expenses."

The Committee further stated that "Indeed, ACA never attempted to collect through American Express. To the contrary, ACA filed suit for payment directly against the Committee. The suit has been settled and ACA has been paid in full." The Committee also provided documentation concerning the suit and payments made to ACA along with an amended Schedule D-P disclosing this debt.

Recommendation

The Audit staff recommends that pursuant to the Materiality Thresholds this matter be referred to the Commission's Office of General Counsel. */

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*/ The appropriate value for the security noted has been included at Exhibit B, item 5 - Expenditures in Excess of Candidate's Limitation.

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5. Expenditures in Excess of Candidate's Limitation

Section 9035(a) of Title 26, United States Code states, in part, that no candidate shall knowingly incur or make expenditures from his personal funds, or the funds of his immediate family, in connection with his campaign for nomination for election to the office of President in excess of, in the aggregate, $50,000.

The term contribution as defined at 11 C.F.R. § 100.7(a)(1) includes a gift, subscription, loan (except for a loan made in accordance with 11 C.F.R. § 100.7(b)(11)), advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office.

A person's use of personal funds, whether in the form of cash, check, or credit, to purchase goods or services on behalf of a political committee with the understanding that the committee later will provide reimbursement technically is an advance and hence a "contribution" within the meaning of the statute. See Advisory Opinion 1984-37, n.2, I Fed. Election Camp. Fin. Guide (CCH), Paragraph 5784 (Sept. 26, 1984) ("[A]n advance of funds for services rendered to a candidate with an expectation of repayment, like a loan, is a contribution.") In the case of the use of a credit card, payment for the goods or services is tendered upon presentment of the card by the card holder, and the advance on behalf of the committee dates from that transaction. This is so even though the credit card issuer subsequently will bill the credit card holder who, in turn, ordinarily then will pay the credit card issuer. From the moment the card holder uses the card, he or she incurs a legal obligation in the amount of the charge, and from that moment the committee on behalf of which the goods or services were purchased has received the benefit of the charge.

Even though the advance technically can be calculated from the moment a credit card has been used, the Audit Division in practice generally has identified for Commission consideration those instances where claims for travel and subsistence reimbursement (the amounts of which result in apparent excessive contributions) have gone unpaid for more than 30 days from the date the claim was submitted to the committee or where credit card bills submitted directly to the campaign committee have gone unpaid beyond the payment due date. See, e.g., Memorandum to the Commission dated July 2, 1980, "Citizens for LaRouche - Letter of Threshold Audit Findings," Attachment I, p.2 (used as the basis for MUR 1253). This practice identifies those situations that best warrant application of the contribution or expenditure limitations of the Act and at the same time recognizes the practical difficulties campaigns and the Commission have in monitoring campaign worker expenses.

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The interim audit report noted that the Candidate made expenditures totaling $67,916.41 in excess of the limitation at 26 U.S.C. § 9035(a).

Based on a review of the records made available during the audit fieldwork the Candidate's expenditures consisted of:

Qualified campaign expenses incurred by the Candidate and charged on his personal American Express card (7/83-4/84).	$ 63,328.81
Outstanding amount of loans made to the Committee (outstanding since 10/31/83).	45,300.00
Direct contribution to the Committee	2,000.00
Telephone charges paid by the Candidate	4,535.05
Miscellaneous expenditures paid by the Candidate	2,752.55
Total	$117,916.41
Limitation at 26 U.S.C. § 9035(a)	50,000.00
Amount in excess of limitation	$ 67,916.41

As noted above, the Candidate used his personal American Express credit card to pay certain campaign-related expenses. A review of the Candidate's American Express billing statements and related documentation for the period July, 1983 through April, 1984 indicated that the Candidate charged $63,328.81 ($62,714.54 in charges and $614.27 in interest on past due payments) for travel and subsistence costs. Further, for the period December 1983 through March 1984, the Candidate made direct payments to American Expenses from his personal funds totaling $45,883.70.

In the interim audit report, the Audit staff recommended that the Committee obtain and submit the Candidate's American Express billing statements for the period January 1982 through July 1983, and May 1984 through December 1984.

Prior to any discussion concerning the Committee's response, certain facts should be noted.

- Senator Cranston became a candidate for nomination for election to the office of President on January 24, 1983, as evidenced by his filing of the agreements and certifications pursuant to 11 C.F.R. § 9033.1 and 9033.2.

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- Senator Cranston made a direct contribution (of $2,000) to the Cranston For President Advisory Committee (CPAC) on March 21, 1982.

- Senator Cranston loaned CPAC $25,000 on October 28, 1982 and $20,000 on November 23, 1982.

- Senator Cranston used his personal American Express credit card to pay qualified campaign expenses as early as January, 1982.

On May 2, 1984, the Committee submitted the Candidate's American Express billing statements for the periods requested above.

Our review of the documentation submitted revealed that as of January 24, 1983 (the date Senator Cranston became a candidate) Senator Cranston had made the following contributions to the Committee:

Direct Contributions	$ 2,000.00
Loans	45,000.00
Outstanding Balance of American Express Charges for Qualified Campaign Expenses (outstanding more than 30 days as of 1/23/83)	1,294.28
Miscellaneous (outstanding more than 30 days as of 1/23/83)	1,385.55
Total Contributions to the Committee as of 1/24/83	$49,679.83

For the period January 24, 1983 through October 30, 1983, the Candidate continued to use his American Express card to pay for qualified campaign expenses. In addition, the Committee paid the American Express charges on a regular basis through September 23, 1983, and repaid the Candidate $24,700 of the $45,000 loaned. At no time during this period (1/24/83 through 10/30/83) did the Candidate exceed his $50,000 contribution limit. However, on October 31, 1983, the Candidate loaned $25,000 to the Committee, which when added to the outstanding balance of the $45,000 loan ($20,300), the direct contribution ($2,000), the outstanding charges to American Express ($22,172.31 - outstanding more than 30 days at October 31, 1983), and the unreimbursed miscellaneous expenses ($2,312.55 - also outstanding more than 30 days at

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October 31, 1983), the Candidate then exceeded the $50,000 limitation by $21,784.86.

The Committee did not make another payment to the Candidate's American Express credit card until May 1984. Further, subsequent to October 31, 1983, the Candidate continued to charge qualified campaign expenses on his American Express credit card and make payments to American Express from his personal funds. In addition, the Candidate incurred other qualified campaign expenses for which he was not reimbursed as of May 1984.

For the period October 31, 1983 through May 3, 1984 the amount the Candidate exceeded his limit ranged from $21,784.86 to $76,055.73 (see Attachment III).

Recommendation

The Audit staff recommends that pursuant to the Materiality Thresholds this matter be referred to the Commission's Office of General Counsel.

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Name	Value of Letter of Credit	Other Contributions	Total Contributed	Amount in Excess of Limitation
Charles Benton	$3,000	$1,000	$4,000	$3,000
Eleanor C. Fowle	25,000	1,000	26,000	25,000
Donald J. Hawley	5,000	1,000	6,000	5,000
Ray Lapin	15,000	1,000	16,000	15,000
Bernard Schwartz	50,000	1,000	51,000	50,000
David Sprague	3,000	490	3,490	2,490
Total	$101,000	$5,490	$106,490	$100,490

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THE FIRST WOMEN'S BANK

111 East 57 St.
New York NY
10022

212 644 0870

Date of Issue January 5, 1984

Letter of Credit No. 116

Beneficiary New York Telephone
1095 Avenue of the Americas
New York, New York 10036

Gentlemen:

At the request of Marazul Tours, Inc. we hereby authorize you to draw on The First Women's Bank up to an aggregate amount of $3,600.00 (Three thousand six hundred 00/100 dollars) available by your draft at sight accompanied by your written certification stating that you have incurred liability, loss, costs, or damages arising from the default on the part of Cranston for President Inc. in paying their telephone bills.

Such statement must enumerate the amount due you for the account of Cranston for President, Inc. All drafts so drawn must be marked "Drawn under our Letter of Credit No. 116.

It is a condition of this Letter of Credit that all drafts drawn under and in compliance with the terms of this credit will be duly honored on delivery of documents as specified if presented at The First Women's Bank on or before January 5, 1985.

This credit is subject to the "Uniform Customs and Practice for Documentary Credit (1974 Revision), International Chamber of Commerce Publication No. 290."

Very truly yours,

Authorized Signature

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Attachment II
to Exhibit B
Page 2 of 3

New York Telephone

1166 Avenue of the Americas
New York, New York 10036
3rd Floor
Phone (212) 840-9850

March 26, 1985

Cranston for President Committtee
William M. Landau
230 Park Ave.
New York, N.Y. 10169

Dear Mr. Landau:

I am returning the letter of credit you requested. It was not necessary to draw on it.

Sincerely, Veronica Riecker

Veronica Riecker
Representative

VR/cs

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SEVENTEENTH FLOOR
230 PARK AVENUE
NEW YORK, N.Y. 10169

October 24, 1984

Ms. Veronica Riecker
New York Bell
1166 Avenue of the Americas
3rd Floor
New York, New York 10036

Dear Ms. Riecker:

The Federal Election Commission has just completed an audit of the Cranston for President Committee, Inc. One of the items that they are questioning is the letters of credit that we entered into with various telephone companies. I would appreciate it very much therefore if you would send me a letter stating that the letter of credit in the amount of $3,600 drawn by Francisco Aruca was returned to the maker and was never drawn on.

Your prompt attention to this matter would be greatly appreciated.

Thank you,

Sincerely,

CRANSTON FOR PRESIDENT COMMITTEE, INC.

William M. Landau/Treasurer

WML:dtl

Dear Mr. Landau,

I am returning the letter of credit you requested. It was not necessary to draw on it.

Sincerely Mrs Riecker

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Attachment III to Exhibit B

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Schedule of Contributions Made by Senator Alan Cranston

Contributions Made as of	Direct Contributions	American Express Charges (Net)	Loans	Telephone	American Express Credit Card Used as Guarantee	Miscellaneous	Total Contrib.	Amount in Excess of Limitation
1/24/83	$2,000	$ 1,294.28	$45,000			$1,385.55	$49,679.83	0
10/30/83	2,000	22,172.31	20,300			2,310.05	46,782.36	0
10/31/83	2,000	22,172.31	45,300			2,312.55	71,784.86	$21,784.86
12/9/83	2,000	31,097.49	45,300			2,432.55	80,830.04	30,830.04
1/9/84	2,000	31,926.81	45,300			2,500.05	81,726.86	31,726.86
2/8/84	2,000	42,352.23	45,300	2,815.14		2,635.05	95,102.42	45,102.42
3/9/84	2,000	60,271.31	45,300	4,586.65	11,783.48*/	2,752.55	126,693.99	76,693.99
4/9/84	2,000	59,633.05	45,300	4,586.65	11,783.48**/	2,752.55	126,055.73	76,055.73
				Limitation at 26 U.S.C. § 9035(a)			50,000.00	
				Maximum amount in excess of Limitation			$76,055.73	***/

*/ Reported by Carriers on CAB Form 183 as of February 29, 1984.

**/ Reported by Carriers on CAB Form 183 as of March 31, 1984, this amount increased to $12,139.71 as of 7/31/84 (the last CAB report reviewed).

***/ Based on the records available for review, the Candidate did not incur any additional qualified campaign expenses (via American Express) subsequent to April 1984 except for a net deliquency charge of $200.00 (not included in above chart). Further, for the period May 4, 1984 through January 1985 the Committee reimbursed the Candidate $70,238.03.

Exhibit C

Itemization of Contributions from Political Committees

Under 2 U.S.C. § 434(b)(3)(B) each report shall disclose the identification of each political committee which makes a contribution to the reporting committee during the reporting period, together with the date and amount of any such contribution.

The Committee's contribution records were reviewed to determine whether all contributions from political committees were itemized on the Committee's disclosure reports. It was noted that 60 contributions from political committees totaling $20,309.09 were not itemized as required.

At the exit conference on October 19, 1984, the Audit staff presented Committee officials with schedules of the unitemized contributions from political committees.

In the interim audit report, the Audit staff recommended that the Committee file a comprehensive amendment to correct the disclosure problems noted above.

On May 2, 1985 the Committee amended its reports itemizing the contributions as required.

Recommendation

The Audit staff recommends that pursuant to the Materiality Thresholds this matter be referred to the Commission's Office of General Counsel.

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SENSITIVE

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

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY
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FIRST GENERAL COUNSEL'S REPORT

MUR 2073
Staff: M. Brown

SOURCE OF MUR: INTERNALLY GENERATED

Respondents' Names: Cranston for President Committee, Inc.
William M. Landau, as treasurer
Senator Alan Cranston, et al.

Relevant Statutes: 2 U.S.C. §§ 431(8)(A)(i), 434(a), 434(a)(4), 434(b)(2)(A), (B), (G), (H), 434(b)(3)(A),(B),(E), 441a, 441a(a)(1)(A), 441a(a)(2)(A), 441a(b)(1)(A), 441a(c), 441a(f), 441b(a)
26 U.S.C. §§ 9033, 9035(a)
11 C.F.R. 100.7(a)(1), 100.7(a)(1)(i)(A), 106.2, 106.2(a)(1), 106.2(b)(1), 106.2(b)(2)(i)(B), 106.2(b)(2)(ii), 106.2(b)(2)(iii), 106.2(b)(2)(iv), 106.2(b)(2)(iv)(B), 106.2(b)(2)(vi), 106.2(c)(4), 106.2(c)(5), 106.2(d), 110.1(a)(1), 9033.1(a), 9033.1(b)(9) 9038.2(b)(2)(i)(A)

Internal Reports Checked: The Final Audit Report for the Cranston for President Committee, Inc.

Federal Agencies Checked: None

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GENERATION OF MATTER

On August 14, 1985, the Commission approved the final audit report on the Cranston for President Committee, Inc. At that time, the Commission also voted to refer the matters discussed below to the Office of General Counsel.

SUMMARY OF ALLEGATIONS

The Audit referral alleges that the Cranston for President Committee, Inc. and William M. Landau, as treasurer, ("Respondents," "the Cranston Committee" or "the Committee")

violated the Federal Election Campaign Act of 1971, as amended, (the "Act" or "FECA") through the following acts or omissions: Respondents failed to properly allocate to Iowa expenditures to influence the nomination of Senator Cranston to the office of President. Specifically, Respondents did not properly allocate to Iowa the salaries, employer FICA and consultant fees of people working in Iowa for five consecutive days or more; intra-state travel and subsistence; media and polling expenditures; overhead and miscellaneous expenditures (including general overhead and the designation of Iowa as a regional headquarters); and compliance costs and fundraising expenditures. Respondents accepted contributions from 70 individuals and one political committee in amounts in excess of the contribution limitations. Respondents accepted several irrevocable letters of credit from individuals and one from a corporation in excess of the contribution limitations. Respondents failed to report this activity on its reports filed with the Commission. Respondents accepted an excessive contribution when a commodities broker used his personal funds to pay the Committee a $45,000 profit from its alleged investment. Respondents accepted an excessive contribution when the Committee used an American Express Card, not belonging to the Committee, to secure a debt Respondents owed to an airlines. The card allegedly belongs to Senator Cranston, in which case the allegation relates to the issue of Senator Cranston's expenditures in excess of the candidate

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limitation. The Audit referral alleges that Senator Cranston made expenditures in excess of the $50,000 candidate limitation. The final allegation is that Respondents failed to disclose the identification of each political committee contributing to Respondents.

DISCUSSION

11 C.F.R. 9033.1(a) requires a candidate seeking to become eligible to receive Presidential matching fund payments to agree that he and his authorized committee will comply with the conditions set forth in paragraph (b) of the section. Section 9033.1(b)(9) states the following condition: "The candidate and the candidate's authorized committee(s) will comply with the applicable requirements of 2 U.S.C. 431 et seq.; 26 U.S.C. 9031 et seq. and the Commission's regulations at 11 C.F.R. Parts 100 through 115, and 9031 through 9039." This provision makes the candidate, as well as his authorized committee, responsible personally for compliance with the FECA, the Presidential Primary Matching Payment Account Act and Commission regulations. Because Senator Cranston signed such an agreement, he is responsible for compliance with these Acts and regulations, and, therefore, is in violation of any provisions which the Committee has violated. 11 C.F.R. 9033.1(b)(9).

I. Allocation of Expenditures to States

The Audit referral alleges that the Cranston Committee and William M. Landau, as treasurer, failed to allocate properly to the Iowa limit expenditures incurred by the Cranston Committee. The specific categories of expenditures are discussed below.

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26 U.S.C. § 9035(a) states that no candidate shall knowingly incur qualified campaign expenses in excess of the expenditure limitation applicable under 2 U.S.C. § 441a(b)(1)(A). 2 U.S.C. §§ 441a(b)(1)(A) and 441a(c) provide, in part, that no Presidential candidate, eligible under section 9033 of title 26 to receive payments from the Secretary of the Treasury, may make expenditures in any one state aggregating in excess of the greater of 16 cents multiplied by the voting age population of the state, or $200,000, whichever is greater, as adjusted by the Consumer Price Index.

11 C.F.R. 9038.2(b)(2)(i)(A) provides, in part, that the Commission may determine that the amount of any payments made to a candidate from the matching payment account, or contributions received by the candidate, were used for purposes other than qualified campaign expenses.

11 C.F.R. 106.2(a)(1) provides that, except for expenditures exempted under section 106.2(c), expenditures which a candidate's authorized committee incurs for the purpose of influencing the nomination of that candidate for the office of President with respect to a particular state shall be allocated to that state.

11 C.F.R. 106.2(b)(1) provides that an expenditure which a candidate's authorized committee incurs for the purpose of influencing the nomination of that candidate in more than one state shall be allocated to each state on a reasonable and uniformly applied basis.

A. <u>Salaries, Employer FICA and Consultant Fees</u>

11 C.F.R. 106.2(b)(2)(ii) requires that, except for expenditures exempted under paragraph (c) of 106.2, salaries paid

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to persons working in a particular state for five consecutive days or more, including advance staff, shall be allocated to each state in proportion to the amount of time spent in that state during a payroll period. 11 C.F.R. 106.2(a)(1) states, in part, that expenditures which a candidate's authorized committee incurs for the purpose of influencing the nomination of that candidate for the office of President with respect to a particular state shall be allocated to that state.

The Audit staff's review identified persons who had incurred expenditures while working in Iowa for five or more consecutive days. The staff traced the names to Committee payroll records to determine whether the Committee allocated to Iowa the salaries, employer FICA, or consultant fees. The Audit staff determined that the Cranston Committee had failed to allocate to Iowa certain salaries, employer FICA, consultant fees, and payroll taxes paid from its national account; and salaries, employer FICA and consultant fees paid from its Iowa bank accounts during January, 1984. In some instances, the Committee allocated net salaries to Iowa but not the associated payroll taxes and employer FICA. The Audit staff determined an additional $142,407.53 was allocable to Iowa.

The Cranston Committee, in responding to the interim audit report, challenged the inclusion of $73,684.30 in salaries, employer FICA and consulting fees which the Audit staff applied to the Iowa limitation. The Committee provided documentation to

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support this challenge, however, the Audit staff determined that the documentation in several instances was not sufficient to show that the expenses should not be allocated to Iowa. Where the documentation was sufficient, the Audit staff reduced the amount allocable to Iowa.

The Committee submitted documentation, for expenses totalling $56,405.98, consisting of written statements from Committee officials, check request authorization forms and copies of expense reimbursement vouchers, to support its contention that the expenses are not allocable to Iowa. The Audit staff analyzed the documentation finding that, in several instances, it was not sufficient to demonstrate that an expense was not allocable to Iowa. For example, the Audit staff did not reduce the amount it found allocable to Iowa if the Committee submitted a Committee official statement without copies of travel vouchers signed by the individual demonstrating that the individual did not work in Iowa during the relevant time period. The Audit staff did reduce the amount allocable to Iowa where statements were accompanied by documentation demonstrating that the individual did not work in Iowa.

The Committee stated that primarily in February it did not pay salaries to many of its staff who worked in Iowa and considered the staff services to be voluntary. These salaries totalled $17,278.32. Based on Audit's review of the Committee's Schedules B-P, it appears that the Committee made salary payments totaling $1,843.04. The Committee disclosed the $15,435.28

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balance on its Schedules D-P (Debts and Obligations Owed by the Committee) through October 31, 1984. The Committee's reporting of the payments and debt owed weakens its argument that the services were volunteered. Also, the Committee did not provide any documentation from staff members verifying that they had volunteered their services.

If the staff did volunteer their services, then the salaries would not be applied to the Iowa limitation. However, because the Committee reported expenditures for part of the salaries, reported debts and obligations for the rest of the salaries, and did not provide documentation to verify the services were volunteered, the salaries are allocable to Iowa.

The Audit staff concluded that $36,193.33 of the $56,405.98 documentation which the Committee provided was sufficient to warrant a reduction in the amount allocable to the Iowa limit. The amount allocable to Iowa, therefore, is $104,214.20 ($142,407.53 - $36,193.33).

B. Intra-State Travel and Subsistence Expenditures

11 C.F.R. 106.2(b)(2)(iii) states that travel and subsistence expenditures for persons working in a state for five consecutive days or more shall be allocated to that state in proportion to the amount of time spent in each state during a payroll period. This same allocation method applies to intra-state travel and subsistence expenditures of the candidate and his family or the candidate's representatives.

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The Audit Division reviewed the Committee's supporting documentation and found that persons working in Iowa for five or more consecutive days had incurred expenditures for intra-state travel and subsistence. Based on this fact, the Audit Division determined that additional expenditures totalling $71,329.01 should be allocated to Iowa.

11 C.F.R. 106.2(c)(4) states that expenditures incurred for inter-state travel, such as travel between state campaigns or between state offices and national campaign headquarters, need not be allocated to any state.

In response to the interim audit report, the Cranston Committee provided additional documentation consisting of expense reimbursement vouchers and vendor receipts totalling $25,435.27. This documentation, presented for the first time in the Committee's response, indicated that $24,787.62 of the expenses initially deemed allocable to Iowa are exempt from allocation in accordance with 11 C.F.R. 106.2(c)(4). Thus, the additional amount the Committee should have allocated to Iowa for intra-state travel and subsistence expenditures is $46,541.39 ($71,239.01 -$24,787.62).

C. Media and Polling Expenditures

11 C.F.R. 106.2(b)(2)(i)(B) requires that expenditures for radio, television and similar types of advertisements purchased in a particular media market covering more than one state shall be allocated to each state in proportion to the estimated audience. The regulation provides that allocation of expenditures, including any commission charged for the purchase of broadcast media, shall be made using industry market data.

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Also, 11 C.F.R. 106.2(b)(2)(vi) states, in part, that expenditures incurred for the taking of a public opinion poll covering only one state shall be allocated to that state.

The Committee paid a vendor $131,699.20 for media buys. In a letter dated July 9, 1984, the vendor notified the Committee of the amount of each buy and the percentage of each buy that should be allocated to Iowa.

The vendor's allocable percentages were based on the 1983-84 Arbitron Ratings Universe Estimates Summary, published by the Arbitron Ratings Company. Application of the percentages requires that the Committee allocate $100,241.74 to Iowa, however, the Committee allocated $95,598 only. The Committee must, therefore, allocate the difference of $4,643.74 to Iowa.

With respect to polling expenses, the Committee paid a vendor $10,874 for a telephone poll targeted at a select group of potential Iowa caucus participants. According to the contract, the poll was conducted between September 10, 1983, and October 2, 1983, however, the Committee did not allocate this cost to Iowa.

The Committee did not question the interim audit report's finding that additional media and polling expenditures be allocated to the Iowa Limit. The total amount the Audit staff determined the Cranston Committee should have allocated to Iowa is $15,517.74 ($4,643.74 and $10,874).

D. Overhead and Miscellaneous Expenditures

11 C.F.R. 106.2(b)(2)(iv) states that, except for expenditures exempted under paragraph (c) of 106.2, overhead

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expenditures for offices located in a particular state shall be allocated to that state. For purposes of section 106.2(b)(2)(iv), overhead expenditures include, but are not limited to, rent, utilities, office equipment, furniture, supplies, and telephone service base charges.

1. General Overhead and Miscellaneous

The Audit Division found that the Committee incurred expenditures in Iowa for office rent, telephones, postage, shipping, printing, office supplies, utilities, voter lists, furniture, equipment and miscellaneous expenses. Based upon this review, the Audit staff determined that these expenditures, $97,599.27, should be allocated to Iowa.

In its response to the interim audit report, the Committee provided documentation for some expenditures not allocable to Iowa totalling $3,121.45. The documentation consisted of individual expense vouchers and vendor receipts indicating that $3,023.43 of the expenses in question are not allocable to Iowa.

The total amount of expenditures the Audit staff determined the Cranston Committee should allocate to Iowa is $94,575.84 ($97,599.27-$3,023.43).

2. Iowa Designated as a Regional Headquarters

Pursuant to 11 C.F.R. 106.2(b)(2)(iv)(B), except for expenditures exempted under paragraph (c) of 106.2, overhead expenditures of a regional office or any office with

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responsibilities in two or more states shall be allocated to each state on a reasonable and uniformly applied basis. For purposes of section 106.2, overhead expenditures include, but are not limited to, rent, utilities, office equipment, furniture, supplies, and telephone service base charges.

At an interim conference on July 25, 1984, Committee officials stated that in accordance with 11 C.F.R. 106.2(b)(2)(iv)(B), Iowa was designated as the regional headquarters for eight other states. The states in the region and their respective primary/caucus dates, as defined by the Committee, are as follows: Iowa as headquarters (2/20/84); Illinois (3/20/84); Kansas (3/24/84); Michigan (3/17/84); Minnesota (3/20/84); Missouri (4/17/84); Nebraska (5/15/84); Ohio (5/8/84); and Wisconsin (4/3/84). As a result, overhead expenses incurred at the Iowa office totalling $95,950.95 were reallocated among these states on the Voting Age Population basis. The result was that $90,577.77 of Iowa overhead expenses were reallocated to these other states.

To evaluate the reasonableness of the designation of the office as a regional office, the Audit staff performed a number of analyses to identify the Iowa activities which related to more than one state. See § 106.2(b)(2)(iv)(B).

The Audit staff reviewed the long-distance telephone bills for the Iowa office to determine whether there was a significant level of communication between the Iowa regional headquarters and the other states in the region. The Audit staff determined that

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only a little over one percent of the long distance calls made from the Iowa office were to other states in the region. The Audit staff also reviewed the long distance telephone records for the other states in the region and found no significant number of calls to the Iowa headquarters.

The Cranston Committee did not maintain bank accounts in any state in the region other than Iowa, however, the Audit staff did not find any activity in the Iowa bank accounts on behalf of the other states in the region.

The Audit staff reviewed correspondence, notes, contemporaneous memoranda, and other organizational and budget documents for information concerning the administration, control or operation of Iowa as a regional headquarters. Audit did not find any information regarding Iowa functioning as a regional headquarters. On July 26, 1984, Audit requested, in writing, that the Cranston Committee provide the planning documents for the establishment and operation of the Iowa regional headquarters. The Committee did not provide planning documents.

On August 20, 1984, the Committee did provide a memorandum entitled "Terms of Employment". The memorandum confirms an offer of employment to an individual for the position of Midwest Coordinator. The memorandum, dated January 3, 1983, describes the duties of the "Midwest Coordinator" as being responsible for Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.*/ In addition, the memorandum discusses the establishment of a Midwest

*/ Three states, Indiana, North Dakota and South Dakota, are not included in the region as defined by the Committee.

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Regional Headquarters and support staff to service the above states. The Audit staff found no evidence that a Midwest Regional Headquarters was established as outlined in the memorandum, or that the Iowa state office functioned as the Regional Office as alleged by the Committee.

The Cranston Committee responded to the interim audit report by arguing that the Committee has the right to designate an office as a regional office under 11 C.F.R. 106.2(b)(2)(iv)(B). It argued that the low number of telephone calls to other states within the region resulted from the fact that the primaries in the other states within the region were not scheduled to occur until after March 1, 1984, the day on which Senator Cranston withdrew as a candidate. The Cranston Committee argued that the Commission should not deprive it of its option to designate Iowa as a regional office and to allocate overhead expenses accordingly. To do so, according to the Committee, "would penalize unsuccessful candidates disproportionately vis a vis successful candidates, a disparity for which there is no rationale in law or policy."

Although the Committee argues there was little activity in other states in the region only because of Senator Cranston's withdrawal before the other primaries occurred, it should be noted that organizational work, staffing and preparations for the February 20, 1984 Iowa caucus began in mid-1983, eight months before the caucus. Similar activity could be expected to have occurred with respect to the March 20, 1984 Illinois primary, as

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well as other March and April primaries. The lack of activity with respect to the other states suggests that the Iowa office may not have functioned as a regional office. This matter warrants further investigation.

E. Allocation of Compliance Costs and Fundraising Expenditures

11 C.F.R. 106.2(c)(5) states, in part, that an amount equal to 10% of campaign workers' salaries and overhead expenditures in a particular state may be excluded from allocation to that State as an exempt compliance cost. An additional amount equal to 10% of workers' salaries and overhead expenditures in a particular state may be excluded from allocation to that state as exempt fundraising expenditures, but the exemption does not apply within 28 calendar days of the primary election, as specified in 11 C.F.R. 110.8(c)(2).

The Committee calculated the 10% compliance exemption based on its determination of the gross amount allocable to Iowa rather than on payroll and overhead expenditures, as required. The Committee also calculated the 10% exemption from allocation for fundraising expenditures on this same basis and did not exclude payroll and overhead expenditures occurring within 28 days of the caucus.

Based on Committee records, the Audit staff calculated the 10% compliance exemption according to the specifications of 11 C.F.R. 106.2(c)(5). The base figure utilized by the Committee was adjusted downward. The interim report advised the Committee that it may recompute the fundraising exemption, however, the Committee would have to provide all relevant documentation

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in support of its calculation along with its response to the interim report.

In its response to the interim audit report, the Committee revised its original base figures for both the compliance and fundraising exemptions. The Audit staff reviewed the information presented and reduced the Committee's figure because some disbursements included in the Committee's figure were not classifiable as overhead and payroll expenses relative to Iowa.

CONCLUSION

The principal campaign committee of a candidate for the office of President must file reports in accordance with 2 U.S.C. § 434(a)(4). The Commission's regulations also require that Presidential primary candidates receiving matching funds allocate expenditures consistent with 11 C.F.R. 106.2. All expenditures allocated under 11 C.F.R. 106.2 must be reported on FEC Form 3P. 11 C.F.R. 106.2(d). The discussion above includes several examples of instances in which the Committee has under-allocated expenditures in Iowa. As a result, the Committee did not comply with 2 U.S.C. § 434(a) and 11 C.F.R. 106.2. These additional amounts of expenditures allocable to Iowa increase the total of the Cranston Committee's Iowa Campaign expenses. This total exceeds the expenditure limitation applicable under 2 U.S.C. § 441a(b)(1)(A). The Office of General Counsel recommends that the Commission find reason to believe Senator Alan Cranston, the Cranston Committee, and William M. Landau, as treasurer, violated

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26 U.S.C. § 9035(a), and 2 U.S.C. § 434(a) and 11 C.F.R. 106.2.

II. Contributions in Excess of the Limitations

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

Section 431(8)(A)(i) of Title 2, United States Code, defines the term "contribution" to include any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office.

A. Direct Contributions by Individuals and a Political Committee

2 U.S.C. § 441a(a)(2)(A) provides that no multicandidate political committee shall make contributions to any candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceed $5,000.

The Audit staff's review revealed that the Committee received contributions from 70 individuals */ and contributions from MEBA Political Action Fund, a political committee, in the form of checks which, in the aggregate, were in excess of the limitations. It was also noted that the Committee refunded 14 contributions. These refunds occurred between 153 days and 679 days of receipt of the excessive contributions.

*/ The seventy individuals are listed in recommendation 4.

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At the exit conference on October 19, 1984, the Audit staff presented Committee officials with schedules of contributions from the individuals and the political committee which were in excess of the limitations.

In the interim audit report, the Audit staff recommended that the Committee provide documentation which verified that the contributions are not in excess of the limitation, or issue refund checks to the individuals.

In its response of May 2, 1985, the Committee stated that over half of the excessive portion of the individual contributions were contributions attributable to other persons, for example, spouses. The Committee also provided documentation showing that one contribution was reported twice by the Committee and verifying that 10 contributions were refunded to contributors. One refund check was dated within 2 days, July 20, 1984, of receipt of the excessive contributions, however, the check did not clear the bank until November 20, 1984. The other refund checks were dated between 301 and 627 days of receipt of the excessive contributions.

In addition, the Committee's response to the interim audit report indicated that 16 other excessive contributions totaling $11,000, were reattributed to other individuals. However, the Committee failed to submit documentation supporting such reattributions.

The Office of General Counsel recommends that the Commission find reason to believe Senator Alan Cranston, the Cranston Committee and William M. Landau, as treasurer, violated

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2 U.S.C. § 441a(f) by knowingly accepting the contributions from the 70 individuals and MEBA Political Action Fund. The Office of General Counsel also recommends that the Commission find reason to believe, that the 70 individuals violated 2 U.S.C. § 441a(a)(1)(A), and that MEBA Political Action Fund and Frank Laurito, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A), and take no further action.

B. Irrevocable Letters of Credit

Under 11 C.F.R. 100.7(a)(1)(i)(A), the term "loan" includes a guarantee, endorsement, and any other form of security. A loan which exceeds the contribution limitations of 2 U.S.C. § 441a and 11 C.F.R. Part 110 violates those provisions.

As a prerequisite for providing telephone service, various telephone companies required the Committee to make security deposits. In lieu of actual deposits of money, the Committee provided the telephone companies with seven irrevocable letters of credit.*/ These letters of credit, totaling $101,000, were issued by banks as a result of individuals either pledging or depositing amounts equal to the value of each letter. Four individuals each provided a letter of credit. Another individual provided two letters of credit. The individual(s) providing the funds for Letter of Credit No. 10092 from the Wilmette Bank of Wilmette, Illinois could not be identified. The Committee did not disclose this activity on its reports.

*/ A letter of credit is an agreement between a bank and a customer, for the benefit of a third party, that the bank will honor drafts or other demands for payment made by the third party. See generally Article-V Letters of Credit of the Uniform Commercial Code.

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In the interim report, the Audit staff recommended that the Committee provide documentation identifying the source of funds for Letter of Credit No. 10092 from the Wilmette Bank of Wilmette, Illinois. In addition, the Audit staff recommended that the Committee provide the current status of each letter of credit, as well as copies of the security agreements between the banks and the individuals who secured these letters of credit.

On May 2, 1985, the Committee responded to the audit report that "none of the letters of credit provided to the telephone companies were ever drawn upon, and all telephone charges have been satisfied." The inference is that there were no contributions because the funds represented by the letters of credit were not spent. However, the letters of credit were used in lieu of deposits and, therefore, they constitute something of value. The response also stated that the Committee does not have copies of the security agreements. In addition, the Committee provided documentation verifying the closed status of each letter of credit, as well as the source of funds for Letter of Credit No. 10092.

The source of the funds for letter of Credit No. 10092 is Charles Benton. Because this and all of the other letters of credit were used in lieu of deposits, the letters constitute something of value. Mr. Benton also contributed $1,000 directly to the Committee. Therefore, it appears that Mr. Benton exceeded the $1,000 contribution limitation.

Eleanor C. Fowle provided a $25,000 letter of credit. She also made a direct contribution of $1,000 to the Committee. Therefore, it appears that she exceeded the $1,000 contribution.

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Donald J. Hawley provided a $5,000 letter of credit and contributed $1,000 directly to the Committee. Therefore, he exceeded the $1,000 contribution.

Raymond Lapin provided the Committee with a $15,000 letter of credit. He also contributed $1,000 directly to the Committee. Therefore, he exceeded the $1,000 contribution limitation.

Bernard Schwartz provided the Committee with two letters of credit: one worth $35,000 and one worth $15,000. He also contributed $1,000 directly to the Committee. Therefore, he exceeded the $1,000 contribution limitation.

David Sprague provided a $3,000 letter of credit to the Committee. He also contributed $490 directly to the Committee. Therefore, he exceeded the $1,000 contribution limitation.

Finally, the Committee provided a copy of a letter of credit, drawn on their behalf, to secure telephone services. It appears that this letter of credit (No. 116 - The First Women's Bank, New York) was drawn at the request of Marazul Tours, Inc., a corporation, for $3,600. The Audit staff noted, however, that the Committee, in a letter to the telephone company, referred to the maker of this letter of credit as an individual, Francisco Aruca, and not a corporation.

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The Office of General Counsel recommends that the Commission find reason to believe that Senator Alan Cranston, the Cranston Committee and William M. Landau, as treasurer, violated 2 U.S.C. §§ 441a(f), 434(b)(2)(H), 434(b)(3)(E) and 441b(a), that the individuals violated 2 U.S.C. § 441a(a)(1)(A), and that Marazul Tours, Inc. violated 2 U.S.C. § 441b(a).

C. Commodities Transaction

At an interim conference on August 30, 1984, Cranston Committee officials said that during December 1983, an individual approached the Committee with an opportunity to invest in the commodities market. The Committee stated that they sought advice as to the legality of this type of investment. Although the Committee could not recall who gave them the advice, they were assured that this activity was legal. The Committee stated that the legal advice was not from the Commission nor was it in writing.

The Committee agreed to invest in the commodities market and provided a $9,000 check made payable to the "Conti Commodity Service" on December 15, 1983. This check was not cashed.

On January 24, 1984, the Committee received $15,000 by wire transfer. The Committee stated they believed that the $15,000 represented profits of its commodities transactions. The receipt of the $15,000 was itemized on the disclosure report listing a Chicago bank as the person providing the funds.

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According the the Committee, Mark Weinberg, their commodities trader, contacted them and related that an additional $30,000 in profit from the commodities trading was due them and would be forthcoming. However, there was a problem having the money released from the commodities broker. Nevertheless, on February 8, 1984, the Committee received $30,000 by wire transfer. The receipt of the $30,000 was itemized on the disclosure report listing the commodites trader, Mark Weinberg, as the person providing the funds.

Further, Committee officials stated there was a conversation between the commodities trader and a Committee staff member shortly after the Committee received the $30,000. It was during this conversation that the commodities trader told the Committee that because of the problem of having the money released from the commodities broker, the commodities trader used $30,000 of his personal funds to send to the Committee. The commodities trader believed the $30,000 was a loan to the Committee until the money was released. As a result of this conversation, the Committee stated that the next day they sent a $30,000 refund check to the commodities trader.

The documentation available concerning the $30,000 refund consisted of an unsigned letter dated February 8, 1984, which refers to, and purportedly accompanied, the refund. Committee records indicate that the refund check was dated February 8, 1984, however, their check register disclosed that the account on

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which the refund check was drawn had a negative balance of $126,166.32 on the date the refund check was allegedly issued. The Committee did not report the $30,000 refund made to the commodities trader on its March Monthly FEC report. However, on June 20, 1984, in their June Monthly FEC report, the Committee notified the Commission that the $15,000 should be refunded to avoid a possible illegal contribution, that a check issued on February 8, 1984 refunding $30,000 to avoid a possibly illegal contribution had not been cashed promptly, and that the account on which the check was drawn no longer had any funds. As of May 31, 1984, a total amount of $10,000 had been refunded. The Committee said it would refund the balance as soon as it could raise the funds. As of October 19, 1984, the Committee had refunded a total of $30,000 to the commodities trader.

In the interim report, the Audit Staff recommended that the Committee refund the remaining $15,000 and provide evidence of the refund along with a full explanation of these transactions.

On May 2, 1985, the Committee provided copies of the negotiated refund checks totalling $15,000. In addition, the Committee provided the same explanation it had previously provided to the Audit staff.

In addition to these contributions, Mr. Weinberg contributed $1,000 to the Committee on November 4, 1983. Mr. Weinberg therefore, contributed a total of $46,000 to the Committee.

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The Office of General Counsel recommends that the Commission find reason to believe that Senator Cranston, the Cranston Committee and William M. Landau, as treasurer, violated 2 U.S.C. § 441a(f) and that Mark Weinberg, the commodities trader, violated 2 U.S.C. § 441a(a)(1)(A).

D. Security for Airlines Debt

Between February 29, 1984 and July 31, 1984, the Cranston Committee owed a debt to an air carrier in an amount ranging between $11,783.48 and $12,139.71, according to information filed with the Civil Aeronautics Board. The debt was secured by "American Express". The debt was over 194 days old as of July 31, 1984, and the Committee had not disclosed it on its reports. The Audit staff asked the Committee for the identification of the holder(s) of the American Express card used to secure the debt to determine whether an excessive contribution had been made. The Committee officials said they did not know whose card or cards had been used.

In the interim audit report, the Audit staff recommended that the Committee provide the identity of the holder(s) of the American Express card that was used to secure the debt and all related documentation.

The Committee, in response to the interim audit report, said that several staff members had charged to the Committee airline tickets on American Central Airlines, Inc. According to the Committee, an individual had apparently given the airlines Senator Cranston's American Express card number.

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The Committee further explained that the airlines did not collect through American Express, but rather, it sued the Committee for payment. The suit was settled and the Committee fully paid the airlines. The Committee provided documentation concerning the suit and payments to the airlines along with an amended Schedule D-P disclosing the debt.

This amount should be included in the calculation of Senator Cranston's expenditure of personal funds, which is discussed in the next section.

E. Expenditures in Excess of Candidates Limitation

26 U.S.C. § 9035(a) states, in part, that no candidate shall knowingly incur or make expenditures from his personal funds, or the funds of his immediate family, in connection with his campaign for nomination for election to the office of President in excess of, in the aggregate, $50,000.

The term contribution as defined at 11 C.F.R. § 100.7(a)(1) includes a gift, subscription, loan (except for a loan made in accordance with 11 C.F.R. § 100.7(b)(11)), advance or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office.

Use of personal funds, whether in the form of cash, check, or credit, to purchase goods or services on behalf of a political committee with the understanding that the committee later will provide reimbursement is an advance and hence a "contribution" within the meaning of the statute. See Advisory Opinion 1984-37,

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n.2, I Fed. Election Camp. Fin. Guide (CCH), Paragraph 5784 (Sept. 26, 1984) ("[A]n advance of funds for services rendered to a candidate with an expectation of repayment, like a loan, is a contribution.").

The interim audit report noted that Senator Cranston made expenditures totalling $67,916.41 in excess of the limitation of 26 U.S.C. § 9035(a). Based on a review of the records made available during the audit fieldwork, Senator Cranston's expenditures consisted of qualified campaign expenses incurred by him and charged on his personal American Express card; outstanding loans made to the Committee; direct contributions to the Committee; telephone charges paid by Senator Cranston; and miscellaneous expenditures paid by him.

Senator Cranston first exceeded his $50,000 limit on October 31, 1983. For the period October 31, 1983 through May 3, 1984, Senator Cranston exceeded his limit by an amount ranging from $21,784.86 to $76,055.73.

The Office of General Counsel recommends that the Commission find reason to believe Senator Cranston violated 26 U.S.C. § 9035(a).

F. Itemization of Contributions from Political Committees

Under 2 U.S.C. § 434(b)(3)(B), each report shall disclose the identification of each political committee which makes a contribution to the reporting committee during the reporting period, together with the date and amount of any such contribution.

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The Audit staff reviewed the Committee's contribution records to determine whether all contributions from political committees were itemized on the Committee's disclosure reports. It was noted that 60 contributions from political committees totaling $20,309.09 were not itemized as required.

At the exit conference on October 19, 1984, the Audit staff presented Committee officials with schedules of the unitemized contributions from political committees.

In the interim report, the Audit staff recommended that the Committee file a comprehensive amendment to correct the disclosure problems noted above.

On May 2, 1985, the Committee amended its reports itemizing the contributions as required.

The Office of General Counsel recommends that the Commission find reason to believe Senator Cranston, the Cranston Committee and William M. Landau, as treasurer, violated 2 U.S.C. § 434(b)(3)(B).

RECOMMENDATIONS

The Office of General Counsel recommends that the Commission:

1. Find reason to believe that Senator Alan Cranston, Cranston for President Committee, Inc., and William M. Landau, as treasurer, have violated 26 U.S.C. § 9035(a), 2 U.S.C. § 434(a) and 11 C.F.R. § 106.2.

2. Find reason to believe Senator Alan Cranston, Cranston for President Committee, Inc., and William M. Landau, as treasurer,

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have violated 2 U.S.C. § 441a(f).

3. Find reason to believe Senator Alan Cranston, Cranston for President Committee, Inc., and William M. Landau, as treasurer, have violated 2 U.S.C. § 441b(a).

4. Find reason to believe that the following 70 individuals violated 2 U.S.C. § 441a(a)(1)(A) and take no further action:

David Fleischaker
Bernard A. Ostter
Robert H. Rosenfield
David Wilstein
Randolph P. Compton
Sanford D. Greenberg
Alfred G. Heller
Samuel Y. Kaplan
Thomas McNamara
Frederick M. Nicholas
Bernard A. Rapoport
Genevieve Rasor
Sandy Elster
Mark N. Filler
Leonard Golberg
Mark Hasten
Michael A. Liberty
E. R. Lilienthal
Paul T. Linsk
Arch Macdonald
Henry L. McIntire
David D. Miller
W. R. Pagen
Ansel Adams
Michael Bobrow
Michael Colton
Maurice Commanday
Ronald B. Rapoport
Ellis Ring
Maxwell H. Salter
Adolph Schuman
Frances T. Shalant
Lesley G. Sproul
Elmer C. Sproul
W. K. Stewart
Cecil R. Venturella
T. K. Beard
Miriam B. Butterworth
Victor Cartor
Marvin Cooper
Frank C. Damrell, Jr.

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Adrian W. Dewind
Michael Elias
Mary W. Fleming
N. F. Giardano
Emmy L. Levin
Lilian Levinson
Colin D. Matthews
Robert Powsner
Donald Spiegelman
Edmund A. Stanley, Jr.
James A. Swofford
Robert J. Walker
L. S. Wyler
Abraham Dors
James W. Welch
Jeanne Welch
Geraldine Romeo
Roy Erwin
Anna Bing
Phyllis Clem
A. A. Dunson
Abraham Feinberg
Alexandra Hawkins
Victor Kamber
A. B. Lewis
Eric Lidow
Michael Pallen
Herbert Sandler
Charles Smith

5. Find reason to believe that the following six individuals violated 2 U.S.C. § 441a(a)(1)(A):

Charles Benton
Eleanor C. Fowle
Donald J. Hawley
Raymond Lapin
Bernard Schwartz
David Sprague

6. Find reason to believe that Marazul Tours, Inc., violated 2 U.S.C. § 441b(a).

7. Find reason to believe that Senator Alan Cranston, Cranston for President Committee, Inc., and William M. Landau, as treasurer, violated 2 U.S.C. § 434(b)(2)(H) and 2 U.S.C. § 434(b)(3)(E).

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8. Find reason to believe that Mark Weinberg violated 2 U.S.C. § 441a(a)(1)(A).

9. Find reason to believe Senator Alan Cranston, Cranston for President Committee, Inc., and William M. Landau, as treasurer, violated 2 U.S.C. § 441a(f).

10. Find reason to believe MEBA Political Action Fund violated 2 U.S.C. § 441a(a)(2)(A).

11. Find reason to believe Senator Alan Cranston, Cranston for President Committee, Inc., and William M. Landau, as treasurer, violated 2 U.S.C. § 434(b)(3)(B).

12. Approve and send the attached letters and Factual and Legal Analyses.

Charles N. Steele
General Counsel

October 10, 1985
Date

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

Attachments
Audit Referral
Letters and Factual and Legal Analyses (seven each)
List of Political Committee Contributions not Itemized by the Cranston Committee

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Cranston for President Committee, Inc.	)	MUR 2073
and William M. Landau, as treasurer,	)	
et al.	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of October 17, 1985, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2073:

1. Find reason to believe that Senator Alan Cranston violated 26 U.S.C. § 9035(a).

2. Find reason to believe that the Cranston for President Committee, Inc. and Wiliam M. Landau, as treasurer, have violated 26 U.S.C. § 9035(a), 2 U.S.C. § 434(a) and 11 C.F.R. § 106.2.

3. Find reason to believe Cranston for President Committee, Inc., and William F. Landau, as treasurer, have violated 2 U.S.C. § 441a(f).

4. Find reason to believe Cranston for President Committee, Inc., and William F. Landau, as treasurer, have violtated 2 U.S.C. § 441b(a).

5. Find reason to believe that the following individuals violated 2 U.S.C. § 441a(a)(1)(A): David D. Miller, Adolph Schuman, and Cecil R. Venturella.

(continued)

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6. Find reason to believe that the following individuals violated 2 U.S.C. § 441a(a)(1)(A) and take no further action:

David Fleischaker
Bernard A. Ostter
Robert H. Rosenfield
David Wilstein
Randolph P. Compton
Sanford D. Greenberg
Alfred G. Heller
Samuel Y. Kaplan
Thomas McNamara
Frederick M. Nicholas
Bernard A. Rapoport
Genevieve Rasor
Sandy Elster
Mark N. Filler
Leonard Goldberg
Mark Hasten
Michael A. Liberty
E. R. Lilienthal
Paul T. Linsk
Arch Macdonald
Henry L. McIntire
W. R. Pagen
Ansel Adams
Michael Bobrow
Michael Colton
Maurice Commanday
Ronald B. Rapoport
Ellis Ring
Maxwell H. Salter
Frances T. Shalant
Lesley G. Sproul
Elmer C. Sproul
W. K. Stewart
T. K. Beard
Miriam B. Butterworth
Victor Cartor
Marvin Cooper
Frank C. Damrell, Jr.
Adrian W. Dewind
Michael Elias
Mary W. Fleming
N. F. Giardano
Emmy L. Levin
Lilian Levinson

(continued)

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Colin D. Matthews
Robert Powsner
Donald Spiegelman
Edmund A. Stanley, Jr.
James A. Swofford
Robert J. Walker
L. S. Wyler
Abraham Dors
James W. Welch
Jeanne Welch
Geraldine Romeo
Roy Erwin
Anna Bing
Phyllis Clem
A. A. Dunson
Abraham Feinberg
Alexandra Hawkins
Victor Kamber
A. B. Lewis
Eric Lidow
Michael Pallen
Herbert Sandler
Charles Smith

7. Find reason to believe that the following six individuals violated 2 U.S.C. § 441a(a)(1)(A):

Charles Benton
Eleanor C. Fowle
Donald J. Hawley
Raymond Lapin
Bernard Schwartz
David Sprague

8. Find reason to believe that Marazul Tours, Inc. violated 2 U.S.C. § 441b(a).

(continued)

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9. Find reason to believe that Cranston for President Committee, Inc., and William F. Landau, as treasurer, violated 2 U.S.C. § 434(b)(2)(H) and 2 U.S.C. § 434(b)(3)(E).

10. Find reason to believe that Mark Weinberg violated 2 U.S.C. § 441a(a)(1)(A).

11. Find reason to believe Cranston for President Committee, Inc., and William M. Landau, as treasurer, violated 2 U.S.C. § 441a(f).

12. Find reason to believe MEBA Political Action Fund violated 2 U.S.C. § 441a(a)(2)(A).

13. Find reason to believe Cranston for President Committee, Inc., and William M. Landau, as treasurer, violated 2 U.S.C. § 434(b)(3)(B).

14. Direct the General Counsel to send the appropriate letters and Factual and Legal Analyses pursuant the foregoing findings.

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

Attest:

10-21-85
Date

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

R90407530 48

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Alfred E. Heller
21 Tamal Vista Boulevard
Room 223
Corte Madera, California 94925

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Heller:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

8904075304 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mrs. Genevieve M. Rasor
15601 Montebello Road
Cupertino, California 95014

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mrs. Rasor:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

8904075350

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Robert H. Rosenfield
150 S. Bentley
Los Angeles, California 90049

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Rosenfield:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

8904075305 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. David Wilstein
2080 Century Park East
Penthouse Suite
Los Angeles, California 90067

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Wilstein:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

8904075305 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Maurice R. Commanday
1401 Via Gabriel
Palos Verdes, California 90274

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Commanday:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

8904075305 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Michael C. Colton
5843 Bengal Court
San Diego, California 92124

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Colton:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

8904075305 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Randolph P. Compton
53 Brookby Road
Scarsdale, New York 10583

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Compton:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

29040753055

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Mark Hasten
1115 West 75th Street
Indianapolis, Indiana 46260

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Hasten:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

9904075306

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Leonard Goldberg
11940 San Vincente Boulevard
c/o Brown Kraft & Company
Los Angeles, California 90049

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Goldberg:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

39040753057

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Mark N. Filler
Filler Goodine & How, PA
53 Exchange Street
Portland, Maine 04101

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Filler:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

8904075308

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Sandy Elster
One Westwind
Venice, California 90291

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Elster:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Henry L. McIntyre
Three Embarcadero Center
San Francisco, California 94111

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. McIntyre:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Mr. Arch MacDonald
1901 South Bascum Avenue
Campbell, California 95008

November 6, 1985

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. MacDonald:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

8 9 0 4 0 7 5 3 0 6 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Paul T. Linsk
7539 Rowena
San Diego, California 92119

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Linsk:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. E.R. Lilienthal
2121 Broadway
No. 5
San Francisco, California 94115

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Lilienthal:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

39040753063

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Michael A. Liberty
333 Shaker Road
Crystal Lake
Gray, Maine 04039

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Liberty:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. W.R. Pagen
10000 Santa Monica Boulevard
Los Angeles, California 90067

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Pagen:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Ronald B. Rapaport
20 Spring West
Williamsburg, Virginia 23185

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Rapaport:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Michael L. Bobrow
1001 Westwood Boulevard
Los Angeles, California 90024

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Bobrow:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

39040753067

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Ansel Adams
Route 1, Box 181
Carmel, California 93923

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Adams:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Colin D. Mathews
2323 49th Street, N.W.
Washington, D.C. 20007

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Mathews:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Elmer C. Sproul
P.O. Box 25845
Albuquerque, New Mexico 87125

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Sproul

:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

39040753070

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mrs. Lesley G. Sproul
P.O. Box 25845
Albuquerque, New Mexico 87125

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mrs. Sproul:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

9904075307

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. T.K. Beard
800 N. Shaw Road
Stockton, California 95205

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Beard:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosure

General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Michael Elias
9100 Wilshire Boulevard
Suite 517
Beverly Hills, California 90212

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Elias:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Ms. Mary W. Fleming
4111 Stanford Street
Chevy Chase, Maryland 20815

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Ms. Fleming:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. N.F. Giordano
10370 Monte Mar Drive
Los Angeles, California 90064

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Giordano:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Ms. Emmy L. Levin
11070 Chula Vista Avenue
San Jose, California 95127

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Ms. Levin:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Victor Kamber
129 11th Street, S.E.
Washington, D.C. 20002

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Kamber:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Abraham Dedios
2475 Calle Villada Circle
Duarte, California 91010

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Dedios:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Robert H. Powsner
9777 Wilshire Boulevard
Beverly Hills, California 90212

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Powsner:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Donald A. Spiegelman
3627 Serra Road
Malibu, California 90265

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Spiegelman:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

8904075308 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. A.B. Lewis
Two Girard Plaza
Suite 1908
Philadelphia, Pennsylvania 19102

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Lewis:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Ms. Phyllis Clem
39335 Vineland SP.97
Cherry Valley, California 92223

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Ms. Clem:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Ms. Jeanne Welch
2643 4th Avenue
San Diego, California 92103

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Ms. Welch:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

89040753083

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Michael Pallen
2809 Avenue L
Brooklyn, New York 11210

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Pallen:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Adrian W. Dewind
345 Park Avenue
New York, New York 10154

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Dewind:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Frank C. Damrell, Jr.
911 13th Street
Modesto, California 95354

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Damrell:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Marvin Cooper
500 North Bay Road
Miami Beach, Florida 33140

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Cooper:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Victor M. Carter
10375 Wilshire Boulevard
Suite 2A
Los Angeles, California 90024

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Carter:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Ms. Miriam B. Butterworth
81 Sunset Farm Road
West Hartford, Connecticut 06107

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Ms. Butterworth:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

8904075309

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Mr. James W. Welch
2643 4th Avenue
San Diego, California 92103

November 6, 1985

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Welch:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Ms. Geraldine Romeo
1159 Ellsworth Avenue
Bronx, New York 10465

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Ms. Romeo:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

89040753091

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. L.S. Wyler
9460 Wilshire Boulevard
Beverly Hills, California 90212

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Wyler:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Robert J. Walker
1492 Euclid Avenue
Berkeley, California 94708

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Walker:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. James A. Swofford
2244 Walnut Grove Avenue
Rosemead, California 91770

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Swofford:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Ms. Alexandra Hawkins
Broad and Walnut Streets
Philadelphia, Pennsylvania 19109

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Ms. Hawkins:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Samuel Y. Kaplan
801 N. Sierra Drive
Beverly Hills, California 90210

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Kaplan:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

William M. Landau, treasurer
Cranston for President Committee, Inc.
230 Park Avenue
New York, New York 10169

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as
treasurer, et al.

Dear Mr. Landau:

On October 17 , 1985, the Federal Election Commission determined that there is reason to believe Cranston for President Committee, Inc. and you, as treasurer, violated 2 U.S.C. §§ 441a(f), 441b(a), 434(a), 434(b)(2)(H), 434(b)(3)(B), 434(b)(3)(E), and 26 U.S.C. § 9035(a), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act") and chapters 95 and 96 of Title 26, U.S. Code, and 11 C.F.R. 106.2. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-

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probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

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

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of 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 Michele Brown, the staff member assigned to this matter at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Francisco Aruca
Marazul Tours, Inc.
250 West 57th Street
Suite 1312
New York, New York 10107-0175

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as
treasurer, et al.

Dear Mr. Aruca:

On October 17 , 1985, the Federal Election Commission determined that there is reason to believe Marazul Tours, Inc. 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 and legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within fifteen 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.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-

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probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

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

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of 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 Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

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89040753100

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mark R. Weinberg
10880 Wilshire Boulevard
Suite 2004
Los Angeles, CA 90024

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as
treasurer, et al.

Dear Mr. Weinberg:

On October 17 , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(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 and legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within fifteen 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.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-

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probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

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

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of 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 Michele Brown, the staff member assigned to this matter at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

The Honorable Alan Cranston
United States Senate
Washington, D.C. 20510

RE: MUR 2073
Senator Alan Cranston
Cranston for President
Committee, Inc.
William M. Landau, as
treasurer, et al.

Dear Senator Cranston:

On October 17, 1985, the Federal Election Commission determined that there is reason to believe you violated 26 U.S.C. § 9035(a), a provision of Chapters 95 and 96 of Title 26, U.S. Code. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-

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probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

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

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of 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 Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. David Fleischaker
P.O. Box 1178
2460 Tower
Oklahoma City, OK 73102

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Fleischaker:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

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If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Ellis Ring
5010 Santa Monica Boulevard
7th Floor
P.O. Box 2143
Santa Monica, California 90406

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Ring:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mrs. Frances T. Shalant
14948 Camarosa Drive
Pacific Palisades, California 90272

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mrs. Shalant:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Ms. Lilian Levinson
P.O. Box 5149
Compton, California 90224

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Ms. Levinson:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Edmund A. Stanley, Jr.
P.O. Box 75
Oxford, Maryland 21654

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Stanley:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Abraham Feinberg
303 East 57th Street
Apartment 47G
New York, New York 10022

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Feinberg:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

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General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. A.A. Dunson
1215 Blake Street
Berkeley, California 94702

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Dunson:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

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General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Ms. Anna H. Bing
9700 West Pico Boulevard
Los Angeles, California 90035

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Ms. Bing:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

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General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Charles E. Smith
1735 Jefferson Davis Highway
Arlington, Virginia 22202

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Smith:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Herbert M. Sandler
1970 Broadway
Suite 1000
World Savings and Loan Association
Oakland, California 94612

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Sandler:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Eric Lidow
233 Kansas Street
El Segundo, California 90245

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Lidow:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Sanford D. Greenberg
600 New Hampshire Avenue, N.W.
Washington, D.C. 20037

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Greenberg:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Bernard A. Rapaport
P.O. Box 208
Waco, Texas 76703

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Rapaport:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Bernard A. Osher
431 E. Strawberry Drive
Mill Valley, California 94941

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Osher:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Frederick M. Nicholas
9454 Wilshire Boulevard
Suite 800
Beverly Hills, California 90212

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Nicholas:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Thomas F. McNamara
777 South Pebble Beach Drive
Crescent City, California 95531

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. McNamara:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Roy Erwin
P.O. Box 599
San Antonio, Texas 78292

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Erwin:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1985

Mr. Charles Benton
585 Ingleside Place
Evanston, Illinois 60201

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as
treasurer, et al.

Dear Mr. Benton:

On October 17, 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-

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probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

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

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form, stating the name, address and telephone number of 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 Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1985

Mr. David D. Miller
P.O. Box 5996
Ontario, California 91761

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as
treasurer, et al.

Dear Mr. Miller:

On October 17, 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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

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probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

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

Sincerely,

John Warren McGarry
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1985

Mr. Cecil R. Venturella
19921 Avenue 312
Exeter, California 93221

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as
treasurer, et al.

Dear Mr. Venturella:

On October 17, 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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

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If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-

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probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

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

Sincerely,

John Warren McGarry
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1985

Mr. Raymond H. Lapin
2000 California Street
Apartment 306
San Francisco, CA 94109

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau,
as treasurer, et al.

Dear Mr. Lapin:

On October 17, 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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

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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 Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1985

Mr. Donald J. Hawley
612 Fortress Isle
Alameda, CA 94501

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as
treasurer, et al.

Dear Mr. Hawley:

On October 17, 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(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.

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probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

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Sincerely,

John Warren McGarry
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1985

Mr. David G. Sprague
2730 Rainier Bank Tower
Seattle, WA 98101

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau,
as treasurer, et al.

9904075313

Dear Mr. Sprague:

On October 17, 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(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.

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Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1985

Mr. Bernard Schwartz
944 Fifth Avenue
New York, New York 10021

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as
treasurer, et al.

Dear Mr. Schwartz:

On October 17 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(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.

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Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1985

Mrs. Eleanor C. Fowle
27069 Old Trace Road
Los Altos Hills, CA 94022

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as
treasurer, et al.

Dear Mrs. Fowle:

On October 17, 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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

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Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1985

Mr. Adolph P. Schuman
2701 16th Street
San Francisco, California 94103

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as
treasurer, et al.

Dear Mr. Schuman:

On October 17, 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-

8904075313 9

probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

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

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form, stating the name, address and telephone number of 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 Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

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

8 2 0 4 0 7 5 3 1 4 0

CCH 8929
Brown

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2073

NAME OF COUNSEL: Bruce H. Turnbull

ADDRESS: WEIL, GOTSHAL & MANGES
1101 14th Street
Washington, D.C. 20005

TELEPHONE: 202-682-7070

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
85 NOV 13 P3:44

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

11/11/85
Date

Signature

RESPONDENT'S NAME: Cranston for President, Inc.
William M. Landau, Treasurer

ADDRESS: c/o Mann Judd Landau
230 Park Avenue
New York, New York 10169

HOME PHONE:

BUSINESS PHONE: (212) 661-5500

8904075314 1

A. BARTON LEWIS & CO., INC.
REAL ESTATE FINANCING
215-563-3520

TWO MELLON BANK CENTER
SUITE 1908
PHILADELPHIA, PENNSYLVANIA 19102

Brown

85 NOV 13 A 8:49

November 8, 1985

Mr. John Warren McGavin, Chairman
Federal Election Commission
Washington, D.C.

RE: Your Mur-2073 Cranston for President
Committee, Inc.
William M. Landau, Treasurer et al

Dear Mr. McGavin:

I have your letter of November 6, relating to an inadvertant contribution of $1,100 to Senator Cranston's campaign. A copy of a letter dated January 15, from the Cranston for President Committee, shows that the excess was refuned to me. This inadvertant excessive contribution occurred as I was solicited at several different locations for contributions, and had not kept accurate records of the money that was given to this particular candidate. Accordingly, will you kindly let the public records show that the excessive contribution was refunded to me.

Very truly yours,

A. Barton Lewis

ABL:jls

3 9 0 4 0 7 5 3 1 4 2

Maurice R. Commanday

RECEIVED AT THE FEC
Doc# 8976
85 NOV 18 A9:38

1401 Via Gabriel Palos Verdes Estates California 90274

12 November 1985

Federal Election Commision
Washington, D.C.
20463

85 NOV 18 A9:38
FEC
GENERAL COUNSEL

RE: MUR 2073

Attention :Ms.Michele Brown

Reference is directed to a letter dated November 6, 1985 originating from your agency and signed by J.W. McGarry. This letter states that the agency has found reason to believe that I violated 2 U.S.C. pp 441a (a) (1) (A) by making a contribution to the recent Presidential Campaign of Senator Alan Cranston in excess of the legal limit of such contributions by individuals.

During the telephone conversation with me of today's date you informed me that, according to your records, my contribution to that campaign was $1500.00., an apparent excess of $500 over the statutary limit. You also stated that your agency had decided not to take action against me for this alleged violation as it is often the case that half of such donations are those of the donor's spouse.

In actual fact, my wife R. Ruth Commanday did, indeed, make half of those donations; the checks having been written and signed by me from an account which is in both our names but normally managed by me as a matter of convenience and routine.

I am enclosing copies of the cancelled checks in question which, as you can see, are in both names.

I am deeply troubled by an apparent policy within your agency of acting upon appearances to chastise a citizen in the manner employed without taking the trouble to solicit the facts from the accused. There is a threatening implication of abusive condemnation without due course to which I object most strenuously.

With respect to your reference to the "Public Record", once you have taken the trouble to convince yourselves of the legality of our compaign contributions, I shall expect to receive an apology and assurance that your record properly reflects that innocence and the oversight on your behalf.

To quote a former Pennsylvania Avenue resident of unhappy memory, "I am not a crook"!

Maurice R. Commanday

R. Ruth Commanday

R.Ruth Commanday
(Alias Mrs. Maurice Commanday)

cc Senator Alan Cranston

3 9 0 4 0 7 5 3 1 4 3

MAURICE R. COMMANDAY
RUTH COMMANDAY
1401 VIA GABRIEL 373-2878
PALOS VERDES, CA 90274

1407

13 SEPT 1983

16-1606/1220

PAY TO THE ORDER OF Citizens For President $ 300.00

Three Hundred and 00/100 DOLLARS

TORRANCE OFFICE
CITY NATIONAL BANK
22400 HAWTHORNE BOULEVARD
TORRANCE, CALIFORNIA 90505

MEMO

⑆122016066⑆ 1467⑈ 014⑈ 148736⑈ ⑈0000030000⑈

MAURICE R. COMMANDAY
RUTH COMMANDAY
1401 VIA GABRIEL 373-2878
PALOS VERDES, CA 90274

1236

26 JAN 1985

16-1606/1220

PAY TO THE ORDER OF Citizens for President Advisory Committee $ 500.00

Five Hundred and 00/100 DOLLARS

TORRANCE OFFICE
CITY NATIONAL BANK
22400 HAWTHORNE BOULEVARD
TORRANCE, CALIFORNIA 90505

MEMO 2/1

⑆122016066⑆ 1236⑈ 014⑈ 148736⑈ ⑈0000050000⑈

MAURICE R. COMMANDAY
RUTH COMMANDAY
1401 VIA GABRIEL 373-2878
PALOS VERDES, CA 90274

1397

7 July 1983

16-1606/1220

PAY TO THE ORDER OF Citizens For President $ 200.00

Two Hundred and 00/100 DOLLARS

TORRANCE OFFICE
CITY NATIONAL BANK
22400 HAWTHORNE BOULEVARD
TORRANCE, CALIFORNIA 90505

MEMO

⑆122016066⑆ 1397⑈ 014⑈ 148736⑈ ⑈0000020000⑈

MAURICE R. COMMANDAY
RUTH COMMANDAY
1401 VIA GABRIEL 373-2878
PALOS VERDES, CA 90274

1423

30 July 1983

16-1606/1220

PAY TO THE ORDER OF Chairman Fin. Professional $ 500 00

Five Hundred and 00/100 DOLLARS

TORRANCE OFFICE
CITY NATIONAL BANK
22400 HAWTHORNE BOULEVARD
TORRANCE, CALIFORNIA 90505

MEMO

⑆122016066⑆1423⑈014⑈148736⑈ ⑈0000050000⑈

MAURICE R. COMMANDAY
RUTH COMMANDAY
1401 VIA GABRIEL 373-2878
PALOS VERDES, CA 90274

1318

7 April 1983

16-1606/1220

PAY TO THE ORDER OF Chairman Fin. Professional $ 500 00

Five Hundred and 00/100 DOLLARS

TORRANCE OFFICE
CITY NATIONAL BANK
22400 HAWTHORNE BOULEVARD
TORRANCE, CALIFORNIA 90505

MEMO

⑆122016066⑆1318⑈014⑈148736⑈ ⑈0000050000⑈

FEC
GCC# 8971
85 NOV 18 A9:54

VICTOR M. CARTER
10876 WILSHIRE BOULEVARD /Suite 2A
LOS ANGELES, CALIFORNIA 90024

November 12, 1985

Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Attn: Ms. Michele Brown

Re: MUR 2073
Cranston for President
Committee, Inc., etc.

Dear Ms. Brown:

Per our telephone conversation today regarding the alleged violation of a provision of the Federal Election Campaign Act of 1971, I am enclosing a copy of the cancelled check #36176 for $500. which is the amount you stated was the apparent excess. As we discussed, this contribution was given by MRS. Victor M. Carter (as noted on the left side of the check).

Please acknowledge that this verification will become part of the public record, and the record cleared in favor of Mr. Carter.

Thank you very much.

Yours truly,

Rivian Chaikin

Rivian Chaikin,
Secretary to Mr. Carter

Enclosure

85 NOV 18 AM:31

89040753146

First Interstate Bank

First Interstate Bank of California

Sixth & Spring Office
600 S. Spring Street
Los Angeles, California 90014

№ 36176

Endorsement of Check Acceptance Subject to Full For Items listed

16-21/101
1220

Nov. 2 19 83

From: Mrs. Victor M. Carter

Pay to the Order of Cranston for President $ 500.00

Dollars

VICTOR M. CARTER
10375 Wilshire Blvd., Suite 2A
Los Angeles, California 90024

VICTOR M. CARTER
SPECIAL ACCOUNT

⑈036176⑈ ⑆122000218⑆ 10160734 0⑈ 11 ⑈0000050000⑈

8 9 0 4 0 7 5 3 1 4 7

NO 1981 07

PAY ANY BANK
NORTHERN TRUST BANK
Chicago, Illinois, Ill.
0000000272

For Deposit Only
Cranston For President, Inc.
Acct. No. 0000 7

RECEIVED AT THE FEC
GCC#8969
85 NOV 18 A9:23

November 14, 1985

Michael Pallen
2809 Avenue L
Brooklyn, New York 11210

85 NOV 18 A11:34

Ms. Michele Brown
Federal Election Commission
Washington D.C. 20463

RE: MUR 2073
Cranston for President Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Ms. Brown:

Enclosed please find a copy of a letter referring to the above, which I recently received from John Warren McGarry. I believe that I was not in violation of the Federal Election Campaign Act of 1971, as the contribution that was made was split between my wife and myself as follows:

Michael Pallen	$1,000
Fay Pallen	$1,000

Thank you for your consideration in clearing up this matter.

Very truly yours,

Michael Pallen

Michael Pallen

MP/vc
Enc.

8904075148

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Michael Pallen
2809 Avenue L
Brooklyn, New York 11210

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Pallen:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

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GCC#8984

OGC

BROWN

LAW OFFICES
ROBERT H. POWSNER

ROBERT H. POWSNER
OF COUNSEL
BRUCE ALTSCHULD

9777 WILSHIRE BOULEVARD, SUITE 900
BEVERLY HILLS, CALIFORNIA 90212
(213) 278-0066

RECEIVED
OFFICE OF THE FEC
SECRETARY

85 NOV 19 P12:53

85 NOV 19 P4:02

November 13, 1985

Mr. John Warren McGarry and
Ms. Michele Brown
Federal Election Commission
Washington D.C. 20463

Re: MUR 2073
Cranston for President Committee, Inc.

Dear Mr. McGarry and Ms. Brown:

This is in reply to your letter dated November 6, 1985, a copy of which is attached for ease of reference.

The Commission's finding was in error. Although your General Counsel's Factual and Legal Analysis which accompanied your letter is extremely vague and uninformative (and I would certainly appreciate more details including dates, amounts, and contributors), I believe I recall the situation.

Sometime last year I was contacted by the Cranston office with regard to a contribution that had been made by my wife (ex), and as I recall, they wanted some form or other to be signed by her. Since at that moment, and indeed during all of 1984 and a good part of 1985 I was embroiled--hook, line, and sinker--in a vicious divorce litigation with her, there was no way I could ask her for anything. I explained this to the Cranston people and I thought the matter had been dropped.

If you could provide me with the requested details on the alleged violation, I could be more certain about the details of my explanation. And since the divorce is now settled, I can probably get the signature that may be needed.

Yours truly,

Robert H. Powsner

RHP:kb
Enclosure

R904075315 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1985

Mr. Robert H. Powsner
9777 Wilshire Boulevard
Beverly Hills, California 90212

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Powsner:

On October 17, 1985, the Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that your apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

8904075315 1

GCC# 8992

BROWN

LAW OFFICES
NEIMAN BILLET ALBALA & LEVINE
A PROFESSIONAL CORPORATION
SUITE 1908
10960 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90024-3877

ALLAN ALBALA
JEROME L. LEVINE
ALLEN I. NEIMAN
JEROME S. BILLET
JUDY A. SHERMAN
PATRICIA M. WOLFE
DAVID A. LASH
SUSAN H. GREEN
KENNETH W. BABCOCK
KELLY G. RICHARDSON

TELEPHONE
(213) 824-8100
TELEX 910-348-6507

OF COUNSEL
DAVID WEISS

November 19, 1985

RECEIVED
GENERAL COUNSEL
85 NOV 20 P 1:49

8 9 0 4 0 7 5 3 1 5 2

FEDERAL EXPRESS

Michele Brown
Federal Election Commission
Washington D.C., 20643

Re: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as
treasure, et al.

Gentlemen:

On behalf of David D. Miller we are enclosing the executed Statement of Designation of Counsel in the above matter.

Mr. Miller did not receive your November 8, 1985 letter regarding the above until November 18, 1985. Your letter does not disclose any of the facts or even the year or years referred to. The brief investigation that has been made in the short time since the receipt of the letter indicates that Mr. Miller has not made contributions in excess of the amount permitted by law.

It is respectfully requested that you advise immediately of the facts including the years involved. Furthermore, due to the shortness of time and the lateness of receipt of your letter a continuance of at least twenty (20) days is requested which you advise is the maximum permitted.

If in fact investigation determines that there has been any violation, which we believe does not exist or if existing was merely due to inadvertence, a pre-probable cause conciliation will be requested.

Please confirm the extension of time to the undersigned by phone.

Very truly yours,

Allan Albala

Allan Albala

AA:car
enclosure

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2073

NAME OF COUNSEL: Allan Albala or Jerome L. Levine
Neiman Billet Albala & Levine, A Professional Corporation

ADDRESS: 10960 Wilshire Boulevard, Suite 1908

Los Angeles, California 90024-3877

TELEPHONE: (213) 824-5100

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

11/19/85
Date

X David Miller
Signature

RESPONDENT'S NAME: David D. Miller

ADDRESS: c/o Kodash, Inc.

831 South Douglas Street, Suite 101

El Segundo, California 90245

HOME PHONE:

BUSINESS PHONE: (213) 643-8300

8 9 0 4 0 7 5 3 1 5 3

GCO #9997
BROWN

WEIL, GOTSHAL & MANGES
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
1101 FOURTEENTH STREET, N. W.
WASHINGTON, D. C. 20005

(202) 682-7000
N. Y. TIE-LINE (212) 431-8820
TELECOPIER: (202) 289-7502
(202) 789-0094
TELEX: ITT 440045

NEW YORK OFFICE
767 FIFTH AVENUE
NEW YORK, N. Y. 10153
(212) 310-8000
TELECOPIER: (212) 752-3976
(212) 758-0173
CABLE: WEGONA
TELEX: ITT 424281
ITT 423144

FLORIDA OFFICE
800 BRICKELL AVENUE
MIAMI, FLORIDA 33131
(305) 579-9800
TELECOPIER: (305) 374-7159

November 20, 1985

BY HAND DELIVERY

BRUCE H. TURNBULL
DIRECT LINE (202) 682-7070

Michele Brown, Esq.
Federal Election Commission
1325 K Street, NW
Washington, DC 20463

RE: MUR 2073
Cranston for President Committee, Inc.
William M. Landau, as treasurer
Senator Alan Cranston

Dear Ms. Brown:

On behalf of the Cranston for President Committee, Inc., William M. Landau, Treasurer, and Senator Alan Cranston, we hereby request the opportunity to enter into pre-probable cause conciliation with respect to the matters contained in the November 6, 1985, letters from Chairman John Warren McGarry and the accompanying statements of the General Counsel's Factual and Legal Analysis. Rather than submit responsive pleadings at this time, we believe it would be more productive to meet with you first in order to discuss those areas in which the Committee and Senator Cranston can submit additional information and those areas where there is disagreement on legal points or their application to the particular facts and circumstances. Once this is done, we hope to be in a position to reach agreement on all the issues.

Both the Committee and Senator Cranston would like to settle this matter as expeditiously as possible. However, you should be aware that some of the additional factual information necessary may have to be obtained from individuals who are no longer working with the Committee.

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

Sincerely,

Bruce H. Turnbull

Bruce H. Turnbull

2 9 0 4 0 7 5 3 1 5 4

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2073

NAME OF COUNSEL: Bruce Turnbull

ADDRESS: Weil, Gotshal, and Manges
1101 Fourteenth Street, N.W.
Washington, D. C. 20005

TELEPHONE: 202/682-7070

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

November 19, 1985
Date

Alan Cranston
Signature

RESPONDENT'S NAME: Honorable Alan Cranston

ADDRESS: United States Senate
Washington, D. C. 20510

HOME PHONE:

BUSINESS PHONE: 202/224-8109

8 9 0 4 0 7 5 3 1 5 5

WALKER PRODUCTS COMPANY
PRODUCT DESIGN AND DEVELOPMENT
1492 EUCLID AVENUE
BERKELEY, CALIFORNIA 94708
(415) 843-5994

RECEIVED AT THE FEC
GCC#9001
85 NOV 21 A8:28
BROWN

November 18, 1985

85 NOV 21 P12:8
GENERAL COUNSEL

Mr. Kenneth A. Gross
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463

RE: MUR 2073
Cranston for President Committee

Dear Mr. Gross:

Pursuant to our telephone conversation of last week, I enclose herewith documentation to support the facts we discussed that I am not in violation of the subject Act.

The supposedly excess contribution of $250 attributed to me was actually contributed by our son, Robert J. Walker, Jr., out of his own funds.

Substantiation of our son's personal source of income are enclosed: (1) 1983 Federal income tax return copy showing source and amount of funds plus the Credit for political contribution claimed; and (2) the cover page and pertinent page of the annual accounting for 1983 to the Superior Court of the District of Columbia showing monies paid by The National Bank of Washington to our son.

My wife's and my contribution of $1,000 each to the Cranston Committee were made on May 23, 1983, while our son's was made on November 20th. As you will note on the copy of the check enclosed herewith, the check clearly designates the contribution as his: "Contr. of Robt. J. Walker, Jr. (The "Jr.being double underlined to avoid specifically the problems of confusion which he and I regularly experience.)

Our son is currently, as he was in 1983, a student at the Claremont Colleges in Southern California with his legal and voting residence at his home here with us. By mutual agreement for convenience sake we write checks for all his major expenses on a joint account in which his money is kept.

Young Robert is deeply concerned to learn of this matter since he took pride in having helped in the Cranston campaign both from political conviction as well as the personal family ties which the children share as we discussed by telephone. He would like to write or telephone the Commission if such would be helpful in clarifying this matter, as he is as anxious as I to have our good and lawful intentions not demeaned by the Commission with even the implication of impropriety which publication certainly entails .

I therefore respectfully reauest that this case be reopened as, based upon this evidence, no violation has occured.

Sincerely,

Robert J. Walker

Enclosures

8 9 0 4 0 7 5 3 1 5 6

ROBERT J. WALKER ID.1
DOROTHY WALKER
(415) 843-5994
1492 EUCLID AVENUE
BERKELEY, CA. 94708

Nov. 20, 1983 0762

11-35/1210

Pay to the order of Cranston for President $ 250 XX

Two hundred fifty Dollars

BANK OF AMERICA
BERKELEY MAIN OFFICE 0175
2128 SHATTUCK AVENUE
P.O. BOX 242
BERKELEY, CA 94704

Memo Contr. of Robt. J. Walker, Jr. Robert J. Walker

⑆121000358⑆0762⑈01753⑈16920⑈ ⑈0000025000⑈

8904075 3157

GCCH 9007

RECEIVED AT THE FEC

HAND DELIVERED

85 NOV 21 A10:38

WILLKIE FARR & GALLAGHER
ONE CITICORP CENTER
153 EAST 53RD STREET
NEW YORK, N.Y. 10022
(212) 935-8000

ROBERT S. ANDURSKY ◆◆
ARMANDO T. BELLY
KENNETH J. BIALKIN
ROGER D. BLANC
JOSEPH L. BROADWIN
THOMAS L. BRYAN
JOHN M. COCHRAN III
DALE S. COLLINSON
ALLAN F. CONWALL
PHILIP D. CORBI
LOUIS A. CRACO
JOHN S. D'ALIMONTE
STEPHEN I. DANZANSKY ◆
DENNIS R. DEVENEY ◆◆
JAMES H. EDGAR
DWIGHT W. ELLIS III
CORNELIUS T. FINNEGAN III
JOHN D. FITZSIMMONS
STEPHEN B. FLOOD
DAVID L. FOSTER
ALEXANDER T. GALLOWAY II
WILLIAM J. GRANT, JR.
STEPHEN W. GREINER
PHILLIP H. HARRIS ◆
ROBERT B. HODES
LOUIS L. HOYNES, JR.
RANDALL A. HUFFMAN
PETER H. JAKES
LAWRENCE O. KAMIN
THOMAS F. KAUFMAN ◆
PETER J. KENNY
GERALD KERNER
ROBERT J. KHEEL ◆◆
CHARLES I. KINGSON
ARTHUR D. KOWALOFF
IAN D. LANOFF ◆
JAY F. LEARY
BURTON H. LEIBERT ◆◆
IRA H. LUSTGARTEN
MICHAEL G. MARKS
LESLIE M. MAZZA
FRANCIS J. MENTON, JR.
RAYMOND W. MERRITT
THOMAS G. MONFRIED
BRUCE M. MONTGOMERIE
PAULA J. MUELLER
JACK H. NUSSBAUM
BRIAN M. O'NEILL
ANTHONY F. PHILLIPS
RICHARD L. POSEN
DAVID S. REA
ROBERT F. ROLLINCK ◆
THOMAS M. ROTHMAN
PHILIPPE M. SALOMON
RICHARD C. SAMANS
DANIEL SCHLOENDORN
PETER W. SCHMIDT
DAVID H. SCHWARTZ ◆◆
IVAN SHAPIRO
PATRICIA G. SIEGEN
HARVEY L. SPERRY
DUNCAN J. STEWART
CHESTER J. STRAUB
JAMES A. TESTA
SUSAN P. THOMASES
ALLAN TRUMBULL
PHILIP L. VERVEER ◆
NORA ANN WALLACE
LAURENCE D. WELTMAN
BRENT W. WHITE

◆ MEMBER OF DISTRICT OF COLUMBIA BAR
◆◆ MEMBER OF NEW YORK AND D.C. BARS
OTHERS ADMITTED IN NEW YORK

ETHAN ALLEN
WALSTON S. BROWN
BOWIE N. KUHN
MILLARD L. MIDONICK
COUNSEL

CABLE "CONVEYANCE NEW YORK"
TELEX: 233780 (RCA)
12-7879 (WU)

818 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20006
TELEPHONE: (202) 328-8000
TELEX: 89-2762

16, AVENUE PIERRE Ier DE SERBIE
75116 PARIS, FRANCE
TELEPHONE: PARIS 723-9156
CABLE "CONVEYANCE PARIS"
TELEX: 642-620060

November 20, 1985

Lee Anderson, Esq.
Michele Brown, Esq.
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 2073
Cranston for President Comm., Inc.

Dear Mr. Anderson and Ms. Brown:

This is in response to Mr. John W. McGarry's letter of November 8, 1985 to Mr. Bernard Schwartz informing Mr. Schwartz that the Federal Election Commission has reason to believe he may have violated the Federal Election Campaign Act. As is indicated on the Statement of Designation of Counsel enclosed, Mr. Schwartz has designated my firm, Willkie Farr & Gallagher, as his counsel, and authorized us to receive any notifications and other communications from the Commission and to act on his behalf before the Commission.

Because Mr. Schwartz was abroad, he received Mr. McGarry's letter only this week, and I received that letter only today. Pursuant to the first full paragraph on page 2 of Mr. McGarry's November 8, 1985 letter, we wish to request an extension of 20 days to submit relevant information to the Commission so that we may meet with Mr. Schwartz and investigate the matter further.

If any additional information is necessary for our request to be granted, please contact me at (212) 935-8000. Thank you for your kind attention on this matter.

Very truly yours,

Chester J. Straub

Enclosure

85 NOV 21 P12:47

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 2073

NAME OF COUNSEL: Chester J. Straub

ADDRESS: c/o Willkie Farr & Gallagher
153 East 53 Street
New York, New York 10022

TELEPHONE: (212) 935-8000

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

November 20, 1985
Date

Signature

RESPONDENT'S NAME: Bernard L. Schwartz

ADDRESS: 944 Fifth Avenue
New York, New York 10021

HOME PHONE:

BUSINESS PHONE: (212) 697-1105

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DAVID S. FLEISCHAKER

P.O. BOX 1178
OKLAHOMA CITY, OK 73101
405/235-8444

RECEIVED AT THE FEC
GCC#9027
85 NOV 25 A9:24

85 NOV 25 A10:52
GENERAL COUNSEL

November 20, 1985

Federal Election Commission
Washington, D.C. 20463

Attn: Ms. Michele Brown

RE: Your file: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as Treasurer,
et al.

Dear Ms. Brown,

This is to acknowledge receipt of Mr. McGarry's letter dated November 6, 1985, stating that the Commission has found me in violation of 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended, for having contributed more than $1,000.00 to Senator Alan Cranston's presidential campaign.

In addition to the listing of checks written to Senator Cranston's campaign which you have already provided, please provide me with all other documents which the Commission examined as well as those on which it relied in reaching its determination.

Thank you for your assistance in this matter.

Very truly yours,

David S. Fleischaker

DSF/lsk

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RECEIVED AT THE FEC
GCC#9027
85 NOV 25 A9:31

November 18,1985

Federal Election Commission
Washington, D.C. 20463

RE: MUR2073
Cranston For President

Gentlemen:

Our records show a check #4675 dated 9/3/82 in the amount of $750.00 in my wife's name, Thelma Venturella, Check # 4646 dated 10/28/82 in the amount of $750.00 is my contribution, Cecil R. Venturella, and check #4977 dated 7/29/83 was contributed by our son Delmer Venturella in the amount of $750.00. He ask us to make the contribution for him and he would reimbuse us.

If more information is need, please advise. Hoping this will clear the situation and that no violation was committed and that no action should be taken.

Sincerely
Cecil R Venturella
Cecil R. Venturella

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ABRAHAM FEINBERG

RECEIVED AT THE FEC
GCC#9071
85 NOV 29 A8:58

November 25, 1985

Ms. Michele Brown
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2073

Dear Ms. Brown:

I have a letter signed by Mr. John Warren McGarry dated November 6th which was delayed by virtue of the fact that we have changed our address to 50 Sutton Place South.

While I appreciate his indication that the file on this matter is closed and that no further action will be taken, I do object to the fact that my contributions to the Cranston for President Committee Inc. will become public information. I believe it is an error to consider the two payments made by my wife and myself totalling $1,250 as exceeding the legal limit. Since these checks were made out on our joint account, they should be considered by the government as coming equally from each of us, thus reducing our individual contributions below the legal limit of $1,000.

I trust that this explanation clears up the matter and that there will neither be a public record nor a charge that we have violated the law.

Yours very truly,

Abraham Feinberg

AF:brk
Enc.

P.S. Attached is a photocopy of my two checks.

8904075316 2

45 ROCKEFELLER PLAZA, NEW YORK, N. Y. 10111 (212) 582-6288

ABRAHAM FEINBERG
LILLIAN FEINBERG

417

February 8, 1983

1-841
260

PAID

PAY TO THE ORDER OF Cranston Presidential Campaign Committee $ 1000.00

---One thousand and 00/100---------- DOLLARS

UMB BANK
and Trust Company
630 Fifth Avenue, New York, N.Y. 10111

FOR

⑈000417⑈ ⑆026008413⑆ 001 700995⑈ ⑈0000100000⑈

ABRAHAM FEINBERG
LILLIAN FEINBERG

544

August 29 1983

1-841
260

PAID
SEP 6 - PAID
UMB BANK AND
TRUST COMPANY

PAY TO THE ORDER OF Cranston for President $ 250.00

---Two hundred fifty and 00/100---------- DOLLARS

UMB BANK
and Trust Company
630 Fifth Avenue, New York, N.Y. 10111

FOR

⑈000544⑈ ⑆026008413⑆ 001 700995⑈ ⑈0000025000⑈

8 9 0 4 0 5 3 1

LAW OFFICES
MAYERSON & ZORN, P.C.
211 EAST 43RD STREET
NEW YORK, NEW YORK 10017

HAROLD A. MAYERSON
FRANKLYN PEREZ
JEAN G. ZORN

VICTOR M. GOODE*
DONALD WILEN, CPA
OF COUNSEL

*MEMBER NEW JERSEY BAR ONLY

AREA CODE 212
599-2954

TELEX 230189 MZS

RECEIVED BY THE FEC
GCC#9087
85 DEC 2 A8:55

November 22, 1985

Federal Election Commission
Washington, D.C.

Att: Ms. Michelle Brown

Re: MUR 2073
Marazul Tours, Inc.

Dear Ms. Brown:

Enclosed is Marazul Tours' designation of our firm as its counsel with reference to the above-referred to matter.

We have consulted with our client who has informed us that it was advised by the Cranston Committee that the providing of a line of credit to the Committee for the use of telephones would not be a violation of law.

Our client now understands that corporations may not make campaign contributions and that while the Cranston Committee believes that a line of credit is not a contribution the F.E.C. believes otherwise.

Obviously, our client would not have entered into this arrangement had it been aware of any potential violations of law. Our client has authorized us to negotiate a resolution of this matter through conciliation.

89040753164

MAYERSON & ZORN, P.C.

Would you favor us with an early response.

Very truly yours,

MAYERSON & ZORN, P.C.

By HAROLD A. MAYERSON

Enclosure

MiscFrm4/PM/FedEleCo

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 2073

NAME OF COUNSEL: Mayerson & Zorn, P.C.

ADDRESS: 211 East 43rd Street
New York, N.Y. 10017

TELEPHONE: (212) 599-2954

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

11/19/85
Date

Signature FRANCISCO ARUCA, President

RESPONDENT'S NAME: MARAZUL TOURS, INC.

ADDRESS: 250 West 57th. Street
New York, N.Y. 10107

HOME PHONE:

BUSINESS PHONE: (212) 586-3847

89040753166

LAW OFFICES
MACDONALD, HOAGUE & BAYLESS
A PROFESSIONAL SERVICE CORPORATION

15TH FLOOR HOGE BUILDING
SECOND AVENUE AT CHERRY STREET
SEATTLE, WASHINGTON 98104

TELEPHONE (206) 622-1604

RECEIVED AT THE FEC
CCC#9090
85 DEC 2 A9:07

ALEC BAYLESS
HAROLD CHESNIN
ROBERT FREE
HAROLD H. GREEN
ESTER GREENFIELD
FRANCIS HOAGUE
PETER H. KOEHLER, JR.
KENNETH A. MACDONALD
FREDERICK L. NOLAND
ROBERT C. RANDOLPH
FRANK H. RETMAN
ANDREW H. SALTER
DAVID M. SHELTON

JOHN J. SULLIVAN
OF COUNSEL

November 26, 1985

Michelle Brown
Federal Election Commission
Washington, D.C. 20463

RE: MUR 2073 - David G. Sprague

Dear Michelle Brown:

David Sprague has asked us to respond to Chairman McGarry's letter to him of November 8, 1985. Mr. Sprague received that letter on November 18, 1985. I attempted to phone you, and left call back requests several times on the 21st and 22nd.

We would like the Commission to treat this matter as one appropriate for pre-probable cause conciliation. The facts recited in the General Counsel's Analysis are correct, so far as they go. However, those facts should be considered together with facts about the true economic value of the letter of credit Mr. Sprague gave to the Cranston Committee and Mr. Sprague's knowledge and intent. When all of the facts are applied to the language and purpose of the statutory and code provisions, we believe you will agree that this matter should be dismissed.

We are aware that under 11 CFR 100.7(a)(1)(B) loans are treated as contributions until they are repaid. Valuing a loan at its face amount is a reasonable rule of administrative convenience. However, it does not follow, as the General Counsel seems to assume, that the "value" of a guarantee is also its face amount.

Loans are treated as "contributions" under 11 CFR 100.7(a)(1). The next section of the Code, 11 CFR 100.7(a)(1)(i), provides that "for purposes of 11 CFR 100.7(a)(1), the term "loan" includes a guarantee...." A guarantee is treated as a loan only "for purposes of 11 CFR(a)(1)(i)." There is no code provision applicable to guarantees comparable to the mandate of 11 CFR 100.7(a)(1)(B) that loans be valued at their face amount until they are repaid.

As a matter of administrative convenience, it would undoubtedly be easier for the Commission to apply an inflexible rule in determining the value of a guarantee given to a political committee. The Code of Federal Regulations could have stated that the "value" of a guarantee shall be, or shall be presumed to be, its face amount. The same result would have been reached if the Code

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had stated that a guarantee shall be treated as a loan "for purposes of this Act". The Code does not so state. Instead, it uses the restrictive language "for purposes of 11 CFR 100.7(a)(1)(B)."

Even if our analysis were incorrect and Mr. Sprague exceeded the $1,000 contribution limit when he gave the letter of credit to Pacific Northwest Bell, the technical violation was cured when the Cranston Committee paid its telephone bill and discontinued telephone service. If guarantees are to be treated the same way that loans are treated for purposes of both 11 CFR(a)(1)(i) and 11 CFR (a)(1)(B), under the latter provision, "a loan, to the extent it is repaid, is no longer a contribution". Thus, to the extent that a guarantor has been released from a guarantee, the guarantee is no longer a contribution.

Your records correctly reflect that Mr. Sprague made cash contributions of $490 to Senator Cranston's campaign. Mr. Sprague was not in a position to make a major additional contribution. It was precisely because Mr. Sprague was assured and was confident that the letter of credit would not result in his making an additional contribution that he was willing to provide it. The real "value" of what Mr. Sprague "contributed" to the Cranston Committee by providing the letter of credit is the actual cost to him, which was approximately $30 to $50.

As shown by the attached affidavit, Mr. Sprague had no knowledge of the $1,000 limitation on contributions contained in 2 USC Sec. 441 until he received Chairman McGarry's letter. He was equally ignorant of the possibility that providing an irrevocable letter of credit might be treated as a cash contribution.

For the reasons stated above, we sincerely request that this matter be dismissed.

Very truly yours,

MacDONALD, HOAGUE & BAYLESS

Frederick L. Noland

SPRL01/clfln
Enclosures

cc: David G. Sprague

8 9 0 4 0 7 5 3 1 6 8

RECEIVED AT THE FEC

85 DEC 2 A9:07

AFFIDAVIT

State of Washington)
) ss
County of King)

DAVID G. SPRAGUE, being duly sworn on oath, deposes and says:

1. This affidavit responds to the Federal Election Commission's letter to me dated Nov. 9, 1985.

2. I was astonished to hear that providing a $3,000 letter of credit to the Cranston Committee was a possible violation of federal law. Until receiving Chairman McGarry's letter, I was not even aware of the $1,000 limitation on campaign contributions. I also never considered the letter of credit to be worth $3,000 since I was assurred by the Cranston Committee that they only needed the letter as a temporary expedient to satisfy Pacific Northwest Bell so that phone service could be established, and that the risk that I would be called upon to cover any bill owing to the telephone company was trivial. In fact, the financial arrangements I made to provide the letter cost me only approximately $30-50. That is what I considered, and still consider, the true value of the "contribution" to be. Thus, even if I had known of the $1,000 limit on contributions, I would not have considered that I was even approaching it.

3. I understand from my counsel that there is a question about whether a guarantee should be "valued" at its face amount for purposes of applying the campaign contribution limits. However, in any event, I would not have given the letter of credit if there were any chance that it might even possibly violate the law. I pride myself as being a responsible and law abiding citizen and support the strict enforcement of the elections laws.

4. I ask the Commission to dismiss this matter, since even if I did technically exceed the $1,000 limit, it was done unwittingly, since there is nothing that can be done about what already happened, and since, in any event, the letter of credit is no longer in effect.

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SUBSCRIBED AND SWORN this 26th day of November, 1985.

Notary Public for the State of Washington,

residing at Seattle, WA.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 2, 1985

Allan Albala, Esquire
Neiman Billet Albala & Levine
Suite 1908
10960 Wilshire Boulevard
Los Angeles, California 90024-3877

Re: MUR 2073
David D. Miller

Dear Mr. Albala:

This is in reference to your letter dated November 19, 1985, requesting an extension of 20 days to respond to the Commission's reason to believe notification. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due on December 19, 1985.

With respect to the contributions in question, the Cranston Committee's Reports of Receipts and Disbursements disclose that David D. Miller contributed $1,000 on April 13, 1983 and $1,500 on September 7, 1983. If you have any further questions, please contact Michele D. Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 2, 1985

Chester J. Straub, Esquire
Willkie Farr & Gallagher
153 East 53rd Street
New York, New York 10022

Re: MUR 2073
Bernard L. Schwartz

Dear Mr. Straub:

This is in reference to your letter dated November 20, 1985, requesting an extension of 20 days to respond to the Commission's reason to believe notification. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due on December 19, 1985.

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

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

8904075317 1

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Cranston for President Committee, Inc., et al.	)	MUR 2073
	)	
	)	

85 NOV 15 P12: 17

SENSITIVE

GENERAL COUNSEL'S REPORT

BACKGROUND

On October 17, 1985, the Commission considered the First General Counsel's Report in this matter. Included in that consideration was an excessive contribution by MEBA Political Action Fund to Cranston for President Committee, Inc. According to information ascertained in the audit, MEBA Political Action Fund contributed an aggregate amount of $6,000 to the Cranston Committee. Within the discussion of this excessive contribution in the First General Counsel's Report, this office recommended that the Commission find reason to believe that MEBA Political Action Fund violated 2 U.S.C. § 441a(a)(2)(A), and take no further action. When revisions were made to the recommendation section of the report, the phrase "and take no further action" was inadvertently deleted, leaving a recommendation of reason to believe only. The Commission then voted to approve the reason to believe recommendation.

The Office of General Counsel recommends that the Commission take no further action with respect to its reason to believe finding of October 31, 1984, against MEBA Political Action Fund. The amount in excess of the limitation is $1,000, which the Committee refunded on December 12, 1984. The Office of General Counsel also recommends that the Commission approve and send the

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attached letter and Factual and Legal Analysis.

RECOMMENDATIONS

1. Take no further action with respect to the October 17, 1985 reason to believe finding against MEBA Political Action Fund.

2. Approve and send the attached letter and Factual and Legal Analysis.

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Attachments
Letter to Respondent
Factual and Legal Analysis

8904075317 3

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Cranston for President Committee, Inc., et al.	)	MUR 2073
	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of December 3, 1985, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 2073:

1. Take no further action with respect to the October 17, 1985 reason to believe finding against MEBA Political Action Fund.

2. Approve and send the letter and Factual and Legal Analysis as recommended in the General Counsel's report.

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

Attest:

12-4-85
Date

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

8904075317 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 18, 1985

Frank Laurito, Treasurer
MEBA Political Action Fund
444 North Capitol Street
Suite 800
Washington, D.C. 20001

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Mr. Laurito:

On October 17, 1985, the Commission found reason to believe that MEBA Political Action Fund and you, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission on December 3, 1985, determined to take no further action and close its file. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The file has been closed in this matter as it pertains to MEBA Political Action Fund and you, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. Should you wish any information to become part of the public record, please advise us in writing within 10 days. The confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) remains in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that MEBA Political Action Fund's apparent excessive contribution to Cranston for President Committee, Inc. nevertheless appears to be a violation of 2 U.S.C. § 441a(a)(2)(A). You should take immediate steps to insure that this activity does not occur in the future.

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If you have any questions, please direct them to Ms. Michele Brown, the staff member assigned to this matter, at (202) 523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosure
General Counsel's Factual and Legal Analysis

9304075317 6

GCC#9147
M.BROWN

LAW OFFICES
SACHNOFF WEAVER & RUBENSTEIN, LTD.
30 SOUTH WACKER DRIVE 25TH FLOOR CHICAGO, ILLINOIS 60606
TELEPHONE (312) 207-1000

WRITER'S DIRECT DIAL NUMBER
207-6460

LOWELL E. SACHNOFF
WILLIAM H. WEAVER, JR.
JEFFREY C. RUBENSTEIN
HARRY B. ROSENBERG
WILLIAM P. COLSON
RICHARD L. WEXLER
PHILIP F. RUMMEL
EDWARD J. WONG, JR.
ELLIS B. ROSENZWEIG
DEAN A. DICKIE
WILLIAM GLEESON
JAY L. DOLGIN*
AUSTIN L. HIRSCH
JACK L. BLOCK
ARNOLD A. PAGNIUCCI
LANCE R. ROGGERS
ROGER M. HUFF
ANDREW M. SCHATZ
ILENE D. DAVIDSON
GEORGE A. VINYARD
PHILIP WONG
BARRY S. ROSEN
FAY CLAYTON
MITCHELL D. GOLDSMITH
JAMES M. HILL
SARAH R. WOLFF
ABRAHAM J. STERN
CHARLES R. WATKINS
JOEL S. FELDMAN
BARBARA F. WOLF
CYNTHIA JARED
JEFFREY A. SCHUMACHER
RUSSELL S. SCHWARTZ
STEVEN H. COHEN
EUGENE F. ZELER, JR.
JEFFREY T. GILBERT
LINDA L.R. ROBISON

*ALSO ADMITTED FLORIDA

MARGARET O. ALLISON
JANE O. BURTON
IRWIN I. GZESH
MISTY S. GRUBER
ELLEN T. MORNIGHT
BRIAN D. ROCHE
KARL W. KRAUSE, JR.
LAWRENCE H. BRENNAN
DOUGLAS R. NEWKIRK
LUCY J. KARL
CHARLES J. RYAN, JR.
CAROLYN H. ROSENBERG SAFER
ROBIN L. SCHIRMER
JOY KAHLENBERG FALLON
MAUREEN A. HOSH
ERIC M. FRIEDLER
VALERIE J. FISHER
MICHAEL J. KAUFMAN
DANIEL E. O'NEILL
JEFFREY E. STONE
DWAYNE A. MORRIS
JOEL N. SHAPIRO
BRUCE W. BOYD
MARGUERITE M. LLOYD

OF COUNSEL
LEONARD JAY SCHRAGER
RICHARD C. JONES
JULES O. COGAN
LEWIS MANILOW
FRANKLIN G. ALLEN

FLORIDA OFFICE
5500 NORTH FEDERAL HIGHWAY
KINGSBRIDGE SQ. PROFESSIONAL PARK
BOCA RATON, FLORIDA 33431
TELEPHONE (305) 997-7454

FED
CON
SECRETARY
All : 49

December 4, 1985

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

Re: MUR 2073

Dear Mr. McGarry:

We have been asked by Charles Benton to represent him in connection with his alleged violation of the Federal Election Campaign Act of 1971. I will forward to you a Statement of Designation of Counsel immediately upon receiving the signed statement from Mr. Benton.

Mr. Benton was out of town for most of the month of November and was unable to review the materials sent to him by you until last week. He immediately forwarded the materials to us. We would like an additional period of time in which to submit factual or legal materials relevant to the Commission's consideration of this matter.

In addition, we are interested in pursuing pre-probable cause conciliation.

Thank you for your consideration.

Sincerely,

Bruce W. Boyd
for SACHNOFF WEAVER & RUBENSTEIN, LTD.

BWB/dmh

8 3 0 4 0 7 5 3 1 7 7

GCC# 9149 M.Brown

LAW OFFICES
SACHNOFF WEAVER & RUBENSTEIN, LTD.
30 SOUTH WACKER DRIVE 29TH FLOOR CHICAGO, ILLINOIS 60606
TELEPHONE (312) 207-1000

WRITER'S DIRECT DIAL NUMBER
207-6460

RECEIVED
FEDERAL ELECTION
COMMISSION SECRETARY
DEC 9 P1:48

LOWELL E. SACHNOFF
WILLIAM H. WEAVER, JR.
JEFFREY C. RUBENSTEIN
HARRY B. ROSENBERG
WILLIAM P. COLSON
RICHARD L. WEXLER
PHILIP P. RUMMEL
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MITCHELL D. GOLDSMITH
JAMES M. HILL
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CHARLES R. WATKINS
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MARGARET O. ALLISON
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CHARLES J. RYAN, JR.
CAROLYN H. ROSENBERG SAFER
ROBIN L. SCHIRMER
JOY KAHLENBERG FALLON
MAUREEN A. MOSH
ERIC M. FRIEDLER
VALERIE J. FISHER
MICHAEL J. KAUFMAN
DANIEL E. O'NEILL
JEFFREY E. STONE
DWAYNE A. MORRIS
JOEL N. SHAPIRO
BRUCE W. BOYD
MARGUERITE M. LLOYD

OF COUNSEL
LEONARD JAY SCHRAGER
RICHARD C. JONES
JULES G. COGAN
LEWIS MANILOW
FRANKLIN G. ALLEN

FLORIDA OFFICE
5500 NORTH FEDERAL HIGHWAY
KINGSBRIDGE SQ. PROFESSIONAL PARK
BOCA RATON, FLORIDA 33431
TELEPHONE (305) 997-7454

December 6, 1985

8 9 0 4 0 7 5 5 1 7 8

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

Re: MUR 2073

Dear Mr. McGarry:

Enclosed please find a Statement of Designation of Counsel signed by Mr. Benton which designates our firm as his counsel.

Sincerely,

Bruce W. Boyd

Bruce W. Boyd
for SACHNOFF WEAVER & RUBENSTEIN, LTD.

BWB/dmh
Enclosure

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2073

NAME OF COUNSEL: Lowell E. Sachnoff/Bruce W. Boyd

ADDRESS: Sachnoff Weaver & Rubenstein, Ltd.
30 S. Wacker Dr., Suite 2900
Chicago, Illinois 60606

TELEPHONE: 312/207-1000

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

12/5/85
Date

Charles Benton
Signature

RESPONDENT'S NAME: Charles Benton

ADDRESS: 585 Ingleside Place
Evanston, Illinois 60201

HOME PHONE: 312/328-4196

BUSINESS PHONE: 312/256-4730

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December 8, 1985
Frances Shalant
14948 Camarosa Dr.
Pacific Palisades, CA 90272

Federal Election Commission
Washington, D.C. 20463

Re: MUR 2073
Cranston for President Committee, Inc.
Wm. M. Landau, as treasurer, et al.

I would like some clarification of the letter from you dated November 6, 1985 stating that on Oct. 17, 1985, the Commission found reason to believe that I violated 2 U.S.C. Sec. 441a(a)(1)(A), but that after considering the circumstances the Commission determined to take no further action.

Apparently the accusation is that I gave the Committee an amount exceeding $1000. Any amount that I wrote was on a joint checking account with my husband Joseph L. Shalant. I believe that the total we gave was $2000 jointly. Is the cause of the problem that I signed a check which exceeded $1000 although our total donation did not exceed $2000? If so, notice should be taken of the fact that the checks on our joint checking account are imprinted with both our names. Any donation from the account is from both of us.

Sincerely Yours,

Frances Shalant

Frances Shalant

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OFFICE OF THE
GENERAL COUNSEL
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GCC 9317

Brown

Pauley Petroleum Inc. / TEN THOUSAND SANTA MONICA BOULEVARD · LOS ANGELES, CALIFORNIA 90067-7094

Telephone: (213) 879-5000 · Telecopier: (213) 277-9015 · Cable: PAULEYLA

WILLIAM R. PAGEN
CHAIRMAN OF THE BOARD
AND
PRESIDENT

85 DEC 30 P 3:29

December 16, 1985

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

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer, et al.

Dear Mr. McGarry:

Reference is made to your letter dated November 26, 1985, in connection with the commission's findings that I have apparently violated the provisions of the Federal Election Campaign Act of 1971.

We have taken note of your letter and I assure you we have taken steps to ensure that this will not occur in the future.

Thank you very much for your consideration.

Sincerely yours,

WRP:tml

cc: Michele Brown

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GENERAL COUNSEL

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 16, 1985

Mr. Bruce W. Boyd
Sachnoff Weaver & Rubenstein, Ltd.
30 South Wacker Drive
29th Floor
Chicago, Illinois 60606

Re: MUR 2073
Charles Benton

Dear Mr. Boyd:

This is in reference to your letter dated December 6, 1985, requesting an extension of time in which to respond to the Commission's reason to believe notification. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due on December 19, 1985.

If you have any questions, please contact Michele D. Brown, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

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LAW OFFICES
NEIMAN BILLET ALBALA & LEVINE
A PROFESSIONAL CORPORATION
SUITE 1908
10960 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90024-3877

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JUDY A. SHERMAN
PATRICIA M. WOLFE
DAVID A. LASH
SUSAN H. GREEN
KENNETH W. BABCOCK
KELLY G. RICHARDSON

TELEPHONE
(213) 824-5100
TELEX 910-342-6507

OF COUNSEL
DAVID WEISS

December 17, 1985

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OFFICE OF THE
GENERAL COUNSEL
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FEDERAL EXPRESS

Michelle Brown
Federal Election Commission
Washington, D.C. 20643

Re: MUR2073 Cranston for President Committee, Inc.

Gentlemen:

This letter is submitted on behalf of David D. Miller in response to your letter of November 8, 1985 wherein you state there is reason to believe Mr. Miller violated 2 U.S.C. Section 441a(a)(1)(A), as amended. Your claim is apparently based upon two (2) checks received by the Cranston For President Committee, Inc., signed by David D. Miller in 1983. One (1) check is dated April 13, 1983 and is in the sum of $1,000.00. A copy of the cancelled check is enclosed for your information. This first check was a contribution by Mr. Miller.

In September, 1983 another check in the sum of $1,500.00 was given to the Cranston For President Committee signed by David D. Miller for a Senator Cranston dinner. A copy of this cancelled check is enclosed for your information. This second check represented a $1,000.00 contribution from Denyse M. Miller, Mr. Miller's wife and a $500.00 contribution from George Miller, Mr. Miller's brother. I am enclosing for your information copies of the signed Verification of Contribution by Mrs. Miller and George Miller. As you know, California is a community property state, and Mrs. Miller is a signatory on the same account on which the check is drawn. In addition, George Miller, Mr. Miller's older brother, is retired and lives with Mr. and Mrs. Miller. David Miller generally makes advances on behalf of George Miller, and is then reimbursed in lump sum payments periodically by George Miller.

I believe the fact that Mr. Miller first made a $1,000.00 contribution earlier in 1983 confirms that the later check in the sum of $1,500.00 did not represent his personal contribution to Senator Cranston's presidential campaign as he was certainly aware he had made the first contribution which was up to the

maximum allowed. On behalf of Mr. Miller I would appreciate your re-examining this matter as I do not believe a violation has occurred. If you require any further information please do not hesitate to call. Thank you for your cooperation.

Very truly yours,

Allan Albala

AA:car
enclosures

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CRANSTON FOR PRESIDENT COMMITTEE

VERIFICATION OF CONTRIBUTION

This is to verify that $ 500.00 of the contribution described below represents my personal contribution to Alan Cranston's Presidential primary campaign, was made from my personal funds and should be attributed to me.

SIGNATURE X George Miller

NAME George Miller

ADDRESS 64 HARFORD PLACE
UPLAND CA. 91786

OCCUPATION Retired

EMPLOYER

Check Date : 9-7-83

Check Number : N/A

Amount of Check : $ 1500.00

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CRANSTON FOR PRESIDENT COMMITTEE

VERIFICATION OF CONTRIBUTION

This is to verify that $ 1000.00 of the contribution described below represents my personal contribution to Alan Cranston's Presidential primary campaign, was made from my personal funds and should be attributed to me.

SIGNATURE X Denyse M. Miller

NAME Denyse Miller Denyse Miller

ADDRESS 1803 Paseo Del Mar
Palos Verdes Estates, Ca 90274

OCCUPATION Homemaker

EMPLOYER

Check Date : 9-7-83

Check Number :

Amount of Check : $ 1500.00

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GGC#9239

WILLKIE FARR & GALLAGHER
ONE CITICORP CENTER
153 EAST 53RD STREET
NEW YORK, N.Y. 10022
(212) 935-8000

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ROBERT S. ANDURSKY **
ARMANDO T. BELLY
KENNETH J. BIALKIN
ROGER D. BLANC
JOSEPH L. BROADWIN
THOMAS L. BRYAN
JOHN M. COCHRAN III
DALE S. COLLINSON
ALLAN F. CONWILL
PHILIP D. CORBI
LOUIS A. CRACO
JOHN S. D'ALIMONTE
DENNIS R. DEVENEY **
JAMES H. EDGAR
DWIGHT W. ELLIS III
CORNELIUS T. FINNEGAN III
JOHN D. FITZSIMMONS
STEPHEN B. FLOOD
DAVID L. FOSTER
ALEXANDER T. GALLOWAY II
WILLIAM J. GRANT, JR.
STEPHEN W. GREINER
PHILLIP H. HARRIS *
ROBERT B. HODES
LOUIS L. HOYNES, JR.
RANDALL A. HUFFMAN
PETER H. JAKES
LAWRENCE O. KAMIN
THOMAS F. KAUFMAN *
PETER J. KENNY
GERALD KERNER
ROBERT J. KHEEL **
CHARLES I. KINGSON
ARTHUR D. KOWALOFF
IAN D. LANOFF *
JAY F. LEARY
BURTON M. LEIBERY **
IRA H. LUSTGARTEN
MICHAEL G. MANNS
LESLIE M. MAZZA
FRANCIS J. MENTON, JR.
RAYMOND W. MERRITT
THOMAS S. MONFRIED
BRUCE M. MONTGOMERIE
PAULA J. MUELLER
JACK H. NUSBAUM
BRIAN M. O'BRIEN
ANTHONY F. PHILLIPS
RICHARD L. POSEN
DAVID B. REA
ROBERT F. ROLNICK *
THOMAS M. ROTHMAN
PHILIPPE M. SALCHON
RICHARD C. SAMNIS
DANIEL SCHLOENDORN
PETER W. SCHMIDT
DAVID H. SCHWARTZ **
IVAN SHAPIRO
PATRICIA S. SRIDEN
HARVEY L. SPERRY
DUNCAN J. STEWART
CHESTER J. STRAUB
JAMES A. TESTA
SUSAN P. THOMASES
ALLAN TRUMBULL
PHILIP L. VERVEER *
NORA ANN WALLACE
LAURENCE D. WELTMAN
BRENT W. WHITE

* MEMBER OF DISTRICT OF COLUMBIA BAR
** MEMBER OF NEW YORK AND D.C. BARS
OTHERS ADMITTED IN NEW YORK

ETHAN ALLEN
WALSTON B. BROWN
BOWIE K. KUHN
MILLARD L. MIDONICK
COUNSEL

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WASHINGTON, D.C. 20006
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75116 PARIS, FRANCE
TELEPHONE: PARIS 723-5156
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December 18, 1985

Hon. John Warren McGarry
Chairman
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2073
Cranston for President Committee, Inc.
William M. Landau, as treasurer, et al.

Dear Chairman McGarry:

Please find enclosed the submission of Mr. Bernard L. Schwartz in response to your November 8, 1985 letter.

Thank you for your attention.

Sincerely,

Chester J. Straub

Enclosure

By Hand

cc: Michele D. Brown, Esq.
Office of General Counsel
Federal Election Commission

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ELECTION COMMISSION

In the Matter of :

CRANSTON FOR PRESIDENT COMMITTEE, INC. :
WILLIAM M. LANDAU, AS TREASURER, ET AL. :

ADMINISTRATIVE INQUIRY

89040753188

SUBMISSION OF BERNARD L. SCHWARTZ (MUR 2073)

WILLKIE FARR & GALLAGHER
Attorneys for Bernard L. Schwartz
One Citicorp Center
153 East 53rd Street
New York, New York 10022
(212) 935-8000

Of Counsel:

Chester J. Straub
William H. Rooney

December 19, 1985

Preliminary Statement

The above-captioned matter arose out of a Federal Election Commission ("Commission") Audit Division review of the records of the Cranston for President Committee, Inc. ("Cranston Committee" or "Committee"). This submission is specifically in response to a November 8, 1985 letter from John Warren McGarry, Chairman of the Commission, to Mr. Bernard L. Schwartz, informing Mr. Schwartz that the Commission has reason to believe that he violated 2 U.S.C. § 441a(a)(1)(A) (1982) of the Federal Election Campaign Act of 1971, as amended ("the Act").[1]

The Commission's letter is premised on two letters of credit issued against Mr. Schwartz's personal account in connection with the Cranston Committee's initiation of telephone service. The Commission asserts that the letters of credit are something of value, and when combined with Mr. Schwartz's direct contribution of $1,000 to the Cranston Committee, exceed the $1,000 limitation on personal contributions in 2 U.S.C. § 441a(a)(1)(A). The Commission maintains this position notwithstanding the fact that neither letter of credit was ever drawn upon.

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[1] By letter of December 2, 1985, Mr. Kenneth A. Gross, Associate General Counsel of the Commission, granted Mr. Schwartz an extension for filing relevant material through December 19, 1985.

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The Commission should take no further action against Mr. Schwartz for two reasons. First, the letters of credit issued against Mr. Schwartz's account do not constitute contributions under § 441a(a)(1)(A). Second, even if the letters of credit are construed as contributions, the circumstances under which Mr. Schwartz agreed to have the letters issued require that any resulting liability be imposed on the Cranston Committee, not on Mr. Schwartz. Most important, Mr. Schwartz, like a half-dozen other citizens supporting the Cranston candidacy, allowed the letters to be issued against his account only at the request of the Cranston Committee, under the guidance of its instructions, and upon the Committee's counsel that the letters would not constitute a contribution under the Act. Furthermore, the letters of credit were understood to be only a pro forma requirement of the telephone companies, and that the letters were not intended to be drawn upon. The Cranston Committee alone, as the party that solicited the letters of credit and advised Mr. Schwartz of their lawfulness, should therefore bear full responsibility for any technical violation of the Act caused by their issuance.

To hold an individual liable for good faith conduct, engaged in pursuant to the request, guidance, and legal counsel of a major presidential campaign committee, would shift the burden of ensuring compliance from the campaign committee to the

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individual. Not only would this constitute unwise and counterproductive enforcement policy, but it would also run counter to the structure of the Act, which looks to campaign committees, and not individuals, to monitor compliance. Equally important, imposing liability on good faith and reasonable conduct would intolerably chill the vigorous exercise of the core first amendment right to political speech in federal elections.

Statement of Facts

In late 1983 or early January 1984, Mr. Schwartz was requested by the Cranston Committee to permit a letter of credit totalling $50,000 to be issued against his personal account. The letter was to be issued in favor of a telephone company whose lines the Cranston Committee wanted to use for campaign purposes. At the time the Committee requested the letter from Mr. Schwartz, it assured him that such conduct would not be considered a contribution under the Act, and would not in any way violate the campaign laws. It was also understood that the issuance of the letter was simply a pro forma requirement of the telephone company, and that the letter was not in any way intended to be drawn upon.[2]

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[2] A standard tariff governing utility company payments and charges generally provides that "the Company will only require a Customer . . . whose financial responsibility is (Footnote Continued)

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The Cranston Committee's assurances that the requested letter of credit would not constitute a contribution was based, at least in part, on the legal counsel of Stephen Daniel Keefe, Esq. Mr. Keefe, in a formal memorandum of legal advice prepared for the Cranston Committee, reported that a letter of credit issued in favor of the Cranston Committee would not be considered a contribution, provided that the letter was not drawn upon. (The Keefe memorandum is appended hereto as Exhibit 1.) Mr. Keefe's memorandum was based at least partially on his understanding of his communications with the Commission regarding the status of letters of credit under the Act. On the strength of the Commission's representations, as relayed by Mr. Keefe, the Cranston Committee proceeded to solicit letters of credit so they would immediately be permitted to use the lines of several telephone companies on behalf of Senator Cranston.

On January 6, 1984, Paul R. Donaldson wrote to Ms. Bonnie Angora, Mr. Schwartz's executive assistant, to advise Mr.

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[2] (Footnote Continued)
not a matter of record to make a deposit . . . as a guarantee for the payment of charges. . . . In lieu of a cash deposit, the Company will accept, as a deposit, Bank Letters of Credit . . . ." AT&T Communications F.C.C. Tariff No. 1 § 2.5.6.(A) (1985). Utilities are required by law to observe their tariffs. See 47 U.S.C. § 203(c) (1982). It thus appears correct that the telephone companies required these letters of credit primarily to fulfill a legal requirement and not due to a particularized concern that the letters would be necessary to cover a default by the Cranston Committee.

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Schwartz on the particulars regarding the requested letter of credit. (The Donaldson letter is appended hereto as Exhibit 2.) Mr. Donaldson's instructions provided a sample of the letter of credit that the Cranston Committee requested from Mr. Schwartz, and then directed Mr. Schwartz as to which telephone company should be listed as the beneficiary. Sometime after Mr. Donaldson's January 6, 1984 correspondence, the Committee apparently informed Mr. Schwartz that it needed two letters of credit, of $15,000 and $35,000 each, instead of the single letter for $50,000 it initially had requested.

Pursuant to the Cranston Committee's instructions, and to its assurances as to the lawfulness of its request, Mr. Schwartz authorized The Merchants Bank of New York ("Merchants Bank" or "Merchants") to issue two letters totaling $50,000 against his personal account. On January 12, 1984, the Merchants Bank accordingly issued one letter of credit (no. S-53649/84) for $15,000 in favor of the Chesapeake and Potomac Telephone Company - Political Account Group ("C&P"), and another letter (no. S-53464/84) for $35,000 in favor of Northwestern Bell Telephone Company ("Northwestern"). Neither letter of credit was drawn upon to pay for telephone services consumed by the Cranston Committee. (Letters from C&P and Northwestern confirming that the letters were returned to

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Merchants Bank without having been drawn upon are appended hereto as Exhibits 3 and 4, respectively.)

The above circumstances establish two facts beyond dispute. First, Mr. Schwartz authorized his bank to issue the letters of credit in absolute good faith: he wished to heed the request of his favored candidate's committee without implicating any legal concerns under the Act. Second, Mr. Schwartz, like a half dozen other individuals, proceeded entirely at the behest of the Cranston Committee and upon the Committee's unequivocal counsel that the letters of credit would not be considered a contribution under the Act. In addition, the counsel on which Mr. Schwartz relied came from the campaign committee of a major presidential candidate, not from a local advisor unfamiliar with the election campaign laws.

If there was any inadvertent infringement of the Act, and Mr. Schwartz vigorously protests to the contrary, the responsibility must fall upon the Committee which solicited the challenged conduct pursuant to affirmations of its lawfulness. The equity of this proposition is supported by two important legal concerns. The election regulatory scheme places the burden of monitoring for violations directly on the campaign committees, and expects these committees to save individual contributors from inadvertent infringement, not vice versa. In addition, visiting liability upon Mr. Schwartz in these

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circumstances would effectively require every individual to retain personal counsel to avoid hidden mines sown throughout the federal election laws. A more severe chill on the core first amendment right of political speech, and a less effective means of enforcing the campaign laws, could hardly be imagined.

POINT I

A LETTER OF CREDIT NEVER DRAWN UPON IS NOT A CONTRIBUTION UNDER SECTION 441a(a)(1)(A) OF THE ACT

General Counsel's analysis asserts that the letters of credit here at issue are contributions because the letters were used in lieu of depositing money with the telephone companies.[3] Federal Election Commission, General Counsel's Factual and Legal Analysis (MUR No. 2073) at 1. Alternatively, the General Counsel appears to suggest the letters of credit constituted an unlawful loan in excess of the $1,000 contribution limitation. Id. at 1-2. Both arguments fail because the letters of credit here at issue were not themselves loans or deposits, and did not result in loans or deposits being made to, or on behalf of, the Cranston Committee.

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[3] "Contribution" is defined in 2 U.S.C. § 431(8)(A)(i) (1982) to include "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office."

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First, the fact that the telephone companies accepted a letter of credit in lieu of a deposit of money does not make the two legal equivalents under the Act. Rather, to determine whether Mr. Schwartz's letters of credit were tantamount to a loan or a deposit of money, the Commission must focus on the legal status and operation of a letter of credit. An examination of the law of letters of credit will demonstrate emphatically that Mr. Schwartz's letters were neither loans nor deposits in themselves, and were not vehicles for his transferring something of value to, or on behalf of, the Cranston Committee.

The letter of credit, functionally defined, is an original undertaking by one party to substitute his financial strength for that of another, with that undertaking to be triggered by the presentation of a draft or demand for payment. See J. Dolan, The Law of Letters of Credit, at 2-3 (1984); see also Uniform Customs and Practice ("U.C.P.") General Provision (b).[4] The undertaking runs directly from the issuing party,

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[4] Both letters of credit here at issue provide that "This letter of credit is subject to the Uniform Customs and Practice for Documentary Credits (1974 Revision), International Chamber of Commerce Publication No. 290." The New York Uniform Commercial Code ("U.C.C."), in turn, provides that "[u]nless otherwise agreed, this Article 5 does not apply to a letter of credit . . . if by its terms . . . such letter of credit . . . is subject in whole or in part to the Uniform Customs and Practice for Commercial Documentary Credits . . . ." N.Y.U.C.C. § 5-102(4)
(Footnote Continued)

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in this case Merchants Bank, to the beneficiary, here C&P and Northwestern. The letter of credit creates certain obligations between the issuing party and the beneficiary, the most obvious of which is the issuing party's duty to honor a demand for payment so long as the presentment complies with terms of the letter of credit. See U.C.P. Art. 3(a)(i) and (ii).

The obligations between the account party, in this case Mr. Schwartz, and the issuing party are defined in the account party's application for the letter of credit and by applicable law. See, e.g., U.C.P. Art. 8(b). In this case, Mr. Schwartz agreed to reimburse Merchants Bank for any drafts paid to C&P and Northwestern only when either beneficiary presented a demand for payment in compliance with the letter of credit and a copy of the unpaid Cranston Committee bill. Mr. Schwartz thus entered into an agreement to perform subject to well-defined conditions precedent. Because those conditions never occurred, Mr. Schwartz was never required to, and in fact never did, transfer, deposit, or loan money on behalf of the Cranston Committee to Merchants Bank, C&P, or Northwestern.

Because a letter of credit and the account party's underlying agreement with the issuing bank together constitute a promise by the account party to transfer money only upon a

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(Footnote Continued)
(McKinney 1964). Accordingly, the relevant U.C.P., not U.C.C., provisions will be cited herein.

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future event (i.e., a proper presentment), the letter of credit is significantly different from a loan or present deposit of money. In the case of a loan, the lender transfers a sum of money to the borrower, thereby bestowing a tangible and present benefit on the borrower. In the case of a deposit of money, the depositor again transfers funds for the current use or benefit of a third party. Because both the loan and the deposit of money involve the present transfer of something of value to, or on behalf of, a preferred candidate, they are subject to the contribution limitations of § 441a(a)(1)(A). Until a proper demand is made and honored, however, the account party's promise to transfer funds to the issuing party remains only a promise, and thus cannot constitute a contribution under § 441a(a)(1)(A). The letters of credit and Mr. Schwartz's underlying agreement with Merchants thus constituted at most an inchoate contribution, a mere expression of intention, never consummated, to transfer funds on behalf of the Cranston Committee.

Nor can the letter of credit be placed under the rubric of "guarantee, endorsement, [or] any other form of security," all of which are included in the definition of "loan." See 11 C.F.R. § 100.7(a)(1)(i) (1985). Although a contracting party may accept a letter of credit in place of a guarantee, their different legal statuses distinguish them for purposes of the Act. As discussed above, the letter of credit creates

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obligations only between the beneficiary and the issuing party. To the extent the letter serves to guarantee performance, the guaranteeing party is the issuing bank and not the account party. This, of course, is the central purpose of the letter of credit: to have one party (here, Merchants Bank) substitute its financial strength for that of another (here, Mr. Schwartz). It would thus defeat this substitutional purpose of the letter of credit to impose the guaranteeing obligation back onto the account party. Rather, the account party serves as a conditional indemnifier of the issuing party, not as a guarantor or surety. As such, Mr. Schwartz's authorizing the issuance of the letters of credit did not come within the definition of "loan" in 11 C.F.R. § 100.7.

The law of letters of credit thus establishes that the letters here at issue did not constitute a loan or deposit of money under the Act and applicable regulations, or serve as a vehicle for transferring value to, or on behalf of, the Cranston Committee.

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POINT II

THE CRANSTON COMMITTTEE, NOT MR. SCHWARTZ, IS LIABLE FOR ANY VIOLATION OF THE ACT CAUSED BY THE ISSUANCE OF THE TWO LETTERS OF CREDIT BY MERCHANTS BANK.

In the event the letters of credit are construed as contributions under the Act, any liability resulting from their issuance must fall only on the Cranston Committee. Mr. Schwartz's good faith and reasonable conduct in permitting the letters of credit to be issued, and the Committee's solicitation of the letters and its counsel as to their lawfulness, require that responsibility for violating the Act not attach to Mr. Schwartz. The imposition of liability on the Committee, instead of on Mr. Schwartz, is compelled by both equitable and legal principles. The traditions of equity and fundamental fairness loathe punishing a defendant who acted at all times with good faith and reasonable care. Legal concerns, arising out of the enforcement policy of the Act and the unfettered exercise of First Amendment rights, also mandate the same conclusion.

Mr. Schwartz's good faith in proceeding with the conduct here at issue should be obvious from the Statement of Facts recited above. He made a substantial effort to ensure that granting the Cranston Committee's request would not implicate election law concerns. The reasonableness of Mr. Schwartz's conduct is demonstrated by his meeting all the elements of the "reliance defense" often used to establish a

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lack of willfulness or scienter when either is an element of a charged violation. Although the reliance defense has been articulated in a variety of ways, the main elements are: (1) all pertinent facts were known by counsel; (2) counsel appeared reasonably competent; (3) good faith reliance was placed on counsel. See United States v. Whyte, 699 F.2d 375, 379-80 (7th Cir. 1983); J.J. Newberry Co. v. N.L.R.B., 645 F.2d 148, 152-53 (2d Cir. 1981).

As set forth at greater length above, Mr. Schwartz sought and relied upon the counsel of a major presidential campaign committee. The Cranston Committee, in turn, relied on a formal memorandum of legal advice from its lawyer. Given the circumstances of this case, it simply cannot be gainsaid that Mr. Schwartz reasonably relied on professional counsel for technical advice well within the expected expertise of the counselor. Given the good faith and reasonable conduct of Mr. Schwartz, it would defy all principles of fairness and equity to hold him liable for an inadvertent and highly formal violation of the election laws. In addition, as discussed below, such a holding would run directly counter to the enforcement policy contemplated by the Act and the Commission's regulations, and would impermissibly chill the right of unrestricted political speech.

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A. The Enforcement Policy Implicit in the Act and Regulations Places the Burden of Monitoring for Compliance on Campaign Committees.

The federal election laws contemplate that the primary responsibility for monitoring campaign conduct will fall on a candidate's committee, not on individual contributors. This committee-oriented enforcement policy is evidenced by a number of provisions promoting committee compliance and prohibiting committees from receiving unlawful contributions. In addition, much of the literature on election law compliance emphasizes the importance of campaign committee oversight of individual contributions.

Both the Act and the regulations expressly exclude from the definition of "contribution" legal services rendered to or on behalf of an authorized committee of a candidate for the sole purpose of ensuring compliance with the Act. 2 U.S.C. § 431(8)(B)(ix)(II); 11 C.F.R. § 100.7(b)(14).[5] The same exception applies to the definition of "expenditures." See 2 U.S.C. § 431(9)(B)(vii)(II); 11 C.F.R. § 100.8(b)(15). These provisions are well designed to encourage campaign committees to enlist competent counsel to assure its own, as well as its contributors', compliance with the Act.

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[5] The Act and the regulation also require that the legal services be paid for by the regular employer of the individual rendering the legal services. 2 U.S.C. § 431(8)(B)(ix); 11 C.F.R. § 100.7(b)(14).

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In addition, Rule 110.9(a) effectively makes individual compliance a prerequisite of committee compliance, as it expressly prohibits a committee from accepting unlawful contributions. 11 C.F.R. § 110.9(a). See also 2 U.S.C. § 441a(f) ("No candidate . . . shall knowingly accept any contribution . . . in violation of . . . this section." The Commission's own brochure emphasizes that the prohibition is broad insofar as it applies to all contributions of any kind and without regard to whether they were solicited. Federal Election Commission, Contributions (1982). Moreover, Rule 110.9(a), unlike the statutory provision in § 441a cited above, has no scienter requirement. Subjecting a committee to liability for receiving an individual's unsolicited prohibited contribution, even without knowledge of the contribution's unlawfulness, is tantamount to imposing a legal duty on the committee to affirmatively monitor individuals' campaign conduct.[6]

Still another indication of the Commission's reliance on committees to promote compliance is its command that committees shall return illegal contributions to their source within ten days. 11 C.F.R. § 103.3(b)(1). To ensure compliance

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[6] Other regulations prohibiting receipt of unlawful contributions include 11 C.F.R. §§ 110.4(a)(2) (contribution from a foreign national), 110.4(c)(2) (cash contributions in excess of $100 must be returned to contributor), 110.4(b)(1)(iii) (knowing receipt of contribution in the name of another).

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with this provision, Arthur Andersen & Co., in its brochure on the financial management of campaigns, advises that campaign committees review the lawfulness of each contribution check before deposit: "Each check is scrutinized to be sure that it has not come from a prohibited source . . . and that it does not exceed prescribed limits." Arthur Andersen & Co., Financial Management of Federal Election Campaigns at 12-13 (1984). In the same brochure, Arthur Andersen recommends that cumulative contribution files be kept and that the committee "check to make sure that the donor has not aggregated more than his or her $1,000 contribution limit. If the limit has been exceeded, the contribution should be returned." Id. at 14. See also AICPA, Compliance with Federal Election Campaign Requirements, Chs. 1 & 2 (1978) (emphasizes important role of the candidate's committee in achieving compliance with the Act).

An enforcement policy placing primary responsibility on candidate committees, not on individual contributors, for ensuring compliance is thus implicit in the Act, its regulations, and the related literature. Such an enforcement policy warrants holding the committee liable for campaign violations resulting directly from its erroneous counseling. In the case at hand, Mr. Schwartz requested and relied upon the advice of the Cranston Committee as to the lawfulness of authorizing of the disputed letters of credit. Having sought

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and complied with the counsel of the body effectively commissioned to monitor individual contributors' campaign conduct, Mr. Schwartz substantially complied with the terms of § 441a(a)(1)(A). Responsibility for any violation resulting from such a good faith and reasonable effort to respect the $1000 contribution limitation must attach only to the party, in this case the Cranston Committee, which proximately caused the violation.

By holding only the Cranston Committee liable for conduct that it solicited and verified as lawful, the Commission will also demonstrate the seriousness of the campaign committee's responsibility to review the lawfulness of contributions it receives. The constant vigilance by committees of campaign conduct will provide the most effective means of enforcing the terms and spirit of the Act. Campaign committees, especially those of presidential candidates, have the resources and sophistication to learn the intricacies of the Act's provisions, and are in a position to prevent prohibited contributions before they are consummated.

The individual, in contrast, is singularly ill-suited to the role of compliance monitor. Rarely is the individual in a position to retain personal counsel expert in federal election law to insure that he does not step in a camouflaged foottrap. Nor is the individual likely to seek further legal advice when

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he has already confirmed the lawfulness of the questioned conduct with the legal counsel for his candidate's committee. To be sure, the individual is responsible for complying with the clear terms of the Act's contribution limitations. But when the meaning of those terms is not reasonably accessible to the person of ordinary prudence, reliance on a committee's advice should be sufficient to ensure substantial compliance with the Act's terms. Any other result would not significantly advance the Commission's enforcement and, more importantly, would unconstitutionally chill the individual's fundamental right of political speech.

B. Holding an Individual Contributor Liable For Good Faith Conduct Whose Lawfulness Was Verified by a National Campaign Committee Unconstitutionally Chills the Individual's Right of Political Speech.

In Buckley v. Valeo, 424 U.S. 1 (1976), the Supreme Court began its consideration of the constitutionality of the Act by noting that:

> [t]he Act's contribution and expenditure limitations operate in an area of the most fundamental First Amendment activities. . . . The First Amendment affords the broadest protection to . . . political expression in order 'to assure [the] unfettered interchange of ideas for the bringing about of political . . . changes desired by the people.' . . . '[I]t can hardly be doubted that the constitutional guarantee has its fullest and most urgent application precisely to the conduct of campaigns for political office.'

424 U.S. at 14-15 (citations omitted). When fundamental First Amendment rights are at stake, the government must be especially

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careful not to diminish their vitality by overly zealous enforcement of regulations that bear directly on their exercise.

Such a chilling effect has often been found where an individual is forced to exercise his First Amendment right at the risk of incurring some uncertain liability or other detriment. In Brown v. Hartlage, 456 U.S. 45, 60-62 (1982), for example, the Court held unconstitutional a statute that, as interpreted, required a candidate to forfeit an electoral victory if he promised to lower his salary when that salary was fixed by law. Noting that the violation obtained even when the promise was made in good faith and quickly repudiated, the Court found that the statute, as interpreted, chilled "the atmosphere of free discussion contemplated by the First Amendment in the context of political campaigns." Id. at 61. See also Federal Election Commission v. Hall-Tyner Election Campaign Committee, 678 F.2d 416, 423 (2d Cir. 1982), cert. denied, 459 U.S. 1145 (1983) (the Act's recordkeeping and disclosure requirements may not be applied were reasonable fear of resulting harassment would discourage the exercise of First Amendment rights).

The Commission's imposition of liability on Mr. Schwartz, in light of the circumstances outlined above, would constitute nothing less than an overly zealous and unconstitutional enforcement of a speech-related regulation.

Such an enforcement policy would necessarily chill, by posing the specter of unforeseeable liability, the individual's participation in the campaign of his favored political candidate. Stated differently, the threat of a violation following a good faith and reasonable effort to assist one's preferred candidate, even where that assistance appears well within the law and has been so verified by the candidate's committee, will necessarily cabin the uninhibited and robust exercise of political speech.

An alternative to an individual's proceeding into the conduct of campaigns virtually at his own peril is, of course, to retain personal counsel to guide him through the network of election laws. The cost and burden of finding counsel expert in federal campaign law, however, would create a disincentive at least equal to that of the possibility of incurring unforeseeable liability. Thus, the natural remedy visits as great an infirmity on the individual contributor as the ill it is designed to cure.

In sum, respect for vital First Amendment values requires that the Commission not impose liability on an individual who, like Mr. Schwartz, made a good faith and reasonable effort to comply with both the spirit and the letter of the $1000 contribution limitation.

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CONCLUSION

For the foregoing reasons, Mr. Schwartz respectfully requests the Commission to take no further action with regard to his conduct and that this matter be closed in all respects.

Dated: December 19, 1985
New York, New York

Respectfully submitted,

WILLKIE FARR & GALLAGHER

By: _____
A Member of the Firm

Attorneys for Bernard L. Schwartz
One Citicorp Center
153 East 53rd Street
New York, New York 10022
(212) 935-8000

Of Counsel:

Chester J. Straub
William H. Rooney

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LAW OFFICES OF
STEPHEN DANIEL KEEFFE, P.C.
1625 I STREET, N.W., SUITE 815
WASHINGTON, DISTRICT OF COLUMBIA 20006
(202) 887-0620

February 15, 1984

Cranston For President Committee, Inc.
1120 G Street, N.W., Suite 801
Washington, D.C. 20005

RE: Use of letters of credit

To Whom It May Concern:

The General Counsel's office of the FEC has indicated that it would not be a violation of contribution limitations for a person to pledge a letter of credit to secure services for the Cranston For President Committee. Provided that the letter of credit was not called upon. If a pledged letter of credit was subsequently called upon for payment it would result in a contribution subject to the campaign contribution limitation of $1,000 per person.

This interpretation is not binding upon the FEC but provides helpful guidance in determining how letters of credit may be used.

Very truly yours,
LAW OFFICES OF STEPHEN DANIEL KEEFFE, P.C.

By: _____
Stephen Daniel Keeffe

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2

CRANSTON

ALAN CRANSTON
U.S. Senator

Democrat
California

Cranston for President

1120 G Street, N.W. Rm. 801
Washington, D.C. 20005

(202) 626-2900 (800) 368-5734

January 6, 1984

Bonnie Angora
Loral Corporation
600 Third Avenue, 36th Floor
New York, New York 10016

Dear Ms. Angora,

Enclosed is a sample copy of the letter of credit that will have to be drawn against Mr. Schwartz's bank for the sum of $50,000.00.

The letter then should be sent to Pacific Telephone and Telegraph Company, 611 Wilshire Boulevard, Los Angeles, Room 800 California 90017, to the attention of Mr. John Constable.

If you or Mr. Schwartz's bank have any questions concerning this, I can be reached at (202) 626-2900.

Thank you for your help.

Very truly yours,

Paul R. Donaldson

Paul R. Donaldson

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Paid for by Cranston for President Committee, Inc.

SAMPLE Copy

TLX: 19-4801
TWX: 910 321-2939

AMERICAN CITY BANK

CENTURY CITY REGIONAL OFFICE
AMERICAN CITY BANK BUILDING
10000 SANTA MONICA BOULEVARD, CENTURY CITY, CALIFORNIA 90067
(213) 858-3400 (213) 858-3433

May 6,1981 IRREVOCABLE LETTER OF CREDIT NO.

Pacific Telephone & Telegraph Company
611 Wilshire Boulevard, Room 800
Los Angeles,California

"Beneficiary"

Gentlemen:

American City Bank hereby establishes its Irrevocable Letter of Credit in your favor for the account of Bernard Schwartz ("Applicant") on behalf of Cranston for President Committee, Inc. up to the aggregate amount of $50,000.00 available by your draft(s) on American City Bank at sight when accompanied by the following documentation:

1. Beneficiary's signed certification by a duly authorized representative stating that telephone bill(s) on behalf of Applicant have not been paid when due and that the amount drawn represents the delinquent bill(s); and

2. Copy(ies) of bill(s).

The draft(s) must be marked "Drawn under American City Bank Letter of Credit No. dated ." and must be presented at the above office not later than the expiration date October 20, 1981 at 3:00 p.m.

This letter of credit must accompany the draft(s) presented to American City Bank for payment and the amount of any draft drawn under this letter of credit must be endorsed on the reverse hereof.

This letter of credit is subject to the Uniform Customs and Practice for Documentary Credits (1974 Revision), International Chamber of Commerce Publication No. 290.

Draft(s) drawn under and in compliance with the terms of this letter of credit will be duly honored upon presentation.

Very truly yours,

American City Bank

Gary Costanzo
Vice President

Form Approved
Legal Department
W Tomm
5/18/81

HEAD OFFICE ONE WILSHIRE BUILDING, ONE WILSHIRE BOULEVARD LOS ANGELES CALIFORNIA 90017 (213) 688-8500

AMERICAN CITY BANK 8 9 0 4 00000 Cts

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C&P Telephone
1328 G Street, N.W.
Washington, D.C. 20005

October 11, 1984

Cranston for Pres
% Sue Paschen
1120 G St., N.W.
Ste 801
Washington, D.C. 20005

Dear Sue,

This is to confirm our last conversation concerning your letter of credit. Held as a security deposit on your account 202 737-3321.

The C&P Telephone Company has released the letter of credit and we did not make any withdrawals from it.

We are now holding $1,250.00 cash deposit on your account.

If you have any questions please give me a call.

Sincerely

Melvin Campbell

M. Campbell

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C&P Telephone
1328 G Street, N.W.
Washington, D.C. 20005

October 17, 1984

The Merchants Bank
of New York
International Department
Attn: Maria Garces
434 Broadway
New York, N.Y. 10013

Dear Ms. Garces;

This is to confirm your conversation of October 12, 1984 with Ms. Moorer of the C&P Telephone Company of Washington, D.C. concerning the letter of credit on behalf of Cranston for President.

We have released the $15,000.00 letter of credit in its entirety. We are sending it back to you at this time and we have notified the Cranston for President committee.

If you need to contact us concerning this matter, please give us a call at 202 392-4065.

Sincerely,

Melvin Campbell

Melvin Campbell

cc: William Lardau

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Northwestern Bell

Minneapolis, Minnesota
March 28, 1985

Cranston for President Committee Inc.
% William Landau
230 Park Avenue
Floor 17
New York, N.Y. 10169

Mr. Landau:

This is to verify for the Federal Election Committee that the following Irrevocable Bank Letters of Credit were returned to the originators and never drawn on:

Mr. Bernard Schwartz	The Merchants Bank of New York	$35,000.00

I have been advised by our business office that the final account remaining, telephone number 319-323-2618, has been paid in full.

Thank you again for your assistance. If further information is required you may still reach me on 612-344-5088.

Sincerely,

Karen Wendt

Karen Wendt
Staff Supervisor
Political Accounts

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LAW OFFICES
SACHNOFF WEAVER & RUBENSTEIN, LTD.
30 SOUTH WACKER DRIVE 29TH FLOOR CHICAGO, ILLINOIS 60606
TELEPHONE (312) 207-1000

WRITER'S DIRECT
DIAL NUMBER

207-6460

LOWELL E. SACHNOFF
WILLIAM H. WEAVER, JR.
JEFFREY C. RUBENSTEIN
HARRY B. ROSENBERG
WILLIAM P. COLSON
RICHARD L. WEXLER
PHILIP P. RUMMEL
EDWARD J. WONG, JR.
ELLIS B. ROSENZWEIG
DEAN A. DICKIE
WILLIAM GLEESON
JAY L. DOLGIN*
AUSTIN L. HIRSCH
JACK L. SLOCK
ARNOLD A. PAGNIUCCI
LANCE R. RODGERS
ROGER M. HUFF
ANDREW M. SCHATZ
ILENE D. DAVIDSON
JILL S. TANZ
GEORGE A. VINYARD
PHILIP WONG
BARRY S. ROSEN
FAY CLAYTON
MITCHELL D. GOLDSMITH
JAMES M. HILL
SARAH R. WOLFF
ABRAHAM J. STERN
CHARLES R. WATKINS
JOEL S. FELDMAN
BARBARA F. WOLF
CYNTHIA JARED
JEFFREY A. SCHUMACHER
RUSSELL S. SCHWARTZ

*ALSO ADMITTED FLORIDA

EUGENE F. [illegible], JR.
JEFFREY T. GILBERT
LINDA L.R. ROBISON
JANE G. BURTON
IRWIN I. GZESH
MISTY S. GRUBER
ELLEN T. McKNIGHT
BRIAN D. ROCHE
KARL W. KRAUSE, JR.
LAWRENCE H. BRENNAN
DOUGLAS R. NEWKIRK
LUCY J. KARL
CHARLES J. RYAN, JR.
CAROLYN H. ROSENBERG SAFER
ROBIN L. SCHIRMER
JOY KAHLENBERG FALLON
MAUREEN A. MOSH
ERIC M. FRIEDLER
VALERIE J. FISHER
MICHAEL J. KAUFMAN
DANIEL E. O'NEILL
JEFFREY E. STONE
DWAYNE A. MORRIS
JOEL N. SHAPIRO
BRUCE W. BOYD

OF COUNSEL
LEONARD JAY SCHRAGER
RICHARD C. JONES
JULES G. COGAN
LEWIS MANILOW
FRANKLIN G. ALLEN

FLORIDA OFFICE
5500 NORTH FEDERAL HIGHWAY
KINGSBRIDGE SQ. PROFESSIONAL PARK
BOCA RATON, FLORIDA 33431
TELEPHONE (305) 997-7454

RECEIVED AT THE FEC
ACU#9262
85 DEC 23 AM 10:49
85 DEC 23 P 1:27
RECEIVED
OFFICE OF THE
GENERAL COUNSEL

December 16, 1985

Ms. Michele Brown
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2073

Dear Ms. Brown:

I am writing to you in response to the Federal Election Commission's November 8, 1985 letter to Charles Benton regarding alleged violations of the federal election laws in connection with "contributions" made by Mr. Benton to the Cranston Committee. The Commission charges that Mr. Benton violated 2 U.S.C. § 441a (a)(1)(A) when he contributed $1,000 to the Cranston campaign and pledged a $3,000 letter of credit to Illinois Bell Telephone Co. on behalf of the Cranston Committee.

In pledging the letter of credit to Illinois Bell, Mr. Benton never intended to violate federal election laws nor did Mr. Benton have any idea that in pledging a letter of credit that would never be used he was "contributing" an additional $3,000 to the Cranston Committee.

Illinois Bell representatives have informed me that the letter of credit was used as a deposit for telephone services, that it was never drawn upon and that the portion of the required deposit defrayed by the letter of credit was $1,500. This amount,

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$1,500, and not $3,000, is the amount which should be treated as having been contributed by Mr. Benton in pledging the letter of credit.

I am hereby requesting that pre-probable cause conciliation be pursued in connection with this matter.

Sincerely,

Bruce W. Boyd
for SACHNOFF WEAVER & RUBENSTEIN, LTD.

BWB:jlc

cc: Charles Benton
Lowell E. Sachnoff, Esq.

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MYERS, HAWLEY, MORLEY, BEBAN & BERRY
ATTORNEYS AT LAW
166 MAIN STREET · P.O. BOX 280
LOS ALTOS, CALIFORNIA 94023-0280

PAUL I. MYERS, JR.
MELVIN L. HAWLEY
SAM R. MORLEY, INC.*
ALAN BEBAN
PAUL I. MYERS, III
FRANK D. BERRY, JR., INC.*

*A PROFESSIONAL CORPORATION

TELEPHONE (415) 948-1600
TELECOPIER
(415)
948-3581

OF COUNSEL
THOMAS A. SKORNIA

December 17, 1985

Federal Election Commission
Washington, D.C. 20463

Attention: Ms. Michelle Brown

Re: MUR 2073

Dear Ms. Brown:

I am attaching the statement of designation of counsel, signed by my client Mrs. Eleanor C. Cameron. You will note that her name is presently Eleanor C. Cameron, in that her husband Jack Fowle died about two years ago, and she has remarried.

You asked me to reply to your letter of November 8th, and to give you a short description of what happened in this matter. I presume also that it is appropriate to ask that the question of pre-probable cause conciliation be implemented.

Mrs. Cameron informs me that she had given her $1,000.00 to the Cranston for President Campaign, and was thereafter approached by the Cranston for President Committee to secure the payment of the New England Telephone Company bill. The person who approached her was a Mr. Paul Donaldson, who is a member of the campaign staff for financial development. Mrs. Cameron asked him whether or not putting up such a letter of credit would involve a violation of the campaign contribution rule, and he assured her it would not.

In order to assure herself that this was the fact, Mrs. Cameron then called Mr. Donaldson's superior, Mr. Michael Novelli, and asked him the same question. She was assured by Mr. Novelli that not only would there be no violation, but that the campaign committee had a letter from Mr. Stephen Daniel Keeffe to that effect.

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OFFICE OF THE
GENERAL COUNSEL

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Mrs. Cameron was made to understand that the crux of the situation was that the letters of credit were merely a technical device to keep the services of the telephone company ongoing, and that there was an absolute assurance by the Cranston campaign that the telephone bill would be kept current. Mrs. Cameron was assured that under no circumstances would the telephone bill be allowed to go unpaid as to involve the use of her letter of credit.

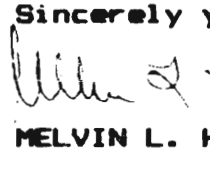
After Mrs. Cameron brought this matter to me, I called Mr. Bruce Turnbull, an attorney in Washington, whose number is (202) 682-7070. I understand that he is working with the FEC to resolve this issue. He informed me that approximately seven people were in the same situation, and that he had at the time I discussed this with him, been able to contact all but two. He said in each case the story was identical, namely, that the person pledging the letter of credit was assured that such a pledge was not in violation of the regulation, and that there was no chance whatsoever that the letters of credit would be called upon.

Mrs. Cameron's letter of credit was signed January 13, 1984. She informs me that the matter was proposed to her only a relatively few days earlier, that she made all the inquiries that she thought would be prudent under the circumstances, and that the answers from the very highest authority in the campaign put her mind to rest that there would be no possible violation.

Mr. Turnbull has been kind enough to send me a copy of the letter from Mr. Keeffe, which I have attached. Mrs. Cameron was never shown this letter, but was made aware of its contents.

Mrs. Cameron also stands ready to sign an affidavit under penalty of perjury, describing the events that I have put in a thumbnail version for your information.

Sincerely yours,



MELVIN L. HAWLEY

MLH:ms
Enclosures

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LAW OFFICES OF
STEPHEN DANIEL KEEFFE, P.C.
1625 I STREET, N.W., SUITE 615
WASHINGTON, DISTRICT OF COLUMBIA 20006
(202) 887-0620

February 15, 1984

Cranston For President Committee, Inc.
1120 G Street, N.W., Suite 801
Washington, D.C. 20005

RE: Use of letters of credit

To Whom It May Concern:

The General Counsel's office of the FEC has indicated that it would not be a violation of contribution limitations for a person to pledge a letter of credit to secure services for the Cranston For President Committee. Provided that the letter of credit was not called upon. If a pledged letter of credit was subsequently called upon for payment it would result in a contribution subject to the campaign contribution limitation of $1,000 per person.

This interpretation is not binding upon the FEC but provides helpful guidance in determining how letters of credit may be used.

Very truly yours,
LAW OFFICES OF STEPHEN DANIEL KEEFFE, P.C.

By: _____
Stephen Daniel Keeffe

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 2073

NAME OF COUNSEL: MELVIN L. HAWLEY, ESQ.

ADDRESS: 166 Main Street
P. O. Box 280
Los Altos, CA 94023-0280

TELEPHONE: [415] 948-1600

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.

December 17, 1985
Date

Eleanor C. Cameron
Signature
formerly Eleanor C. Fowle

RESPONDENT'S NAME: ELEANOR C. FOWLE

ADDRESS: 27069 Old Trace Road
Los Altos Hills, CA 94022

HOME PHONE: [415] 948-4893

BUSINESS PHONE: [415] 326-6546

8904075325

BEFORE THE FEDERAL ELECTION COMMISSION
December , 1985

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY
SENSITIVE

In the Matter of)
)
Cranston for President)
Committee, Inc.)
William M. Landau, as treasurer)
Senator Alan Cranston)

MUR 2063

JAN 3 A 8: 55

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On October 17, 1985, the Commission found reason to believe the Cranston for President Committee, Inc. and William M. Landau, as treasurer, violated 2 U.S.C. §§ 434(a), 434(b)(2)(H), 434(b)(3)(B), 434(b)(3)(E), 441a(f), 441b(a) and 26 U.S.C. § 9035(a), provisions of the Federal Election Campaign Act and chapters 95 and 96 of Title 26, U.S. Code, and 11 C.F.R. 106.2. The Commission also found reason to believe Senator Alan Cranston violated 26 U.S.C. § 9035(a).

The Commission sent to the Respondents reason to believe letters enclosing the Commission's Factual and Legal Analyses, on November 6, 1985. On November 20, 1985, Bruce Turnbull submitted a letter and a designation of counsel form signed by Senator Alan Cranston and one signed by William M. Landau. In the letter, Mr. Turnbull requested pre-probable cause conciliation and a meeting to discuss the areas in which additional information could be submitted and the areas in which there is disagreement. Such a meeting was held on December 3rd.

II. Legal Analysis

After finding reason to believe, the Commission shall make an investigation of the alleged violations. 2 U.S.C. § 437g(a)(2). The Commission found reason to believe in this matter on October 17, 1985, therefore, the matter is at the

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investigation stage. It is at this stage that the Commission must obtain any information pertinent and necessary to complete its investigation. Counsel for the Respondents has indicated that he will cooperate in supplying necessary information. Until the Office of General Counsel receives the information and analyses it, it would be premature to enter into pre-probable cause conciliation closing the case. It may, however, be advisable to enter into pre-probable cause conciliation at a later time. The Office of General Counsel will make such a recommendation when it is appropriate.

III. Recommendation

The Office of General Counsel recommends:

1. That the Commission decline to enter into pre-probable cause conciliation at this time.
2. That the Commission approve and send the attached letter.

Charles N. Steele
General Counsel

1/2/86
Date

BY: Kenneth A. Gross (LPT)
Kenneth A. Gross
Associate General Counsel

Attachments
1. Letter from Counsel for Respondents
2. Letter to Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2073
Cranston for President Committee, Inc.	)	
William M. Landau, as treasurer	)	
Senator Alan Cranston	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on January 7, 1986, the Commission decided by a vote of 5-0 to take the followings actions in MUR 2073:

1. Decline to enter into pre-probable cause conciliation at this time.

2. Approve and send the letter attached to the General Counsel's Report signed January 2, 1986.

Commissioners Aikens, Elliott, Harris, Josefiak and McGarry voted affirmatively for this decision; Commissioner McDonald did not cast a vote.

Attest:

1-8-86
Date

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

Received in Office of Commission Secretary:	Fri.,	1-3-86,	8:55
Circulated on 48 hour tally basis:	Fri.,	1-3-86,	2:00
Deadline for vote:	Tues.,	1-7-86,	4:00

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 13, 1986

Bruce H. Turnbull, Esquire
Weil, Gotshal & Manges
1101 14th Street, N.W.
Washington, D.C. 20005

Re: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as
treasurer
Senator Alan Cranston

Dear Mr. Turnbull:

On October 17, 1985, the Commission found reason to believe that Cranston for President Committee, Inc. and William M. Landau, as treasurer, violated 2 U.S.C. §§ 434(a), 434(b)(2)(H), 434(b)(3)(B), 434(b)(3)(E), 441a(f), 441b(a) and 26 U.S.C. § 9035(a), provisions of the Federal Election Campaign Act and chapters 95 and 96 of Title 26 U.S. Code, and 11 C.F.R. 106.2. The Commission also found reason to believe Senator Alan Cranston violated 26 U.S.C. § 9035(a).

You have requested that the Commission enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. The Commission determined on January 7 , 1986, not to enter into negotiations at this time in order for it to complete its investigation into this matter. Once the investigation is complete, the Commission will consider again a request from you for pre-probable cause conciliation.

If you have any questions, please contact, Michele Brown, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Charles N. Steele
General Counsel

Kenneth A Gross (LHT)

BY: Kenneth A. Gross
Associate General Counsel

8 9 0 4 0 7 5 3 2 2 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 6, 1986

Robert H. Powsner
9777 Wilshire Boulevard
Suite 900
Beverly Hills, California 90212

RE: MUR 2073
Robert H. Powsner

Dear Mr. Powsner:

On November 6, 1985, the Commission notified you that, on October 17, 1985, it found reason to believe you violated 2 U.S.C. § 441a(a)(1)(A) by making aggregate contributions to the Cranston for President Committee, Inc. in excess of $1,000. The Commission determined, on that same date, to take no further action on the matter.

This letter is in response to your request for further information about the matter. The Cranston Committee's Reports of Receipts and Disbursements indicate that you contributed $1,000 to the Committee on April 26, 1985, and $250 on October 31, 1983.

If you require further information, please contact Michele Brown, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Charles N. Steele
General Counsel

Kenneth A Gross (LJT)

BY: Kenneth A. Gross
Associate General Counsel

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GCC#9529

Federal
CITIZENSHIP RESPONSIBILITY GROUP
OF THE EMPLOYEES OF SOUTHERN CALIFORNIA EDISON COMPANY — A VOLUNTARY ASSOCIATION
2244 Walnut Grove Avenue, Rosemead, California, 91770

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY
86 JAN 22 P 3:07

January 14, 1986

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
86 JAN 22 P 4:50

John W. McGarry, Chairman
FEDERAL ELECTION COMMISSION
Washington, D. C. 20463

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. McGarry:

I received notification from you that the Commission found reason to believe that I violated 2 U.S.C. 441a(a) (1) (A), in connection with the above referenced MUR. You also indicated that no further action will be taken and that the file has been closed.

Please reopen MUR 2073 and consider the attached evidence. I have not made an excessive contribution to the Cranston for President Committee, Inc. In fact, I have never made any contribution to that committee.

From the attached, you will find that the contribution in question was made by the "FEDERAL CITIZENSHIP RESPONSIBILITY GROUP OF THE EMPLOYEES OF SOUTHERN CALIFORNIA EDISON COMPANY--A VOLUNTARY ASSOCIATION", I.D. # C 00019653. This is a political action committee registered with the Commission. I have attached a copy of check #269 in the amount of $3,000.00, dated January 17, 1984, and a copy of the transmittal letter, both of which show that the contribution was made by a political action committee.

If you have any questions, you may call me at (818) 302-1986. Please let me know of your disposition of this MUR.

Sincerely,

James A. Swofford

JAMES A. SWOFFORD
Assistant Treasurer

Attachments

8904075532 31

FEDERAL CITIZENSHIP RESPONSIBILITY
GROUP OF THE EMPLOYEES OF SCE-
A VOLUNTARY ASSN.--ID#C00019653
2244 WALNUT GROVE AVE
ROSEMEAD, CA 91770

269

January 17 1984

16-66/1220

PAY TO THE ORDER OF CRANSTON FOR PRESIDENT $ 3,000.00

THREE THOUSAND and no/100 ---------- DOLLARS

BANK OF AMERICA
WALNUT GROVE-RUSH BRANCH 1662
2112 WALNUT GROVE AVE., ROSEMEAD, CA 91770

James Burfford

⑆122000661⑈0269⑈ 10820⑈00273⑈ ⑈0000300000⑈

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JA '84 18
PAY ANY BANK
MERCANTILE NATIONAL BANK
COLLEGE PARK, MD.

JA '84 20
F.R.B. LOS ANGELES
1220-0018-6
Cranston For President Committee, Inc.
Deposit Only
JA '84 23
BANK of AMERICA, NT & SA
LOS ANGELES, CA.

Federal
CITIZENSHIP RESPONSIBILITY GROUP
OF THE EMPLOYEES OF SOUTHERN CALIFORNIA EDISON COMPANY — A VOLUNTARY ASSOCIATION
2244 WALNUT GROVE AVENUE, ROSEMEAD, CALIFORNIA 91770

January 17, 1984

Mr. William Landau, Treasurer
Cranston for President
1120 "G" Street, N.W. Room 801
Washington, D.C. 20005

Dear Mr. Landau:

Enclosed is our check, drawn to the order of "Cranston for President" in the amount of $3,000. This is a contribution to Alan Cranston in support of his 1984 campaign for the office of President of the United States.

The name of the organization making the contribution is the "Federal Citizenship Responsibility Group of the Employees of Southern California Edison Company - A Voluntary Association." Our I.D. Number is C 00019653.

Sincerely,

R. K. Bushey
Treasurer

Enclosure
Check #269

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RECEIVED AT THE FEC
GCC#9547
86 JAN 22 AM 11:58

MEBA Political Action Fund

HEADQUARTERS: 444 NORTH CAPITOL STREET • WASHINGTON, D.C. 20001 • (202) 347-8585

C. E. DeFRIES, Chairman

FRANK LAURITO, Treasurer

CERTIFIED P14 6686645
RETURN RECEIPT REQUESTED

January 22, 1986

86 JAN 24 P12:57
RECEIVED
OFFICE OF THE
GENERAL COUNSEL

John Warren McGarry, Chairman
Federal Election Commission
1325 K Street, NW
Washington, DC 20463

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as treasurer,
et al.

Dear Chairman McGarry:

This will acknowledge receipt of your letter dated December 18, 1985.

It should be noted at the outset that the Marine Engineers' Beneficial Association Political Action Fund was given neither notice nor opportunity to respond to the allegations recited in your letter. While I take strong exception to the "reason to believe" finding made by the Commission, I see no point in making a formal submission on behalf of the MEBA Political Action Fund in view of the Commission's determination to "take no further action and close its file."

I do not believe it appropriate that the public record reflect that I was the Treasurer of the MEBA Political Action Fund at the time the alleged violation took place.

It is my understanding that I was named solely because I am the current Treasurer of the MEBA Political Action Fund, and that the findings were

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against the office of Treasurer and not against me, personally.

Accordingly, your December 18 letter should not be construed as in any way suggesting improper conduct on my part as Treasurer of the MEBA Political Action Fund or otherwise.

Very truly yours,

Frank Laurito

Frank Laurito
Treasurer
MEBA Political Action Fund

FL:jr

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RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

86 JAN 27 P5:29

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

January 27, 1986

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

SUBJECT: MUR 2073 - Letters received from contributors in response to the Commission's determination to find reason to believe and take no further action

Attached for the Commission's review are letters that were received from contributors to the Cranston for President Committee, Inc. (the "Committee") in response to the Commission's determination to find reason to believe each of the contributors violated the limits of 2 U.S.C. § 441a(a)(1)(A). At the same time, the Commission decided to take no further action against these contributors. Five of eleven letters request that the Commission reactivate the investigation with respect to the contributor in order that a determination be made that a violation did not occur.

This Office recommends that the Commission deny the requests to reactivate the investigation. A finding of reason to believe is only a preliminary finding and does not constitute a determination by the Commission that a violation has occurred. It is within the Commission's discretion to refrain from pursuing further investigation after a reason to believe finding. Therefore, even if the replies of the individual contributors or the Committee indicate that certain contributors may not have exceeded the limitations, there is no need to reopen the investigation with respect to those contributors. This Office recommends that the Commission approve letters to this effect to be sent to those contributors who requested a reopening of the investigation.

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With respect to those letters in which contributors simply describe the circumstances surrounding the contributions but do not make a specific request for reopening, such letters will be placed on the public record at the conclusion of the entire investigation as will attachments 1-5.

Recommendations

1. Deny the requests to reopen MUR 2073 with respect to Robert J. Walker, Maurice R. Commanday, Victor M. Carter, Abraham Feinberg, and James A. Swofford.

2. Approve the attached letters.

Attachments
1.-11. Letters from contributors
12. Proposed letters to five contributors

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2073
Cranston for President Committee,	)	
Inc., et al.	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of February 4, 1986, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 2073:

1. Deny the requests to reopen MUR 2073 with respect to Robert J. Walker, Maurice R. Commanday, Victor M. Carter, Abraham Feinberg, and James A. Swofford.

2. Approve the letters attached to the General Counsel's report dated January 27, 1986, subject to amendment s agreed upon during the meeting.

Commissioners Aikens, Elliott, Josefiak, McDonald, and McGarry voted affirmatively for the decision; Commissioner Harris was not present.

Attest:

2/4/86
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 11, 1986

Maurice R. Commanday
1401 Via Gabriel
Palos Verdes Estates, CA 90274

Re: MUR 2073

Dear Mr. Commanday:

This is in response to your letter dated November 18, 1985, in which you request action which would require the Commission to reopen the investigation in MUR 2073 with respect to the contributions you were reported to have made to the Cranston for President Committee, Inc.

On February 4, 1986, the Commission reviewed your letter and determined not to grant your request to reopen this matter. The Commission's decision reflects the fact that a finding of reason to believe was made on the basis of the information available to the Commission at that time. That information reflected contributions reported to the Commission on the Cranston Committee reports. Reason to believe is only a preliminary finding and is a statutory prerequisite to conducting an examination and a finding of probable cause to believe a violation has occurred. Insofar as reason to believe is only a preliminary finding, it does not constitute a determination by the Commission that a violation has occurred. Thus, the Commission has not determined, in your case, that there is probable cause to believe you have violated the Federal Election Campaign Act.

As to the statements in your letter concerning representations of FEC counsel, please be advised that opinions of counsel may not be issued by our office outside of those prescribed by statute, and in this case, no such representation was made with regard to the permissibility of the contribution in question.

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If you have any questions, please contact Michele Brown at (202) 376-8200.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 11, 1986

Abraham Feinberg
45 Rockefeller Plaza
New York, New York 10111

Re: MUR 2073

Dear Mr. Feinberg:

This is in response to your letter dated November 25, 1985, in which you request action which would require the Commission to reopen the investigation in MUR 2073 with respect to the contributions you were reported to have made to the Cranston for President Committee, Inc.

On February 4, 1986, the Commission reviewed your letter and determined not to grant your request to reopen this matter. The Commission's decision reflects the fact that a finding of reason to believe was made on the basis of the information available to the Commission at that time. That information reflected contributions reported to the Commission on the Cranston Committee reports. Reason to believe is only a preliminary finding and is a statutory prerequisite to conducting an examination and a finding of probable cause to believe a violation has occurred. Insofar as reason to believe is only a preliminary finding, it does not constitute a determination by the Commission that a violation has occurred. Thus, the Commission has not determined, in your case, that there is probable cause to believe you have violated the Federal Election Campaign Act.

With respect to your request that the file in this matter which refers to your contributions be withheld from the public record, please be advised that the entire file will be made public within 30 days after the entire file is closed. The only documents which will be withheld from the public record are those which are exempt from disclosure under the Freedom of Information Act. If you believe that any of the materials relating to your contributions are exempted from disclosure you may submit a written request that the documents be withheld and the reasons therefore.

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If you have any questions, please contact Michele Brown at (202) 376-8200.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 11, 1986

Victor M. Carter
10375 Wilshire Boulevard
Suite 2A
Los Angeles, California 90024

Re: MUR 2073

Dear Mr. Carter:

This is in response to your letter dated November 12, 1985, in which you request action which would require the Commission to reopen the investigation in MUR 2073 with respect to the contributions you were reported to have made to the Cranston for President Committee, Inc.

On February 4, 1986, the Commission reviewed your letter and determined not to grant your request to reopen this matter. The Commission's decision reflects the fact that a finding of reason to believe was made on the basis of the information available to the Commission at that time. That information reflected contributions reported to the Commission on the Cranston Committee reports. Reason to believe is only a preliminary finding and is a statutory prerequisite to conducting an examination and a finding of probable cause to believe a violation has occurred. Insofar as reason to believe is only a preliminary finding, it does not constitute a determination by the Commission that a violation has occurred. Thus, the Commission has not determined, in your case, that there is probable cause to believe you have violated the Federal Election Campaign Act.

If you have any questions, please contact Michele Brown, at (202) 376-8200.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 11, 1986

Robert J. Walker
1492 Euclid Avenue
Berkeley, California 94708

Re: MUR 2073

Dear Mr. Walker:

This is in response to your letter dated November 12, 1985, in which you request action which would require the Commission to reopen the investigation in MUR 2073 with respect to the contributions you were reported to have made to the Cranston for President Committee, Inc.

On February 4, 1986, the Commission reviewed your letter and determined not to grant your request to reopen this matter. The Commission's decision reflects the fact that a finding of reason to believe was made on the basis of the information available to the Commission at that time. That information reflected contributions reported to the Commission on the Cranston Committee reports. Reason to believe is only a preliminary finding and is a statutory prerequisite to conducting an examination and a finding of probable cause to believe a violation has occurred. Insofar as reason to believe is only a preliminary finding, it does not constitute a determination by the Commission that a violation has occurred. Thus, the Commission has not determined, in your case, that there is probable cause to believe you have violated the Federal Election Campaign Act.

If you have any questions, please contact Michele Brown, at (202) 376-8200.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 11, 1986

James A. Swofford
Federal Citizenship Responsibility Group
2244 Walnut Grove Avenue
Rosemead, California 91770

Re: MUR 2073

Dear Mr. Swofford:

This is in response to your letter dated January 4, 1986, in which you request action which would require the Commission to reopen the investigation in MUR 2073 with respect to the contributions you were reported to have made to the Cranston for President Committee, Inc.

On February 4, 1986, the Commission reviewed your letter and determined not to grant your request to reopen this matter. The Commission's decision reflects the fact that a finding of reason to believe was made on the basis of the information available to the Commission at that time. That information reflected contributions reported to the Commission on the Cranston Committee reports. Reason to believe is only a preliminary finding and is a statutory prerequisite to conducting an examination and a finding of probable cause to believe a violation has occurred. Insofar as reason to believe is only a preliminary finding, it does not constitute a determination by the Commission that a violation has occurred. Thus, the Commission has not determined, in your case, that there is probable cause to believe you have violated the Federal Election Campaign Act. The Commission further determined there is no evidence to indicate an excessive contribution from you to the Cranston Committee.

If you have any questions, please contact Michele Brown, at (202) 376-8200.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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GCO# 9682

WEIL, GOTSHAL & MANGES
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
1101 FOURTEENTH STREET, N. W.
WASHINGTON, D. C. 20005

(202) 682-7000
N. Y. TIE-LINE (212) 431-8820
TELECOPIER: (202) 289-7502
(202) 789-0094
TELEX: ITT 440046

NEW YORK OFFICE
767 FIFTH AVENUE
NEW YORK, N. Y. 10153
(212) 310-8000
TELECOPIER: (212) 752-3976
(212) 758-0173
CABLE: WEGOMA
TELEX: ITT 424281
ITT 423144

FLORIDA OFFICE
800 BRICKELL AVENUE
MIAMI, FLORIDA 33131
(305) 579-[illegible]00
TELECOPIER: (305) 374-715[illegible]

BRUCE H. TURNBULL
DIRECT LINE (202) 682-7070

February 7, 1986

1986 FEB 7 P4:21
GENERAL COUNSEL

Lee Anderson, Esq.
Michele Brown, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
6th Floor
Washington, D.C. 20463

Re: MUR 2073
Cranston for President Committee, Inc.
William M. Landau, Treasurer
Senator Alan Cranston

Dear Lee and Michele:

This letter addresses certain legal issues raised in the Federal Election Commission's ("Commission") November 6, 1985 "reason to believe" letters to Senator Alan Cranston ("Cranston letter") and to the Cranston for President Committee ("Committee letter"). As you know, the letters alleged that the Cranston for President Committee ("Committee") and Senator Cranston had violated certain provisions of the Federal Election Campaign Act of 1971, as amended, ("the Act") and chapters 95 and 96 of Title 26 of the U.S. Code, as well as 11 C.F.R. § 106.2.

This letter presents our views, on behalf of the Committee and Senator Cranston, on the application of legal standards to the relevant facts and circumstances related to the Commission's finding of reason to believe that the Committee violated the Act by accepting contributions in excess of the limitations and the Commission's finding of reason to believe that Senator Cranston violated the Act by knowingly incurring or making excess expenditures, in securing a Committee debt to American Central Airlines, Inc. and in making various payments for his own travel, lodging

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and personal expenses, which were subsequently reimbursed by the Committee. The Committee is currently gathering additional factual information and documentation with respect to the issues related to the allocation of expenditures to Iowa. The Committee does not anticipate further submissions with respect to the commodities transaction and the itemization of contributions from political committees. As you know, we have previously submitted materials concerning the irrevocable letters of credit.

I. Contributions in Excess of the Limitations

In its November 6, 1985 letter to the Cranston Committee, the Commission alleged that the Committee violated 2 U.S.C. § 441a(f) by receiving excess contributions. As set forth below, the Committee believed and continues to believe that it acted in accordance with all statutory and regulatory requirements applicable to identifying and handling excess or possibly excess contributions.

Briefly stated, these requirements are as follows. Once a campaign committee receives a contribution that might not be legal, it must either return the contribution within 10 days or deposit the contribution. 11 C.F.R. 103.3(a). If the committee deposits the contribution, the committee must use its best efforts to determine the contribution's legality. 11 C.F.R. § 103.3(b)(1). If the committee is unable to establish that the contribution is legal, a refund must be made to the contributor within a reasonable time. 11 C.F.R. § 103.3(b)(2). A determination that a contribution is legal may be based on a number of grounds, including that the contribution (or a portion of it) is properly attributed to the spouse of the person signing the check.[1]

The Cranston Committee established and operated a system for determining the legality of all contributions and, in so doing, exercised its best efforts to perform this task. Each person on the Committee's fundraising staff maintained contribution records for large contributors in their assigned

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1. Advisory Opinion, Attribution of Excessive Contributions, AO 1985-25, 1 Fed. Election Camp. Fin. Guide (CCH) ¶ 5825 at 11,198. Even in one-income families, each spouse is free to contribute the $1,000 permitted individuals under the Act. 11 C.F.R. § 110.1(i)(1).

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region. The fundraisers used these records extensively to prevent resoliciting or accepting contributions from people who had already donated the legal maximum. In addition, the Committee's mail room staff checked all contributions of $250 or more against the fundraisers' records. As a result of these procedures, the Committee was able to identify and return many checks that would have otherwise constituted excessive contributions. As a final precaution, the Committee reviewed its computer printout of contribution deposits to ensure that all contributions were within the legal limits. Whenever an excessive contribution was discovered, the Committee contacted the contributor to verify the information and determine whether reattribution or refund was necessary.

The Commission has alleged that the Committee received excess contributions from 70 individuals and one political committee. In reality, 54 of these individuals have legally reattributed a portion of their contribution to a family member. In all these instances, the reattributions resulted in individual contributions within the lawful limits. Only 15 contributions (from 14 individuals and one political committee) were in fact in excess of $1,000. The Committee ascertained the existence of these excessive contributions and refunded the excess portion as promptly as possible, in full accordance with the law's requirements. The success of the Committee's monitoring system is revealed by the fact that these refunds - involving only 15 of the over 32,000 contributors - account for considerably less than one-half of one percent of total contributions to the Committee. In short, neither the Committee's handling of the reattributed contributions nor the refunded contributions gives rise to a violation of 2 U.S.C. § 441a(f).

A. Reattributions

As noted above, a contributor may attribute all or part of a contribution to his or her spouse at the time the contribution is made. However, for purposes of recordkeeping, the Committee may not attribute a contribution, or portion of a contribution, from one person to another unless one of the two people so specify. 11 C.F.R. § 100.7(c). Thus, unless the fact that a contribution is from more than one person is indicated on the written instrument or on an accompanying signed statement,

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11 C.F.R. § 104.8(d), the Committee must initially record the last person signing a check or other instrument as the contributor. 11 C.F.R. § 104.8(c). While it is clear that the initial attribution may be revised,[2] the law, regulations, and advisory opinions are silent as to how or when this process is conducted.

In the situation at hand, in the process of fulfilling its responsibility to determine whether the contributions were legal, the Committee established that, in 54 instances, the contributor wished to have all or part of the contribution reattributed to a family member. These determinations have been confirmed in written, signed statements which have been made available to the Commission.[3] The Act and regulations require only that the Committee establish the legality of the contribution.[4] Once that is accomplished, the contribution - and its acceptance - are legal. This is precisely the situation in this instance, and the Committee, therefore, believes that these 54 situations do not involve a violation of 2 U.S.C. § 441a(f).

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2. See Advisory Opinion 1985-25, supra n.1, at 11,198-99.

3. As the Commission's letter to the Committee notes, the Committee has submitted these statements for all but 16 of the reattributions. While we have been working with the Commission staff to identify which 16 are involved, we do not yet have a list which we consider definitive. In particular, we are concerned that several names included on an initial list provided to use orally were, in fact, included in the group of reattribution statements filed on May 2, 1985, with the Committee's response to the interim audit report. We would appreciate the opportunity to discuss this further, so that the records can be clarified and any remaining documentation submitted, if necessary.

4. Nothing in the Act or the regulations requires a campaign committee to file reattribution documents promptly with the Commission. The Committee has or will shortly provide full documentation of the reattributions for each of these instances.

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B. Refunds

As stated above, the regulations require that the committee use its best efforts to determine the legality of contributions which have been deposited into a committee's account. 11 C.F.R. § 103.4(b)(1). Contributions that cannot be established as legal must be refunded "within a reasonable time." 11 C.F.R. § 103.4(b)(2).

The Committee believes that a review of the facts and circumstances demonstrates that it acted reasonably in all regards. By any standard, the contributions monitoring system was successful. The Cranston Committee raised in excess of three million dollars from over 32,000 people. The Committee's initial contribution monitoring system failed to catch only 15 excessive contributions, each of which were identified as possibly excessive by the Committee's second-level review. The total amount to be refunded was only a few thousand dollars - well below 1/2 of one percent of aggregate contributions, and refunds were in fact made in all instances. In short, the Committee and its treasurer used their best efforts to ensure the legality of millions of dollars in contributions - including the refunded contributions.

The delays in making the refunds in question were the result of circumstances beyond the Committee's control. The need to make these 15 refunds was discovered as the campaign was concluded. At that point, some of the Committee's bank accounts were frozen in a legal action brought by one creditor. Even when these accounts were released, the Committee was faced with enormous demands from creditors, and no easy means of raising sufficient funds to meet either those obligations or the need to make refunds. To the Committee's knowledge, the Commission has never provided guidance as to the order of precedence for meeting financial obligations in that situation. The Committee, therefore, did what was fairest and most reasonable for all concerned. It established a payment system to meet all of its obligations to the maximum extent possible, including making full refunds in the remaining instances where this was necessary. In taking this action, the Committee was aware, of course, that there was no on-going campaign and that, hence, the "excess" contributions were not being used to affect the outcome of any election.

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Whether these actions by the Committee amount to making refunds "within a reasonable time" under the law and regulations must be viewed in light of the Commission's intentional refusal to apply a strict numerical interpretation to the meaning of a "reasonable time," recognizing that such a time will vary with the circumstances confronting each campaign.

The Commission's unwillingness to attach a rigid time period is understandable. The circumstances of a campaign must provide the context in which reasonableness is judged. See Advisory Opinion, Contract Carrier as Government Contractor, AO 1980-37, 1 Fed. Election Camp. Fin. Guide (CCH) ¶ 5495 at 10,565 (after determining that a contribution was illegal, Commission only required that refund be made in time for inclusion in next report - due 54 days later); Advisory Opinion, Contributions by Interconnected PAC's, AO 1977-40, 1 Fed. Election Camp. Fin. Guide (CCH) ¶ 5296 at 10,247 (Commission suggested to a campaign committee that it avoid risk of violating § 441a(f) by applying potentially excessive contributions - received 12 to 15 months before - to next election and amend reports accordingly).[5]

In sum, the Committee made a considerable effort to avoid inadvertently accepting contributions in excess of the Act's limitations. Those contributions where refunds were not made immediately (in two cases amounting to only $10 and $30), refunds were sent as soon as possible. Given its financial situation and the status of the campaign, the

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5. The only other apparent Commission statement on the refund timing issue was made in 1984 when the Commission stated that contributions should be refunded "once their unlawful nature is discovered." Advisory Opinion, Refund of Illegal Contributions, AO 1984-52, 1 Fed. Election Camp. Fin. Guide (CCH) ¶ 5797 at 11,137. Later in that advisory opinion, the Commission used equally vague language when it stated that a contribution must be refunded "upon discovery" of its illegality. Both sentences are void of any specific time limitation. On its face, each sentence simply says that the obligation to make the refund is established at the time that the contribution is determined to be unlawful. Again, however, the Commission did not identify the time period within which a committee must make a refund "once" it determines that a contribution is illegal.

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Committee undertook reasonable efforts to comply with both the letter and the spirit of 2 U.S.C. § 441a(f) and 11 C.F.R. § 103.3(b).

C. A 30 day time limitation for making refunds and reattributions is invalid.

As noted above, neither the Act nor the regulations set forth any rigid standard for determining the time period within which a reattribution or refund must be accomplished. At a December 3, 1985, meeting with a Commission auditor and counsel, however, it was suggested that the Commission uses a requirement that such actions be taken within 30 days of receipt of the contribution. Such a rigid requirement, if it exists, would be invalid, both as substantively unfounded in the Act or regulations and as a violation of respondents' due process rights in the particular situation. There is no "30-day" standard written into either the Act or the accompanying regulations. In fact, no suggestion of any relevance for a 30-day period apparently appeared in even an advisory opinion until 1985. See Advisory Opinion, Attribution of Excessive Contributions, AO 1985-25, 1 Fed. Election Camp. Fin. Guide (CCH) ¶ 5825 at 11,199 n.2 (in MUR 1360, Commission decided not to pursue violations of contribution limits where refunds were issued within a month of contribution's receipt).

Beyond the lack of support for a 30-day requirement in either the Act or the regulations, the adoption or use of any such requirement would violate the Administrative Procedure Act and fundamental notice and due process rights, if used in this instance. The Commission may promulgate amendments to the published regulations only in accordance with the notice and comment requirements of the Administrative Procedure Act ("APA"). 2 U.S.C. § 437d(a)(8). The APA guarantees the American public a statutory right to notice of - and an opportunity to comment on - proposed changes in federal agency and department regulations. The Commission's adoption of a specific 30-day refund timetable would constitute an amendment to the regulations, and would, therefore, be invalid due to its failure to comply with the notice and comment requirements of the APA. The Commission's rulemaking - rather than enforcement - procedures are the proper and lawful means by which a 30-day rule can be

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enacted.[6] Hence, no action by the Committee may be found to be in violation of the Act by reason of its failure to adhere to a 30-day time limit on reattributions and refunds.

II. Excess Expenditures from the Personal Funds of the Candidate

In its November 6 letter to Senator Cranston, the Commission alleged that the Senator violated 2 U.S.C. § 9035(a) by knowingly incurring or making expenditures from his personal funds in excess of $50,000 in connection with his presidential campaign. For the reasons set forth below, Senator Cranston did not violate § 9035(a).

A. Security for Airlines Debt

The Commission alleges that Senator Cranston exceeded the § 9035(a) personal expenditure limitation by securing a debt to American Central Airlines, Inc. with his American Express card. In fact, Senator Cranston did not use or authorize the use of his credit card for this purpose. Instead, Senator Cranston's American Express card number was, without his knowledge or authorization, provided to the airline. Accordingly, there was never an enforceable obligation between Senator Cranston and the airlines.

Even the airline recognized that Senator Cranston's credit card had not been used to secure a debt. The airline neither received payment through American Express nor attempted to collect its payment from American Express. Instead, American Central Airlines sued the Committee and was paid in full by the Committee. Because the unauthorized use of a candidate's credit card certainly does not give rise to an enforceable obligation between Senator Cranston and the airline, it cannot give rise to a violation of § 9035(a) for "knowingly" making "expenditures."[7]

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6. See e.g. N.L.R.B. v. Wyman - Gordon, 394 U.S. 759 (1969) (agency cannot avoid 5 U.S.C. § 553 rule-making procedures by creating rules in an adjudicatory proceeding).

7. The Committee provided an explanation of this matter in its May 2, 1985, letter to the Commission and believes that the Commission has accepted that explanation. No "reason to

(footnote continued)

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B. Excessive Expenditures by the Candidate

The Commission also found reason to believe that Senator Cranston violated 26 U.S.C. § 9035(a) by knowingly incurring or making expenditures of additional amounts ranging between approximately $21,000 to $76,000.[8] These amounts were evidently charges on the Senator's personal American Express card which were attributed to some of his living and travel campaign expenses over a four-month period beginning at the end of October 1983. As discussed below, the use of his credit card for these purposes was not intended to constitute an advance to the campaign.[9] Accordingly, Senator Cranston did not violate 26 U.S.C.

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believe" finding was made against the Committee for this incident.

8. The Commission's November 6 letter reveals a misapplication of § 9035 to this situation. Section 9035(a) imposes two separate expense limitations on candidates. The first part of § 9035(a) states that no candidate "shall knowingly incur" qualified campaign expenses in excess of the limit set forth in 2 U.S.C. § 441a(b)(1)(A). Those limits are not at issue in this instance, and the difference between the "knowingly incur . . . expenses" language and that the "knowingly make expenditures" language of the second part of § 9035(a) is significant here. The latter portion of § 9035(a) establishes a second and separate limitation - that no candidate "shall knowingly make expenditures" from his (or her) personal funds, or those his family, in excess of $50,000. These limitations deal with significantly different subjects. Clearly, Congress intended different results when it used the phrases "incur . . . expenses" and "make expenditures." The Act prohibits a candidate from knowingly making personal expenditures in excess of $50,000.

9. It should be noted that this is not a case where a candidate was attempting to finance campaign operations through the use of his credit card. Expenses for the Committee - office supplies, telephone costs, etc. - that could have been paid with Senator Cranston's credit card were not, in fact, paid in that way. Committee employees and volunteers did not have their expenses paid using Senator Cranston's credit card. Only his own travel and personal expenses were paid through the credit card.

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§ 9035(a).

The Act and regulations do not prohibit a candidate from using his or her personal funds with the understanding that the campaign committee will provide reimbursement soon thereafter. In fact, the regulations provide that:

> the extension of credit by <u>any person</u> for a length of time beyond normal business or trade practice is a contribution, <u>unless the creditor has made a commercially reasonable attempt to collect the debt</u>. 11 C.F.R. § 107(a)(4). (Emphasis added.)

Senator Cranston stands in the same position as any other creditor who supplies goods or services to a political campaign.[10] Such a vendor is not considered to have made a contribution to the campaign so long as the debt was incurred in a normal commercial situation and the creditor makes reasonable attempts to collect the debt. Like a vendor, the Senator expected - and demanded - prompt payment of his expenses. For many months during 1982 and 1983, the campaign succeeded in repaying the Senator promptly. Later, especially as the campaign reached its conclusion, the Committee failed to maintain a prompt payment schedule for the Senator's credit card charges. Thus, Senator Cranston himself had to make payments in order to avoid adverse effects on his personal credit rating.[11] As with most vendors, Senator Cranston made repeated efforts to collect from the campaign and to reduce his personal outlays over the first several months of 1984.

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10. A particularly appropriate analogy would be to a direct mail fundraising consultant. Many presidential campaigns fall behind in their payments, forcing the consultant to pay his subcontractors (printers, etc.) before receiving payment himself. Likewise, to fulfill the terms of his contract with American Express, Senator Cranston was forced to pay several monthly bills before receiving a reimbursement payment from the Committee.

11. The payments that were ultimately made by Senator Cranston directly thus were not made "for the purpose of influencing any election," 11 C.F.R. § 107(a)(1).

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From the Committee's end, Senator Cranston's requests were handled in routine fashion, as any bills from creditors. He was not given favored treatment, but rather was put on a payment schedule in the same way as other creditors. Especially once the campaign concluded, the Committee believed that it was important to show all of its other creditors that they were considered important and would be paid as promptly as possible. To accord Senator Cranston special treatment would have been inconsistent with this effort to demonstrate commercial good faith to all the Committee's other creditors. In this context as well, it is important to note that the debt to Senator Cranston was not carried as a part of "financing" an on-going campaign.

In any event, the period for this process was in all respects reasonable - the expenses were incurred in a period of four months; payment requests were made by Senator Cranston regularly; the minor delays in payment were protested by Senator Cranston; and final payment of all expenses was completed within 6 months.

The fact that Senator Cranston is not a business enterprise should make no difference to the proper interpretation of the Act and regulations. In this country, when people travel on business, they generally pay most or all of their expenses with their personal credit card and later receive reimbursement from their employer. Yet, this "use of the employee's money" is not imputed income for the employer - even if, due to the employer's poor financial condition, the employee's expenses are not reimbursed "promptly." To hold otherwise, the Commission must ignore the way the world actually works.

Similarly, the advisory opinions have never raised any question about this kind of travel reimbursement for candidates. In its November 6th letter to Senator Cranston, the Commission cites a 1984 advisory opinion that, in a footnote, states that "an advance of funds for services rendered to a candidate with an expectation of repayment, like a loan, is a contribution." Advisory Opinion, Use of Employees of Sponsoring Organization, AO 1984-37, 1 Fed. Election Camp. Fin. Guide (CCH) ¶ 5784 at 11,107.

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The plain language of this Opinion is inapposite to this situation. The advisory opinion discussed services rendered to a candidate by a person who is later reimbursed by a political action committee and the Commission's determination that those services constituted a contribution by the person for the period prior to repayment by the PAC. The question concerning Senator Cranston relates to payments of personal expenses by a candidate, for which he was later reimbursed by his campaign. The holding of the Advisory Opinion is, on its face, limited to the first instance and, therefore, is not applicable to this situation.[12]

As is the case with campaign vendors, Senator Cranston did not "advance" or "loan" the Committee funds simply because he made initial payments for his personal and travel expenses and then sought reimbursement from the Committee. Therefore, Senator Cranston did not "knowingly make expenditures" totalling in excess of $50,000, as prohibited by 26 U.S.C. § 9035(a).

* * *

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12. The policy considerations underlying this Advisory Opinion are also irrelevant to this situation. Where a third party interest group is advancing expenses for its staff member for services rendered to a campaign, the public is wholly unaware of the group's involvement unless the advance is reported as a contribution. The Act's primary disclosure purpose is, thus, fulfilled under the Opinion. In the candidate's case, the public, obviously, is aware of his involvement in his own campaign, and there is no need to torture statutory language to construct a requirement that these payments be deemed to be "expenditures." Indeed, as noted above, the public is well aware of the normal business practice of employees paying their own expenses and later receiving reimbursement.

I will, of course, be happy to discuss the points made in this letter and any other issues involved in this matter. I am sure that our meeting on February 12 can be fruitful in that regard. Please call me if there is anything which I can provide in the meantime.

Sincerely,

Bruce H. Turnbull

Bruce H. Turnbull

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GCC#9714

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BRUCE H. TURNBULL
DIRECT LINE (202) 682-7070

February 12, 1986

86 FEB 12 P12:07

Lee Anderson, Esq.
Michele Brown, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC

RE: MUR 2073
Cranston for President Committee, Inc. et al

Dear Lee and Michele:

Enclosed are designation of counsel forms from the seven individuals involved in the letter of credit situation. As we discussed, these designations are for the purpose of attempting to arrange a single resolution of that issue.

Let me know if there are any questions.

Sincerely,

Bruce

Bruce H. Turnbull

BHT:cb
Enclosures

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 2073

NAME OF COUNSEL: Bruce H. Turnbull

ADDRESS: Weil, Gotshal & Manges
1101-14th Street, NW, Suite 500
Washington, DC 20005

TELEPHONE: (202) 682-7070

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.

2-18-86
Date

Signature

RESPONDENT'S NAME: Raymond Lapin

ADDRESS: 311 California Street
#310
San Francisco, CA 94104

HOME PHONE: (415) 922-9904

BUSINESS PHONE: (415) 332-9075

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 2073

NAME OF COUNSEL: Bruce H. Turnbull

ADDRESS: Weil, Gotshal & Manges
1101-14th Street, NW, Suite 500
Washington, DC 20005

TELEPHONE: (202) 682-7070

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.

Feb 3, '86
Date

Charles Benton
Signature

RESPONDENT'S NAME: Charles Benton

ADDRESS: 5547 N. Ravenswood Avenue
Chicago, IL 60640

HOME PHONE:

BUSINESS PHONE: (312) 878-7300

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 2073

NAME OF COUNSEL: Bruce H. Turnbull

ADDRESS: Weil, Gotshal & Manges
1101-14th Street, NW, Suite 500
Washington, DC 20005

TELEPHONE: (202) 682-7070

NAME OF COUNSEL: Harrison Zorn Pérez + Kendal ~~Herrold-Masarson~~

ADDRESS: 211 East 43rd Street
New York, NY 10017

TELEPHONE: 212-599-2955

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

1/29/86
Date

Francisco Aruca
Signature

RESPONDENT'S NAME: Francisco Aruca, President

ADDRESS: Mayazal Tours, Inc.
250 West 57th Street
New York, New York 10107-0175

HOME PHONE: —

BUSINESS PHONE: 212-586-3847

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 2073

NAME OF COUNSEL: Bruce H. Turnbull
ADDRESS: Weil, Gotshal & Manges
1101-14th Street, NW, Suite 500
Washington, DC 20005
TELEPHONE: (202) 682-7070

NAME OF COUNSEL: Fred Noland
ADDRESS: MacDonald, Hoague & Bayless
1500 Hoague Building
Seattle, WA 98104
TELEPHONE:

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

2/4/86
Date

Signature

RESPONDENT'S NAME: David A. Sprague
ADDRESS: Sprague, Israel, Giles Inc.
2730 Rainier Tower
Seattle, WA 98101-2668
HOME PHONE:
BUSINESS PHONE: (206) 623-7035

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 2073

NAME OF COUNSEL: Bruce H. Turnbull
Weil, Gotshal & Manges
1101-14th Street, NW, Suite 500
Washington, D.C. 20005
TELEPHONE: (202) 682-7070

NAME OF COUNSEL: Chester J. Straub
c/o Willkie Farr & Gallagher
153 East 53 Street
New York, New York 10022
TELEPHONE: (212) 935-8000

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

January 27, 1986

Bernard L. Schwartz

RESPONDENT'S NAME : Bernard L. Schwartz

ADDRESS: 944 Fifth Avenue
New York, New York 10021

HOME PHONE:

BUSINESS PHONE: (212) 697-1105

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 2073

NAME OF COUNSEL: Bruce H. Turnbull
ADDRESS: Weil, Gotshal & Manges
1101-14th Street, NW, Suite 500
Washington, DC 20005
TELEPHONE: (202) 682-7070

NAME OF COUNSEL: Mel Hawley
ADDRESS: P.O. Box 250
[redacted]
Los Altos, CA 94023-0250
TELEPHONE: (415) 948-1600

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

1-16-86
Date

Eleanor C. Cameron
formerly Eleanor C. Fowle
Signature

RESPONDENT'S NAME: Eleanor C. Fowle
ADDRESS: 27060 Old Trace Rd.
Los Altos, Calif
94022
HOME PHONE: 415-948-4893
BUSINESS PHONE: None

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 2073

NAME OF COUNSEL: Bruce H. Turnbull

ADDRESS: Weil, Gotshal & Manges
1101-14th Street, NW, Suite 500
Washington, DC 20005

TELEPHONE: (202) 682-7070

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.

1-17-86
Date

Signature

RESPONDENT'S NAME: Donald J. Hawley

ADDRESS: 24615 O'Neil Avenue
Hayward, CA 94555

HOME PHONE:

BUSINESS PHONE: (415) 582-5040

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GCO# 9723

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BRUCE H. TURNBULL
DIRECT LINE (202) 682-7070

February 13, 1986

86 FEB 13 P4:32
RECEIVED
OFFICE OF THE
GENERAL COUNSEL

Michele Brown, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, NW
6th Floor
Washington, DC

RE: MUR 2073
Cranston for President Committee, Inc. et al

Dear Michele:

Enclosed are additional documents concerning the Cranston for President Committee's understanding of and advice concerning whether letters of credit are contributions. These were just discovered in the Committee's files.

Of particular importance are: (1) the identification of the FEC attorney to whom the Committee's counsel spoke, and (2) the elaboration of the distinction drawn between letters of credit used to guarantee loans (not the case here) and letters of credit used to secure services (the situation involved here).

I think these documents may have some significance to your review of the proposed course of action on this matter. Let me know if you have any questions concerning them.

Sincerely,

Bruce

Bruce H. Turnbull

cc: Lee Anderson, Esq.

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Rec'd 5/7/84

LAW OFFICES OF
STEPHEN DANIEL KEEFFE, P.C.
1625 I STREET, N.W., SUITE 815
WASHINGTON, DISTRICT OF COLUMBIA 20006
(202) 887-0620

May 1, 1984

Ronald C. Peterson, Esquire
General Counsel
Cranston For President Committee, Inc.
609 South Grand Avenue
Los Angeles, CA 90017

RE: Use of Letters of Credit by Cranston For President Committee, Inc.

Dear Mr. Peterson:

Stephen Keeffe has asked me to forward to you the enclosed memorandum and letter which had been prepared in connection with the use of letters of credit by the Cranston For President Committee. As you can see from these documents, we were advised by Mr. Litchfield, Assistant General Counsel to the FEC that it would not be a violation for an individual to pledge credit to secure services for the Committee so long as the letters were not actually called upon. This information was passed on to the Committee and documented in our letter of February 13, 1984.

If you have any questions about this matter please do not hesitate to call me.

Very truly yours,
LAW OFFICES OF STEPHEN DANIEL KEEFFE, P.C.

By: Mark R. Fitzgerald
Mark R. Fitzgerald

Enclosures

c.c. William Landau

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INTRA OFFICE MEMORANDUM

TO: File
FROM: MRF
SUBJ: Cranston, Letter of credit
DATE: 12/21/83

In reviewing the issue of the legality under Federal Election law of posting a letter of credit or some other security in lieu of deposits with the various phone companies we spoke to Brad Litchfield, Assistant General Counsel for Advisory Opinions F.E.C. Mr. Litchfield indicated that it would not be a violation of contribution limitations for an individual to pledge credit to secure services from the phone company. More specifically, Mr. Litchfield stated that the F.E.C. has never ruled or issued an advisory opinion stating that such a practice is a violation of the contribution limitations. He distinguished this from a guarantor on a loan which is specifically considered a contribution under 11 C.F.R. § 100.7. However, should the individual ever have to pay on his guaranty this would result in a contribution which could violate the contribution limits. The same analysis would apply to a candidate pledging his credit for services and the expenditure limitations located at 11 C.F.R. § 9035.2.

After speaking to Brad Litchfield we talked to John Finch of Arthur Young & Co. Finch took the same position explaining that the FEC is more concerned about money than services. He stated however that if the pledgor ever had to pay he would face a probable F.E.C. fine equal to the amount the payment exceeded the legal contribution limit. Finch suggested we have a private company pledge its credit to avoid personal liability and any reporting requirements.

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LAW OFFICES OF
STEPHEN DANIEL KEEFFE, P.C.
1625 I STREET, N.W., SUITE 815
WASHINGTON, DISTRICT OF COLUMBIA 20006
(202) 887-0620

February 13, 1984

Cranston For President Committee, Inc.
1120 G Street, N.W., Suite 801
Washington, D.C. 20005

RE: Use of letters of credit

To Whom It May Concern:

At the request of Mr. Paul Donaldson, we are writing to advise you on the use of letters of credit in connection with the Cranston For President Campaign.

Letters of credit may not be used as personal guarantees on loans to the Cranston For President Committee unless they do not exceed the amount of $1,000 per guarantor. Moreover, any previous contributions from the guarantor must be added to the amount of the letter of credit when applying the $1,000 limitation.

With respect to the use of letters of credit to secure services, the Federal Election Commission has never formally ruled on the issue of whether they would be subject to the campaign contribution limitations. However, the General Counsel's office of the FEC has indicated that it would not be a violation of contribution limitations for a person to pledge a letter of credit to secure services for the Cranston For President Committee, provided that the letter of credit was not called upon. If a pledged letter of credit was subsequently called upon for payment it would result in a contribution subject to the campaign contribution limitation of $1,000 per person.

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This interpretation is not binding upon the FEC but provides helpful guidance in determining how letters of credit may be used.

Very truly yours,
LAW OFFICES OF STEPHEN DANIEL KEEFFE, P.C.

By: _____
Stephen Daniel Keeffe

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CCH 9815
RECEIVED AT THE FEC
86 FEB 25 A 7:40

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February 24, 1986

86 FEB 25 A 9:11
RECEIVED
GENERAL COUNSEL

Michele Brown, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Sixth Floor
Washington, D.C. 20463

RE: MUR 2073
Cranston for President Committee, Inc., et al.

Dear Michele:

While I do not mean to be giving you materials piecemeal, I did want to make sure that you and Lee have seen the enclosed advisory opinion. While it was issued earlier last year, it has just this week been included in the CCH service.

In this advisory opinion, Advisory Opinion, Delay of Immediate Refund, A.O. 1985-8, 1 Fed. Election Camp. Fin. Guide (CCH) ¶ 5836 at 11,219, the Commission permitted a Congressman's campaign committee to delay refunding a $7,750 corporate contribution until the committee had sufficient funds on hand, even though the contribution had been made for the 1982 election.

This advisory opinion is relevant to the Commission's investigation of the Cranston for President Committee ("Committee") in several respects. First, the Commission explicitly permits the Congressman's committee to retire all other debts before making the refund. This effectively allows the refund payee to be the committee's least preferred creditor. As we discussed on February 12,

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the Cranston Committee handled the 15 refunds in question as part of its general debt payment process, and assigned a relatively high priority to refund payments. In fact, the Committee completed all refunds in advance of final payments to most other creditors.

A second relevant point is the fact that the Commission did not demand an immediate refund even in its 1985 opinion, notwithstanding the fact that the illegal contributions were already three to four years old. The Commission accepted as a legitimate reason for continued delay the fact that the campaign committee had insufficient funds on hand. In my February 7, 1985 letter to Lee Andersen and you, I pointed out that the Cranston Committee refunded excessive contributions as soon as adequate funds were available. Unlike the victorious and ongoing committee involved in the advisory opinion, the Cranston Committee was little more than a debt retirement operation - with limited fundraising potential - during the final months prior to refund payments. Nevertheless, the Committee refunded all excessive contributions within 21 months of their receipt, well ahead of the committee involved in the advisory opinion.

Certainly, if it is "reasonable" for a campaign committee that outspent its opposition by almost 50-to-one to delay refunding illegal corporate contributions, which were three to four years old, until other debts are paid, then the Cranston Committee's efforts to make the refunds were also reasonable within the meaning of the federal election law. Although both committees suffered cash-on-hand shortfalls that delayed the issuance of refund checks, a comparison of the priority assigned to the refunds and the length of time before refunds were made shows greater diligence by the Cranston Committee than that approved in Advisory Opinion 1985-8.

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I hope that you and Lee will review both the refund and the reattribution issues in light of this advisory opinion. Let me know if you have any questions or would like to discuss it further.

Best regards.

Sincerely,

Bruce

Bruce H. Turnbull

cc: Lee Andersen, Esq.

Attachment

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2/ Recognizing that the solicitability of a trade association director as director could undermine the Act's restrictions on trade association solicitations, the Commission also indicated that these directors could be solicited as stockholders or as executive or administrative personnel of the member corporations of the trade association provided the member corporation had authorized such solicitation pursuant to 2 U.S.C. §441b (b)(4)(D).

3/ In Advisory Opinion 1980-1 [¶5462], the Commission did conclude that insurance company agents, who were not corporate directors and who were paid on a commission basis, would not be solicitable as executive or administrative personnel since they were not employees within the meaning of 26 CFR 31.3401(c)-1. This opinion applied a Commission regulation specifically addressing personnel paid on a commission basis and is thus distinguishable from this situation. See 11 CFR 114.1(c)(3).

4/ The Commission assumes that payment of an annual fee constitutes compensation on a salary basis, and not on the basis of a prescribed number of hours that a director must spend on Weirton business.

[¶5836] AO 1985-8: Delay of Immediate Refund

[An immediate refund of illegal contributions may be delayed until sufficient funds are on hand. Answer to Representative Marty Russo.]

This responds to your letters of January 25, 1985 and December 20, 1984, requesting an advisory opinion to clarify the duties of the Russo for Congress Committee, regarding the refund of certain contributions that were received in 1981 and 1982.

In Advisory Opinion 1984-52 [¶5797], the Commission addressed the facts and issues that represent the background of this request. The Commission concluded that $7,750 in contributions to your 1982 Congressional campaign that were made from the treasury funds of a corporation were required to be refunded. The Commission also stated that refunds:

> "should be made immediately upon receiving this opinion and should be disclosed in the next report required to be filed by your committee."

The opinion was issued on November 30, 1984, and received by your office on December 6, 1984.

In this request, you explain that your committee is not able to make refunds at the present time because of "its need to pay current bills out of cash on hand." You also provided a copy of your committee's year-end report for 1984. It discloses a cash-on-hand balance of $6,855 on December 31, 1984, and outstanding debts and obligations of $8,510. The amount of outstanding debts and obligations disclosed in your committee's year-end report does not include the $7,750 in refunds required by Advisory Opinion 1984-52.

You state that your committee plans two fundraising events this year. One event will be in Washington on April 16, 1985, at which you expect to net approximately $30,000 in contributions. The other event will be in your district in the fall, at which you expect to net approximately $50,000 in contributions. You state that your committee does not plan any other fundraising activities for this year. You also state that during the first six months of 1985 your committee should receive approximately $10,000 in expenditures.

You ask whether the statement in Advisory Opinion 1984-52 that the refunds should be made "immediately" may be construed to mean within six months of the date of the opinion.

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Your committee in its post-general election report disclosed a cash-on-hand balance of $11,900 and outstanding debts of $11,381. According to your committee's year-end report, this cash-on-hand balance had declined to $6,855 by December 31, 1984, with outstanding debts of $8,510. Most of the expenditures disclosed in your committee's year-end report appear to relate to the 1984 general election. In light of these circumstances, including the anticipated fundraising event on April 16, 1985, the Commission concludes that the required funds will be timely if made within a reasonable time after that event. See 11 CFR 103.3(b)(2). However, if before April 16, your committee receives funds sufficient to retire its debts (as reported on its year end report for 1984), the Commission would expect that refund payments in accordance with its prior opinion would begin at that time. Cf. 103.3(b)(2).

Your committee should report and itemize the refunds on its next report filed with the Commission after the refund. See 11 CFR 104.3(b)(4)(v) and 104.5(a)(2)(A). The Commission notes that these refunds became an obligation owed by your committee with the issuance of Advisory Opinion 1984-52. Since the refunds were not reported as made in your year-end report, they remained an outstanding obligation on December 31, 1984. Accordingly, your committee should amend its year-end report (including Schedule D) to disclose this outstanding obligation. See 11 CFR 104.3(d) and 104.11.

The Commission also notes that if contributors designate their contributions for the purpose of paying these refunds, the contributors' limitations with respect to the 1982 general election would apply. See 11 CFR 110.1(g)(2); Advisory Opinion 1981-22 [¶5608]. Such designations must be made by the contributor, in writing, contemporaneously with the making of the contribution, and submitted to your committee. See 11 CFR 110.1(a)(2). If, however, the contributors make contributions to your current campaign committee but do not designate the contributions for such purpose, the contributors' limitations with respect to 1986 would apply, even though your committee uses such contributions to refund contributions originally made to your 1982 campaign. See Advisory Opinion 1980-32 [¶5493].

This response constitutes an advisory opinion concerning application of the Act, or regulations prescribed by the Commission, to the specific transaction or activity set forth in your request. See 2 U.S.C. §437f.

Dated: March 7, 1985.

[¶ 5837] AO 1985-39: National Bank Ad in Political Journal

[Although a national bank may not pay for an ad in a journal published for a political club, an individual may pay for an ad featuring the bank's name. Answer to Douglas C. Manditch, Senior Vice President, National Bank of New York City, 38th Avenue & 138th Street, Flushing, New York 11354.]

This responds to your letter of November 19, 1985, requesting an advisory opinion concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), and Commission regulations to proposed payments by a national bank for advertising space in the journal of a political club.

According to your request, which includes your letter dated October 10, 1985, to the Office of the Comptroller of the Currency, the National Bank of New York City ("the Bank") wishes to take advertising space in a journal that would be published for a political club. You state that these journals are occasionally used at dinners honoring political figures. the Commission assumes from your request that the proposed advertisement would be commercial in nature and would not contain any political message or endorsement. You ask whether the Bank may pay for this advertising space. You also ask whether an individual may pay for such an advertisement on behalf of the Bank, with the understanding that the advertisement would use the Bank's name.

Under 2 U.S.C. §441b, the term "contribution or expenditure" includes any "direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value ... to any ... political party or organization..."

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 19, 1986

Bruce H. Turnbull, Esquire
Weil, Grotshal & Manges
1101 Fourteenth Street, N.W.
Washington, D.C. 20005

Re: MUR 2073
Cranston for President
Committee, Inc., et al.

Dear Mr. Turnbull:

In your February 12, 1986 meeting with Lee Andersen and Michele Brown, you requested the identification of the excessive contributions from individuals which the Cranston for President Committee, Inc. said had been reattributed, but for which the Committee had failed to submit documentation supporting the reattributions. The excessive contributions consisted of one or more contributions from the following individuals: Sanford D. Greenberg, Mark N. Filler, Mark Hasten, Paul T. Linsk, Ronald B. Rapaport, Adolph Schuman, Frances T. Shalant, Cecil R. Venturella, Adrian Dewind, Mary Fleming, Robert Powsner, Abraham Dedios, Geraldine Romeo and Roy Erwin.

If you have any questions or need further information, please contact Michele Brown.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

8904075532777

GCCA 43

WEIL, GOTSHAL & MANGES
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
1101 FOURTEENTH STREET, N. W.
WASHINGTON, D. C. 20005

(202) 682-7000
N. Y. TIE-LINE (212) 431-6820
TELECOPIER: (202) 289-7502
(202) 789-0064
TELEX: ITT 440046

NEW YORK OFFICE
767 FIFTH AVENUE
NEW YORK, N. Y. 10153
(212) 310-8000
TELECOPIER: (212) 752-3976
(212) 758-0173
CABLE: WEGOMA
TELEX: ITT 424281
ITT 423144

FLORIDA OFFICE
800 BRICKELL AVENUE
MIAMI, FLORIDA 33131
(305) 579-9800
TELECOPIER: (305) 374-7159

BRUCE H. TURNBULL
DIRECT LINE (202) 682-7070

March 21, 1986

RECEIVED
86 MAR 24 A10: 04
SECRETARY
GENERAL COUNSEL

R 9 0 4 0 7 5 3 2 7 8

Michele Brown, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
6th Floor
Washington, D.C. 20463

Re: MUR 2073
Cranston for President Committee, Inc., et al.

Dear Michele:

By this letter and the enclosures, we are submitting, on behalf of the Cranston for President Committee ("Committee") additional factual information demonstrating that the expenditures currently allocated to Iowa are $31,924.54 in excess of the actual expenditures. This amount is based on reductions which should be made because a number of individuals volunteered their services for certain periods prior to the 1984 Iowa caucuses and because the Federal Election Commission's auditors incorrectly attributed certain salaries to Iowa. The purpose of this submission is to provide details and documentation for these items.

With respect to the individuals who volunteered their services, as permitted under 2 U.S.C. 431(8) and 11 C.F.R. 100.7(b)(3), the Committee has obtained signed statements from 12 individuals (a thirteenth person has assured us that we will soon have her statement) verifying the periods during which they volunteered. The originals of these statements are submitted with this letter, together with a chart showing the amounts involved (see Attachment 1).

The second area where reductions should be made involves salaries paid to individuals for work performed outside of Iowa but which the FEC auditors have to date allocated to the Committee's Iowa expenditures. In support of its position, the Committee gathered written statements from at least one supervisor of each staffperson in question. In addition, where expense receipts, cancelled checks, or other forms of physical evidence are available, the Committee will provide copies of them as well. Both of these types of documentation were provided to the auditors during their review, and the auditors accepted some of the Committee's reallocation to non-Iowa expenditures (including $672.63 for the individuals on the chart). The auditors did not accept $20,080.63 of the Committee's submitted reallocation. The submission made by this letter and the attached materials constitute a resubmission of $17,466.22 in salary expenses to be allocated to non-Iowa expenditures. This letter contains explanations, on a individualized basis, demonstrating that the FEC auditors erred in allocating these salaries to Iowa.

Prior to its first submission of documents concerning the allocation of salaries to Iowa, the Committee was assured by the Commission that supervisors' statements would serve as sufficient documentation. To further enhance the veracity of these statements, however, the Committee also provided, where available, receipts and other materials that placed the staffperson outside Iowa. The Commission responded by ignoring the information contained in the supervisor statements and interpreting the receipts and other additional materials in an inexplicably narrow and rigid manner. We submit that the supervisors' statements are sufficient, on their own, to warrant reallocation.

In addition, we encountered two generic problems in the FEC allocations. First, the auditors refused to accept reallocations for periods not covered by accompanying receipts even where the individual was working at his "home base" and would not have sought Committee reimbursement for any expenditures. In such cases, the available documentation is only the supervisors' statement, which should be accepted. Second, the FEC auditors, in several instances, allocated the salary for only the precise date shown on an expense form. For example, where an airplane ticket showed travel from Maine to Iowa on a particular date--clearly demonstrating

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that the person had been in Maine--the auditors allowed only that day's salary to be reallocated. Such rigidity is beyond any reasonable interpretation of events, and, again, the supervisors' statements should be accepted.

The individual situations are as follows:

1. Jennifer Perry, a California campaign staffperson, was assigned to Iowa during a eight-day period early in October, 1983, and later during January and February, 1984. The Commission allocated Ms. Perry's salary check for late October to Iowa as well, apparently on the basis of a "consult/Iowa" notation made on this check. This notation was a clerical error by the bookkeeping department and should not serve as a basis for allocating the check to the Iowa effort.

2. Willie Logan was the deputy political director for minority affairs and worked out of Florida. As the statement indicates, Mr. Logan made two trips to Iowa, in late September and, again, in early October of 1983. The statement and supporting documentation submitted to the FEC clearly indicate that Mr. Logan was assigned to Illinois during the final two weeks of November, the period covered by the December 5 paycheck that the FEC allocated to Iowa.

3. The FEC was correct in allocating $138.62 of Ann Ratcliffe's June 15, 1983 paycheck to Iowa.

4. Robert Arnold, an Iowa staffperson, was reassigned to Maine for one-half of the July 15 to July 31, 1983 pay period. In addition to a supervisor's statement, the Committee provided the FEC with an air travel itinerary that shows Mr. Arnold leaving Portland, Maine on July 30. Apparently, the FEC reallocated to Maine only the day that Mr. Arnold <u>left</u> that state to return to Iowa. The FEC should have reallocated from Iowa one-half of Mr. Arnold's salary for that period.

5. Similarly, Patricia Ewing was an Iowa staffperson temporarily reassigned to Maine from July 24 to July 30, 1983. Again, the FEC auditors allocated only July 30 out of Iowa, the date of Ms. Ewing's departure from Maine to Iowa. (Note: The supervisor's statement relating

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to Ms. Ewing inaccurately stated that she remained in Maine until the 31st. In fact, Ms. Ewing returned to Iowa on the evening of the 30th.) The allocation of Ms. Ewing's salary should reflect the fact that she spent seven days in Maine during the end of July.

6. John Law, the Iowa state coordinator, was assigned to Wisconsin for the period June 1 through June 15, 1983. Although the supervisor's statement documents this transfer, the FEC allocated his entire salary for that period to Iowa. Apparently, the Commission based this determination on the fact that the Committee did not submit receipts of Mr. Law's for this period, as it did for the time that he spent in Maine.

7. A payroll check to Kam Kuwata for the last two weeks of December, 1983 was correctly attributed to Iowa by the FEC.

8. Monica McFadden was reassigned from Iowa to the national campaign staff on May 1, 1983. After that date, Ms. McFadden did not work in Iowa. Apparently, the FEC refused to reallocate four paychecks covering a period from mid-September to mid-November, 1983 because the Committee did not provide documentation other than her supervisor's statement. These four checks, plus the tax withheld from the first two paychecks, should be reallocated from Iowa.

9. Rob Schroth worked as the assistant press secretary in the national campaign office in Washington. From the second week of March 1983, to the end of the campaign, Mr. Schroth was in Iowa twice - October 2-11, 1983 and February 15-20, 1984. (Note: Due to an apparent clerical error, the supervisor's statement incorrectly placed Mr. Schroth in Iowa for the period of October 2-9.) Other than the salary that he received for the ten days spent in Iowa during early October no portion of Mr. Schroth's 1983 salary is properly attributable to Iowa.

The above situations are summarized on the enclosed chart (see Attachment 2). The first column to the right of the individual's names discloses the date and the amount of the check in question. The third and fourth columns display the amounts from the salary check that were accepted and

8 9 0 4 0 7 5 3 2 8 1

rejected by the FEC. The Committee's reallocation recommendations are set forth in the next two columns - one column for amounts documented by receipt and statement and another column showing amounts documented by statement alone. The final column contains brief clarifying notations.

I look forward to meeting with you to discuss the Iowa reallocation and other issues in the near future.

Sincerely,

Bruce

Bruce H. Turnbull

Enclosures

cc: Lee Andersen, Esq.

8904075328 2

ATTACHMENT 1

VOLUNTEERS LIST

Name	Value of Services Volunteered
Amy Chapman	$ 910.00
Bill Comer	840.00
Dave Fogarty	130.00
Susan Grivas*	533.32
Judy Guskin	875.00
Dennis Harbaugh	130.00
Karen Kapler	1,400.00
Lori Knauss	350.00
Kam Kuwata	1,470.00
John Law	3,600.00
Diane McDade	350.00
Pat Osbon	3,600.00
Margaret Pochop	270.00
Total	$14,458.32

*Ms. Grivas has stated that the Committee will soon have her statement.

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M2073

STATEMENT

To whom it may concern:

From February 10, 1984 to February 20, 1984, I worked as a volunteer in the Cranston for President Committee's Iowa campaign. Therefore, the Cranston Committee does not owe me any salary for my work in Iowa during that period.

Signed: Susan Grivas Date: 3-18-86

Susan Grivas

89040753284

STATEMENT

To whom it may concern:

From February 1, 1984 to February 20, 1984, I worked as a volunteer in the Cranston for President Committee's Iowa campaign. Therefore, the Cranston Committee does not owe me any salary for my work in Iowa during that period.

Signed: Amy Chapman Date: 3/12/86

Amy Chapman

8904075325 85

STATEMENT

To whom it may concern:

From February 1, 1984 to February 20, 1984, I worked as a volunteer in the Cranston for President Committee's Iowa campaign. Therefore, the Cranston Committee does not owe me any salary for my work in Iowa during that period.

Signed: Bill Comer Date: 3-6-86

Bill Comer

8904075328 6

STATEMENT

To whom it may concern:

From February 17, 1984 to February 20, 1984, I worked as a volunteer in the Cranston for President Committee's Iowa campaign. Therefore, the Cranston Committee does not owe me any salary for my work in Iowa during that period.

Signed: David Fogarty Date: 3/5/84

Dave Fogarty

R904075532 87

STATEMENT

To whom it may concern:

From February 1, 1984 to February 20, 1984, I worked as a volunteer in the Cranston for President Committee's Iowa campaign. Therefore, the Cranston Committee does not owe me any salary for my work in Iowa during that period.

Signed: Judy Guskin Date: March 4, 1986
Judy Guskin

89040753288

STATEMENT

To whom it may concern:

From February 17, 1984 to February 20, 1984, I worked as a volunteer in the Cranston for President Committee's Iowa campaign. Therefore, the Cranston Committee does not owe me any salary for my work in Iowa during that period.

Signed: Dennis Harbaugh Date: March 5, 1986

Dennis Harbaugh

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STATEMENT

To whom it may concern:

From February 1, 1984 to February 20, 1984, I worked as a volunteer in the Cranston for President Committee's Iowa campaign. Therefore, the Cranston Committee does not owe me any salary for my work in Iowa during that period.

Signed: Karen Kapler Date: 3-6-86

89040753290

STATEMENT

To whom it may concern:

From February 11, 1984 to February 20, 1984, I worked as a volunteer in the Cranston for President Committee's Iowa campaign. Therefore, the Cranston Committee does not owe me any salary for my work in Iowa during that period.

Signed: Lori A. Knauss Date: March 7, 1984
Lori Knauss

89040753291

STATEMENT

To whom it may concern:

From February 1, 1984 to February 20, 1984, I worked as a volunteer in the Cranston for President Committee's Iowa campaign. Therefore, the Cranston Committee does not owe me any salary for my work in Iowa during that period.

Signed: _____ Date: Mar. 6, 1986
Kam Kuwata

8904075329 2

STATEMENT

To whom it may concern:

From January 16, 1984 to February 20, 1984, I worked as a volunteer in the Cranston for President Committee's Iowa campaign. Therefore, the Cranston Committee does not owe me any salary for my work in Iowa during that period.

Signed: John C Law Date: March 7th 1984

John Law

89040753293

STATEMENT

To whom it may concern:

From February 11, 1984 to February 20, 1984, I worked as a volunteer in the Cranston for President Committee's Iowa campaign. Therefore, the Cranston Committee does not owe me any salary for my work in Iowa during that period.

Signed: Diane V. McDade Date: March 13, 1986
Diane McDade

8904075329 4

STATEMENT

To whom it may concern:

From January 16, 1984 to February 20, 1984, I worked as a volunteer in the Cranston for President Committee's Iowa campaign. Therefore, the Cranston Committee does not owe me any salary for my work in Iowa during that period.

Signed: Pat Osbon Date: 3/5/86

Pat Osbon

8904075329 5

STATEMENT

To whom it may concern:

From February 14, 1984 to February 20, 1984, I worked as a volunteer in the Cranston for President Committee's Iowa campaign. Therefore, the Cranston Committee does not owe me any salary for my work in Iowa during that period.

Signed: Margaret A. Pochop Date: 3-7-86
Margaret Pochop

R904075329 6

ATTACHMENT 2

Name	Check Amount	FEC Total Accepted	FEC Total Rejected	Amount Reallocated With Receipts	Amount Reallocated Statements Only	Notes
Jennifer Perry	200.00 11/2	0	200.00	200.00	0	Check to Perry inaccurately states"Consult/ Iowa"; Perry was in CA
Willie Logan	500.00 12/5	0	500.00	0	500.00	
Anne Ratcliffe	693.10 6/15	554.48	138.62	0	0	FEC was correct
Tax	198.75		39.75	0	0	
Robert Arnold	592.24 7/31	35.53	556.71	37.02	259.10	
Tax	131.58		123.69	8.22	57.54	
Patricia Ewing	475.55 7/31	28.53	447.02	29.72	208.05	
Tax	103.12	6.19	96.93	6.06	36.36	
John Law	953.47 6/15	0	953.47	0	953.47	
Tax	477.58		477.58	0	477.58	
Kam Kuwata	1050.00 12/28	0	1050.00	0	0	FEC was correct

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Name	Check Amount	FEC Total Accepted	FEC Total Rejected	Amount Reallocated With Receipts	Amount Reallocated Statements Only	Notes
Monica McFadden	927.54	0	927.54	0	927.54	
	10/3					
Tax	442.58		442.58	0	442.58	
	984.14	0	984.14	0	984.14	
	10/15					
Tax	442.58		442.58	0	442.58	
	1500.00	0	1500.00	0	1500.00	
	11/2					
	1500.00	0	1500.00	0	1500.00	
	11/16					
Robert Schroth	826.14	0	826.14	0	826.14	
	5/13					
Tax	368.33		196.44	0	196.44	
	1047.17	0	1047.19	261.79	785.40	
	6/30					
Tax	338.46		253.84	83.77	170.07	
	911.54	0	911.54	0	911.54	
	7/15					
Tax	338.46		338.46	0	338.46	
	911.54	0	911.54	0	911.54	
	7/30					
Tax	368.33		346.23	0	346.23	
	911.54	0	911.54	0	911.54	
	8/15					
Tax	368.33		368.33	0	368.33	
	798.34	47.90	750.44	0	750.44	
	8/31					

8 9 0 4 0 7 5 3 2 9 8

Name	Check Amount	FEC Total Accepted	FEC Total Rejected	Amount Reallocated With Receipts	Amount Reallocated Statements Only	Notes
Tax	368.33		368.33	0	368.33	
	911.54 10/15	0	911.54	303.54		
Tax	338.46		338.46	112.70		
	1250.00 11/2	0	1250.00		1250.00	
Totals		672.63	20080.63	1042.82	16423.40	

Proposed reallocated Total $17,466.22

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CRANSTON FOR PRESIDENT COMMITTEE

I hereby certify to the following facts concerning the employee listed below. My certification is based on the fact that I was the employee's supervisor during the period indicated.

Ms. Monica McFadden was initially employed by the Committee as the Iowa State Coordinator, February 1983.

As of May 1, 1983, Ms. McFadden became the Assistant Political Director to the national campaign, based in Washington, DC. During the period she was temporarily assigned as the Ninth Congressional District Coordinator of Wisconsin. Ms. McFadden returned to Washington, DC after the Wisconsin straw poll, June 11, 1983. Her responsibilities as Assistant Political Director consisted of the organization of the campaign to obtain the NEA and NOW political endorsements.

As of December 1, 1983, Ms. McFadden became the New York State Coordinator. After January 15, 1984, she returned to Washington, DC in the capacity of Message Group Coordinator, primarily under the direction of the National Press Secretary. Ms. McFadden remained in the Washington,DC area until the candidate's withdrawal from the race.

Mark Cohen

Mark Cohen
National Political Director

4/18/85
Date

8904075300

Louisa McFarren

	EXPLANATION	DATE	CHECK NO.	AMOUNT
	ZEC Re Pg/Line			
	2/7	5/13/83	C- 79	95264
	2/14	5/31/83	C- 123	89604
	2/21	6/05/83	C- 175	95264
	2/23	6/30/83	C- 231	69604
	2/32	6/30/83	C- 290	98414
	3/14	7/15/83	C- 349	98414
	3/25	8/15/83	C- 408	98414
	4/2	8/24/83	C- 469	87094

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Yvonne A. Fassel

	EXPLANATION	1 DATE	2 CHECK NO.	3 AMOUNT
	4/9	9/15/83	C- [illegible]	98444
	4/30	10/15/83	C- 608	98444 ✓
	5/4	10/3/83	C 543	92754 ✓
	6/31	11/2/83	C 1441	1500 - ✓
	6/40	11/16/83	C 1471	1500 - ✓
	7/22	12/12/83	C 1650	1500 -
	8/3	12/28/83	C 1766	1500 -
	Total			16216 54

R904075330 2

I declare to the best of my knowledge and belief that the foregoing statement is true, correct and complete.

Signature

Dated

CRANSTON [redacted] P[redacted]IDENT COMMITTEE, INC. [redacted] [redacted]
PERSONAL EXPENSE VOUCHER

Route to: _____ Return to TREASURER'S DEPT within 2 days

DEPARTMENT AUTHORIZATION

I authorize payment of the following:

Department: Political 041

Expense Category: Travel 09

Budget Month: 8 9 10 11 12 1 2 3 4 5 (circle)
(4)

_____
Department Head Signature

Posted: _____

Check Number: 2106

Amount: $ 100.00

Date Paid: 9/9/83

Allocation: _____

Voucher Number:

REQUEST FOR EXPENSE REIMBURSEMENT

DATE: 7/27/83 AMOUNT $ 100.00

Payee Name: Monica McFadden

Address: 055830

I incurred the expenses described below:

_____
(signature)

DATE	AMOUNT	PLACE/CITY	PURPOSE
	SEE	ATTACHED	
			006250

Total Expenses: _____

Amount Advanced: _____

Total Amount Due: _____

☐ Required documentation cannot be submitted with this form. The department will submit documentation within 7 days.

Contact Person: _____
Phone: _____

THOMAS PAZZI _____

8904075333 03

CRANSTON FOR PRESIDENT COMMITTEE, INC.

PERSONAL EXPENSE VOUCHER

Department: POLITICAL 041-09

Date: JULY 27, 1983

Amount Requested: 547.32

Name: MONICA McFADDEN

Address: 1120 6 STREET NW
Washington D.C. 20005

Special Instructions: page 1 of 9

Check Number: 106 | 2664

Amount: $100.00 | 300.00

Date: 9/9/83 | 12/13/83

Allocated TO:

001072 547.32

DEPARTMENT HEAD SIGNATURE

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
4-19-83	134.50			TELEPHONE BILL
4-26-83	38.10	GUIDOS	Des Moines	Dinner w/ Ken Tilp
4-28-83	27.00	COUNTER CULTURE	Washington DC	Lunch
4-28-83	14.28	WEBSTERS	Washington DC	Dinner
4-28-83	1.88	DART DRUG	Washington DC	Legal Pads
4-29-83	1.52		Washington DC	FOOD FOR N.E.A.
4-29-83	3.17		Washington DC	FOOD FOR N.E.A
4-29-83	7.33	WEBSTERS	Washington DC	BREAKFAST w/ NHSEA
	227.78			

TOTAL EXPENSES: $

AMOUNT ADVANCED: $

TOTAL AMOUNT DUE: $

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____
Ron Peterson _____ Pat Osbon _____

CRANSTON FOR PRESIDENT COMMITTEE, INC.

PERSONAL EXPENSE VOUCHER

Check Number: _____

Department: POLITICAL

Date: JULY 23 1983

Amount: _____

Amount Requested: _____

Date: _____

Name: MONICA McFADDEN

Allocated TO: _____

Address: 1120 G STREET NW
Washington D.C. 20005

Special Instructions: page 2 out of 9

DEPARTMENT HEAD SIGNATURE _____

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
4-26-83	$7.20	CAB	D.C.	Taxi fare
4-29-83	$3.50	Yellow Cab	D.C.	" "
4-29-83	$3.00	Cab	D.C.	" "
4-29-83	$11.75	Cab	D.C.	" "
5-2-83	$24.00	Des Moines Airport	Des Moines	Parking @ Airport (DC trip)
5-9-83	$2.25	System Parking	Milwaukee	Parking
5-16-83	$1.75	"	"	"
5-18-83	$1.00	Park N' Look	Milwaukee	"
5-22-83	$2.00	System Parking	"	"

TOTAL EXPENSES: $ 56.45

AMOUNT ADVANCED: $ _____

TOTAL AMOUNT DUE: $ _____

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

CAMPAIGN FOR PROGRESSIVE DEMOCRATS, INC.

PERSONAL EXPENSE VOUCHER

Check Number:

Department: POLITCAL

Date: JULY 27TH, 1983

Amount:

Amount Requested:

Date:

Name: MONICA McFADDEN

Allocated TO:

Address: 1120 6 STREET N.W.
WASHINGTON D.C. 20005

Special Instructions: page 3 out of 9

DEPARTMENT HEAD SIGNATURE

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
5-1-83	8.30	ATS	Milwaukee	food - trip to Milwaukee for 4th D convention
5-2-83	5.67	ATS	Milwaukee	lunch - Wisconsin
5-2-83	3.40	BENDER'S	Madison	trip to Madison
5-2-83	75.50	FRONTIER Air lines	Madison	trip to Des Moines
5-4-83	12.79	Jimmy's American Cafe	West Des Moines	Lunch - Roxanne Conlin
5-6-83	4.43	#101 POPPIN	Milwaukee	Dinner - Milwaukee Trip
5-7-83	8.23	TARGET	Washington DC	Office Supplies
5-8-83	2.50			Coffee w/ Virginia Foley
5-9-83	12.08	PFISTER		Lunch w/ Joanna Rody

TOTAL EXPENSES: $ 134.90

AMOUNT ADVANCED: $

TOTAL AMOUNT DUE: $

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

CRANSTON FOR PRESIDENT COMMITTEE, INC.

PERSONAL EXPENSE VOUCHER

Check Number:

Department: POLITICAL

Date: JULY 27, 1983

Amount:

Amount Requested:

Date:

Name: MONICA McFADDEN

Allocated TO:

Address: 1120 G STREET N.W.
WASHINGTON D.C. 20005

Special Instructions: page 4 out of 9

DEPARTMENT HEAD SIGNATURE

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
5-9-83	3.76	H.H. West Co	Washington DC	Appointment Book
5-10-83	16.45		Milwaukee	Dinner w/ Joanna Rody
5-11-83	28.50	Post Office	Wisconsin	Stamps at Straw Poll
5-12-83	2.75	BURGER KING	Wisconsin	Food in Wisconsin
5-12-83	.76	ECONOPRINT	Wisconsin	Copies
5-13-83	14.11	"QUICK" THE PRINTER	Milwaukee	Copies
5-13-83	1.20	ECADS	Shorewood	Copies
5-14-83	7.71	WALGREENS	Wisconsin	Office Supplies
5-16-83	4.99 $1.50	ECADS	Shorewood	Copies

TOTAL EXPENSES: $

AMOUNT ADVANCED: $

TOTAL AMOUNT DUE: $

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

CRANSTON FOR PRESIDENT COMMITTEE, INC.

PERSONAL EXPENSE VOUCHER

Check Number

Department: POLITICAL

Date: JULY 27, 1983

Amount:

Amount Requested:

Date:

Name: MONICA McFADDEN

Allocated TO:

Address: 1120 G STREET NW
WASHINGTON D.C.

Special Instructions: page 5 out of 9

DEPARTMENT HEAD SIGNATURE

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
5-17-83	8.50		Wisconsin	Dinner with Nancy Simenz
5-18-83	9.92	American Club	Kohler	Dinner with Barb Ebenreiter
5-18-83	.75	"QUICK" The Printer	Wisconsin	Copies
5-18-83	11.79	EVANS	Sheboygan	
5-19-83	196.50			TELEPHONE BILL
5-20-83	80.87	PARK AND SHOP	Sheboygan	Reimburse for Barb Ebenreiter Affai
5-20-83	2.50	COMMERCIAL OFFICE SUPPLY	Wisconsin	Office Supplies
5-20-83	24.15	"QUICK" THE PRINTER	Wisconsin	Lit. Copies
5-20-83	26.34	COMMERCIAL OFFICE SUPPLY	Milwaukee	Wisconsin Office Supplies

TOTAL EXPENSES: $ 361.32

AMOUNT ADVANCED: $

TOTAL AMOUNT DUE: $

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

CRANSTON FOR PRESIDENT COMMITTEE, INC.

PERSONAL EXPENSE VOUCHER

Check Number:

Department: POLITICAL

Date: JULY 27, 1983

Amount:

Amount Requested:

Date:

Name: MONICA McFADDEN

Allocated TO:

Address: 1120 G STREET N.W.
WASHINGTON D.C. 20005

Special Instructions: page 6 out of 9

DEPARTMENT HEAD SIGNATURE

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
5-20-83	8.94	FREDRICKS	Sheboygan	FOOD FOR A.C. EVENT
5-16-83	1.30	PFISTER	Milwaukee	COFFEE w/ NES FLORES
5-21-83	47.03		Sheboygan	CRANSTON RECEPTION FOOD
5-23-83	19.95	BERNIES FLORAL	Milwaukee	Flowers For Cranston EVENT
5-23-83	7.54	WALGREENS	Wisconsin	Tapes for A.C. in Wisconsin
5-23-83	.32	"QUICK" THE PRINTER	Wisconsin	Copies
5-26-83	7.55		Wisconsin	Dinner
5-27-83	11.45		Wisconsin	Lunch w/ Tim Netich
5-31-83	54.00	POST OFFICE	Wisconsin	STAMPS

TOTAL EXPENSES: 149.00 $

AMOUNT ADVANCED: $

TOTAL AMOUNT DUE: $

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

CRANSTON FOR PRESIDENT COMMITTEE, INC.

PERSONAL EXPENSE VOUCHER

Check Number: _____

Department: POLITICAL

Date: JULY 23, 1983

Amount: _____

Amount Requested: _____

Date: _____

Name: MONICA McFADDEN

Allocated TO: _____

Address: 1120 G STREET NW
Washington D.C. 20005

Special Instructions: Page 7 out of 9

DEPARTMENT HEAD SIGNATURE _____

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
5-30-83	5.73	ZORBAS	Waukesha	BREAKFAST W/ JOANNA RODY
5-83	315.78			MILEAGE IN WISCONSIN
6-3-83	33.85		Wisconsin	Dinner
6-3-83	20.00	BORIS TOWER DRUG	Milwaukee	POSTAGE
6-4-83	5.45	WALGREENS	Wisconsin	Office Supplies
6-6-83	53.95	POST OFFICE	Wisconsin	POSTAGE
6-6-83	~~13.25~~ 13.25	BAXTERS	Sheboygan	Dinner w/ Barb. Ebereiter
6-6-83	19.02	"QUICK" The Printer	Milwaukee	Copies
6-6-83	21.08	Commercial Office Supp	Milwaukee	Office Supplies

TOTAL EXPENSES: 468.11 $ _____

AMOUNT ADVANCED: $ _____

TOTAL AMOUNT DUE: $ _____

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

R PRESIDENT COMMITTEE, INC.

EXPENSE VOUCHER

Check Number:

ent: POLITICAL

Amount:

JULY 29TH, 1983

unt Requested:

Date:

Name: MONICA McFADDEN

Allocated TO:

Address: 1120 G STREET NW
WASHINGTON D.C. 20005

Special Instructions: page 8 out of 9

DEPARTMENT HEAD SIGNATURE

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
6-6-83	$1.00	General Mitchell Airport Parking	Milwaukee	Parking
6-7-83	$ .75	System Parking	"	"
6-7-83	$1.25	Pfister Hotel	"	"
4-27-83	$8.20	taxi	D.C.	Cab fare
5-2-83	$4.70	Badger Bus		

TOTAL EXPENSES: 16.10 $

AMOUNT ADVANCED: $

TOTAL AMOUNT DUE: $

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____
Ron Peterson _____ Pat Osbon _____

CRANSTON FOR PRESIDENT COMMITTEE, INC.

PERSONAL EXPENSE VOUCHER

Check Number

*Department: POLITICAL

Date: JULY 27, 1983

Amount:

Amount Requested:

Date:

Name: MONICA McFADDEN

Allocated TO:

Address: 1120 G STREET NW
Washington D.C. 20005

Special Instructions: page 9 out of 9

DEPARTMENT HEAD SIGNATURE

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
6-7-83	6.70	RUPP'S	Sheboygan	R.E. BREAKFAST
6-7-83	2.95	BAXTERS	Sheyboygan	Drinks w/ Roberta Peneski
6-6-7-83	41.42	MOUNTAIN PARK	Sheyboygan	Room
6-7-83	43.56		Wisconsin	HOSTESS GIFTS
6-9-83	1.75	ZORBAS	Waukesha	COFFEE W/ TINA NEKITCH
6-10-83	9.61	COUSINS	Wisconsin	Staff Food
6-12-83	113.05	PFISTERS	Milwaukee	Room
6-12-83	14.02			BREAKFAST W/ VA + SALLY
	233.00			

TOTAL EXPENSES: $ 1,547.32

AMOUNT ADVANCED: $ 1,000

TOTAL AMOUNT DUE: $ 547.32

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

...RSE VOUCHER

...ment: POLITICAL

Date: 7/13/83

Amount Requested: 1725.54

Name: MONICA McFADDEN 055830

Address: 715 G ST, S.E.
WASHINGTON, D.C. 20003

Posted:

Check Num[redacted] 851

Amount 1725.54

Date: 8/8/83

Allocated TO:

001001

Special Instructions:

I Incurred the following expenses covering the period from 6/16 to 7/13.

SIGNATURE: Monica C. McFadden

DEPARTMENT HEAD SIGNATURE

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
6/16	27.13	CHARTER HOUSE INN	Perrysburg, OH	TRIP TO D.C. / overnight.
6/18	39.00	Newark Airport	Newark	NEW YORK AIR - TRIP - N.J. → D.C.
6/17	8.00		Pennsylvania	TOLL - TRIP TO D.C
6/16	1.80		OHIO	"
6/17	5.70		OHIO	"
6/16	6.90		INDIANA, ILL	Misc TOLLS - TRIP TO DC
6/17-21	198.06			Mileage - D.M TO D.C.
6/21	7.95		WASHINGTON	Office Supplies

(Con't) See P. 2

TOTAL EXPENSES: $

AMOUNT ADVANCED: $

TOTAL AMOUNT DUE: $

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

294.54

[illegible], INC.

VOUCHER PAGE 2

Posted: [illegible]

Check Number

Amount

Date:

Allocated TO:

Date:

Amount Requested:

Name:

Address:

Special Instructions:

I Incurred the following expenses covering the period from _____ to _____.

SIGNATURE:

DEPARTMENT HEAD SIGNATURE

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
6/18	3.00	WASHINGTON		TAXI
6/19-28	8.55	"		TOTAL - TAXI TRIPS TO HILL FOR MTGS.
6/28-7/1	66.00			Mileage D.C. TO PHILA (NEA) + return
6/29-7/1	550.69	Bellevue Stratford	PHILADELPHIA	HOTEL - NEA CONVENTION (special rate)
7/1	40.00	NEA	"	Reimbursement for Copies - NEA CONV.
6/30	2.50	Bellevue Stratford	"	COPIES - NEA CONV.
7/1	48.60		Philadelphia	Cabride to visit Calif. deleg. (35 miles away)

TOTAL EXPENSES: $

AMOUNT ADVANCED: $

TOTAL AMOUNT DUE: $

(Con't) SEE P. 3

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

719.34

[redacted], INC.

VOUCHER PAGE 3

Posted: [redacted]

Check Number

Amount

Date:

Allocated TO:

Date:

Amount Requested:

Name:

Address:

Special Instructions:

I Incurred the following expenses covering the period from _____ to _____.

SIGNATURE:

DEPARTMENT HEAD SIGNATURE

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
7/3	12.00		Philadelphia	Cab ride to visit delegation - NEA
7/3	11.50		"	"
7/4	11.00		"	"
7/4	21.00		"	"
7/3	15.75		"	"
6/30-7/5	40.55		"	9 misc Cab rides to visit del. - all under $10
6/29	6.00	Colonial Parking	WASHINGTON	PARKING TO PICK UP NEA materials

Con't - P. 4

TOTAL EXPENSES: $

AMOUNT ADVANCED: $

TOTAL AMOUNT DUE: $

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

117.80

[redacted] INC.

[redacted]

Posted: [redacted]

Check Number _____

Amount _____

Date: _____

Allocated TO: _____

..e: _____ P. 4

Amount Requested: _____

Name: _____

Address: _____

_____

Special Instructions: _____

I Incurred the following expenses covering the period from _____ to _____.

SIGNATURE: _____

DEPARTMENT HEAD SIGNATURE _____

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
7/3	6.00	SMART ALEX	Philadelphia	DRINKS - MAIDA TOWNSEND - VT. NEA DELEG.
7/4	40.00	Bookbinder's	"	DRINKS - Dinner Party of 10 NEA leaders
7/4	267.40	"	"	DINNER "
7/1	21.00	SMART ALEX	"	LUNCH - JON HENDRICKSON, KENTUCKY NEA DELEG, Kim & OTHERS
7/6	16.75		WASHINGTON	3 Cab rides to get materials for NWPC to office, airport
7/7	45.00	NWPC	SAN ANTONIO	3 Tickets to Choice/lunch for AC/Perry/Tom
7/6	24.00	SAN ANTONIO MARKET	"	VOLUNTEER REFRESHMENTS - NWPC

TOTAL EXPENSES: $_____ Con't See P. 5

AMOUNT ADVANCED: $_____

TOTAL AMOUNT DUE: $_____

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

420.15

[illegible] INC.

[illegible] VOUCHER — P.5

[illegible]: _____

[illegible]te: _____

Amount Requested: _____

Name: _____

Address: _____

_____

Special Instructions: _____

Posted:	
Check Number	
Amount	
Date:	
Allocated TO:	

I Incurred the following expenses covering

the period from _____ to _____.

SIGNATURE: _____

DEPARTMENT HEAD SIGNATURE _____

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
7/7	19.25	Amer. Airlines	San Antonio	Delivery of Materials from Airport
7/8	5.00		"	Cab Ride w/ Materials to Conv. Ctr.
7/10	20.45		"	3 misc Cabrides to bring Materials home, attend mtg.
7/9	20.00	Crescendo	"	Dinner - Va. Foley, Wisc. del + 1 other
7/11	8.00		Washington	Cab Ride from Airport
7/6-7/10	416.01	Hyatt	San Antonio	Hotel - NWPC Conv.

TOTAL EXPENSES: $_____ See P.6.

AMOUNT ADVANCED: $ ~~503.00~~

TOTAL AMOUNT DUE: $_____

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

488.71

[illegible] ITT[illegible], INC.

[illegible] VOUCHER P.6

[illegible]t: _____

[illegible]te: _____

Amount Requested: _____

Name: _____

Address: _____

_____

Special Instructions: _____

Posted: _____

Check Number _____

Amount _____

Date: _____

Allocated TO: _____

I Incurred the following expenses covering the period from _____ to _____.

SIGNATURE: _____

DEPARTMENT HEAD SIGNATURE _____

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
7/1	278.00	AMCE AIRLINES	WASH	AIR TICKET TO SAN ANT, TX - NWPC

TOTAL EXPENSES: $ 2318.54

AMOUNT ADVANCED: $ 593.00

TOTAL AMOUNT DUE: $ 1725.54

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

3 3 1 8 0 4 0 7 5

CRANSTON FOR PRESIDENT COMMITTEE, INC.

PERSONAL EXPENSE VOUCHER

Department: Political 041-09

Date: 9/19/83

Amount Requested: 527.14

Name: MONICA E. MCFADDEN

Address: 715 G ST. S.E. 058830
WASHINGTON, D.C.

Special Instructions: 08

Posted: Many

Check Number 26665

Amount 527.14

Date: 12/13/83

Allocated TO:

P1 of 3

Political Travel

002375

I Incurred the following expenses covering the period from 7/15/83 to 9/15/83.

SIGNATURE: Monica E. McFadden

DEPARTMENT HEAD SIGNATURE ✓

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
7/15	6.00		WASH.	TAXI TO + FROM MTG. AT WHIP'S OFFICE
7/20	5.00		"	TAXI TO TRANSPORT MAT. TO NCSC MTG
4"	3.75		"	"
7/22 - 7/25	36.00		COOLFANT - W. VA.	MILEAGE REIMB. (300 miles) TO + FROM RETREAT.
7/28	25.71	LES CHAMPS	WASH.	LUNCH W/ ELEANOR SMEAL -
7/28	5.85		WASH.	TAXI TO + FROM SMEAL LUNCH.

TOTAL EXPENSES: $

AMOUNT ADVANCED: $

TOTAL AMOUNT DUE: $

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

Thomas M. Rizzi

RESIDENT COMMITTEE, INC.

AL EXPENSE VOUCHER

Department: _____

Date: _____

Amount Requested: _____

Name: McFadden

Address: _____

_____

Special Instructions: _____

Posted: _____

Check Number _____

Amount _____

Date: _____

Allocated TO: _____

P. 2

I Incurred the following expenses covering the period from _____ to _____.

SIGNATURE: _____

DEPARTMENT HEAD SIGNATURE _____

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
8/2	12.14	WOODIE'S	WASH.	LUNCH W/ SHEILA LEITER ISSUES DIR. APPLICANT.
8/3	2.00		WASH.	TAXI TO MTG. IN WHIP'S OFFICE.
8/15	5.15		WASH.	TAXI TO + FROM MTG. ON NEA
9/12	9.00		WASH.	TAXI TO NATIONAL
9/12	2.48	CITY DELI ~~[illegible]~~	PORTLAND MAINE	LUNCH W/ TEACHER DELEGATE
9/13	17.25 [redacted]	GREAT LOST BEAR ~~PORTLAND~~	PORTLAND, MAINE	DINNER W/ TEACHER DELEGATE
9/16	2.68	HOWARD JOHNSON'S ~~[illegible]~~	BOSTON	BREAKFAST W/ THELIA SCHLESINGER

TOTAL EXPENSES: $ _____

AMOUNT ADVANCED: $ _____

TOTAL AMOUNT DUE: $ _____

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

8 2 0 4 0 7 5 3 3 2 0

...SIDENT COMMITTEE, INC.

...AL EXPENSE VOUCHER

Department: _____

Date: _____

Amount Requested: _____

Name: McFadden

Address: _____

Special Instructions: _____

Posted: _____

Check Number _____

Amount _____

Date: _____

Allocated TO: _____

P.3

I Incurred the following expenses covering the period from _____ to _____.

SIGNATURE: _____

DEPARTMENT HEAD SIGNATURE _____

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
9/16	4.50	HOLIDAY INN	AUGUSTA, ME.	LUNCH W/ MTA PRES.
9/17	9.00		WASH.	TAXI FROM AIRPORT
9/16	3.00		AUGUSTA, ME.	TAXI FROM AIRPORT.
9/16	.60		BOSTON	TOLL ON MASS. TUNNEL
9/15	59.00	DELTA AIRLINES	BANGOR, ME.	AIRFARE, BANGOR → BOSTON → AUGUSTA.
9/14	67.00	BAR HARBOR AIRLINES	PORTLAND, ME	AIRFARE, PORTLAND → BANGOR
9/16	102.00	DELTA AIRLINES	"	AIRFARE, PORTLAND → D.C.
9/12	128.52	DELTA	WASH, DC	AIRFARE, D.C. → PORTLAND

TOTAL EXPENSES: $ 527.14

AMOUNT ADVANCED: $ —

TOTAL AMOUNT DUE: $ 527.14

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

Political
12/30/83

2070.33

MONICA E. McFADDEN
1120 G ST, N.W.
WASHINGTON, D.C. 20005 055830

FIELD - NY 15104 006506

Dec. 10, 1983 - Dec. 31, 1983

Monica E. McFadden

Mark B. Cohen

12/20	769.64	UNIV. MANOR MOTEL	BUFFALO, NY	MOTEL/PHONE BILL
12/21	5.14	MR COPY	"	COPIES -
12/28	.43	"	"	"
12/20	49.49	INSTY PRINTS	"	"
12/15	4.00	BRIAN CLARK PRINTING	"	"
12/30	21.76	U.S. POST MASTER	"	STAMPS
12/28	20.00	"	"	"

1/7/84 | 62.34 | HOLIDAY INN

MCFADDEN, 12/10/83
EXPENSES, A2

DATE	AMOUNT	PLACE	CITY	PURPOSE
12/10/83	20.00	AMOCO -	VARSHVILLE, NY	GAS -
12/11/83	25.70	GENESEE VALLEY SERV. CTR.	GENESEO, N.Y	"
12/15/83	20.00	EARL PICKING	WARSAW, NY	"
12/22/83	25.00	SAHAGIAN SERVICE	RAMAPO, N.Y.	"
12/23/83	8.95	ARCO	PEMBROKE, N.Y	"
12/23/83	29.00	EXXON	WASH, DC.	"
12/26/83	11.57	THE CHEFS	PLATTSBURG, NY	"
12/23/83	17.75	SUNOCO	AMHERST, NY	"
12/20/83	19.05	ADAMS RIB	BUFF, NY	DINNER - PETERS, ELLEN BEESE.
12/15/83	42.79	A.M+A'S	"	CODIES
12/15/83	8.90	GRANDMA LEE'S	"	DINNER - & POT. Delegates
12/20/83	5.06	Burger King	"	LUNCH - LEONARD SARILL.
12/16/83	16.08	BITE-AID	"	OFFICE SUPPLIES
12/17/83	7.15	PIZZA HUT	"	DINNER - GD DUDACK
12/15/83	1.00	AFO Center	Stockbridge, NY	MAP -
12/12/83	6.00	COLONIAL PARKING	WASH, D.C.	PARKING
12/13/83	10.00	"	"	"
12/20/83	16.72	FORESMOST LIQUOR	BUFF, NY.	REFRESHMENTS FOR DELEGATE MTG
12/15/83	1.77	WOOLWORTH'S	"	OFFICE SUPPLIES
12/17/83	2.71	SUNOCO	"	GAS
12/21/83	3.95	7-11	"	"
12/27/83	15.77	SUPER DUPER	KENMORE, NY	REFRESH, DEL MTG
12/23/83	1.40	STATE OF NY		TOLL - HIGHWAY
12/26/83	9.40	"		"
12/15/83	.50	"		"
12/15/83	.50	"		"
12/15/83	.90	"		"
12/15/83	.75	"		"
12/26/83	.25	"		"
12/23/83	1.25	"		"
12/20/83	.25	"		"
12/23/83	.50	"		"
12/13/83	1.00	STATE OF MD		"
12/13/83	2.45	STATE OF NJ		"
12/18/83	1.50	"		"
12/13/83	.60	STATE OF D		

EXPENSES

		PLACE	CITY	PURPOSE
		STATE OF N.Y		HIGHWAY TOLL
	1.00	STATE OF DEL		"
	.60	"		"
	.25	STATE OF N.J		"
	.80	STATE OF N.Y		"
	3.95	GRANDMA LEE'S	BUFFALO	COFFEE - 5 SUPPORTERS
12/31/83	4.40	"	"	COFFEE - 6 SUPPORTERS
12/21/83	38.52	NORTHTOWN AUTO	"	GAS
1/2/84	34.00	THE KNOLL	TONAWANDA	"
1/3/84	3.85	SORRENTO'S	BUFFALO	DINNER - MINNIE GILLETTE
1/1/84	7.53	SANDRA'S	"	DINNER - ED + PAT DUDACK
1/1/84	1.51	INSTY PRINTS	"	COPIES
1/2/84	6.36	WALDEN BOOKS	"	MAPS
1/6/84	607.70	INN. MANOR MOTEL	"	ROOM / PHONE
1/6/84	3.74	FRIENDLY'S	"	LUNCH - MARY DAVIS
1/7/84	4.50	TERMINAL GARAGE	N.Y.C.	PARKING TO DELIVER PETITIONS
1/8/84	1.80	STATE OF N.J		TOLL
1/8/84	.60	STATE OF DEL		"
1/8/84	1.00	"		"
1/8/84	1.00	STATE OF MD		"
1/8/84	.75	"		"
1/8/84	1.50	STATE OF NY		"
1/7/84	.25	STATE OF N.J.		"
1/6/84	1.80	STATE OF N.Y.		"
1/6/84	2.00	"		"
1/6/84	1.05	"		"
1/6/84	15.81	DONS MOBIL	AMHERST, NY	GAS
1/7/84	21.00	SUNOCO	DENVILLE N.J.	"
1/7/84	62.39	HOLIDAY INN	LEFEWOOD, N.J	HOUSING
1/9/84	32.20	C+P TELEPHONE	WASH, DC	PHONE.
TOTAL	[redacted]	2070.33		

POLITICAL
12/12/83

MONICA MCFADDEN

041
09

~~11/30~~ 11/10 12/10/83.
Monica McFadden.

055830

12/10	230.74	WASH. HILTON	WASHINGTON	HOSP. SUITE FOR NOW CONV.
11/30	24.00	WASH.	"	FEDERAL EXPRESS - NOW.
~~12/10~~	~~8.00~~	~~WASH~~	"	~~MATERIALS FOR NOW CONV.~~
11/10	118.99	"	"	Phone bill for calls charged to home phone.

[redacted] ~~$ [illegible]~~ ~~455.73~~
379.13

I don't have receipts for the 11/30 or 12/10 stuff, but believe one I expense the $
(I will have cancelled checks w/in the month.

OK MTT

[redacted]ON FOR PRESIDENT COMMITTEE

I hereby certify to the following facts concerning the employee listed below. My certification is based on the fact that I was the employee's supervisor during the periods indicated.

From the second week of March 1983, until the end of the Cranston for President campaign, Rob Schroth was assigned to the National Office in Washington, D. C. as Assistant Press Secretary.

In this capacity, he was sent periodically to other states for short periods; such as Wisconsin, Alabama, Maine and Massachusetts.

During this time the only periods Mr. Schroth spent in Iowa were October 2-9, 1983 for the Jefferson-Jackson Day Dinner and February 15-20, 1984.

John Russomello
National Press Secretary

April 18, 1985
Date

8904075326

Rop Venooth

EXPLANATION	FEC Ref pg line	DATE	CHECK NO.	AMOUNT
5-15 5-6	2/1	5/12/83	C- 69	82644
	2/8	5/31/83	C- 113	82644
	2/15	6/15/83	C- 161	82644
	2/24	6/30/83	C- 215	104719
	2/33	7/15/83	C- 272	91154
	3/5	7/15/83	C- 331	91154
	3/11	8/5/83	C- 389	91154
		[redacted]	[redacted]	[redacted]

8904075332 7

Rae Vennon

	EXPLANATION	1 DATE	2 CHECK NO.	3 AMOUNT
	3/28	[illegible]	C- [illegible]	[illegible]
	3/29	[illegible]	C- [illegible]	[illegible]
	4/20	10/[illegible]/83	C- [illegible] 113 [illegible] =	[illegible] 30385 [illegible]
	4/33	10/[illegible]/83	C- 523	[illegible]
	7/2	11/16/83	C- 1508	1250-
	Total			[illegible] [illegible]
	7/23	12/12/83	C- 1653	1250-
	8/8	12/28/83	C- 1768	1250-
				12878 90

8904075332 8

I declare to the best of my knowledge and belief that the foregoing statement is true, correct and complete.

Signature _____ Dated _____

CRANSTON FOR PRESIDENT COMMITTEE, INC.

PERSONAL EXPENSE VOUCHER

Department: FIELD / SCHROTH

Date: JUNE 13, 1983

Amount Requested:

Name: ROB SCHROTH

Address: 209 SE 6TH ST
D.C. 20003

Special Instructions:

Posted: ✓

Check Number: 748

Amount: 1400.51

Date: 7/20/83

Allocated TO:

000764

I Incurred the following expenses covering the period from MAY 09 to JUNE 13.

SIGNATURE: Robert Schroth

DEPARTMENT HEAD SIGNATURE

329

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
5/14	$300	MILWAUKEE	WI	NEWSLETTER PRINTING
5/14	$250	"	WI	OFFICE RENT
5/31	$50	STEVENS PT.	WI	STAFF ADMITTANCE TO FUNDRAISER
5/09-6/13	$800.51	WISCONSIN		GAS, TOLLS, LODGING, DELEGATE MEETINGS, PARKING, OUT OF POCKET EXPENSES FOR AC/KC TRIPS, CAR RENTALS FOR OTHER STAFF, VARIOUS PRINTING, MILWAUKEE OFFICE POSTAGE

TOTAL EXPENSES: $ $1400.51

AMOUNT ADVANCED: $ —

TOTAL AMOUNT DUE: $ $1400.51

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osborn _____

CRANSTON FOR PRESIDENT COMMITTEE, INC.

PERSONAL EXPENSE VOUCHER

Department: CANDIDATE ACTIVITY

Date: JUNE 20, 1983

Amount Requested: $1644.90

Name: BOB SCHROTH

Address: 1120 G ST, NW #801
D.C. 20005

Posted: ✓

Check Number: 2021

Amount: 1644.90

Date: 8/26/83

Allocated TO:

000896

Special Instructions:

I Incurred the following expenses covering the period from JUNE 15 to JUNE 19.

SIGNATURE: Robert D Schroth

DEPARTMENT HEAD SIGNATURE

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
6/15-6/19	$1015.94	MONTGOMERY,	ALABAMA	AC, KC, SCHROTH, O'CLARY, WEATHERSBY, RUSSO, ROOMS, PHONE CALLS, AND ETC. WHILE
6/16	257.96	BIRMINGHAM,	ALABAMA	IN ALABAMA FOR STRAW POLL. ROOMS FOR AC, KC, RUSSONELLO, SCHROTH WHILE IN B-HAM.
6/15-	371.00	DC TO	ALABAMA	AIRFARE TO ALABAMA
6/19				

TOTAL EXPENSES: $ 1644.90

AMOUNT ADVANCED: $

TOTAL AMOUNT DUE: $ 1644.90

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

CRANSTON FOR PRESIDENT COMMITTEE, INC.

PERSONAL EXPENSE VOUCHER

Department: ~~[illegible]~~ FIELD 061-05

Date: JULY 22

Amount Requested: $700.00

Name: ROB SCHROTH

Address: 1120 G ST, NW #801
D.C. 20005

Special Instructions:

Posted:

Check Number ~~700.00~~ 2270

Amount 700.00

Date: 10/6/83

Allocated TO:

001224

Tom - is this in the budget?
Pat

I Incurred the following expenses covering the period from _____ to _____

SIGNATURE: Robert Schroth

DEPARTMENT HEAD SIGNATURE

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
7/22	$700	TEMPLE AUTO CO.	D.C.	CAR REPAIR

TOTAL EXPENSES: $ 700.00

AMOUNT ADVANCED: $

TOTAL AMOUNT DUE: $ 700.00

SB

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

PAT
SINCE COMING ON BOARD IN JANUARY, I HAVE TRAVELLED OVER 25,000 MILES IN MY CAR. THIS REPRESENTS WHAT BOTH THE DAMAGE TO THE CAR HAS BEEN OVER THE LONG HAUL AND WHAT IT COSTS TO KEEP IT ON THE ROAD. AMBROSINO AGREED THAT THIS IS A JUSTIFIABLE EXPENSE — AND SIGNED OFF ON HAVING THE REPAIRS MADE, THANKS.
Rob

CRANSTON FOR PRESIDENT [redacted] INC.

Posted: [redacted]

VENDOR CHECK REQUEST

Check Number: 2270

Department: Field/Mail · 401-04

Amount: $ 235.00

Date: 8/22/83

Date: 10/6/83

Amount Requested: $ ~~313.70~~ 78.70

Allocated To:

Name: Rob Schroth 077490

Voucher Number: 001433

Address:

Special Instructions:

THE FOLLOWING EXPENSE HAS BEEN INCURRED BY MY DEPARTMENT:

Signature

DATE	AMOUNT	PURPOSE
8/22/83	313.70	personal expense

Authorized by:

Sergio Bendizen

Bill Landau

Ron Peterson

Pat Osbon

PERSONAL EXPENSE VOUCHER

Department: Field/Alabama

Date:

Amount Requested: 261.80

Name: Rob Smith

Address: 10104 077490

Check Number: 067

Amount: 261.80

Date: 9/2/83

Allocated TO:

001160

Special Instructions:

I Incurred the following expenses covering the period from _____ to _____.

SIGNATURE: _____

DEPARTMENT HEAD SIGNATURE: PAt

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
9/2	261.80	Alabama		Car Rental

TOTAL EXPENSES: $_____

AMOUNT ADVANCED: $_____

TOTAL AMOUNT DUE: $_____

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

RANSTON FOR PRESIDENT COMMITTEE, INC.

ERSONAL EXPENSE VOUCHER

epartment: Media

ate: 9/6/83

mount Requested: $ 312.38

ame: Bob Schroth 077490 08

ddress:

Posted:

Check Number 2705

Amount 312.38

Date: 12/16/83

Allocated TO: 001990

Special Instructions:

I Incurred the following expenses covering the period from _____ to _____.

SIGNATURE: _____

DEPARTMENT HEAD SIGNATURE _____

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
	$312.38			As Attached Receipts

TOTAL EXPENSES: $_____

AMOUNT ADVANCED: $_____

TOTAL AMOUNT DUE: $_____

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

CRANSTON FOR PRESIDENT COMMITTEE, INC.
DEPARTMENT AUTHORIZATION & CHECK REQUEST

Route to: Paul

Return to TREASURER'S DEPT within 2 days

DEPARTMENT AUTHORIZATION

I authorize payment of the following:

Date: 9/7/83 Amount: $ 834.29 077490

Payee Name: Rob Schroth

Purpose:

I authorize charging my budget as follows:

Department: ME

Expense Category: Travel 40104

Budget Month: 8 9 10 11 12 1 2 3 4 5
circle

Department Head Signature

Posted:

Check Number: 2880

Amount: $ 834.29

Date Paid: 1/6/84

Allocation:

Voucher Number:

002073

|__| Required documentation cannot be sumitted with this form. The department will submit documentation within 7 days.

Contact person: Phone:

|__| Full address of new vendor if not appearing on attached documentation:

|__| Special Instructions:

9904075335

CRANSTON FOR PRESIDENT COMMITTEE, INC.
PERSONAL EXPENSE VOUCHER

Route to: _____ Return to TREASURER'S DEPT within 2 days

DEPARTMENT AUTHORIZATION

I authorize payment of the following:

Department: Field-Maine 401

Expense Category: Travel 04

Budget Month: 8 (9) 10 11 12 1 2 3 4 5 (circle)

_____
Department Head Signature

Posted: _____

Check Number: 2705

Amount: $ 190.00

Date Paid: 12/6/83

Allocation: _____

Voucher Number: 003069

REQUEST FOR EXPENSE REIMBURSEMENT

DATE: 9/30/83 AMOUNT $ 190.00

I incurred the expenses described below:

Payee Name: Rob Schott 077490

Address: _____

_____
(signature)

DATE	AMOUNT	PLACE/CITY	PURPOSE
9/30	190.00	Bangor, ME	Hotel Rooms

Total Expenses: 190.00

Amount Advanced: -0-

Total Amount Due: 190.00

[ ] Required documentation cannot be submitted with this form. The department will submit documentation within 7 days.

Contact Person: _____
Phone: _____

THOMAS PAZZI _____

3 3 3 3 6 5 3 7 0 4 9 9

CRANSTON FOR PRESIDENT COMMITTEE, INC.
PERSONAL EXPENSE VOUCHER

Route to: _____ Return to TREASURER'S DEPT within 2 days

DEPARTMENT AUTHORIZATION

I authorize payment of the following:

Department: Field - maine 401

Expense Category: Travel 04

Budget Month: 8 9 10 11 12 1 2 3 4 5 (circle)

_____
Department Head Signature

Posted: _____

Check Number: 2522

Amount: $ 1000 00

Date Paid: 11/18/83

Allocation: _____

Voucher Number:

REQUEST FOR EXPENSE REIMBURSEMENT

DATE: 10/18/83 AMOUNT $ 1000.00

Payee Name: Rob Schott

Address: 077490

I incurred the expenses described below:

_____
(signature)

DATE	AMOUNT	PLACE/CITY	PURPOSE
	SEE	ATTACHED	
		006220	

Total Expenses: _____

Amount Advanced: _____

Total Amount Due: _____

☐ Required documentation cannot be submitted with this form. The department will submit documentation within 7 days.

Contact Person: _____
Phone: _____

THOMAS PAZZI _____

m mt

CRANSTON FOR PRESIDENT COMMITTEE, INC.
PERSONAL EXPENSE VOUCHER

Pay to: _____ Return to TREASURER'S DEPT within 2 days

DEPARTMENT AUTHORIZATION

I authorize payment of the following:

Department: Travel/Field/ME 49

Expense Category: Travel 04

Budget Month: 8 9 10 11 12 1 2 3 4 5 (circle)

_____
Department Head Signature

Posted: _____

Check Number: 2522

Amount: $1000.00

Date Paid: 11/18/83

Allocation: _____

Voucher Number: 002661

REQUEST FOR EXPENSE REIMBURSEMENT

DATE: 10/18/83 AMOUNT $ 2225.12 I incurred the expenses described below.

Payee Name: ROBERT D. SCHROTH

Address: 1120 G ST, NW #801 WASHINGTON, D.C. 20005 077490

Robert D. Schroth
(signature)

DATE	AMOUNT	PLACE/CITY	PURPOSE
9/14-10/16	$95.54	MAINE/IOWA	EATS FOR CAMPAIGN TRAVEL
9/22-10/01	167.26	MAINE	DELEGATE HOSPITALITY
9/12-10/01	334.43	MAINE	SUPPLIES/REFRESHMENTS FOR AC EVENTS
9/24,26	11.40	MAINE	PAYMENT FOR BUS DELIVERIES
9/27-10/01	700.00	MAINE	LODGING/PHONE IN MAINE
9/18-9/21	68.42	MAINE	LODGING/MEALS FOR R.E. FOULE
10/02-10/11	207.07	IOWA	CAR RENTAL IN IOWA
10/11	641.00	IOWA TO D.C./S.F.	TRANSPORTATION FOR SCHROTH AND MAGGIE SHINDERA (HER CHROS ARE ALL MAXED-OUT)

Total Expenses: $2225.12

Amount Advanced: _____

Total Amount Due: $2225.12

☐ Required documentation cannot be submitted with this form. The department will submit documentation within 7 days.

Contact Person: _____
Phone: _____

Mary

CRANSTON FOR PRESIDENT COMMITTEE, INC.
PERSONAL EXPENSE VOUCHER

Route to: _____ Return to TREASURER'S DEPT within 2 days

DEPARTMENT AUTHORIZATION

I authorize payment of the following:

Department: Field / Florida 141

Expense Category: Travel 04

Budget Month: 8 9 10 11 12 1 2 3 4 5 (circle)

Thomas M Pazzi
Department Head Signature

Posted: _____

Check Number: _____

Amount: $ _____

Date Paid: __/__/__

Allocation: _____

Voucher Number: 003471

REQUEST FOR EXPENSE REIMBURSEMENT

DATE: 11/5/83 AMOUNT $ 93.61

Payee Name: Robert Schroth

Address: #077490

I incurred the expenses described below:

_____
(signature)

DATE	AMOUNT	PLACE/CITY	PURPOSE
10	93.61	South on 95	Travel to Florida -- Gas and oil.

Total Expenses: 93.61

Amount Advanced: -0-

Total Amount Due: 93.61

[ ] Required documentation cannot be submitted with this form. The department will submit documentation within 7 days.

Contact Person: _____
Phone: _____

THOMAS PAZZI Thomas M Pazzi

8-9-0-4-0-7-5-3-3-3-9

Mary

CRANSTON FOR PRESIDENT COMMITTEE, INC.
PERSONAL EXPENSE VOUCHER

Route to: FIELD Return to TREASURER'S DEPT within 2 days

DEPARTMENT AUTHORIZATION

I authorize payment of the following:

Department: FIELD/FL.

Expense Category: TRAVEL

Budget Month: 8 9 10 11 12 1 2 3 4 5 (circle)

Thomas M. Pazzi 14104
Department Head Signature

Posted: _____

Check Number: _____

Amount: $_____

Date Paid: __/__/__

Allocation: _____

Voucher Number: 077490

REQUEST FOR EXPENSE REIMBURSEMENT

DATE: 11/18/83 AMOUNT $260.22

Payee Name: ROB SCHROTH

Address: _____

I incurred the expenses described below:

_____
(signature)

0037

DATE	AMOUNT	PLACE/CITY	PURPOSE
11	260.22	FLORIDA	TRAVEL EXPENSES

Total Expenses: 260.22

Amount Advanced: -0-

Total Amount Due: 260.22

[ ] Required documentation cannot be submitted with this form. The department will submit documentation within 7 days.

Contact Person: _____
Phone: _____

THOMAS PAZZI Thomas M. Pazzi

CRANSTON [redacted] DENT COMMITTEE, INC.
PERSONAL EXPENSE VOUCHER

Route to: _____ Return to TREASURER'S DEPT within 2 days

DEPARTMENT AUTHORIZATION

I authorize payment of the following:

Department: Florida

Expense Category: Travel

Budget Month: 8 9 10 11 12 1 2 3 4 5 (circle)

_____
Department Head Signature

Posted: _____

Check Number: 5830

Amount: $ 356.15

Date Paid: 1/23/84

Allocation: _____

Voucher Number:

REQUEST FOR EXPENSE REIMBURSEMENT

DATE: 1/24/84 AMOUNT $ 356.15

Payee Name: Rob Schott

Address: Miami, Fl.

I incurred the expenses described below:

_____
(signature)

DATE	AMOUNT	PLACE/CITY	PURPOSE
11/29	315.00	Florida	Buttons
d	41.15	Florida	Telephone Bill

Total Expenses: _____

Amount Advanced: _____

Total Amount Due: 356.15

☐ Required documentation cannot be submitted with this form. The department will submit documentation within 7 days.

Contact Person: _____
Phone: _____

THOMAS PAZZI _____

7533 4 1 9 0 4 0

CRANSTON [redacted] ENT COMMITTEE, INC.
PERSONAL EXPENSE VOUCHER

Route to: _____ Return to TREASURER'S DEPT within 2 days

DEPARTMENT AUTHORIZATION

I authorize payment of the following:

Department: FIELD - FLORIDA

Expense Category: REIMBURSEMENT

Budget Month: 8 9 10 11 12 1 2 3 4 5 (circle)

Mark Blohm
Department Head Signature

Posted: _____

Check Number: 5815

Amount: $ 212.74

Date Paid: 1/27/84

Allocation: _____

Voucher Number:

REQUEST FOR EXPENSE REIMBURSEMENT

DATE: ~~12~~ 1/27/83 AMOUNT $ 212.74

Payee Name: ROBERT D. SCHROTH

Address: 16772 NE 5th AVE.
NORTH MIAMI BEACH FL 33162

I incurred the expenses described below:

Robert D. Schroth (mc)
(signature)

DATE	AMOUNT	PLACE/CITY	PURPOSE
12/21/83	212.74	MIAMI	SHIPPING - DELIVERY CHARGE FOR TABS

Total Expenses: 212.74

Amount Advanced: 0

Total Amount Due: 212.74

[ ] Required documentation cannot be submitted with this form. The department will submit documentation within 7 days.

Contact Person: _____
Phone: _____

THOMAS PAZZI _____

9904075 3342

CRANSTON FOR PRESIDENT COMMITTEE

I hereby certify to the following facts concerning the employee listed below. My certification is based on the fact that I was the employee's supervisor during the period indicated.

Jennifer Perry was assigned to the State of California except for the following periods when she was assigned to Iowa:

October 1-8, 1983 for the Straw Poll; and

January 12 - February 20, 1984.

Mark Cohen
National Political Director

4/18/85
Date

R9040753343

6/29	#1413	$200.00	11/2/83	NON-IA $200.00
				$200.00

CRANSTON FOR PRESIDENT COMMITTEE, INC.
PAYROLL ACCOUNT
1120 G. STREET, N.W.
WASHINGTON, D.C. 20005

1413

16-153/540

Nov. 2 1983

PAY TO THE ORDER OF Jennifer Perry 11-16-83 004 22 0560 777777777 $ 200-

Two hundred dollars and no/100 DOLLARS

Century NATIONAL BANK
Washington, D.C. 20006

FOR consult/travel

Sue E. Pasche

⑈00001413⑈ ⑆054001534⑆ 001 000477 2⑈ ⑈00000 20000⑈

7-f 6-7

Jennifer Perry

For Deposit only to

Checking Account # 156 2009 1024 0233

2919 1502
200.00

R 9 0 4 0 7 5 3 3 4 6

CRANSTON FOR PRESIDENT COMMITTEE

I hereby certify to the following facts concerning the employee listed below. My certification is based on the fact that I was the employee's supervisor during the period indicated.

Mr. Willie Logan was the Deputy Political Director for Minority Affairs. His primary duty was to organize the minority communities. He travelled to Iowa during the following periods, September 23 - 29, 1983 and October 2 - 9, 1983. His base was out of Florida.

Mark Cohen
National Political Director

4/18/85
Date

8904075347

					NON-IA
5/13	C/1208	$500.00	10/3/83	7/13	$ 233.33
5/25	C/1309	$500.00	10/15/83	8/16	$ 250.00
6/25	C/1404	500.00	11/2/83	100%	500.00
7/9	C/1576	500.00	12/5/83	100%	500.00
					$ 1283.33

CRANSTON F[illegible]PRE[illegible]ENT COMMITTEE, INC.
PERSONAL EXPENSE VOUCHER

Route to: _____ Return to TREASURER'S DEPT within 2 days

DEPARTMENT AUTHORIZATION

I authorize payment of the following:

Department: FIELD - ILL 111

Expense Category: TRAVEL 04

Budget Month: 8 9 10 (11) 12 1 2 3 4 5 (circle)

Mark Blohm 053070
Department Head Signature

Posted: Mary

Check Number: 3145

Amount: $ 711.95

Date Paid: 2/6/84

Allocation: _____

Voucher Number: 007055

REQUEST FOR EXPENSE REIMBURSEMENT

DATE: 1/21/84 AMOUNT $ 711.95

Payee Name: WILLIE LOGAN

Address: 14510 NW 27th AVE.
OPA LOCKA, FL 33054

I incurred the expenses described below:

Willie Logan (me)
(signature)

DATE	AMOUNT	PLACE/CITY	PURPOSE
10/25	318.00	RT - MIAMI - CHI	AIRFARE ✓
11/14	159.00	RT - MIAMI - CHICAGO	AIRFARE ✓
OCT.	69.62	VARIOUS	LONG DISTANCE CALLS ✓
NOV	70.08	VARIOUS	FOOD FOR MEETINGS ✓
10/20/83	51.00	GREYHOUND	LUGGAGE SHIPPING ✓
OCT-NOV	44.25	CHICAGO	AUTO EXPENSES / GAS ✓

Total Expenses: 711.95

Amount Advanced: 0

Total Amount Due: 711.95

☐ Required documentation cannot be submitted with this form. The department will submit documentation within 7 days.

Contact Person: _____
Phone: _____

THOMAS PAZZI _____

Chicago / Miami / Chicago / Miami

10/25/ thru 11/12

Willie Logan's Expenses

Air Fare	10/25	$ 318.00
Air Fare	11/14	318.00
Food		70.08
Automobile Miscellaneous		44.25
Hertz Rental		402.87
Miscellaneous Shipping of Luggage from Massachusetts		51.00
Phone Calls:		
	Southern Bell	49.69
	Illinois Bell	19.93
		1,222.82

CAR - SAID HE WOULD TAKE CAR OF HIMSELF

R904075350

8 9 0 4 0 7 5 3 3 5 1

INVOICE ITINERARY FOR: LOGAN/WILLIE REP.

DATE PREPARED: OCT 24, 1983

TRAVEL AGENTS INTL
315 NE 23RD STREET
MIAMI FL 33137

INVOICE AMOUNT (AIR ONLY) $ 318.00

MIA305 576-0777

AIRLINE	FLT	CL	DATE	FROM	TO	LV	AR	M	S
EASTERN	76	L	25OCT	MIAMI FLA.	CHI OHARE	1250P	240P	L-	0
NORTHWEST	716	V	30OCT	CHI OHARE	MIAMI FLA.	425P	815P	D-	0

[redacted]

PASSENGER TICKET AND BAGGAGE CHECK SUBJECT TO CONDITIONS CONTAINED IN THIS TICKET

EASTERN AIRLINES INC

CONJUNCTION TICKET(S)

ATC PASSENGER COUPON

LOGAN/WILLIE REP.

NOT TRANSFERABLE

24 OCT 83

MIAMI FLA.	EA	76	L	25OCT	1250P		
U CHI OHARE	NW	716	V	30OCT	425P	D.	
MIAMI FLA.							
VOID							
VOID							

294.44 25OCT MIAEACHI 159.00 NWMIA 159.00

23.56

318.00ABTCK

0070/ AA-AA 007 7233702117 5 0070

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AGENT NOTE: If itinerary is machine prin ed strple into this folder along this ton edge and fold down to fit neatly.

INVOICE ITINERARY FOR: LOGAN/WILLIE REP.

DATE PREPARED: NOV 03, 1983

TRAVEL AGENTS INTL
315 NE 23RD STREET
MIAMI FL 33137

INVOICE AMOUNT (AIR ONLY) $ 159.00

MIA305 576-0777

AIRLINE	FLT	CL	DATE	FROM	TO	LV	AR	M	S
UNITED	229	Q	4NOV	MIAMI FLA.	CHI OHARE	655P	900P	D-	0

EASTERN 78 6:30 - 8:40

Please reconfirm all flight reservations and schedules as your trip progresses. International reservations must be reconfirmed for stopovers 72 hours or longer.

Do not destroy unused tickets- they may be refundable.

B-Breakfast L-Lunch D-Dinner S-Snack

PASSENGER TICKET AND BAGGAGE CHECK

UNITED AIRLINES

CONJUNCTION TICKETS

ATC PASSENGER COUPON

See below for Airline Form Serial Number

LOGAN/WILLIE REP.

03 NOV 83

TRAVEL AGENTS INTL

MIAMI

RSGR CPN

10 57813 0/

MIAMI FLA.

CHI OHARE

UA 229 Q 4NOV 655P OK Q

--VOID--

--VOID--

--VOID--

147.22 4NOV MIAUACHI 159.00 $159.00

11.78

159.00

FORM OF PAYMENT

TRANSACTION CODE FORM SERIAL NUMBER

ORIGINAL ISSUE

TOUR CODE

0/ AA-AA

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Ck 2635

UNITED AIRLINES PASSENGER TICKET AND BAGGAGE CHECK SUBJECT TO CONDITIONS OF CONTRACT ON PASSENGER'S COUPON

016|24 4832 1705
UNITED AIR LINES
MIAMI
MIATR 96190 3
UA

LOGAN/WILLIE

NOT GOOD FOR PASSAGE	CARRIER	FLIGHT	CLASS	DATE	TIME	STATUS	FARE BASIS/TKT. DESIGNATOR	NOT VALID BEFORE	NOT VALID AFTER	ALLOW
MIAMI	UA	229	Q	20SEP	700P	OK	Q			
X CHICAGO/OHARE	UA	479	Q	20SEP	950P	OK	Q			
DES MOINES				VOID						
VOID				VOID						
VOID										

163.89 MIA UA ORD 0.00Q UA DSM CASH
13.11 177.00Q 177.00
177.00

2679262513 4 016 24 48321705 4

DO NOT MARK OR WRITE IN THE WHITE AREA ABOVE

8 9 0 4 0 7 5 3 3 5 3

PASSENGER ITINERARY TICKET # 0167239244412 PAGE 01
CHARGE TO: ROXIE WARD $ 354.00

AIRLINE	FL/CL	DATE	FROM	TO	LEAVE	ARRIVE	M
UNITED	229Q	20OCT SUN	MIAMI, FL	CHICAGO/OHARE	700P	900P	I
UNITED	479Q	20OCT SUN	CHICAGO/OHARE	DES MOINES, I	950P	1054P	
TWA	126M	09OCT SUN	DES MOINES, I	ST LOUIS/LAMB	230P	323P	
TWA	492M	09OCT SUN	ST LOUIS/LAMB	MIAMI, FL	435P	901P	D
						1 STOP	

005074 LOGAN/WILLIE REPRESENTATI
TIME TO TRAVEL
738 NW 119 ST
MIAMI FLA 33168

37

PERSONALIZED TRAVEL INC
7699 BISCAYNE BLVD.
MIAMI FL 33138
305-754-3404

INV # 15273
DATE 30SEP

OZARK AIRLINES

PASSENGER TICKET AND BAGGAGE CHECK

041:4466:140:52

LOGAN/WILLIE

NOT GOOD FOR PASSAGE

DES MOINES

ORLANDO JETPORT

MIAMI VIA

VOID

VOID

CASH

DES MOINES

ALL/105

PASSENGER ITINERARY TICKET # 0167239244412 PAGE 01

CHARGE TO: ROXIE WARD $ 354.00

AIRLINE	FL/CL	DATE	FROM	TO	LEAVE	ARRIVE	M
UNITED	229Q	02OCT SUN	MIAMI, FL	CHICAGO/OHARE	700P	900P	D
UNITED	479Q	02OCT SUN	CHICAGO/OHARE	DES MOINES, I	950P	1054P	
TWA	126M	09OCT SUN	DES MOINES, I	ST LOUIS/LAMB	230P	323P	
TWA	492M	09OCT SUN	ST LOUIS/LAMB	MIAMI, FL	435P	901P	D
						1 STOP	

005074

LOGAN/WILLIE REPRESENTATI
TIME TO TRAVEL
738 NW 119 ST
MIAMI FLA 33168

37

PERSONALIZED TRAVEL INC
7699 BISCAYNE BLVD.
MIAMI FL 33138
305-754-3404

INV # 15273
DATE 30SEP

CRANSTON FOR PRESIDENT COMMITTEE

I hereby certify to the following facts concerning the employee listed below. My certification is based on the fact that I was the employee's supervisor during the period indicated.

Ms. Patricia Ewing, an Iowa staff person, was temporarily assigned to Maine to help meet a deadline for the election of Cranston delegates to the State convention. Ms.Ewing was in Maine during July 24 - 31, 1983.

Mark Cohen
National Political Director

4/18/85
Date

John Law
Iowa State Coordinator

4/18/85
Date

8 9 0 4 0 7 5 3 3 5 5

Per Events

	EXPLANATION	1 DATE	2 CHECK NO.	3 AMOUNT
		7/13/83	3/13	
	3/3	[redacted]	C- [redacted] 1/2	~~[illegible]~~ 277 77
	Total			277 77

8904075353 56

I declare to the best of my knowledge and belief that the foregoing statement is true, correct and complete.

Signature

Dated

SALES PERSON: 44 ITINERARY/INVOICE NO. 0014852 DATE: 20 JUL 83
CUSTOMER NBR: 020044 S4X5GX PAGE: 1

TO: PAT EWING

FOR: EWING/PAT
ARNOLD/ROBERT

20 JUL 83 - SATURDAY
AIR LV PORTLAND, ME. 635 PM UNITED FLT:957 COACH CLASS
AR DES MOINES 1054 PM 2-STOPS DINNER

AIR TICKETS FOR EWING PAT	TKT NBR UA7229263127	297.00
AIR TICKETS FOR ARNOLD ROBERT	TKT NBR UA7229263128	297.00
SUB TOTAL		594.00
TOTAL AMOUNT DUE		594.00

pd ck db

REMARKS-
THANK YOU FOR CALLING DAYS TRAVEL BUREAU

8 9 0 4 0 7 5 3 3 3 5 7

PLEASE RETURN THIS COPY WITH YOUR REMITTANCE

CRANSTON FOR PRESIDENT COMMITTEE

I hereby certify to the following facts concerning the employee listed below. My certification is based on the fact that I was the employee's supervisor during the period indicated.

During the pay period 6/1 - 6/15/83, John Law was transferred from his responsibility as Iowa State Coordinator to work in Wisconsin.

During the pay period 7/15 - 7/31/83, Mr. Law was assigned for one-half of this time to the State of Maine to undertake activities relating to the election of Cranston delegates to the State Convention.

Mark B Cohen

Mark Cohen
National Political Director

4/18/85
Date

89040753358

Travel Loan

	EXPLANATION	1 DATE	2 CHECK NO.	3 AMOUNT
	2/22	[illegible]	C- 121	[illegible]
	3/10	7/15 7/31	C- 345	
			1/2=	49248
	Total			144595

I declare to the best of my knowledge and belief that the foregoing statement is true, correct and complete.

Signature

Dated

9904075335 9

DAYS TRAVEL BUREAU

SALES PERSON: 44 ITINERARY/INVOICE NO. 0214854 DATE: 30 JUL 8
CUSTOMER NBR: 020244 TONPGX PAGE: 1

TO: JOHN LAW

FOR: LAW/JOHN

31 JUL 88 - SUNDAY
AIR LV PORTLAND, OR. 635 PM UNITED FLT:657 COACH CLASS
AR DES MOINES 1054 PM 0-STOPS DINNER

AIR TICKETS FOR LAW JOHN TKT NO 0172299283192 297.00

SUB TOTAL 297.00

TOTAL AMOUNT DUE 297.00

REMARKS-
THANK YOU FOR CALLING DAYS TRAVEL BUREAU

Pucklb

990407563

PLEASE RETURN THIS COPY WITH YOUR REMITTANCE

CRANSTON FOR PRESIDENT COMMITTEE, INC.

PERSONAL EXPENSE VOUCHER

Check Number: _____

Department: Field – Maine - D.C./Nat'l.

Date: Aug 4

Amount: _____

Amount Requested: $16.34

Date: _____

Name: John C LAW 051660

Allocated TO: _____

Address: 4529 50th Street
Des Moines Iowa 50310

001278

Special Instructions: Expenses in Washington & Maine x Do not Bill to Iowa

DEPARTMENT HEAD SIGNATURE: PAA

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
7/22	7.00	Yellow Cab	Washington DC	Cab fare from Airport
7/24	40.00	Stevens Dept Store	Waterville Maine	Clothing; the rest is for
~~7/24~~	~~20.00~~	~~Pre~~		123.00 of which I am
~~7/24~~	~~20.00~~	~~Treasurer Office~~		billing $40 to the campaign
7/24	20.00	Treasurer Office	Brunswick Maine	Voter list.
7/27	5.00	Treasurer Office	Farmington Maine	Voter list.
7/26	18.55	Ground Round Restaurant	Bangor Maine	Dinner for Scott Walker
7/29	16.00	" "	"	Dinner for Scott Walker
7/27	8.18	" "	"	Lunch for Scott Walker

TOTAL EXPENSES: $ 166.34

AMOUNT ADVANCED: $ 150.00

TOTAL AMOUNT DUE: $ 16.34 ✓

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

FOR PRESIDENT COMMITTEE, INC.

L EXPENSE VOUCHER

Page 2

tment: _____

e: _____

mount Requested: _____

Name: _____

Address: _____

_____

Special Instructions: _____

Check Number: _____

Amount: _____

Date: _____

Allocated TO: _____

DEPARTMENT HEAD SIGNATURE: _____

DATE	AMOUNT	PLACE	CITY	PURPOSE/OTHERS ATTENDING
7/25	10.84	Waterville Maine Aviation Oil	Waterville	Gasoline
7/30	12.00	~~Portland~~	Portland Maine	Gasoline
7/29	5.00	McCall Exxon	Augusta	Gasoline
7/30	4.97	Brown Dairy Queen	Augusta Ma.	Lunch For LAW + LaBelle
7/31	18.80	Senator Inn	Augusta Ma.	Board, LAW, Steinman, Sheridan

TOTAL EXPENSES: $ _____

AMOUNT ADVANCED: $ _____

TOTAL AMOUNT DUE: $ _____

AUTHORIZED BY: Sergio Bendixen _____ Bill Landau _____

Ron Peterson _____ Pat Osbon _____

CRANSTON FOR PRESIDENT COMMITTEE

I hereby certify to the following facts concerning the employee listed below. My certification is based on the fact that I was the employee's supervisor during the period indicated.

During the pay period 7/15 - 7/31/83, Robert Arnould, normally assigned to the Iowa staff, was reassigned for one-half of this time to the State of Maine to undertake activities relating to the election of Cranston delegates to the State Convention.

Mark Cohen

Mark Cohen
National Political Director

4/18/85
Date

R9904075533663

Bob Abrams

	EXPLANATION	DATE	CHECK NO.	AMOUNT
	3/6	7/31/82	341	296.12
			1/2	
	Total			296.12
	Note: Copy of airline bill for his return flight from Maine to Iowa - all Patricia Energy			

I declare to the best of my knowledge and belief that the foregoing statement is true, correct and complete.

Signature

Dated

8204075336 4

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

87 MAY 29 A9:52

In the Matter of	)	
	)	
Cranston for President Committee, Inc.,	)	MUR 2073
William M. Landau, as treasurer, et al.	)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On October 17, 1985, the Commission found reason to believe the Cranston for President Committee, Inc. and William M. Landau, as treasurer, violated 2 U.S.C. § 434(a), 434(b)(2)(H), 434(b)(3)(B), 434(b)(3)(E), 441a(f), and 441b(a) and 26 U.S.C. § 9035(a), provisions of the Federal Election Campaign Act and Chapters 95 and 96 of Title 26, U.S. Code. Also, the Commission found reason to believe the Committee and Mr. Landau, as treasurer, violated 11 C.F.R. § 106.2. On the same date, the Commission found reason to believe Senator Alan Cranston violated 26 U.S.C. § 9035(a). Among the other reason to believe findings on that date were the findings that Mark R. Weinberg, Cecil R. Venturella, Adolph P. Schuman and David D. Miller each violated 2 U.S.C. § 441a(a)(1)(A).

II. LEGAL ANALYSIS

The Commission sent the respondents, on November 6, 1985, reason to believe letters enclosing the Commission's Factual and Legal Analyses. On November 20, 1985, Bruce Turnbull submitted a letter and a designation of counsel form signed by Senator Cranston and one signed by Mr. Landau. In the letter, Mr. Turnbull requested pre-probable cause conciliation and a meeting to discuss the areas in which additional information could be submitted and the areas in which disagreement existed.

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Such a meeting was held on December 3, 1985. He did not include at that time any materials or information in response to the reason to believe findings. Although Mr. Turnbull indicated he would cooperate in providing necessary information, he had not yet submitted the information. It was the view of the Office of General Counsel, therefore, that it would be premature to enter into pre-probable cause conciliation negotiations at that time. The Commission agreed and on January 7, 1986, it declined to enter into pre-probable cause conciliation at that time.

Since then the Committee has submitted a number of documents, explanations and other necessary information. Members of the OGC staff have met with Mr. Turnbull on a number of occasions to discuss the matter and determine what information is still needed. A few matters still require further explanation or discussion. One such matter is the apparent excessive contribution from Mr. Mark R. Weinberg.

A. Commodities Transaction-Apparent Excessive Contribution

According to the Committee, Mr. Weinberg approached the Committee in December of 1983 with an opportunity to invest in the commodities market. It appears, however, that the money the Committee received was not actually the proceeds from its investment but rather was from the personal funds of Mr. Weinberg. Mr. Weinberg has not responded to the Commission and has refused correspondence from the Commission. His telephone number is unlisted. Information is needed to support and substantiate the information the Committee gave to Commission auditors. The Office of General Counsel has prepared,

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therefore, Interrogatories, Informal Questions, and Requests for Production of Documents for the Committee and Mr. Weinberg. The Office of General Counsel recommends that the Commission authorize the issuance of the Interrogatories and the attached Subpoena to Produce Documents and Order to Submit Written Answers for Mr. Weinberg. Because Mr. Weinberg has failed to respond to, and has refused to accept, Commission correspondence, the Office of General Counsel recommends that the Commission request that a private company serve Mr. Weinberg.

B. Additional Information Needed From the Cranston Committee

With respect to the Committee, the Office of General Counsel recommends that the Commission approve and send Informal Questions and a Request for Production of Documents for the Committee. The Committee's Questions inquire into the commodity investment plan and also request information and documentation for the excessive contributions from Cecil R. Venturella, Adolph P. Schuman and David D. Miller. Because counsel for the Committee has been cooperative, this Office believes a Subpoena and Order is unnecessary. We recommend that the Commission approve and send the attached Questions for the Committee.

The other issues not addressed here are the Committee's failure to allocate properly to the Iowa limit expenditures which the Committee incurred, excessive contributions by individuals, and various reporting violations. We do not address those issues here because we believe no additional information is needed.

On March 24, 1986, the Committee submitted documentation which it believes demonstrates that the FEC auditors incorrectly allocated certain expenditures to Iowa. The Office of General

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Counsel gave to Commission auditors for analysis a copy of the documentation submitted to it by the Committee. The auditors conducted follow-up fieldwork in December 1985, and in October 1986, its proposed interim addendum to the final audit report was sent to this Office for review. Our comments on that addendum are now being circulated with the report. In the proposed addendum, the Audit Division concludes that the Committee incurred $135,549.49 in excess of the Iowa state limitation on allocable expenditures. However, this Office cannot recommend that the Commission proceed with pre-probable cause conciliation as to the Committee until its role in the commodities transaction with Mr. Weinberg is clarified.

C. Apparent Excessive Expenditures by the Candidate

1. Credit Card Use

On October 17, 1985, the Commission found reason to believe Senator Alan Cranston violated 2 U.S.C. § 9035(a) by incurring or making expenditures from his personal funds in an aggregate amount exceeding $50,000 in connection with his campaign for nomination for election to the office of President. Senator Cranston first exceeded his $50,000 limit on October 31, 1983. For the period October 31, 1983 through May 3, 1984, Senator Cranston exceeded his limit by an amount ranging from $21,784.86 to $76,369.15.

The Act, at 26 U.S.C. § 9035(a) states, in part, that no candidate shall knowingly incur or make expenditures from his personal funds, or the funds of his immediate family, in

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connection with his campaign for nomination for election to the office of President in excess of, in the aggregate, $50,000.

The Act defines an expenditure as "any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office." 2 U.S.C. § 431(9)(A)(i).

Senator Cranston's expenditures, as noted in the Interim Audit Report, consisted of a number of different items. Senator Cranston made a direct contribution of $2,000 to the Cranston Committee. He used his personal American Express card to pay certain campaign-related expenses. Senator Cranston lent money to his committee, paid for some of the Committee's telephone charges, and incurred miscellaneous expenses which the Committee did not reimburse in a timely fashion. On April 9, 1984, Senator Cranston exceeded the $50,000 limit, embodied in 26 U.S.C. § 9035(a), by $64,272.25 through these transactions.

With respect to Senator Cranston's use of his personal credit card, the Commission has taken the position that a credit card expenditure by a candidate for campaign use counts against the 9035 limit only to the extent that the balance due is not paid within a reasonable time.1/ In determining the amount by which Senator Cranston has exceeded his $50,000 limit, the Audit

1/ The Commission adopted this approach in MUR 2175 with regard to credit card expenditures by presidential candidate Gary Hart.

R 9 0 4 0 7 5 3 3 6 9

Division considered only those American Express card bills for which the Committee did not reimburse the candidate within 30 days and any American Express card bills submitted directly to the Committee which were outstanding for more than 30 days.

Senator Cranston argues that the Commission should not view amounts charged on his personal American Express card as advances to his committee. He cites section 100.7(a)(4) of the Commission's regulations and argues that he stands in the same position as any other Committee creditor who supplies goods or services.2/ A vendor, he maintains, is not considered to have made a contribution to a campaign as long as the committee incurred the debt in a normal commercial situation and the creditor makes reasonable attempts to collect the debt.

Senator Cranston argues that he, like a vendor, expected and demanded prompt payment of his expenses. During 1982 and early 1983, the Committee reimbursed the Senator promptly. Later, near the end of the campaign, the Committee failed to reimburse Senator Cranston promptly. At that time, the Senator says, he made payments on his American Express bills in order to avoid adverse effects on his credit rating.

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2/ Section 100.7(a)(4) states, in part:

> The extension of credit by <u>any person</u> for a length of time beyond normal business or trade practice is a contribution, <u>unless the creditor has made a commercially reasonable attempt to collect the debt.</u> (See 11 C.F.R. 114.10).

11 C.F.R. 100.7(a)(4) (emphasis added by Senator Cranston).

The Committee indicates that it treated Senator Cranston's requests for payment as it did any bill from a creditor. The Committee states it believed it was important to show all of its creditors that the Committee considered them important and that it would pay them as promptly as possible. To treat Senator Cranston specially would have been inconsistent with the Committee's effort to demonstrate commercial good faith to the other creditors.

The fact is, however, that the candidate is not like any other creditor. There is no arms-length relationship between the two. This is evidenced by the very existence of 26 U.S.C. § 9035(a) and the special expenditure limitation for the candidate and his family. It is expected that the candidate will make some expenditures from personal funds, including loans to the committee as a method of increasing cash flow. To avoid exceeding the 9035 limit, however, the committee must reimburse the candidate promptly.

In response to the Commission's reason to believe finding, the Senator also argues that Section 9035(a) does not apply to credit card expenditures when the Committee later reimburses the candidate. Section 9035(a) specifically states that "no candidate shall knowingly make expenditures from his personal funds. . ." (emphasis added). The Senator argues that he did not actually make the expenditures until he paid American Express directly to protect his credit rating.

The Commission has held in the past that a credit card expenditure is made when incurred. See, MUR 1349, General

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Counsel's Brief, In the Matter of Charles Wick, November 24, 1981, p. 5. Likewise, 11 C.F.R. § 9032.9(a)(1) states that a qualified campaign expense is one "incurred by or on behalf of a candidate. . . ." Also, the statutory definition of expenditure, at 2 U.S.C. § 431(9)(A)(i), includes "a written contract, promise, or agreement to make an expenditure." When the candidate or his committee tenders the credit card in payment for goods or services, he or the committee makes a promise to pay the card company at a later date. Therefore, there is no distinction between making an expenditure and incurring an expense in this context.

Senator Cranston argues that Advisory Opinion 1984-37 does not apply to the situation at hand. That AO includes a footnote which states: "an advance of funds for services rendered to a candidate with an expectation of repayment, like a loan, is a contribution." AO 1984-37, n.2. According to the response, the Advisory Opinion "discussed services rendered <u>to the candidate</u> by a person who is later reimbursed by a political action committee and the Commission's determination that those services constituted a contribution by the person for the period prior to repayment by the PAC." Response at p.12 (emphasis in original). Senator Cranston's situation, on the other hand, involves his personal expenses for which the Committee later reimbursed him. Senator Cranston and the Committee argue that the AO is limited to the situation discussed in the AO and, therefore, does not apply to the situation of Senator Cranston and the Committee.

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However, the Committee chose only to look at that section of the footnote. The footnote cites 2 U.S.C. § 431(8)(A)(i), but that section does not refer specifically to services rendered to the candidate; they could be services rendered to the committee or independent expenditures meant to somehow benefit the candidate or committee. The Act states:

> (8)(A) The term "contribution" includes-
> (i) any gift, subscription, loan, advance, or deposit of money or anything of value made by <u>any</u> <u>person</u> for the purpose of influencing any election for Federal office;

2 U.S.C. § 431(8)(A)(i)(emphasis added). The Committee seems to be arguing that the term "any person" cannot apply to the candidate himself. However, that term can and does apply to the candidate. <u>See</u> <u>also</u>, 2 U.S.C. § 431(9)(A)(i).

The footnote continues, after stating that an advance is a contribution, by adding:

> An exception exists for the extension of credit in the ordinary course of business for a length of time that is normal in the business or trade, see 11 CFR 114.10 and 100.7(a)(4), but that exception would not apply to persons working for Federal candidates at the direction of a political committee such as AMPAC. Just as a loan by any person other than a recognized lending institution is a contribution, see 2 U.S.C. § 431(8)(A), (B)(vii), an extension of credit by any person other than a business acting in its ordinary course of operation is a contribution. Accordingly, employees who pay for expenses from their own pocket must be sure that their outstanding advances on behalf of the candidates involved, when aggregated with any other contributions they may have made, do not exceed $1,000 per election. See 2 U.S.C. § 441a(a)(1)(A).

AO 1984-37, n.2.

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The most important part of that footnote, as it pertains to Senator Cranston, is that which states that an extension of credit by any person other than a business in the ordinary course of business is a contribution. This statement can be applied to the Senator. However, the Senator, because the candidate has a larger expenditure limit under 26 U.S.C. § 9035(a), must be sure that his expenditures or advances on behalf of the campaign do not exceed $50,000.

We would argue, therefore, that AO 1984-37 does apply to the situation at hand when the general principle outlined in footnote two is considered. That principle is that: an extension of credit by any person other than a business acting in its usual and ordinary course of business is a contribution, or in the Senator's case, an expenditure. It should, therefore, be included in the candidate's expenditure total, for purposes of 26 U.S.C. § 9035(a), to the extent that the advance or loan is not reimbursed by the Committee within a reasonable time. The Senator exceeded the $50,000 expenditure limitation, not only by extending credit to the Committee, but by making direct payments to American Express.

2. Security for Airline Debt

In his response to the reason to believe finding, Senator Cranston argued that the amount allegedly secured by his personal American Express card for a debt owed to American Central Airlines, Inc. should not be included in the calculation of Senator Cranston's expenditure of personal funds. Senator

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Cranston argues he did not use or authorize the use of his credit card for the purpose of securing the debt. The card number was used without his knowledge or authorization.

American Central Airlines, Inc. did not receive payment from American Express, according to Senator Cranston, nor did it attempt to collect payment from American Express. Instead, the Airlines sued the Cranston Committee and received full payment from the Committee.

Because of the use of the credit card appears to have been unauthorized, the Office of General Counsel has not included as an expenditure by the candidate the amount allegedly secured by Senator Cranston's American Express card for the debt owed to American Central Airlines, Inc. The airline did not treat the card as security, but rather, sued the Committee for payment.

D. Discussion of Conciliation Provisions and Civil Penalty for Senator Cranston

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III. RECOMMENDATIONS

1. Approve and authorize the issuance of the attached cover letter, Subpoena to Produce Documents and Order to Submit Written Answers and the Interrogatories and Request for Production of Documents for Mark R. Weinberg.

2. Authorize the Office of General Counsel to hire a private company to serve Mr. Weinberg.

3. Approve and authorize the issuance of the attached Questions and Request for Production of Documents for the Cranston for President Committee, Inc.

4. Enter into conciliation with Senator Alan Cranston prior to a finding of probable cause to believe.

5. Approve and send the attached letter and proposed conciliation agreement for Senator Cranston.

5/28/87
Date

Lawrence M. Noble
Acting General Counsel

Attachments
1. Subpoena and Order for Mr. Weinberg
2. Interrogatories and Request for Production of Documents (1)
3. Questions and Request for Production of Documents(1)
4. Proposed Letters (3)
5. Proposed Conciliation Agreement for Senator Cranston

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Cranston for President Committee, Inc.	)	MUR 2073
	)	
William M. Landau, as treasurer, et al.	)	
	)	

CERTIFICATION

I, Mary W. Dove, recording secretary for the Federal Election Commission executive session on June 9, 1987, do hereby certify that the Commission decided by a vote of 6-0 to refer this matter back to the Office of General Counsel for revaluation pursuant to the discussion held in the meeting.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for this decision.

Attest:

6-10-87
Date

Mary W. Dove
Mary W. Dove
Administrative Assistant

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 24, 1987

Bruce Gaile
Investigator
Commodities Futures Trading Commission
10850 Wilshire Blvd.
Suite 370
Los Angeles, CA 90024

Dear Mr. Gaile:

This letter is to acknowledge your conversation on June 10, 1987 with staff attorney, Donna W. Anderson. We thank you for the information you provided on Mark R. Weinberg. We regret, however, that due to the confidentiality provisions in the Federal Election Campaign Act, we are constrained from releasing any information as to whether we are conducting an investigation into Mr. Weinberg's activities.

Should you decide to make a formal request for additional information, please direct your written request to Donna W. Anderson in this office. If you have any questions, please contact Ms. Anderson at (202) 376-5690.

Sincerely,

Lawrence M. Noble
Acting General Counsel

By: Lois G. Lerner
Associate General Counsel

9904075378

WEIL, GOTSHAL & MANGES
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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NEW YORK, N.Y. 10153
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(212) 758-0173
(212) 750-8477
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TELEX: ITT 424281
ITT 423144

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TELECOPIER: (713) 224-9511
TELEX: ITT 4620144

800 BRICKELL AVENUE
MIAMI, FLORIDA 33131
(305) 789-8500
TELECOPIER: (305) 374-7159

BRUCE H. TURNBULL
DIRECT LINE (202) 682-7070

RECEIVED AT THE FEC
GCC 824
86 JUN 27 A8:41

June 25, 1986

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
A10:06

Michele Brown, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
6th Floor
Washington, D.C. 20463

Dear Michele:

Enclosed is the affidavit from Sue Paschen, the F.E.C. compliance officer for the Cranston for President Committee ("Committee"), as we discussed at our April 16, 1986 meeting. As noted at that time, the information concerning the Committee's system for insuring compliance with the law's contribution limits has been explained to us by our client, and the affidavit is intended to provide the Commission with the same direct explanation by the person who designed and oversaw the system.

As Ms. Paschen's affidavit outlines, the compliance program that the Committee instituted was a good faith effort to prevent its acceptance of contributions in excess of $1,000 from individual contributors. As we have discussed earlier, the small number of contributions at issue in our discussions is evidence that the compliance effort was both serious and successful. Certainly, when viewed in the context of a contributor base of 32,000 individuals, the number of excessive contributions that initially avoided detection by the program is truly de minimis.

Please contact me if you have any questions or comments concerning the affidavit or the compliance program.

Sincerely,

Bruce

Bruce H. Turnbull

Enclosure

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AFFIDAVIT OF SUE E. PASCHEN

I, Sue E. Paschen, being duly sworn, state the following.

1. I worked on the staff of the Cranston for President Committee ("Committee") from February, 1983 to June, 1985. During the entire period described above, I served as the Committee's Federal Election Compliance Officer. Late in the campaign, I assumed additional responsibilities as the Assistant Treasurer.

2. One of my responsibilities as Compliance Officer was to oversee the operations of the caging staff. The caging staff gathered, recorded, and deposited contributions that were received directly by the Committee through the mail or were collected by the fundraising staff.

3. In an effort to prevent the Committee from inadvertently accepting excessive contributions, I developed a monitoring system for verifying a contributor's current total contribution prior to depositing a large contribution from that person. Under this system, when a contribution of $200 or more was received through the mail by the Committee, the caging staff would put the check aside rather than deposit it. The check was then taken - often by me - to the fundraising staff, which would review its contribution records to determine whether the contribution would cause the individual to exceed the $1,000 limit. If the person was

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still under the legal limit, the contribution was deposited in the Committee's account. If the contribution would cause the individual to exceed the legal limit, a person on the fundraising or caging staffs would call the contributor to inform them of the situation. If the contributor stated that he or she and a family member intended to have a portion of the total amount contributed attributed to that family member, it was noted on the Committee's records, the check was deposited and reattribution forms were sent later. If the contributor did not wish to have a portion of the contribution attributed to another person, the check was returned.

4. In addition, as a further backup, the Committee also ran a computer printout twice of the names of all $1,000 contributors. Some large contributions were checked against this printout as well as an additional safeguard against excessive contributions. The same procedure described in paragraph 3 above was followed when the printout revealed an apparent excessive contribution.

5. This monitoring system prevented the Committee from depositing a significant number of excessive contributions. The fundraising and caging staffs cooperated fully to ensure that this process operated effectively.

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6. Despite our best efforts to screen contributions from 33,000 individuals, a very small number of contributions in excess of the $1,000 limit escaped detection and were initially accepted. All these have now been refunded. I understand that the Committee is now in the process of collecting reattribution statements from another small group of contributors.

I do hereby attest that all the above is true and accurate to the best of my recollection.

Sue E. Paschen

Sue E. Paschen

Sworn to before me this 23rd day of ~~May~~ JUNE, 1986.

Juliette I. Coté

Notary Public

I was Commissioned Notary As
Juliette I. Wheeler

My Commission Expires Jan. 20, 1988

8 9 0 4 0 7 5 3 3 8 2

SENSITIVE

87 JUL 15 P 3:31

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Cranston for President Committee, Inc.,	)	MUR 2073
William Landau, as treasurer	)	
et al.	)	

COMPREHENSIVE INVESTIGATIVE REPORT #1

This matter concerns numerous expenditures made by Senator Alan Cranston on behalf of his 1984 authorized campaign committee, the Cranston for President Committee, Inc.

On October 17, 1984, the Commission found reason to believe that Senator Alan Cranston, the Cranston for President Committee, Inc., and William Landau, as treasurer, violated 26 U.S.C. § 9035(a) of the Presidential Primary Matching Payment Account Act. The Commission also found reason to believe that the Committee, and Mr. Landau, as treasurer, violated 2 U.S.C. §§ 434(a), 434(b)(2)(H), 434(b)(3)(B), 434(b)(3)(E), 441a(f), and 441b(a), provisions of the Federal Election Campaign Act, and 11 C.F.R. § 106.2 of the Commission's regulations. Other reason to believe findings made on that date involving this matter were that Mark R. Weinberg, Cecil R. Venturella, Adolph P. Schuman, and David D. Miller each violated 2 U.S.C. § 441a(a)(1)(A).

On November 6, 1985, the Commission sent the respondents reason to believe letters enclosing the Commission's Factual and Legal Analyses. On November 20, 1985, Bruce Turnbull submitted a letter and a designation of counsel form signed by Senator Cranston and one signed by Mr. Landau. In the letter, Mr. Turnbull requested pre-probable cause conciliation and a meeting to discuss the areas in which disagreement existed. A

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meeting was held on December 3, 1985, but Mr. Turnbull did not submit at that time any materials or information in response to the reason to believe findings. Although Mr. Turnbull indicated he would cooperate in providing necessary information, he had not yet submitted the information. It was the view of the Office of General Counsel that it would be premature to enter into pre-probable cause conciliation negotiations at that time. The Commission agreed and on January 7, 1986, it declined to enter into pre-probable cause conciliation at that time.

Since then the Committee has submitted a number of documents, explanations and other necessary information. However, only the response of February 7, 1986, from Mr. Turnbull addressed the issue of the Senator's use of his personal American Express card for the benefit of the Committee. Mr. Turnbull met with members of the OGC staff on February 12, 1986, to discuss further the letter of the seventh, including the credit card issue, but no agreement or understanding between the parties came out of the meeting.

The credit card issue was not addressed again until June 9, 1987, when the Commission considered the General Counsel's Report recommending conciliation with the Senator. During that meeting, the Commission requested that the Audit Division prepare a chart detailing the accumulation and liquidation of the Committee's debt to the Senator and to American Express. The Audit Division indicates that the chart will not be ready for review by this Office until July 17, 1987.

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Upon completion of the requested chart, this Office will revise its legal analysis and draft conciliation agreement of the credit card issue in accordance with the Commission's discussion on June 10th.

Lawrence M. Noble
Acting General Counsel

Date 7/15/87

BY: Lois G. Lerner
Lois G. Lerner
Associate General Counsel

89040753385

SENSITIVE

87 JUL 16 A10:37

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Cranston for President Committee, Inc.,	)	MUR 2073
William M. Landau, as treasurer, et al.	)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On October 17, 1985, the Commission found reason to believe the Cranson for President Committee, Inc. (the "Committee), and William M. Landau, as treasurer, violated 2 U.S.C. § 441a(f), and that Mark R. Weinberg violated 2 U.S.C. § 441a(a)(1)(A) of the Federal Election Campaign Act. On the same date, the Commission found that the Committee and Mr. Landau, as treasurer, violated 2 U.S.C. §§ 434(a), 434(b)(2)(H), 434(b)(3)(B), 434(b)(3)(E), and 441b(a); 26 U.S.C. § 9035(2); and 11 C.F.R. § 106.2. Among the other reason to believe findings on that date were findings that Senator Alan Cranston violated 26 U.S.C. § 9035(a), and Cecil R. Venturella, Adolph P. Schuman, and David D. Miller each violated 2 U.S.C. § 441a(a)(1)(A).

II. FACTUAL ANALYSIS AND INVESTIGATIVE REPORT

This matter concerns an excessive contribution that resulted when Mark R. Weinberg, a commodities trader and advisor, used his personal funds to pay the Committee a $45,000 profit from its alleged investment.

According to the Committee, Mr. Weinberg approached the Committee in December of 1983 with an opportunity to invest in the commodities market. The Committee told the Commission Audit Staff that, after they were approached by Mr. Weinberg, they

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sought advice as to the legality of this type of investment. Although the Committee could not recall who gave them the advice, they were assured that this activity was legal. The Committee stated that the legal advice was not from the Commission nor was it in writing.

The Committee agreed to invest in the commodities market and provided a $9,000 check made payable to the "Conti Commodity Service" on December 15, 1983. This check was not cashed.

On January 24, 1984, the Committee received $15,000 by wire transfer. The Committee stated it believed that the $15,000 represented profits of its commodities transactions. The receipt of the $15,000 was itemized on the disclosure report listing a Chicago Bank as the provider of the funds. (Attachment 6, p. 4.)

According to the Committee, Mark Weinberg, their commodities trader, contacted them and related that an additional $30,000 in profit from the commodities trading was due them and would be forthcoming. However, there was a problem having the money released from the commodities broker. Nevertheless, on February 8, 1984, the Committee received $30,000 by wire transfer. (Attachment 6, pp. 5-7.) The receipt of the $30,000 was itemized on the disclosure report listing the commodites trader, Mark Weinberg, as the person providing the funds.

Further, Committee officials stated there was a conversation between the commodities trader and a Committee staff member shortly after the Committee received the $30,000. It was during this conversation that the commodities trader told the Committee

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that because of the problem of having the money released from the commodities broker, the commodities trader used $30,000 of his personal funds to send to the Committee. The commodities trader believed the $30,000 was a loan to the Committee until the money was released. As a result of this conversation, the Committee stated that the next day they sent a $30,000 refund check to the commodities trader.

The documentation available concerning the $30,000 refund consisted of an unsigned letter dated February 8, 1984, which refers to, and purportedly accompanied, the refund. (Attachment 6, p. 9.) Committee records indicate that the refund check was sent on February 8, 1984, however, their check register disclosed that the account from which the check was drawn had a negative balance of $136,166.32 on the date the refund money was allegedly forwarded. (Attachment 6, p. 15.) The Committee did not report the $30,000 refund made to the commodities trader on its March Monthly FEC report. (Attachment 7.) However, on June 20, 1984, in their June Monthly FEC report, the Committee notified the Commission that the $15,000 should be refunded to avoid a possible illegal contribution, that a check issued on February 8, 1984 refunding $30,000 to avoid a possibly illegal contribution had not been cashed promptly, and that the account on which the check was drawn no longer had any funds. (Attachment 8, p. 3.) As of May 31, 1984, a total amount of $10,000 had been refunded. The Committee said it would refund the balance as soon as it could raise the funds. As of October 19, 1984, the Committee had refunded a total of $30,000 to the commodities trader.

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In the interim report, the Audit Staff recommended that the Committee refund the remaining $15,000 and provide evidence of the refund along with a full explanation of these transactions.

On May 2, 1985, the Committee provided copies of the negotiated refund checks totalling $15,000. (Attachment 6, pp. 11-14.) In addition, the Committee provided the same explanation it had previously provided to the Audit staff.

In addition to these contributions, Mr. Weinberg contributed $1,000 to the Committee on November 4, 1983. Mr. Weinberg therefore, contributed a total of $46,000 to the Committee.

A. Attempts to Notify Mark R. Weinberg

Mr. Weinberg has not responded to the Commission and has refused correspondence from the Commission. His telephone number is unlisted. There is no response to the Commission's notification of reason to believe, which was sent to Mr. Weinberg on November 6, 1985. The second letter sent to Mr. Weinberg on April 24, 1986 by certified mail was refused. This office was unable to determine his business phone number with a reverse address-to-telephone directory.

At the Commission's suggestion, this Office contacted the Commodities Futures Trading Commission's Los Angeles office on June 10, 1987. The CFTC had Mr. Weinberg registered as a commodities broker and advisor and provided what appears to be a home address for him.

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Information is needed to support and substantiate the information the Committee gave to Commission auditors. The Office of General Counsel has prepared, therefore, Interrogatories, Informal Questions, and Requests for Production of Documents for the Committee and Mr. Weinberg. The Office of General Counsel recommends that the Commission authorize the issuance of the Interrogatories and the attached Subpoena to Produce Documents and Order to Submit Written Answers for Mr. Weinberg.

Finally, because Mr. Weinberg has refused to accept mail from the Commission, the Office of General Counsel is requesting the assistance of the United States Marshal to serve him with the attached Subpoena and Order, and Interrogatories. Such service is necessary because Mr. Weinberg has refused to accept certified mail from the Commission; the address was apparently valid. The CFTC investigator confirmed the validity of the business address, however, we have no direct evidence showing that Weinberg's business is still located at this address.

Resending the Notification of the Commission's finding of reason to believe to Weinberg's home address by regular or by certified mail is not likely to be successful since he has already failed to answer a similar letter sent to a valid business address in November of 1985, and refused mail in April 1986.

B. Additional Information Needed from the Cranston Committee

With respect to the Committee, the Office of General Counsel recommends that the Commission approve and send the attached Informal Questions and a Request for Production of Documents for

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the Committee. The Committee's Questions inquire into the commodity investment plan and also request information and documentation for the excessive contributions from Cecil R. Venturella, Adolph P. Schuman and David D. Miller. Because counsel for the Committee has been cooperative, this Office believes a Subpoena and Order is unnecessary.

The other issues not addressed here are: the Committee's failure to allocate properly to the Iowa limit expenditures; the candidate's excessive expenditures; irrevocable letters of credit from individual contributors; and the Committee's reporting violations. Those matters will be discussed in two separate reports.

III. RECOMMENDATIONS

1. Approve and authorize the issuance of the attached cover letter, Subpoena to Produce Documents and Order to Submit Written Answers, and the Interrogatories and Request for Production of Documents for Mark R. Weinberg.

2. Approve and authorize the issuance of the attached cover letter and Questions and Request for Production of Documents for the Cranston for President Committee, Inc.

7/15/87
Date

Lawrence M. Noble
Acting General Counsel

Attachments
1. Subpoena and Order for Mr. Weinberg
2. Interrogatories and Request for Production of Documents (1)
3. Questions and Request for Production of Documents (1)
4. Form USM-285 (1)
5. Proposed letters (3)
6. Audit workpapers
7. 1984 March Monthly FEC report
8. 1984 June Monthly FEC report

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Cranston for President Committee, Inc.,	)	MUR 2073
William M. Landau, as treasurer, et al.	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 20, 1987, the Commission decided by a vote of 5-0 to take the following actions in MUR 2073:

1. Approve and authorize the issuance of cover letter, Subpoena to Produce Documents and Order to Submit Written Answers, and the Interrogatories and Request for Production of Documents for Mark R. Weinberg, as recommended in the General Counsel's Report signed July 15, 1987.

2. Approve and authorize the issuance of cover letter and Questions and Request for Production of Documents for the Cranston for President Committee, Inc., as recommended in the General Counsel's Report signed July 15, 1987.

Commissioners Aikens, Elliott, Josefiak, McGarry, and Thomas voted affirmatively for the decision; Commissioner McDonald did not cast a vote.

Attest:

7-21-87
Date

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

Received in the Office of Commission Secretary: Thurs., 7-16-87, 10:37
Circulated on 48 hour tally basis: Thurs., 7-16-87, 4:00
Deadline for vote: Mon., 7-20-87, 4:00

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 24, 1987

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Bruce H. Turnbull, Esquire
Weil, Gotshal & Manges
101 Fourteenth Street, N.W.
Washington, D.C. 20005

RE: MUR 2073
Cranston for President
Committee, Inc.
William M. Landau, as
treasurer

Dear Mr. Turnbull:

On November 6, 1985, your clients were notified that the Commission found reason to believe your clients violated, among other sections, 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended. As you know, an investigation of this matter is being conducted and it has been determined that additional information from your clients is necessary.

Consequently, the Federal Election Commission has issued the attached Questions and Request for Production of Documents which requires your clients to provide information which will assist the Commission in carrying out its investigation.

Please have your clients submit the requested information and documents within fifteen (15) days of your receipt of these Questions and Request for Production of Documents.

If you have any questions, please direct them to Donna W. Anderson, the attorney handling this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
Acting General Counsel

Enclosure
Questions and Request for Production of Documents

8904075393

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 24, 1987

Mark R. Weinberg
10880 Wilshire Boulevard
Suite 2004
Los Angeles, CA 90024

RE: MUR 2073
Mark R. Weinberg

Dear Mr. Weinberg:

On November 6, 1985, you were notified that the Federal Election Commission found reason to believe you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended.

Pursuant to its investigation of this matter, the Commission has issued the attached subpoena and order requiring you to provide information, which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, U.S. Code.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this subpoena and order. It is required that you submit all answers to questions under oath and that you do so within 15 days of your receipt of this subpoena and order.

If you have any questions, please direct them to Donna W. Anderson, the attorney handling this matter at (202) 376-5690.

Sincerely,

Lawrence M. Noble
Acting General Counsel

Enclosure
Subpoena and Order
Interrogatories and Request for Production of Documents

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plm

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 24, 1987

U.S. Marshal's Office
United States Courthouse
312 North Spring Street
Room G-23
Los Angeles, CA 90012

Re: MUR 2073

Dear Sir or Madam:

I am writing to request your assistance pursuant to 2 U.S.C. § 437c(f)(3) in perfecting service of the enclosed Subpoena and Order upon Mark R. Weinberg, 10880 Wilshire Boulevard, Suite 2004, Los Angeles, CA 90024.

Attempts to serve Mr. Weinberg by other means have proved unsuccessful and we believe it likely he may try to avoid service by your office. We therefore request you effect personal service upon him.

As we are an agency of the U.S. Government, we ask you to waive fees for your services.

Thank you in advance for your cooperation in this matter. If you have any questions, please contact Donna W. Anderson, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
Acting General Consel

Enclosures
UMS-285
Subpoena, Order and Attachment

8904075395

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
) MUR 2073

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Mark R. Weinberg
10880 Wilshire Boulevard
Suite 2004
Los Angeles, CA 90024

Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce the documents requested on the attachment to this Order. Legible copies which, where applicable, show both sides of the documents, may be substituted for originals.

Such answers must be submitted under oath and must be forwarded to the Commission along with the requested documents within 15 days of your receipt of this Order and Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand on this 23rd, day of July 1987.

Scott E. Thomas, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachments
Questions (8 page(s))

2904075396

WEIL, GOTSHAL & MANGES
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

767 FIFTH AVENUE
NEW YORK, N.Y. 10153
(212) 310-8000
TELECOPIER: (212) 752-3976
CABLE: WEGOMA
TELEX: ITT 424281
ITT 423144

1615 L STREET, N.W.
WASHINGTON, D.C. 20036
(202) 682-7000
TELECOPIER (202) 857-0939
(202) 857-0940
TELEX: ITT 440045

1600 REPUBLICBANK CENTER
700 LOUISIANA
HOUSTON, TEXAS 77002
(713) 546-5000
TELECOPIER: (713) 224-9511
TELEX: ITT 4620144

701 BRICKELL AVENUE
MIAMI, FLORIDA 33131
(305) 577-3100
TELECOPIER: (305) 374-7159

BRUCE H. TURNBULL
DIRECT LINE (202) 682-7070

GCCA 4101
RECEIVED
OFFICE OF THE
GENERAL COUNSEL
87 AUG 6 P1:59

August 6, 1987

Lawrence M. Noble, Esq.
Acting General Counsel
Federal Election Commission
999 "E" Street, N.W.
Washington, D.C. 20463

Re: MUR 2073
Cranston for President Committee, Inc.
William M. Landau, Treasurer

Dear Mr. Noble:

On behalf of my client, the Cranston for President Committee, Inc., and its treasurer, William M. Landau, I am writing to request a 30-day extension to the deadline for responding to the "Questions and Request for Production of Documents," which I received August 4 by mail. (The delay between the July 24 date on the letter and our receipt of it over 10 days later is undoubtedly due to the fact that the letter was sent to an incorrect version of our previous address. Please note the above address for future correspondence.)

The bases for our request for a delay are as follows. First, I will be out of town for two weeks beginning August 7, and would be unable to supervise the work necessary to respond to the inquiry. Second, the nature of the request is such that a very considerable effort will be required, particularly since the Committee has neither employees nor funds at this point and since the records are stored in several locations in three cities. Finally, I note that the July 24 letter was the first indication that any such request would be made and, indeed, was the first contact at all on this MUR since April 1986.

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I discussed this request yesterday with Donna W. Anderson, who stated that the extension should not be a problem. We would appreciate hearing officially as soon as possible.

Thank you for your consideration of this request.

Sincerely,

Bruce H. Turnbull

Bruce H. Turnbull

cc: Donna W. Anderson, Esq.

8904075398

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 14, 1987

Bruce H. Turnbull, Esquire
Weil, Gotshal & Manges
1615 L Street, N.W.
7th Floor
Washington, D.C. 20036

RE: MUR 2073
Cranston for President Committee, Inc.
William M. Landau, as treasurer

Dear Mr. Turnbull:

This is in response to your letter delivered by hand on August 6, 1987, requesting an extension of 30 days to respond to our Questions and Request for Production of Documents. After considering the circumstances presented in your letter, I have granted an extension of 20 days. Should you need additional time to complete your response, you can request an additional extension. Accordingly, your response is due by close of business on September 8, 1987.

If you have any questions, please contact Donna Anderson, the attorney assigned to this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble
Acting General Counsel

BY: Lois G. Lerner
Associate General Counsel

8904075399

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2073
Cranston for President Committee, Inc.	)	
William Landau, as treasurer et al.	)	

COMPREHENSIVE INVESTIGATIVE REPORT #2

This matter concerns numerous excessive contributions that Mr. Mark R. Weinberg made to the Cranston for President Committee, Inc.

On October 17, 1984, the Commission found reason to believe that Mark R. Weinberg made excessive contributions in violation of 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act through several commodities transactions. Also, on that date, the Commission found reason to believe that the Committee, and Mr. Landau, as treasurer, violated 2 U.S.C. §§ 434(a), 434(b)(2)(H), 434(b)(3)(B), 434(b)(3)(E), 441a(f), and 441b(a) and 11 C.F.R. § 106.2 of the Commission's regulations. Other reason to believe findings made on that date involving this matter were that Cecil R. Venturella, Adolph P. Schuman, and David D. Miller each violated 2 U.S.C. § 441a(a)(1)(A).

On November 6, 1985, the Commission sent the respondents reason to believe letters enclosing the Commission's Factual and Legal Analysis. We received no response to that notification from Mr. Weinberg. A second letter sent to Mr. Weinberg at the same business address by certified mail on April 24, 1986, was refused. On July 20, 1987, the Commission approved the issuance of a subpoena and order to Mr. Weinberg along with interrogatories concerning the commodities transactions. This Office sought the assistance of the U.S. Marshal in Los Angeles

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to help find and serve Mr. Weinberg. The letters, subpoena and order, and interrogatories were sent to the Marshal for service on July 24, 1987.

The Marshal worked several days following a number of leads before coming to, what appeared to be, a dead end. Specifically, we could not locate a valid street address for Mr. Weinberg. It seemed that when he moved from a home or business address, he provided stale or fabricated forwarding addresses. The only seemingly valid address we could get for him was a post office box. The deputy handling the case stated that his supervisor would not permit him to sit outside the post office and wait for Mr. Weinberg to collect his mail.

We then learned, from the Commodities Futures Trading Commission, that Mr. Weinberg had brought a lawsuit against that commission. The CFTC attorney handling the case provided the names of Mr. Weinberg's attorneys in Los Angeles, and the attorneys agreed to accept service for Mr. Weinberg on this matter. On August 6, 1987, the Marshal's deputy served the subpoena and order upon Weinberg's attorneys. Response to the interrogatories attached to the subpoena and order is due by August 21, 1987.

On July 20, 1987, the Commission also approved the issuance of informal questions for the Committee with regard to the commodities transactions. The questions and cover letter were mailed on July 24, however they were not received until August 4, 1987. On August 6, Mr. Bruce Turnbull, the Committee's attorney,

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contacted this Office by letter to request a 30-day extension of time to respond to the questions. In addition to the delayed receipt, Mr. Turnbull will be on vacation from August 10 through 21, 1987. The Committee's response would have been due on August 19, 1987.

On August 14, 1987, this Office granted a 20-day extension of time to respond to the questions. The Committee's response is now due on September 8, 1987.

Lawrence M. Noble
Acting General Counsel

Date 8/18/87

By: Lois G. Lerner
Lois G. Lerner
Associate General Counsel

99040753402

GCC #4209

RECEIVED AT THE FEC.
HAND DELIVERED
87 AUG21 AM 11:55

WALTER, FINESTONE, RICHTER & KANE
LAWYERS
A PROFESSIONAL CORPORATION
10920 WILSHIRE BOULEVARD
SUITE 1400
LOS ANGELES, CALIFORNIA 90024-6592
(213) 824-0800

CABLE ADDRESS:
SURELAWC

MUR 2073

REFER TO FILE NO.

11456-1 019

August 20, 1987

FEDERAL EXPRESS

Donna W. Anderson, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street NW
Sixth Floor
Washington, D.C. 20463

87 AUG21 P2:23

Re: Mark R. Weinberg

Dear Ms. Anderson:

This will confirm our conversation of August 20, 1987 wherein we requested a twenty-day extension of time to respond to the interrogatories directed to Mark R. Weinberg to allow us an opportunity to discuss resolving this matter by Conciliation Agreement. In connection therewith, this letter will also constitute our formal request on behalf of our client, Mr. Weinberg, to enter into a mutually acceptable Conciliation Agreement.

We also wish to confirm that Mr. Weinberg filed a Voluntary Petition Under Chapter 7 and received his discharge on May 21, 1987. Pursuant to your request, we are enclosing copies of the Voluntary Petition Under Chapter 7 and the Order of Discharge.

I understand that you will contact me on August 21, 1987 to advise me if our request for an extension of time has been granted.

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Thank you for your courtesy and cooperation.

Very truly yours,

John F. Walter
of WALTER, FINESTONE, RICHTER & KANE

JFW:lr
Enclosures

8 9 0 4 0 7 5 3 4 0 4

COPY

FILED

(CLERK'S STAMP)

86 NOV 14 A8:19

BANKRUPTCY COURT
CALIF.
COUNTY

LAWRENCE C. MEYERSON, ESQ.
RAYMOND H. AVER, ESQ.
Name ROSEN, WACHTELL & GILBERT
A Professional Corporation
Address 1888 Century Park East, Suite 2100
Los Angeles, California 90067

Telephone (213) 553-2900
Attorney or Assistant or Representative for Debtor(s)

UNITED STATES BANKRUPTCY COURT FOR THE

CENTRAL DISTRICT OF CALIFORNIA

In re

MARK ROSS WEINBERG dba
MARK R. WEINBERG adba
MARK WEINBERG,

Debtor(s)

(Set forth here all names including trade names used by debtor(s) within last 6 years.)

JAMES DOOLEY A 200

Case No. LA86 21428 JD

VOLUNTARY PETITION
UNDER CHAPTER 7

Social Security No. 572-64-0160
Social Security No. N.A.
Debtor's Employer's Tax Identification No. N.A.

(If this form is used for joint petitioners wherever the word "petitioner" or words referring to petitioners are used they shall be read as if in the plural.)

1. Petitioner's mailing address, including county, is 403 South Crescent Heights Boulevard, Los Angeles, California 90048

2. Petitioner has ☐ resided (or has ☐ had his domicile or has ☒ had his principal place of business or has ☐ had his principal assets) within this district for the preceeding 180 days (or for a longer portion of the preceeding 180 days than in any other district).

3. Petitioner is qualified to file this petition and is entitled to the benefits of title 11, United States Code as a voluntary debtor.

4. (If appropriate) ☐ A copy of petitioner's proposed plan, dated _____, is attached (or ☐ Petitioner intends to file a plan pursuant to Chapter 11 of title 11, United States Code.)

5. (If petitioner is a corporation) Exhibit "A" is attached to and made part of this petition.

6. (If petitioner is an individual whose debts are primarily consumer debts) Petitioner is aware that he (or she) may proceed under Chapter 7 or 13 of title 11, United States Code, understands the relief available under each such Chapter, and chooses to proceed under Chapter 7 of such title.

7. (If petitioner is an individual whose debts are primarily consumer debts and such petitioner is represented by an attorney) A declaration or an affidavit in the form of Exhibit "B" is attached to and made a part of this petition.

WHEREFORE, petitioner prays for relief in accordance with chapter 7 (or chapter 11) of title 11, United States Code.

Signed: ROSEN, WACHTELL & GILBERT, A Prof. Corp.
By: [signature]
Attorney for Petitioner

Address: LAWRENCE C. MEYERSON
RAYMOND H. AVER
1888 Century Park East, Suite 2100
Los Angeles, California 90067

Petitioner signs if not represented by attorney

_____ Petitioner

_____ Petitioner

I, (We), MARK ROSS WEINBERG and _____, the petitioner(s) named (or the president or other officer or authorized agent of the corporation named as petitioner, or a member or an authorized agent of the partnership named as petitioner) in the foregoing petition, do hereby declare, under penalty of perjury, that the statements contained therein are true and correct. (and that the filing of this Petition on behalf of the corporation (or partnership) has been authorized).

Executed on November 13th, 19 86

[signature]
Petitioner
MARK ROSS WEINBERG

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES

P-0006718

CHAPTER: 7

CASE NUMBER: LA 86-21428JD

IN RE:
MARK ROSS WEINBERG

430 SOUTH CRESCENT HEIGHTS BLV
LOS ANGELES, CA 90048-4455

SSN/ID:
572-64-0160

AKA: MARK R WEINBERG, MERK WEINBERG,

8621428
U.S. BANKRUPTCY COURT
ROOM 906, U.S. COURTHOUSE
312 NO. SPRING ST.
LOS ANGELES, CA 90012-4701

DEBTOR(S)

DISCHARGE OF DEBTOR(S)

LAWRENCE C. MEYERSON
1888 CENTURY PARK EAST
SUITE 2100
LOS ANGELES, CA 90067-1702

NOVEMBER 14, 1986

IT APPEARING THAT THE PERSON NAMED ABOVE HAS FILED A PETITION COMMENCING A CASE UNDER TITLE 11, UNITED STATES CODE ON THE ABOVE DATE, THAT AN ORDER FOR RELIEF WAS ENTERED UNDER CHAPTER 7 AND THAT NO COMPLAINT OBJECTING TO THE DISCHARGE OF THE DEBTOR WAS FILED WITHIN THE TIME FIXED BY THE COURT (OR THAT A COMPLAINT OBJECTING TO DISCHARGE OF THE DEBTOR(S) WAS FILED AND, AFTER DUE NOTICE AND HEARING, WAS NOT SUSTAINED), IT IS ORDERED ON THE DATE NOTED BELOW THAT:

1. THE ABOVE-NAMED DEBTOR(S) IS RELEASED FROM ALL DISCHARGEABLE DEBTS.

2. ANY JUDGEMENT HERETOFORE OR HEREAFTER OBTAINED IN ANY COURT OTHER THAN THIS COURT IS NULL AND VOID AS A DETERMINATION OF THE PERSONAL LIABILITY OF THE DEBTOR(S) WITH RESPECT TO ANY OF THE FOLLOWING:

   (A) DEBTS DISCHARGEABLE UNDER 11 U.S.C. SEC. 523;

   (B) UNLESS HERETOFORE OR HEREAFTER DETERMINED BY ORDER OF THIS COURT TO BE NONDISCHARGEABLE, DEBTS ALLEGED TO BE EXCEPTED FROM DISCHARGE UNDER CLAUSES (2), (4), AND (6) OF 11 U.S.C. SEC. 523(A);

   (C) DEBTS DETERMINED BY THIS COURT TO BE DISCHARGED UNDER 11 U.S.C. SEC. 523(D).

3. ALL CREDITORS WHOSE DEBTS ARE DISCHARGED BY THIS ORDER AND ALL CREDITORS WHOSE JUDGMENTS ARE DECLARED NULL AND VOID BY PARAGRAPH 2 ABOVE ARE ENJOINED FROM INSTITUTING OR CONTINUING ANY ACTION OR EMPLOYING ANY PROCESS TO COLLECT SUCH DEBTS AS PERSONAL LIABILITIES OF THE ABOVE-NAMED DEBTOR(S).

8904075 3

DATED: MAY 21, 1987

BY ORDER OF THE U.S. BANKRUPTCY COURT

JACK L. WAGNER

CLERK OF COURT

M BL (8/83)

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 25, 1987

John F. Walter, Esquire
Walter, Finestone, Richter & Kane
10920 Wilshire Blvd.
Suite 1400
Los Angeles, CA 90024

RE: MUR 2073
Mark R. Weinberg

Dear Mr. Walter:

This is in response to your letter delivered by hand on August 21, 1987, requesting an extension of 20 days to respond to our Subpoena and Order. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on September 10, 1987.

The Commission will review your request to enter into conciliation negotiations, prior to a finding of probable cause to believe, and determine whether to enter into conciliation at that time.

If you have any questions, please contact Donna W. Anderson, the attorney assigned to this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble
Acting General Counsel

BY: Lois G. Lerner
Associate General Counsel

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GCC# 4309

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

87 SEP -4 AM 11:01

MUR 2013

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

87 SEP -4 PM 2:02

September 3, 1987

FEDERAL EXPRESS

Lois G. Lerner
Associate General Counsel
Office of the General Counsel
Federal Election Commission
999 E Street NW, Sixth Floor
Washington, D.C. 20463

Re: Mark R. Weinberg

Dear Ms. Lerner:

We are enclosing an original and one copy of the undersigned's Responses to Interrogatories. Please file the original and return a conformed copy to the undersigned in the enclosed envelope.

Thank you.

Very truly yours,

Mark R. Weinberg

Mark R. Weinberg

Enclosures

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
MARK R. WEINBERG	)	MUR 2073

RESPONSES TO INTERROGATORIES

Mark R. Weinberg hereby responds to interrogatories as follows:

Mr. Weinberg hereby asserts his privilege under the Fifth Amendment of the United States Constitution and declines to answer each and every question (interrogatory numbers 1 through 24) propounded to him on the grounds that his answers may tend to incriminate him.

MARK R. WEINBERG

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Responses to Interrogatories was mailed by Federal Express to the interested parties in this action on September 3, 1987 as follows:

Lois G. Lerner
Associate General Counsel
Federal Election Commission
999 E Street NW, Sixth Floor
Washington, D.C. 20463

MARK R. WEINBERG
403 South Crescent Heights Boulevard
Los Angeles, California 90048
(213) 930-2061

MARK R. WEINBERG

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GCC# 4331
MUR 2073

WEIL, GOTSHAL & MANGES
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

767 FIFTH AVENUE
NEW YORK, N.Y. 10153
(212) 310-8000
TELECOPIER: (212) 752-3976
CABLE: WEGOMA
TELEX: ITT 424281
ITT 423144

1615 L STREET, N.W.
WASHINGTON, D.C. 20036
(202) 682-7000
TELECOPIER (202) 857-0939
(202) 887-0940
TELEX: ITT 440045

1600 REPUBLICBANK CENTER
700 LOUISIANA
HOUSTON, TEXAS 77002
(713) 546-5000
TELECOPIER: (713) 224-9511
TELEX: ITT 4620144

701 BRICKELL AVENUE
MIAMI, FLORIDA 33131
(305) 577-3100
TELECOPIER: (305) 374-7159

BRUCE H. TURNBULL
DIRECT LINE (202) 682-7070

September 8, 1987

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 SEP -8 PM 6:04

Lawrence M. Noble, Esq.
Acting General Counsel
Federal Election Commission
999 "E" Street, N.W.
Washington, D.C. 20463

Dear Mr. Noble:

On behalf of my client, the Cranston for President Committee, Inc. ("Committee") and its treasurer, William M. Landau, I am submitting the enclosed response to the "Questions and Request for Production of Documents" issued to the Committee by the Federal Election Commission ("Commission") on July 24, 1987.

In order to respond to this request, the Committee has undertaken a thorough review of all papers and materials in its possession. As my associate, John Engber, indicated to Donna Anderson earlier today, this response is based on the best information available to the Committee today. It has just come to our attention that there might be additional documents in California that are relevant to the commodities transaction. The Committtee is now in the process of assembling these documents for review, which will be conducted in an expeditious manner. Review of these documents might require modification of the answers provided in the enclosed response. The Committee will provide the Commission with relevant documents and, if necessary, any modifications to the enclosed answers as soon as possible.

All current officials, employees, counsel, and consultants have cooperated in providing information based on their knowledge of matters related to the questions. In compliance with the Commission's instructions, information has been provided even where--as is the case on many points--the basis for it is hearsay. The Committee has withheld one document and a portion of another on the grounds that they

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contained privileged information (attorney-client communications).

The Committee's responses were based on interviews with: William M. Landau, who is the Committee's treasurer; Sue Paschen, who was the Committee's federal election law compliance officer and who remained as an employee and consultant to the Committee after the conclusion of the campaign; and Roy Greenaway, who is Administrative Assistant to Senator Cranston (solely with respect to the reimbursement of Senator Cranston for his expenses). Ms. Toni Ritzenberg, who is a consultant to the Committee, performed much of the search of the Committee's records, together with attorneys from this law firm.

In compliance with the Commission's instructions and in the interests of getting all pending matters resolved expeditiously, any further information and documents which become available will be provided promptly to the Commission.

If there are any questions concerning the Committee's response, please let me know.

Sincerely,

Bruce H. Turnbull /JBB

Bruce H. Turnbull

Enclosure

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CRANSTON FOR PRESIDENT COMMITTEE, INC.

Response to Questions Issued by the
Federal Election Commission

1. The Committee has found no records concerning the identity of the person whom Mr. Weinberg approached with the investment plan. Further, neither Mr. Landau nor Ms. Paschen have any first-hand information on this question. Mr. Weinberg told Mr. Landau that he (Weinberg) had spoken to Mr. Sergio Bendixen concerning the commodity investments. Mr. Bendixen was, at that time, campaign manager. He has no current connection to the Committee. His current business address and telephone numbers (home and office) are: Sergio Bendixen, Bendixen & Law, 1029 Vermont Ave., N.W., #505, Washington, D.C. 20005 (office: 202-628-4245/home: 202-543-5281).

2. The Committee has found no records regarding the date on which Mr. Weinberg approached the Committee regarding the proposed commodities transaction. Nor do

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Mr. Landau or Ms. Paschen have any information concerning that date.

3. The Committee has found no information regarding whether there was a meeting or what the location of a meeting might have been between Mr. Weinberg and a member of the Committee's staff. Mr. Landau and Ms. Paschen do not have any information concerning where such a meeting took place or even whether it was a face-to-face meeting or simply telephone conversations. As the Commission is aware, Mr. Landau did meet with Mr. Weinberg on May 14, 1984, to attempt to determine whether the funds transferred by Mr. Weinberg were the results of legitimate investment.

4. The Committee has found no records regarding the nature of the proposed commodities transaction. The only information Mr. Landau or Ms. Paschen have about the commodities investment is a post facto, hearsay understanding that: (1) Mr. Weinberg approached the Committee with the idea of investing Committee funds in the commodities market; (2) Mr. Bendixen apparently spoke with Mr. Weinberg about

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such investments; and (3) a check for $9,000 was written by the Committee for the purpose of making such an investment.

5. The Committee has found no records, written or otherwise, concerning an investment plan.

6. The Committee has found no records regarding who on the Committee staff authorized participation in the investments. As stated above, Mr. Weinberg told Mr. Landau that he (Weinberg) had conversations with Mr. Bendixen.

a. Neither Mr. Landau nor Ms. Paschen have direct or indirect knowledge of any discussions between Committee staffpersons regarding this investment plan.

7. The Committee does not have a current address or telephone number for Conti Commodity Services.

8. The Committee has no information concerning whether Mr. Weinberg was employed by Conti Commodity Services.

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9. The Committee has found no records concerning the reason that the $9,000 dollar check was made out to "Conti Commodity Services." Neither Mr. Landau or Ms. Paschen has any information regarding the manner in which the commodity transaction was structured, including why the check was made out to "Conti Commodity Services."

10. The Committee has found no records regarding who made the determination to invest $9,000 in the commodities transactions. Nor do Mr. Landau or Ms. Paschen have any information regarding this determination.

11. The Committee has found no records concerning the person to whom the $9,000 check was sent or presented. Although Mr. Landau and Ms. Paschen had no direct knowledge regarding the identity of the person to whom the check was sent, Mr. Landau infers, from his subsequent conversation with Mr. Weinberg, that the check was sent directly to Mr. Weinberg.

12. The Committee has found no records regarding the identity of the person who signed the $9,000 check to

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Conti Commodity Services. Since Mr. Weinberg neither deposited nor returned the $9,000 check to the Committee, the Committee is not in possession of the check and is, therefore, unable to provide copies as requested by the Commission. Neither Mr. Landau nor Ms. Paschen has any recollection of who signed the check. Ms. Paschen's recollection is that the only authorized signatories in mid-December 1983 were Mr. Landau, Ms. Paschen, Mr. Tom Pazzi, and Mr. Bendixen.

13. The Committee financial records indicate that the $9,000 check was never cashed.

a. Not applicable.

b. (1) Mr. Weinberg informed Mr. Landau in a May 14, 1984 meeting that he never deposited the $9,000 check because Conti Commodity Services, the commodities brokeragehouse to whom the check was made out, informed

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Mr. Weinberg that he could not trade on behalf of the Committee.

(2) Based on Mr. Weinberg's statement to Mr. Landau, it is the Committee's understanding that Mr. Weinberg decided not to cash the check.

(3) The Committee has found no records concerning contacts by the Committee with Mr. Weinberg about the fact that the check for $9,000 had not been cashed prior to Mr. Landau's May 14, 1984 meeting with Mr. Weinberg. Ms. Paschen noted that, because the check was apparently sent on or after December 15, 1983, it would not be unusual for the check not to be included in the bank statement received in January. When questions were raised about the $30,000

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received on February 8, someone (whose identity is now unknown to the Committee) contacted Mr. Weinberg and determined that the $30,000 should be returned. Subsequently, Mr. Landau contacted Mr. Weinberg to ascertain the status of the funds transferred to the Committee. Mr. Landau wrote to Mr. Weinberg on April 27, 1984, requesting specific information concerning this transaction, including information with respect to the status of the $9,000 check (see Document #8). Mr. Landau ultimately met with Mr. Weinberg on May 14, 1984, at which time Mr. Weinberg acknowledged that he had not cashed the $9,000 check.

(4) The Committee has found no records concerning contacts between the

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Committee and Conti Commodity Services directly regarding the $9,000 check. In his subsequent review of the matter, Mr. Landau did not contact Conti Commodity Services but rather dealt solely with Mr. Weinberg. Nor are Mr. Landau or Ms. Paschen aware of any direct Committee contact with Conti Commodity Services.

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14. The Committee's financial records indicate that the Committee wrote only the one $9,000 check to Conti Commodity Services. Further, Mr. Landau and Ms. Paschen are not aware of any additional checks written by the Committee to Conti Commodity Services.

15. The Committee's records show that the Committee issued a check for $30,000 dated February 9, 1984, to Mr. Weinberg (see Document #6). Ms. Paschen's recollection is that this check represented the return of funds wired earlier that day, apparently from Mr. Weinberg's

account, at his instructions. Further, as the Commission knows, beginning in mid-May 1984 the Committee issued a series of checks to Mr. Weinberg for the purpose of providing a refund of the entire $45,000 received by the Committee from Mr. Weinberg. Copies of these checks have previously been provided to the Commission.

16. Committee financial records indicate that on January 24, 1984, the Committee received a wire transfer of $15,000 from Mr. Weinberg (see Document #2).

a. The Committee's bank records indicate that this transfer was made from "Harris" in Chicago. The credit memo provided by the Committee's bank with the statement covering the period including January 24, 1984, did not provide any additional information, including any reference to Mr. Weinberg (see Document #2). When the bank statement covering the period including January 24, 1984, was being reconciled with the Committee's records, Ms. Paschen became aware of the $15,000 transfer and raised a question about whether the Committee could accept the $15,000. Her inquiry was directed toward either Mr. Michael Novelli or

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Mr. Bendixen, who explained that the $15,000 was profit from a commodities investment which Mr. Weinberg had made for the Committee. Mr. Novelli was at that time Finance Chairman. He is no longer connected with the Committee. His current business and residential address and telephone number are: Michael Novelli, 3012 Cambridge Place, N.W., Washington, D.C. 20007 (home and office: 202-965-9549).

b. The Committee has found no records regarding the nature of the $15,000 received on January 24, 1984.

c. The Committee has found no records or documentation that may have accompanied the wire transfer, other than the bank's wire transfer credit memo included in its subsequent regular monthly statement of the Committee's account. Mr. Landau and Ms. Paschen are not aware of any other documentation.

d. The Committee has no documentary information concerning the sources of this $15,000, other than the credit memo provided by the Committee's bank.

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Ms. Paschen was told by either Mr. Novelli or Mr. Bendixen that the funds were profits from a commodities transaction undertaken for the Committee by Mr. Weinberg.

e. The credit memo provided by the Committee's bank states that the funds were wired from "Harris-Chicago" (see Document #2). The Committee has no further information concerning this.

f. The Committee has found no records regarding Committee contacts with Mr. Weinberg after receiving the $15,000 wire transfer. Although neither Mr. Landau nor Ms. Paschen has any direct, first-hand knowledge of Committee communications with Mr. Weinberg following and regarding the $15,000 wire transfer, Mr. Weinberg did tell Mr. Landau in their May 14, 1984 meeting that Mr. Bendixen contacted him (Weinberg) concerning both the $15,000 wire transfer and potential additional profits.

17. The Committee has found no records regarding whether the $30,000 wired to the Committee by Mr. Weinberg on

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February 8, 1984 represented profits from commodities trading. Mr. Weinberg, in discussions with Mr. Landau and in discussions that Ms. Paschen heard about, represented that the $30,000 was profit from commodities transactions (although Mr. Weinberg did tell Mr. Landau on May 14, 1984 that these transactions were made in Mr. Weinberg's name and using his own funds as the initial investment).

18. The Committee has found no records concerning the date on which Mr. Weinberg contacted the Committee about the additional $30,000. Neither Mr. Landau nor Ms. Paschen have any information regarding the date of such a communication.

19. The Committee has not found any records concerning problems encountered by Mr. Weinberg in having the commodities broker release profits made in the commodities transaction. As the Commission knows, Mr. Weinberg told the Committee on February 8 that the $30,000 was wired from his personal account because of difficulties in getting the broker to release the $30,000 profit. Ms. Paschen's knowledge of Mr. Weinberg's statements is limited to this

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information, which is (to her) hearsay. In Mr. Landau's May 14, 1984 meeting with him, Mr. Weinberg stated that he had invested in the commodities market, on the Committee's behalf, in his (Weinberg's) name and that, as a consequence, the $30,000 profit was sent from Mr. Weinberg's personal account.

20. The Committee has found no records regarding the release of the commodity transaction profits by the commodities broker. Neither Mr. Landau nor Ms. Paschen have any information regarding this.

21. In Mr. Landau's May 14, 1984 meeting with Mr. Weinberg, Mr. Weinberg stated that the January 24, 1984 wire transfer of $15,000 and the February 8 wire transfer of $30,000 came from Mr. Weinberg's personal funds. Ms. Paschen recalls that the Committee learned on February 8, 1984 that that day's wire transfer of $30,000 came from Mr. Weinberg's personal funds.

22. Committee records do not identify the person to whom Mr. Weinberg revealed on February 8, 1984 that the

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$30,000 wire transfer came from his personal funds. Ms. Paschen does not remember who spoke with Mr. Weinberg.

23. Mr. Weinberg told Mr. Landau on May 14, 1984 that he had told Mr. Bendixen (apparently sometime in January or February 1984) that he had invested on the Committee's behalf in his own name and that, therefore, the profits would be sent from his account. The Committee has no further information on this statement.

24. The Committee found no documents or records relating to a commodities investment "plan." The Committee has found certain records related to the wire transfers and to the Committee's discussions with Mr. Weinberg, and these are provided with this response.

25. A review of the Committee's financial records indicates that Mr. Weinberg never attempted to cash the $30,000 refund check dated February 8, 1984. Mr. Weinberg told Mr. Landau that he (Weinberg) never deposited the $30,000 refund check.

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26. A review of Committee finance records indicates that the $30,000 refund check was never returned to the Committee's checking account. Further, the negative "balance" in the Committee's check book at the time the February 8 check was written is not indicative of either the Committee's realistic expectation or its intentions regarding this check. Indeed, it is the recollection of Ms. Paschen that the Committee had an arrangement with Century National Bank under which it was depositing, during this time period, sufficient funds on a day-to-day basis to cover all checks presented at the bank. The Committee, therefore, expected that the check would have been paid when presented.

27. Copies are enclosed. The Committee was not able to find one check from David Miller for $1,000 (check #6026 dated April 13, 1983). As a general matter, the Committee did not make copies of the backs of contribution checks which it received. As a consequence, copies are available only of the fronts of these checks.

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28. Enclosed are the following documents:

a. A March 20, 1984, letter from Senator Cranston to William Landau (with enclosures)(see Document #18).

b. An April 20, 1984, letter from Sue Paschen to William Landau (see Document #19).

29. The Committee's records do not include any written "payment schedule" drawn up in advance of the payments being made. The payment arrangements were made on the basis of oral discussions. The Committee has provided herewith copies of the bookkeeping "schedules" of payments made by the Committee's personnel and by the Senator's staff. These were created while the payments were being made and as a post-payment review of the dates and amounts of the payments.

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William M. Landau, being duly sworn, states that he has been Treasurer of the Cranston for President Committee, Inc. ("Committee") from January 24, 1983 to present and is authorized to provide this Response for and on its behalf, that he has read the foregoing Response of the Committee to the Federal Election Commission's Questions and Request for Production of Documents, and is familiar with the contents thereof. That the foregoing Response has been assembled by the Committee and counsel of the Committee and that to the best of his knowledge, this Response is true.

William M. Landau
Treasurer

Subscribed and sworn to before me this 3 day of September, 1987.

Notary Public
MARCEY CARDAN
Notary Public, State of New York
No. 31-0532190
Qualified in New York County
Commission Expires Dec. 31, 1989

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CRANSTON FOR PRESIDENT COMMITTEE, INC.

Documents Provided to the Federal Election Commission
in Response to the July 24, 1987 Request
for Production of Documents

DOC. NO.	BATES PAGE NO.	DESCRIPTION OF DOCUMENT
Documents Concerning the Commodities Transaction		
1.	1	Checkbook stub for $9,000 check to Conti Commodity Services, Inc.
2.	2	Credit Memorandum for the $15,000 wire transfer, which was enclosed in 12/31/83 to 1/31/84 monthly statement from Century National Bank.
3.	3	The 12/31/83 to 1/31/84 monthly checking account statement (page showing $15,000 deposit with "Harris" notation by unidentified person).
4.	4	Credit Memorandum for the $30,000 wire transfer, which was enclosed in the 1/31/84 to 2/29/84 monthly account statement from Century National Bank.
5.	5	The 1/31/84 to 2/29/84 monthly checking account statement from Century National Bank.
6.	6	The page from the Committee's "one-write" checkbook which shows the carbon impression of the Committee's $30,000 refund check to Mark Weinberg.
7.	7	The letter from Michael Novelli that accompanied the $30,000 refund check.
8.	8	A 4/27/84 inquiry letter from the Committee's treasurer, William M. Landau, to Mr. Weinberg.
9.	9	Mr. Landau's 5/11/84 and 5/12/84 memoranda to the files concerning Mr. Weinberg. A portion of this document contains privileged

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DOC. NO.	BATES PAGE NO.	DESCRIPTION OF DOCUMENT
		information (consisting of attorney-client discussions) and that portion of the document has been redacted.
10.	10	A 6/1/84 letter from Mr. Landau to Ms. Sue Paschen, a Committee staffperson, enclosing information for submission to the Federal Election Commission in the Committee's 6/20/84 filing.
	11	(a) A draft of the notice provided by the Committee in the 6/20/84 filing.
	12-13	(b) Mr. Landau's 5/14/84 statement to the files concerning Mr. Weinberg.
Contributor Checks		
11.	14	A copy of a 9/3/82 check from Thelma Venturella.
12.	15	A copy of a 10/28/82 check from Cecil Venturella.
13.	16	A copy of a 7/29/83 check from Thelma Venturella.
14.	17	A copy of an 11/19/82 check from Adolph Schuman.
15.	18	A copy of a 1/25/83 check from Adolph Schuman.
16.	19	A copy of a 9/28/83 check from Adolph Schuman.
17.	20	A copy of a 9/7/83 check from David Miller.
Senator Cranston's American Express Charges		
18.	21-23	Senator Alan Cranston's 3/20/84 letter to Mr. Landau requesting repayment (with worksheet enclosure).
19.	24-25	A 4/20/84 letter from Ms. Paschen to Mr. Landau concerning reimbursement of the Senator (two versions of the letter).

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DOC. NO.	BATES PAGE NO.	DESCRIPTION OF DOCUMENT
20.	26-28	A 5/1/84 memorandum from Jan Mueller, administrative coordinator in Senator Cranston's Senate office, to Mr. Landau (with attached bills).
21.	29	Mr. Landau's 5/25/84 notes of a phone conversation, apparently with an employee of American Express.
22.	30	A 6/28/84 memorandum from Ms. Mueller to Mr. Landau.
23.	31-32	A 7/26/84 break-down of campaign expenses incurred by Senator Cranston.
24.	33-36	A 1/28/85 memorandum from Ms. Mueller to Mr. Landau (with attached worksheet).
25.	37-39	An undated letter from Ms. Paschen to Mr. Landau (with attached worksheet).
26.	40-41	A copy of the worksheet attached to document no. 25, with notations by Mr. Landau.
27.	42	A handwritten chart of reimbursement payments made to Senator Cranston and American Express (apparently compiled by Mr. Landau).
28.	43	A worksheet showing payments to Senator Cranston and American Express.

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2694 BAL. BRO'T FOR'D

DEC 15 19 83

TO CONTI COMMODITY SERVICES, INC.

FOR FUNDS

DEPOSITS

TOTAL

AMOUNT THIS CHECK 9000 00

BALANCE <29254 50>

2695 BAL. BRO'T FOR'D

DEC 16 19 83

TO SARA JANE AUST

FOR PETTY CASH

DEPOSITS 12/15 4135 00 5130 00

TOTAL <9989 50>

AMOUNT THIS CHECK 20 00

BALANCE

2696 BAL. BRO'T FOR'D

DEC 16 19 83

TO US POSTMASTER

FOR POSTAGE

DEPOSITS

TOTAL

AMOUNT THIS CHECK 200 00

BALANCE

8 9 0 4 0 7 5 3 4 3 3

G000061

CREDIT

CENTURY NATIONAL BANK
WASHINGTON, D.C. 20005

January 24 19 84

We have CREDITED your account 001-000354-7 as follows:

	AMOUNT
Wire from Harris - Chicago	15,000.00
TOTAL	15,000.00

Do Not Fail To Make This Entry In Your Checkbook.

Cranston for President
1120 G St. N.W.
Washington, DC 20005

000062

Approval

BR 11 (5 82)
Deluxe N 51730

3 9 0 4 0 7 5 3 4 3 4

2 01 CENTURY NATIONAL BANK
1875 EYE STREET, NW
WASHINGTON, DC 20006
PHONE:202-463-6710

0000063

30
165
800

CRANSTON FOR PRES COMM., INC
1120 G ST NW
WASHINGTON DC 20005

A STATEMENT OF YOUR CHECKING ACCOUNT NO 1000344

FDIC

PLEASE FURNISH TAX ID NUMBER 12/31/83 through 01/31/84

PAGE 24

BALANCE LAST STATEMENT	+	DEPOSITS & OTHER CREDITS NO. AMOUNT	+	CHECKS & OTHER DEBITS NO AMOUNT	=	BALANCE THIS STATEMENT

DESCRIPTION	CHECKS AND OTHER DEBITS	DEPOSITS AND OTHER CREDITS	DATE	BALANCE
CHECK # 2816	439.00		01/23/84	27,908.42
CHECK # 5695	560.00		01/23/84	27,348.42
CHECK # 5686	632.50		01/23/84	26,715.92
CHECK # 5726	811.97		01/23/84	25,903.95
CHECK # 5688	1,410.34		01/23/84	24,493.61
CHECK # 5109	1,500.00		01/23/84	22,993.61
DEPOSIT		1998 70.00	01/24/84	23,063.61
DEPOSIT		Harris 15,000.00	01/24/84	38,063.61
DEPOSIT		9130.00	01/24/84	38,193.61
DEPOSIT		285.00	01/24/84	38,478.61
DEPOSIT		150.00	01/24/84	38,628.61
DEPOSIT		2 550.00	01/24/84	39,178.61
DEPOSIT		1 704.80	01/24/84	40,883.41
DEPOSIT		1,569.00	01/24/84	42,452.41
DEPOSIT		11,000.00	01/24/84	53,452.41
CHECK	20.00 Sc	20.00	01/24/84	53,432.41
CHECK # 5115		200.00	01/24/84	53,232.41
CHECK # 5127		200.00	01/24/84	52,992.41
CHECK # 5195		500.00	01/24/84	52,492.41
CHECK # 5215		500.00	01/24/84	51,992.41
CHECK # 5210		750.00	01/24/84	51,242.41
CHECK wine Campaign	15 TO SC	20,015.00	01/24/84	31,227.41
CHECK # 5049		15.75	01/24/84	31,211.66
CHECK # 5713		22.61	01/24/84	31,189.05

* * * C O N T I N U E D * * *

YOUR CHECKS SEQUENCED

CHECK NO.	AMOUNT	CHECK NO.	AMOUNT	CHECK NO.	AMOUNT	CHECK NO.	AMOUNT
5775	550.00	5784	150.00	5793	43.75	5801	20.00
5776	265.20	5785	100.00	5794	47.25	5805	1,315.00
5777	300.00	5786	100.00	5795	22.75	5807	19.80
5778	471.90	5788	56.25	5796	15.75	5808	20.00
5779	100.00	5790	97.50	5797	15.75	5810	80.00
5780	25.00	5791	15.75	5798	14.00	5816	347.50
5782	200.00	5792	28.00	5800	200.00	5821	161.55

CASH RESERVE

BILLING DATE	PAYMENT DUE DATE	[illegible]	RESERVE LIMIT	[illegible]	PREVIOUS BALANCE	[illegible]	PAYMENT

FINANCE CHARGE [illegible] THIS PERIOD $ [illegible]

ON UNPAID BALANCES OF	OR LESS	ON UNPAID BALANCES IN EXCESS OF		MINIMUM PAYMENT DUE
ANNUAL PERCENTAGE RATE	DAILY PERIODIC RATE	ANNUAL PERCENTAGE RATE	DAILY PERIODIC RATE	

THE FINANCE CHARGE IS COMPUTED ON THE PRINCIPAL BALANCE [illegible]

NOTICE: [illegible] IMPORTANT INFORMATION

CREDIT

CENTURY NATIONAL BANK
WASHINGTON, D.C. 20005

February 8 19 84

We have CREDITED your account 001-000354-7 as follows:

	AMOUNT
Wire from Riggs National Bank, by order of	30,000.00
Mark Ross Weinberg	
TOTAL	30,000.00

Do Not Fail To Make This Entry In Your Checkbook.

Cranston for President
1120 G Street N.W.
Washington, DC 20005

Approval

NF

0000064 001 000354 7 002 "0003000000"

BR 11 (5/82)

8 9 0 4 0 7 5 3 4 3 6

12 01 CENTURY NATIONAL BANK
1875 EYE STREET, NW
WASHINGTON, DC 20006
PHONE: 202-463-8710

0000005

30
182
544
4

CRANSTON FOR PRES COMM., INC
1120 G ST NW
WASHINGTON DC 20005

A STATEMENT OF YOUR CHECKING ACCOUNT NO 10003547

FDIC

PLEASE FURNISH TAX ID NUMBER

01/31/84 through 02/29/84

BALANCE LAST STATEMENT	DEPOSITS & OTHER CREDITS NO	AMOUNT	CHECKS & OTHER DEBITS NO	AMOUNT	BALANCE THIS STATEMENT
+			+		=

DESCRIPTION	CHECKS AND OTHER DEBITS	DEPOSITS AND OTHER CREDITS	DATE	BALANCE
CHECK # 5337	525.00		02/07/84	10,508.15-
CHECK # 5317	606.63	Wendy contr	02/07/84	11,112.78-
CHECK # 5340	675.00		02/07/84	11,787.78-
CHECK # 6005	764.53		02/07/84	12,552.31-
DEPOSIT		30,000.00	02/08/84	17,447.69
CHECK	NSF 12.00		02/08/84	17,435.69
CHECK # 6234	30.00		02/08/84	17,405.69
CHECK # 6332	200.00		02/08/84	17,205.69
CHECK # 6373	200.00		02/08/84	17,005.69
CHECK # 6412	200.00		02/08/84	16,805.69
CHECK # 6403	400.00		02/08/84	16,405.69
CHECK # 5313	2.30		02/08/84	16,403.39
CHECK # 5545	12.25		02/08/84	16,391.14
CHECK # 6232	13.00		02/08/84	16,378.14
CHECK # 6235	14.00		02/08/84	16,364.14
CHECK # 6415	14.00		02/08/84	16,350.14
CHECK # 6338	15.75		02/08/84	16,334.39
CHECK # [illegible]	15.75		02/08/84	16,318.64
CHECK # [illegible]	15.75		02/08/84	16,302.89
CHECK # [illegible]	15.75		02/08/84	16,287.14
CHECK # [illegible]	17.50		02/08/84	16,269.64
CHECK # 6337	17.50		02/08/84	16,252.14
CHECK # 6579	24.50		02/08/84	16,227.64
CHECK # 6239	25.25		02/08/84	16,202.39

* * * C O N T I N U E D * * *

YOUR CHECKS SEQUENCED

CHECK NO.	AMOUNT	CHECK NO.	AMOUNT	CHECK NO.	AMOUNT	CHECK NO.	AMOUNT
6074	80.63	6096	90.00	6121	85.25	6149	450.00
6085	53.75	6100	28.00	6124	95.44	6151	45.50
6086	15.75	6103	67.50	6134	118.12	6153	100.00
6089	47.25	6104	55.63	6137	60.00	6155	131.00
6090	47.25	6110	43.75	6139	33.25	6157	75.00
6093	15.75	6116	110.00	6144	88.00	6159	31.50
6095	400.00	6120	31.50	6147	124.00	6161	35.00

CASH RESERVE

BILLING DATE	PAYMENT DUE DATE	FINANCE CHARGE	RESERVE LIMIT	PAYMENT	PREVIOUS BALANCE	BALANCE	PAYMENTS

FINANCE CHARGE ACCRUED THIS PERIOD $ NONE DUE

ON UNPAID BALANCES OF	OR LESS	ON UNPAID BALANCES IN EXCESS OF		MINIMUM PAYMENT DUE
ANNUAL PERCENTAGE RATE	DAILY PERIODIC RATE	ANNUAL PERCENTAGE RATE	DAILY PERIODIC RATE	

THE FINANCE CHARGE IS COMPUTED ON THE PRINCIPAL BALANCE [illegible] PERIODIC RATE

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

	TYPE CODE	DATE PAY PERIOD ENDING	CHECK ISSUED TO	GROSS AMOUNT	INCOME TAX	SOC SEC				NET AMOUNT
			BALANCE FORWARD →							<369,166.32>
1										
2										
3										
4										
5										
6		2/10/84	Pacific Northwest Bell							132.00
7		2/6/84	Mark Weinberg							300000
8			VOIDED CHECK TO IA ACCT.							
9										
10										<162,518.32>
11			CASI ATTACHMENT							13.67
12			ACCOUNT CLOSED CHARGE							12.00
13			CONTRIBUTOR NSF							10.00
14			GARNISHMENT FEE							40.00
15			BOUNCE FEE							640.00
16			CHECK ADJUSTMENT							140.00
17			(CAROLYN HERT)							
18										
19			FINAL TOTAL							<163,251.99>
20										
21										
22										<163,071.99>
23										
24										
25										
26										
27										
28										
29			0000006							
30										
			TOTALS							

PEGBOARD BUSINESS FORMS COMPANY
P.O. BOX 6722, PROVIDENCE, RI 02940
TOLL FREE 1 (800) 556-7908
FORM JPD-15NC

PAYROLL AND DISBURSEMENTS JOURN.

CHECK NUMBER		BANK BALANCE	DEPOSITS AMOUNT	DATE	1	2	3	5
		5300						
	1							
	2							
	3							
	4							
	5							
6318	*							
6319	X							
	8		600 00					
	9							
	10							
	11							
	12							
	13							
	14							
	15							
	16							
	17		122 00					
	18							
	19							
	20		177 00					
	21							
	22							
	23							
	24							
	25							
	26							
	27							
	28							
	29							
	30							

CRANSTON

ALAN CRANSTON
U.S. Senator

Democrat
California

Cranston for President
1120 G Street, N.W. Rm. 801
Washington, D.C. 20005
(202) [illegible] (800) 368-5734

February 8, 1984

Mr. Mark R. Weinberg
10880 Wilshire Boulevard
Suite 2004
Los Angeles, California 90024

Dear Mark,

Enclosed find a check from the Cranston for President campaign. This payment returns to you the thirty thousand dollars you wired yesterday to our account at Century Bank in Washington. Unfortunately, the Federal Elections Commission prevents us from accepting any amount over $1,000 per individual for an election of this kind. As you have already contributed personally the maximum allowable, we cannot accept your contribution of February 7.

We are grateful, as always, for your continued support and enthusiam for Alan's effort.

With best wishes,

Michael Peter Novelli

Enclosure

8904075344 0

0000067

Paid for by Cranston for President Committee, Inc.
William M. Landau, Treasurer

Mann Judd Landau
Certified Public Accountants

April 27, 1984

Mr. Mark R. Weinberg
10880 Wilshire Blvd.
Suite 2004
Los Angeles, CA 90024

Dear Mr. Weinberg:

Our firm has been conducting an audit of the Cranston for President Committee, Inc. in preparation for our formal audit by the Federal Election Commission. According to our records we sent you on December 15, 1983 $9,000 to be used by you to invest in the commodities' market. On January 24, 1984 we received a check from you for $15,000 which we believe to be a profit on our commodities' trading account. On February 7, 1984 we received an additional $30,000 which we returned, believing it may have been a personal contribution by you. However, you apparently have not cashed the check, or perhaps it was returned NSF.

We would appreciate your sending an accounting of the $9,000 we sent you for investment, indicating whether any amount still is owed to the Committee. That accounting should also specify whether the $15,000 or any part of the $30,000 constituted profits earned on the $9,000 or a return of principal. If any portion of the $15,000 or $30,000 constitutes a "contribution" as defined by Federal law, that portion must be returned to you as soon as we have sufficient funds.

I would appreciate it if you would immediately contact me or Ron Peterson at (213) 683-8649 with the information requested above and then follow-up with a letter so that we can return any portion of the $15,000 or $30,000 that may be a "contribution." Otherwise, you may be in violation of Federal Election Commission laws.

It is important that you answer the above immediately.

Thank you.

Sincerely,

William M. Landau/Treasurer
Cranston for President Committee, Inc.

WML:jeb-o

cc: Muffie Meier
Joy Jacobson (Senator Alan Cranston's office)
Ron Peterson

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0000068

230 Park Avenue, New York, N.Y. 10169 / Telephone (212) 661 5500 / Cable: Mannland
Internationally Hodgson Landau Brands
Offices in Principal Cities Throughout the World

9 9 0 4 0 7 5 3 4 4 2

May 11, 1984

Spoke to Muffy Meirs. She works for Mark Weinberg. Mark's number is (213) 470-1733. Questioned why Mark had never answered my letter. She said was nervous and afraid. He is only 30 years old. I said that there was nothing to be afraid about, I only wanted to get the facts clarified. She said that the $9,000 we had sent was never deposited. I will have to check this. She also said the $15,000 was a loan and not a profit, so at this point we would have to return $45,000. She also stated that he was still trying to raise the money so that he would get us $45,000 from friends of his. I asked Muffy if she would please set up a date between him and me on Monday as I would like to discuss this with him. She said she would call me on Saturday.

May 12, 1984

Muffy called me and told me and told me to come up to see Mark on Monday morning at 10:30. His address is 10880 Wilshire Blvd., Los Angeles, CA 90024. Phone is (213) 470-6418.

000003

Mann Judd Landau
Certified Public Accountants

June 1, 1984

Ms. Sue Paschen
Cranston for President Committee, Inc.
1120 G Street, N.W.
Washington, D.C. 20005

Dear Sue:

Enclosed please find a statement for our files re Mark Weinberg and a statement you will attach with our June 20th FEC filing. Please fill in the blanks.

Thanks.

Sincerely,

Bill

Bill Landau

BL:jeb-o

Enclosures

8 2 0 4 0 7 5 3 4 4 3

0000010

230 Park Avenue, New York, N.Y. 10169 / Telephone (212) 661 5500 / Cable: Mannland
Internationally Hodgson Landau Brands
Offices in Principal Cities Throughout the World

Note to the Federal Election Commission on our June 20th Filing

On or about May 14, 1984, based on information that had recently become available, the Treasurer determined (1) that $15,000 previously [reported as a profit on commodities' trading in the _____ FEC Report] [thought to be a profit on commodities' trading] should be refunded to avoid a possibly illegal contribution, and (2) that a check issued on _____ refunding $30,000 to avoid a possibly illegal contribution had not been cashed promptly, and the account on which the check was drawn now has no funds. These refunds are due to be made to the same person, but because of insufficient funds, they cannot be made in full immediately. As of May 31, 1984 a total amount of $ 10,000.00 was refunded. The balance will be refunded as quickly as the Committee can raise the necessary funds.

8 9 0 4 0 7 5 3 4 4 4

Statement to the Files re Mark R. Weinberg

May 14, 1984

During a review of the Committee's transactions with Mark R. Weinberg I discovered the following: On December 15, 1983 a $9,000 check was given to Mark R. Weinberg for commodities' trading. On January 24, 1984 the Committee received a check from Mark R. Weinberg for $15,000 which at that time the Committee believed to be a profit on the commodities' trading. On February 7, 1984 the Committee received a wire transfer from Mark R. Weinberg in the amount of $30,000. After making inquiries into the source of this $30,000, the Committee concluded that it was from the personal funds of Mark R. Weinberg; therefore, it attempted to refund such $30,000 by check. However, I recently discovered that the check apparently was not negotiated promptly, and the account on which the check is drawn now has no funds on deposit.

Because of the confusion surrounding the above transactions, when I went to Los Angeles I met with Mark Weinberg on May 14, 1984. His statement to me was as follows: He had intended to use the $9,000 the Committee gave him in December to engage in commodities' trading on behalf of the Committee, but he did not do so because he had been advised by his attorneys that it

8904075344 5

would be illegal to do so. He never cashed the Committee's $9,000 check (which I subsequently confirmed). Instead, he invested for the Committee's account in his own name and supposedly made a profit of $45,000. However, after making this profit, he was told by an organization called "Conti" that since he had traded in his own name he could not transfer the profits to the Committee.

Upon learning about the above transactions, I determined that $45,000 should be refunded to Mark R. Weinberg as soon as we could raise the funds.

9904075344 6

0000013

CECIL R. VENTURELLA
THELMA VENTURELLA
19921 AVENUE 312
EXETER, CA 93221

9/3 1982 4675

90-0897
1222

PAY TO THE ORDER OF Cranston for President Advisory Comm $ 750 00

Seven Hundred Fifty no/100 DOLLARS

Visalia Mooney Office
American National Bank
2515 S. Mooney Blvd.
Visalia, CA 93277

FOR

Thelma Venturella

⑈122208971⑆4675⑈ 24⑈ 215857⑈

8904075534447

CONTRIBUTOR INFORMATION CARD
(To Obtain Information Required By Federal Election Laws) $750.00

BATCH # 0191418121001 FR CODE

X		

Last Name VENTURELLA First Thelma MI

1st Line Address 19921 Ave 312

2nd Line Address

Exeter, (City) CA (State) 93221 (Zip)

Occupation

Name of Employer

Telephone—Home ( ) Work ( )

0000014

0000014

CECIL R. VENTURELLA
THELMA VENTURELLA
19921 AVENUE 312
EXETER, CA 93221

10/28 1982 4646

PAY TO THE ORDER OF Citizens for Presidential Almanac Committee $750

Seven Hundred Fifty & no/100 DOLLARS

Visalia Mooney Office
American National Bank
2515 S. Mooney Blvd.
Visalia, CA 93277

FOR

Thelma Venturella

⑈122208971⑆4646⑈ 24⑈ 215857⑈

R904075348

CONTRIBUTOR INFORMATION CARD
(To Obtain Information Required By Federal Election Laws) #75ϕ

BATCH # 11ϕ9821ϕϕ1 FR CODE

Last Name ØI	VENTURELLA	First	Cecil	MI	R.
1st Line Address	19921 Ave 312				
2nd Line Address					
(City)	Exeter	(State)	CA	(Zip)	93221
Occupation	General Contractor President				
Name of Employer	Budget Homes Incorporated				
Telephone—Home ( )		Work ( )			

0000015

CECIL R. VENTURELLA
THELMA VENTURELLA
19821 AVENUE 312
EXETER, CA 93221

4977

7/29 '83

PAY TO THE ORDER OF Allen Cranston for Senate $750.00

Seven Hundred Fifty + no/100 DOLLARS

Visalia Mooney Office
American National Bank
2515 S. Mooney Blvd.
Visalia, CA 93277

FOR Contribution

Thelma Venturella

⑆122208971⑆4977⑈ 24⑈ 265857⑈

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BATCH NUMBER	EVENT CODE	SOLICITOR	AMOUNT	MATCH CODE
08021831017	E064		750.00	M

TITLE	LAST	FIRST	MI
03	VENTURELLA	THELMA	

ADDRESS LINE 1: 19821 AVE 312

ADDRESS LINE 2:

CITY	STATE	ZIP
EXETER	CA	93221

OCCUPATION:

EMPLOYER:

0000016

SEPARATE PROPERTY
ADOLPH P. SCHUMAN
2701 - 16TH STREET
SAN FRANCISCO, CALIF. 94103

1275

Nov. 19 1982

11-24/901
1210 (8)

PAY TO THE ORDER OF Cranston Presidential Advisory Comm. $ 500.00

Five hundred and 00/100 DOLLARS

SAN FRANCISCO MAIN OFFICE
WELLS FARGO BANK
NATIONAL ASSOCIATION
464 CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA 94104

A. Demoss

11/24

⑈001275⑈ ⑆121000248⑆0001 835337⑈

DELUXE CHECK PRINTERS

990407534 50

CONTRIBUTOR INFORMATION CARD
(To Obtain Information Required By Federal Election Laws) $500.00

BATCH # 1 1 2 9 8 2 0 0 1 1 FR CODE

[X] [ ] [ ]

Last Name SCHUMAN First Adolph MI P.

1st Line Address [redacted] 2701-16TH ST

2nd Line Address

(City) San Francisco (State) CA (Zip) 94103

Occupation President

Name of Employer Lilli Ann Corporation

Telephone—Home ( ) Work ( )

0000017

1326

SEPARATE PROPERTY
ADOLPH P. SCHUMAN
2701 - 16TH STREET
SAN FRANCISCO, CALIF. 94103

1--25 19 83

11-24/001
1210 (8)

PAY TO THE ORDER OF Cranston For President Committee $ 1,000.00

The sum of 1000 dol's 00 cts DOLLARS

SAN FRANCISCO MAIN OFFICE
WELLS FARGO BANK
NATIONAL ASSOCIATION
464 CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA 94144

⑈001326⑈ ⑆121000248⑆0001 835339⑈

DELUXE CHECK PRINTERS

820483 Q03

990407534 51

0000018

SEPARATE PROPERTY
ADOLPH P. SCHUMAN
2701 16TH STREET
SAN FRANCISCO, CALIF. 94103

503

9-28 19 83

PAY TO THE ORDER OF Cranston for President $ 1,000.00

One Thousand 00/100 DOLLARS

WELLS FARGO BANK

⑆000503⑈ ⑆121000248⑈0001 335338⑈

BATCH NUMBER	EVENT CODE	SOLICITOR	AMOUNT	MATCH CODE
092983		STER	1000 00	LS

TITLE	LAST	FIRST	MI
01	SCHUMAN	ADOLPH	P

ADDRESS LINE 1: 2701-16TH ST

ADDRESS LINE 2:

CITY	STATE	ZIP
SAN FRANCISCO	CA	94103

OCCUPATION:

EMPLOYER:

0000019

DAVID D. MILLER
P. O. BOX 5996
ONTARIO, CA 91761

9-7 1983

PAY TO THE ORDER OF Cranston for President $ 1500.00

Fifteen Hundred and 00/100 DOLLARS

SECURITY PACIFIC NATIONAL BANK
Upland Office
40 W. Foothill Blvd., Upland, CA 91786

FOR Cranston Denney

David Miller

⑈006398⑈ ⑆122000043⑆343⑈079088⑈

BATCH NUMBER	EVENT CODE	SOLICITOR	AMOUNT	MATCH CODE
091583002	E085		15000	LS

TITLE	LAST	FIRST	MI
01	MILLER	DAVID	D

ADDRESS LINE 1: PO BOX 5996

ADDRESS LINE 2:

CITY	STATE	ZIP
ONTARIO	CA	91761

OCCUPATION:

EMPLOYER:

HOME TELEPHONE NUMBER:

WORK TELEPHONE NUMBER:

0000020

ALAN CRANSTON
CALIFORNIA

United States Senate
WASHINGTON, D.C. 20510

March 20, 1984

Mr. Bill Landau
Mann, Judd & Landau
230 Park Avenue, 17th Floor
New York, New York 10169

Dear Bill,

Herewith a statement of the amount I've put into the campaign.

To get me back -- at this stage -- to the $50,000 mark, $45,015.27 needs to be refunded to me as soon as possible.

We will have further, but decreasing, American Express and phone bills in April. I can temporarily put in two or three thousand more then if necessary, but the balance will have to be handled by the campaign -- and really must be done so my home phone won't be shut off and my ability to travel hampered.

Many thanks, again, for your great help on all these maddening details.

Love to Bubbles,

Ever,

Alan

Alan Cranston

Enclosures

Hope to see you & Bubbles soon.

8904075354

0000021

March 20, 1984

Senator Cranston Contributions & Loans to Presidential Campaign:

Balance of AC loan to Campaign, June 22, 1983:	$20,300	
Additional Loan by AC, November 1, 1983:	25,000	
Contribution by AC, 1982:	1,000	
	$46,300	$46,300

Campaign Bills Paid by Senator Cranston:

American Express, December 1, 1983:	$15,100	
American Express, December 21, 1983:	8,475.50	
American Express, January 20, 1984:	8,353.46	
American Express, February 13, 1984:	3,529.32	
Chesapeake & Potomac Telephone Co., March 7, 1984:	2,831.57	
American Express, March 15, 1984:	10,425.42	
	$48,715.27	48,715.27
	TOTAL:	$95,015.27

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July 25, 1984

AC Loans to Campaign

Oct. 18, 1982 (Dreyfuss)	$25,000	
Nov. 22, 1982 (Dreyfuss)	20,000	
Nov. 1, 1983 (Wells Fargo)	25,000	
Total	$70,000	$70,000

Repayments on Loan, Campaign to AC

Apr. 14, 1983	$12,500	
May 19	5,000	
June 15	5,000	
June 22	2,200	
May 9, 1984	5,000	
May 16	3,200	
May 19	3,200	
May 24	4,200	
June 14	4,275.52	
July 24	6,300.89	
July 25	4,153.46	
Total	$55,029.87	$55,029.87
Balance		$14,970.13

Campaign Bills Paid by AC

American Express,	Dec. 1, 1983 (Lloyds)	$15,100	
" "	Dec. 21, "	8,475.50	
" "	Jan. 20,1984 "	8,353.46	
" "	Feb. 13, "	3,529.32	
Ches.&Pot.Tel.Co.	Mar. 7	2,831.57	
American Express	Mar. 15	10,425.42	
Ches.&Pot.Tel.Co.	Apr. 3	1,771.51	
Total		$50,486.78	$50,486.78
Total Balance			$65,456.91

0000023

CRANSTON

ALAN CRANSTON
U.S. Senator

Democrat
California

Cranston for President

1120 G Street, N.W. Rm. 801
Washington, D.C. 20005

(202) 626-2900 (800) 368-5734

April 20, 1984

William Landau
Mann Judd Landau
230 Park Avenue
New York, NY 10169

Dear Bill,

I received documents representing Alan's personal reimbursement request three weeks ago. I was not able to review those documents until this last week. My apologies for the delay.

Alan has included documents relating to two vendors, American Express and C & P Telephone (charges on his personal telephone bill that are campaign related). He also included a schedule of payments that he made to these vendors. I have reviewed the supporting documents and everything is in order. The majority of the charges to his credit card are travel expenses; airline and hotel charges. The few items that are personal the Senator has so noted.

I would suggest a repayment schedule eliminating his personal reimbursement beginning with the oldest payment dates. Therefore, making repayments toward eliminating the 12-1-83 $15,100 expense first. Please let me know if you want copies of the supporting documentation.

If you have any questions please don't hesitate to call.

Have a good weekend. I hear you are spending it with your granddaughter!

Warmest Regards,

Sue E. Paschen

Sue E. Paschen

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Paid for by Cranston for President Committee, Inc.
William M. Landau, Treasurer

CRANSTON

ALAN CRANSTON
U.S. Senator

Democrat
California

Cranston for President

1120 G Street, N.W. Rm. 801
Washington, D.C. 20005

(202) 626-2000 (800) 368-5734

April 20, 1984

William Landau
Mann Judd Landau
230 Park Avenue
New York, NY 10169

Dear Bill,

I received documents representing Alan's personal reimbursement request three weeks ago. I have not completed the review of all the documents. My apologies for the delay.

Alan has included documents that support a series of payments to two vendors. Those vendors are American Express and C & P Telephone. I have been able to review the supporting documents for his earliest payment to American Express. The majority of the charges are for travel expenses; airline and hotel bills. The few charges that are personal the Senator has so noted. The documentation is adequate for FEC purposes.

I would suggest establishing a repayment schedule reimbursing this earliest payment, $15,100. As I review the documents supporting the subsequent payments by the Senator, I will notify you of their adequacy for documenting the repayment.

If you have any questions please let me know.

Have a nice weekend.

Warmest Regards,

Sue E. Paschen

Sue E. Paschen

8 7 0 4 0 7 5 3 4 5 8

0000025

Paid for by Cranston for President Committee, Inc.
William M. Landau, Treasurer

MEMORANDUM May 1, 1984

TO: Bill Landau

FROM: Jan Mueller Jan Mueller
Office of Senator Cranston

RE: American Express charges

Alan's latest American Express statement contains $619.74 additional campaign charges as noted on the attached receipts.

I've advised American Express that the campaign expenses have been referred to you for payment, per instructions from Roy Greenaway. You'll be contacted, I believe, by Don Bennett of American Express, 602/954-1404.

8 9 0 4 0 7 5 3 4 5 9

American Express
Travel Related Services Company, Inc.

FOR HELP WITH ANY PROBLEM OR QUESTION ABOUT YOUR ACCOUNT, CALL TOLL-FREE 800-528-4800

Account No.

Listing of Charges and Credits 02249 Page 02 of 02

Card No	Reference No.	Listing of Charges and Credits	Charges	Credits
200700080		AIRLINE REFUND CK #1993625001 - EASTRN		
		DATE OF ABOVE 03/20		5700
000831079		PAYMENT RECEIVED - THANK YOU 03/19		1042542
200684075		NEW YORK AIR FLUSHING NY Fire. C. Dept.,	12900	Camp.
200149072		D'DONNELL'S SEA GRILL BETHSEDA MD		
		INV#605910	3288	Personal
200152072		HANOVER INN HANOVER NH INV#320373	20038	Camp.
100012072		ROWE FORD SALES WESTBROOK ME INV#965912	16186	Camp.
200040070		ROCKINGHAM LIBRARY RST PORTSMOUTH NH		
		INV#362586	12550	Camp.
		CARD 3729-446212-82002---SUBTOTAL----->	160583	1168042
		PAGE TOTAL	64962	1048242
		ACCOUNT TOTAL	160583	1168042

014 04 05 18 02249

Closing Date
04/09/84

01422944621289002310482427052

Please see reverse side for information regarding certain types of charges.

890407534 60

0000027

5/25/84

Mrs Melanie Ann
602-954-1001

Have to pay off the
wrong he did to her
See $45,000

When pay that off will
pay the mortgage down

Will start in July

Credit card cancelled

Full pd

8904075346 1

ALAN CRANSTON
CALIFORNIA

United States Senate

WASHINGTON, D.C. 20510

June 28, 1984

TO: Bill Landau

FROM: Jan Mueller

RE: American Express

With today's payment of $995.50, all Senate and Cranston personal charges with American Express have been paid in full. Per the request of American Express, we've returned Alan and Norma's cards.

I'll continue to forward the monthly statements from American Express to you as they arrive.

8 9 0 4 0 7 5 3 4 6 2

0000030

NOT PRINTED OR MAILED AT PUBLIC EXPENSE

7/26/84

EXPENSES INCURRED BY AC, Sept. 1, 1983-Mar. 5, 1984

CAMPAIGN TRAVEL		DAYS
Sept.1-16,	1983	16
" 22-23,	"	2
" 25-30,	"	6
Oct. 1-5	"	5
" 7	"	1
" 14-31	"	18
Nov. 1	"	1
" 5-6	"	2
" 11-14	"	4
" 17-22	"	6
" 26-30	"	5
Dec. 1-4	"	4
" 6-7	"	2
" 10-19	"	10
Jan. 4-31,	1984	28
Feb. 1-6	"	6
" 8-17	"	10
" 18-29	"	12
Mar. 1-4	"	4
	TOTAL	142

1 meal @ $10 for every 5 days traveling: 142 days on road, 28½ meals at $10 per --	$285.00
Newspapers & Magazines, $2.50 per day traveling, 142 days --	355.00
Taxis, tips, parking, etc. as per attached itemization --	30.00
TOTAL	$670.00

8904075346 3

TAXIS, TIPS, PARKING, ETC.

Oct. 7, 1983, Taxi, NYC to LaGuardia	$15.00
Oct.31, 1983, Philadelphia Airport to Hotel	15.00
TOTAL	$30.00

8 9 0 4 0 7 5 3 4 6 4

ALAN CRANSTON
CALIFORNIA

United States Senate

WASHINGTON, D.C. 20510

January 28, 1985

TO: Bill Landau

FROM: Jan Mueller

Alan asked that you receive the attached recapitulation of his records re campaign expenses and loans.

I passed along to him your message that the check for the amount in disagreement was on its way to him.

8904075346 5

JANUARY 28, 1985

RECAPITULATION

TOTAL ORIGINALLY PAYABLE TO A.C.	$123,239.33
REPAID TO JANUARY 28 '85	72,197.23
BALANCE DUE	$ 51,042.10

0000034

JANUARY 28, 1985

~~[illegible], 1984~~

AC Loans to Campaign

Oct. 18, 1982 (Dreyfuss)		$25,000	
Nov. 22, 1982 (Dreyfuss)		20,000	
Nov. 1, 1983 (Wells Fargo)		25,000	
	Total	$70,000	$70,000.00

Campaign Bills Paid by AC

American Express,	Dec. 1, 1983 (Lloyds)	$15,100	
" "	Dec. 21, "	8,475.50	
" "	Jan. 20,1984 "	8,353.46	
" "	Feb. 13, "	3,529.32	
Ches.&Pot.Tel.Co.	Mar. 7	2,831.57	
American Express	Mar. 15	10,425.42	
Ches.&Pot.Tel.Co.	Apr. 3	1,771.51	
	Total	$50,486.78	$50,486.78

EXPENSES SUBMITTED BY A.C.

Sept. 6, '83	$2,082.55	
July 26, '84	670.	
	$2,752.55	$2,752.55
	TOTAL	$123,239.33

C000035

FEBRUARY 28, 1985

PAYMENTS ON LOAN, CAMPAIGN TO AG.

APRIL 14, 1983		$12,500
MAY 19		5,000
JUNE 15		5,000
JUNE 22		2,200
MAY 9, 1984		5,000
MAY 16		3,200
MAY 19		3,200
MAY 24		4,200
JUNE 14		4,275.52
JULY 24		6,300.89
JULY 25		4,153.46
OCT 5		2,425.42 ~~(DEPOSITED TO PAYMENT)~~
OCT 12		3,000.
✓ OCT. 21		2,000 ~~(DEPOSITED TO LOAN)~~
✓ OCT 23		3,000 ~~(ITEM DEPOSIT TO ACCT)~~
✓ NOV. 1		2,000
✓ NOV 12		2,000 ~~(DEPOSITED TO LOAN)~~
✓ NOV 29		1,741.94 ~~(DEPOSITED TO ACCT)~~
DEC		1,000
	TOTAL	$72,197.23

0000036

Bill,

I met with Jan Mueller in the Whip's office, she gave me the last American Express bill. It is only an additional $616.74. Also I only can reallocate $3700 to the loan balance. Alan gave us $1000 as a contribution in addition to his loans.

I am providing Jan with a copy of the attached schedule.

Sincerely,

Sue

Was the Bottom Bill of 10-31-95 added in

0000037

National 35-607 Eye-Easier 35-707 20/20 Buff Made in USA

1	2	3	4	5	6	7
Amount Owed Senator Gravel				$ 19867.34		
Minus: Amount moved to Iran				3700.00 *		
Balance Owed the Senator				$ 16167.34		
	1961 9/1		2425.42			
	10/7		300.00			
	10/16		200.00	14425.42		
	10/23		300.00	14125.42	5741.94	6185
	10/1		200.00	13925.42	5741.94	
	11/7		200.00	13725.42	5741.94	

* I can not move $4700 - Alan gave a $1000 contribution in 1962 in addition to his loans

0000039

National
15-607 Eye-Ease
15-787 20/20 Buff
Made in USA

	1	2	3	4	5	6	7
1							
2	Cranston Reimbursement Request						
3							
4	I. A. Payments made by Cranston:						
5							
6		American Express		$ 46062 99		45883 70	179 29
7							
8		C&P Telephone		4586 65 ✓		4586 65	
9							
10		Miscellaneous		2752 55	$ 53402 19	2752 55 ✓	
11							
12							
13							
14	B. American Express debt						
15		Committee has taken over:		$ 17919 08		17480 82 ✓	438 26
16				616 74	$ 18535 82	616 74 ✓	617 55
17							
18	C.	Total Requested			$ 71938 01		
19							
20							
21							
22	II. A. Payments Made to Date:						
23							
24		Alan Cranston	5/2/84	5000 00 ✓			
25			5/10	3200 00 ✓			
26			5/19	3200 00 ✓			
27			5/23	4200 00 ✓			
28			6/12	4275 50 ✓			
29			6/28	4200 00 ✓			
30			7/10	6360 89 ✓			
31			7/12	4153 46 ✓	34589 85		
32							
33		American Express	7/30	6000 00 ✓			
34			8/6	6480 82 ✓			
35			8/15	2500 00 ✓			
36			8/22	2500 00 ✓	17480 82		
37							
38	B.	Total Payments			$ 52070 67		
39							
40	C.	Remaining Balance Owed the Senator				$ 19867 34	

National 46-697 Eye-Ease 46-797 20/20 Buff Made in USA

0000040

	1	2	3	4	5	6	7

Cranston Reimbursement Request

I. A. Payments made by Cranston:

American Express		$ 46062.99	
C+P Telephone		4586.65	
Miscellaneous		2752.55	$ 53402.19
a. American Express debt Committee has taken over:		$ 17919.08	
		616.74	$ 18535.82
c. Total Requested			$ 71938.01

II. A. Payments Made to Date:

Alan Cranston	5/24/84	5000.00	
	5/10	3200.00	
	5/19	3200.00	
	5/23	4200.00	
	6/12	4275.50	
	6/28	4200.00	
	7/10	6360.89	
	7/2	4153.46	34589.85
American Express	7/30	6000.00	
	8/6	6480.82	
	8/15	2500.00	
	8/22	2500.00	17480.82
B. Total Payments			$ 52070.67
C. Remaining Balance owed the Senator			$ 19867.34

0000041

	1	2	3	4	5	6
	Amount Owing Alan:		$ 19867.34			
	Minus Amount moving toward loan		(2700.00)*			
			17167.34	17167.34		
	Subsequent Payments					
		9-28	2425.42			
		10-3	3000.00			
		10-4	2000.00			
		10-23	3000.00			
		11-1	2000.00			
		11-7	2000.00			
		11-26	1741.94	(16167.34)		
				999.94		
		12-20	1000.00	(1000.00)		
	Balance			-0-		

9 P 0 4 0 7 5 3 4 7 3

* Alan + Norma again $2000 contribution ~~for~~ in 1982.

Loan 45,300
2000 contribution
2700 move funds to loan.
$50,000

A/c

Personal Expenses

B-5 Jan 14

	Opg. balance		62,496.04
	Bank		5,420.32
		A/c	
		2.00	Amt
185	2.10	2.10	
	2855	1040 —	
	2682	1000	
	2466	200	
	2414	200	
	3581	1745.94	
	2427	300	
	2388	200	
14	2314	300	
	2.98	6480.82	
184	2152	250	
184	2179	250	
184	2179		6,000
184	2007	6360.89	
184	1957	4153.46	

000042

Carter for President Committee
Payments to Alan Cranston / American Express.

	Check Date	Amount	Check # ?
Alan Cranston			
	05-04-84	5000.00	
	05-10	5200.00	
	05-17	3200.00	
	05-23	4200.00	
	06-12	4275.50	
	06-28	4200.00	
	07-10	6360.89	- this may have been cancelled for $6300.89.
	07-02	4153.46	
	09-28	2425.42	
	10-03	3000.00	
	10-06	2000.00	
	10-23	3000.00	
2483	11-01	2000.00	Checks To Be Copied
2519	11-07	2000.00	
2561	11-26	1741.94	
	12-20	1000.00	
	01-85	1000.00	
American Express			
	07-30-84	6000.00	
	08-06	6480.82	
	08-15	2500.00	
	08-22	2500.00	

Note:
Sorry - did not keep record of check #'s.
- got the dates + amounts from the FEC report.

0000043

© WILSON JONES COMPANY G7508 GREEN PAT APPL FOR MADE IN U.S.A.

SENSITIVE

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT
87 AUG 27 PM 3:05

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2073
Cranston for President Committee, Inc.	)	
and William Landau, as treasurer, et al.	)	

COMPREHENSIVE INVESTIGATIVE REPORT #3

This matter concerns numerous excessive contributions that Mr. Mark R. Weinberg made to the Cranston for President Committee, Inc.

On October 17, 1984, the Commission found reason to believe that Mark R. Weinberg made excessive contributions in violation of 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act, through several commodities transactions. Also, on that date, the Commission found reason to believe that the Committee, and Mr. Landau, as treasurer, violated 2 U.S.C. §§ 434(a), 434(b)(2)(H), 434(b)(3)(B), 434(b)(3)(E), 441a(f), and 441b(a) and 11 C.F.R. § 106.2 of the Commission's regulations. Other reason to believe findings made on that date were that Cecil R. Venturella, Adolph P. Schuman, and David D. Miller each violated 2 U.S.C. § 441a(a)(1)(A).

On November 6, 1985, the Commission sent reason to believe letters to all of the respondents. We received no response from Mr. Weinberg to that notification, and a second letter sent to the same address was refused. On July 20, 1987, the Commission approved the issuance of a subpoena and order to Mr. Weinberg along with interrogatories concerning the commodities transactions. On August 6, 1987, a U.S. Marshal's deputy served the subpoena and order upon Weinberg's attorney.

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Response to the interrogatories attached to the subpoena and order was due by August 21, 1987. On that date, however, this Office received a letter from John F. Walter, Weinberg's attorney, requesting a 20-day extension of time to respond to the interrogatories. On August 25, 1987, this Office granted the requested 20-day extension of time. Mr. Weinberg's response is now due on September 10, 1987.

In his letter, Mr. Walter also requested that the Commission enter into conciliation negotiations prior to a finding of probable cause to believe. He revealed that Mr. Weinberg received a discharge of his debts through Chapter 7 bankruptcy on May 21, 1987. Mr. Weinberg, according to Mr. Walter, is eager to settle this matter without going through the expense of responding to the interrogatories. We nevertheless encouraged Mr. Walter to provide answers to the interrogatories as soon as possible.

In this instance, it is the position of the Office of General Counsel that a response to the interrogatories is needed before determining whether to enter into conciliation negotiations prior to a finding of probable cause. Therefore, this Office will make recommendations on Mr. Weinberg's request for conciliation after reviewing the answers to the interrogatories.

Lawrence M. Noble
Acting General Counsel

8/27/87
Date

By: Lois G. Lerner
Lois G. Lerner
Associate General Counsel

89040753477

BCC #4487 Nov 2073

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

87 OCT -2 PM 4:09

WEIL, GOTSHAL & MANGES

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767 FIFTH AVENUE
NEW YORK, N.Y. 10153
(212) 310-8000
TELECOPIER: (212) 752-3976
CABLE: WEGOMA
TELEX: ITT 424281
ITT 423144

1615 L STREET, N.W.
WASHINGTON, D.C. 20036
(202) 682-7000
TELECOPIER (202) 857-0939
(202) 857-0940
TELEX: ITT 440045

1600 REPUBLICBANK CENTER
700 LOUISIANA
HOUSTON, TEXAS 77002
(713) 546-5000
TELECOPIER: (713) 224-9511
TELEX: ITT 4620144

701 BRICKELL AVENUE
MIAMI, FLORIDA 33131
(305) 577-3100
TELECOPIER: (305) 374-7159

BRUCE H. TURNBULL
DIRECT LINE (202) 682-7070

October 2, 1987

Lawrence M. Noble, Esq.
Acting General Counsel
Federal Election Commission
999 "E" Street, N.W.
Washington, D.C. 20463

Dear Mr. Noble:

On behalf of my client, the Cranston for President Committee, Inc. ("Committee") and its treasurer, William M. Landau, I am submitting the enclosed materials as a supplement to the Committee's September 8, 1987 response ("September 8 submission") to the "Questions and Request for Production of Documents" issued to the Committee by the Federal Election Commission ("Commission") on July 24, 1987.

As I explained in the cover letter to the September 8 submission, the Committee was in the process of gathering and reviewing additional records at the time of that submission. The enclosed materials represent the fruits of that search. Any additional items uncovered will be forwarded promptly.

Please contact me if you have any questions after reviewing the enclosed materials.

Sincerely,

Bruce H. Turnbull

Bruce H. Turnbull

Enclosures

8 9 0 4 0 7 5 3 4 7 8

CRANSTON FOR PRESIDENT COMMITTEE, INC.

Documents Provided to the Federal Election Commission
in Response to the July 24, 1987 Request
for Production of Documents
October 2, 1987 Supplemental Response

DOC. NO.	BATES PAGE NO.	DESCRIPTION OF DOCUMENT
Documents Concerning the Commodities Transaction		
29.	44	Mr. Landau's 5/17/84 letter to Mr. Weinberg enclosing a $5,000 refund check.
Senator Cranston's American Express Charges		
30.	45	A 10/25/83 memorandum from Jan Mueller, the Administrative Coordinator in Senator Cranston's Senate office, to Tom Pazzi of the Committee staff seeking Committee reimbursement of the Senator's American Express charges for August, September, and October of 1983.
31.	46	A 11/23/83 cover memorandum from Ms. Mueller to Mr. Pazzi, which Ms. Mueller attached to the Senator's November, 1983 American Express bill.
32.	47	An undated note from Ms. Mueller to Ms. Cleo Messinger, a member of Senator Cranston's Senate staff, reminding her that the Senator's American Express payment had to be sent by 12/27/83.

8 9 0 4 0 7 5 3 4 7 9

33.	48	An undated and unsigned note to Senator Cranston reminding the Senator that a payment had to be made to American Express by 12/28/83 in order to receive a replacement for his expiring card.
34.	49 - 50	A 3/27/84 note from Senator Cranston to Mr. Landau requesting that the Committee promptly pay his March American Express bill (with attached worksheet).

R90407553RO

c PAC

May 17, 1984

Mr. Mark Ross Weinberg
10880 Wilshire Blvd. - Suite 2004
Los Angeles, CA 90024
ATT: Ms. Muffie Meier

Dear Mark:

It was a pleasure meeting you this week, and I hope we get everything resolved. We are still auditing the transactions between us but it appears that we do owe you money.

I am therefore enclosing a Committee check in the amount of $5,000. as a partial payment against the money we may owe you. As we raise additional money it is my hope that we can continue to pay you something each week until the balance we owe you is paid.

Again, I appreciate the courtesies extended in meeting with me.

Sincerely,

WILLIAM M. LANDAU

bcc: Ron Pederson

8904075348 1

0000044

MEMORANDUM October 25

TO: Tom Pazzi

FROM: Jan Mueller

RE: American Express

Per our conversations, I've attempted to break down the outstanding American Express bills (which now number 3) to show personal and Norman Cranston travel:

August 8, 1983, bill:

Total charges:	$6,796.27	
Personal charges	- 407.57	
Norma travel	- 175.00	
Refunds: travel charges	- 765.00:	Were any of these for Norma's travel?

September 10, 1983, bill:

Total charges:	$6,839.32	
Personal charges	0	
Norma travel	- 263.00	
Refunds: travel charges	- 403.00:	" " " " " " "

October 10, 1983, bill:

Total charges:	$8,039.46	
Personal charges	0	
Norma travel:	- 803.00	
Refunds: travel charges	2,136.40:	" " " " " " "

Tom, if you can advise me about Norma's travel ASAP, I'll take care of getting a check from Alan for the personal and Norma expenses. Please be aware that Alan's American Express card expires in December 1983. If we can't get this paid off, I'm concerned that we'll lose the card forever. Actually, Alan will lose it.

Thanks, Tom.

8904075342

ALAN CRANSTON
CALIFORNIA

United States Senate

OFFICE OF
THE DEMOCRATIC WHIP

November 23, 1983

TO: Tom Pazzi

FROM: Jan Mueller

RE: American Express

Attached is the latest bill from our friends at American Express. I noted no personal expenses at first glance.

9904075534 83

C000046

ALAN CRANSTON
CALIFORNIA

United States Senate

OFFICE OF
THE DEMOCRATIC WHIP

CLEO:

The attached letter needs to be Express Mailed or Federal Expressed to American Express in Phoenix on December 27.

Mr.

Joe
Meelot

8904075348 4

0000047

Allen,

you must arrange to send American Express $8,475.50 by Dec 28th for new card to be toward.

8904075345

C000048

ALAN CRANSTON
CALIFORNIA

United States Senate

OFFICE OF
THE DEMOCRATIC WHIP

March 27, '84

Bill -

Here are the current phone and American Express bills, and a check for my personal share of the phone bill.

The phone bill needs to be paid on schedule not only to keep my home phone connected, but also so I'll have a credit card for deficit calls when I'm traveling. And American Express has to be kept current so I can keep traveling - partly for deficit raising purposes.

Note that there are deadlines for the payments on both.

Thanks again for all your great help. Best, Alan

C300049

March 27, 1983

TO: ALAN

FROM: JAN

RE: C & P charges

As you asked, herewith the breakdown between personal and campaign charges for the March 14 billing:

Personal:

C&P	Service	8.08	
	Local message units	1.10	
	Local surcharge	.16	
	Taxes	1.86	
ATT	Service/Equip	5.70	
	Taxes	.51	17.41

Campaign:

C&P	Long Distance	35.74	
	Check return charge	6.00	
ATT	Long Distance	1679.39	
	Taxes	50.38	
			1771.51

OCCH 4886

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TELEX: ITT 4620144

701 BRICKELL AVENUE
MIAMI, FLORIDA 33131
(305) 577-3100
TELECOPIER: (305) 374-7159

BRUCE H. TURNBULL
DIRECT LINE (202) 682-7070

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 DEC -7 AM 10:55

MUR 2073

December 4, 1987

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Dear Mr. Noble:

On behalf of my client, the Cranston for President Committee, Inc., ("Committee") and its Treasurer, William M. Landau, I am submitting the enclosed materials as a further supplement to the Committee's September 8, 1987 response to the "Questions and Request for Production of Documents" issued to the Committee by the Federal Election Commission ("Commission") on July 24, 1987. We have now had sufficient time to discuss these matters with persons who are not now associated with the Committee but who were involved in these matters on behalf of the Committee or, in one case, Senator Cranston's Senate office.

This supplement to the September 8 submission provides further information concerning two matters raised in the Commission's "Questions and Request for Production of Documents." The first matter, addressed in the enclosed letter and supporting affidavits, involves the Committee's reimbursement to Senator Cranston for his campaign-related American Express charges. In an effort to provide the Commission with additional information concerning the Senator's efforts to be reimbursed promptly by the Committee, we have provided further information based on discussions with the two persons most involved on this issue: Sergio Bendixen, the Committee's campaign manager, and Jan Mueller, the administrative coordinator in the Senator's Senate office.

R 2 0 4 0 7 5 3 4 8 8

The second matter addressed in this additional submission is that of the commodities investment plan involving Mark Weinberg. We have interviewed the two Committee staffpeople most involved with, and knowledgeable about, the investment plan: Mr. Bendixen and Michael Novelli, the Committee's finance director. We have also obtained additional information from Senator Cranston himself. Based on these interviews, enclosed is additional information responsive to the questions issued to the Committee by the Commission on July 24. As these additional answers are based on the recollections of Senator Cranston, Mr. Novelli and Mr. Bendixen, the information provided in these answers is attributed to them.

I hope that you will find the enclosed materials helpful to your inquiry. Please do not hesitate to contact me if you have any further questions.

Sincerely,

Bruce H. Turnbull

Bruce H. Turnbull

Enclosures

8904075534889

CRANSTON FOR PRESIDENT COMMITTEE, INC.

Supplemental Response to Questions Issued
by the Federal Election Commission

December 4, 1987

1. Senator Cranston, Sergio Bendixen (the Committee's campaign manager) and Michael Novelli (the Committee's finance director) recall that Mark Weinberg raised the possibility of investing in the commodities market with Senator Cranston, during one of Senator Cranston's trips to California in the fall of 1983. Upon his return to Washington, Senator Cranston discussed the commodities investment idea with Mr. Bendixen and Mr. Novelli and asked them to review the legality of such an investment. Mr. Bendixen remembers that he had the legality of a Presidential campaign investing in the commodities market reviewed by an attorney, who reported to him that federal election law does not prohibit such an investment. Once the general legal question was resolved, Mr. Novelli met with Mr. Weinberg in California to discuss the details of the investment proposal.

8 9 0 4 0 7 5 3 4 9 0

2. Senator Cranston, Mr. Novelli, and Mr. Bendixen recall that Mr. Weinberg approached Senator Cranston in the fall of 1983.

4. Mr. Bendixen and Mr. Novelli remember the following details concerning the investment plan. Mr. Weinberg offered to raise the funds to be invested as contributions to the Committee. Once those contributions were received, the Committee would send Mr. Weinberg a check for the amount raised, made out to "Conti Commodity Services," which apparently was the firm that Mr. Weinberg used for his own investments. Mr. Weinberg would establish an account for the Committee and trade on its behalf using these funds. Mr. Weinberg was to periodically send profits from this account to the Committee. Mr. Novelli explicitly recalls signing documents from Conti Commodity Services authorizing Mr. Weinberg to invest on the Committee's behalf. Unfortunately, these documents have not been found in the Committee's files.

6. The Committee's participation in the plan was authorized by Mr. Bendixen and Mr. Novelli.

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a. Although this investment plan apparently was not discussed in advance with William M. Landau, the Committee's treasurer, Mr. Novelli and Mr. Bendixen recall generally that they had incidental discussions about the investment with other people on the Committee staff. Messrs. Novelli and Bendixen do not recall any other staffperson being involved in the transaction.

8. Mr. Novelli's recollection is that Mr. Weinberg used Conti Commodity Services for his personal investments and was not an employee of Conti.

10. Neither Mr. Bendixen nor Mr. Novelli remember why the investment amount was $9,000. Both speculated that Mr. Weinberg might have indicated that he would raise $10,000 for the investment plan but fell $1,000 short.

15. Mr. Bendixen remembers the Committee sending the $30,000 refund check to Mr. Weinberg on February 8, 1984.

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16. (b) Mr. Bendixen recalls the Committee receiving the $15,000 wire transfer from Mr. Weinberg, which he, at the time, believed to represent the Committee's profits from the investment plan.

(f) In addition to the commodity investment plan, Mr. Weinberg also volunteered to raise money for the Committee. As a part of this effort, Mr. Weinberg hosted a fundraising reception on January 30. Thus, during the month of January a number of calls were made to Mr. Weinberg by representatives of the Committee. Mr. Novelli and Mr. Bendixen each recall telephoning Mr. Weinberg about both the January 30 fundraiser and to receive progress reports on the commodity investment plan. Further, Senator Cranston, Mr. Novelli and Mr. Bendixen believe that, in the course of his hundreds of fundraising calls, Senator Cranston spoke with Mr. Weinberg concerning both the January 30 event and the commodity investment plan.

17. Mr. Bendixen remembers the Committee receiving the $30,000 wire transfer from Mr. Weinberg in early February, 1984. At the time of its receipt, Mr. Bendixen believed that the $30,000 was profit from the investment plan. Almost

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immediately thereafter, however, Mr. Bendixen remembers that the Committee determined that - for reasons he no longer recalls - the $30,000 had to be refunded to Mr. Weinberg.

Bruce H. Turnbull
Bruce H. Turnbull
Counsel, Cranston for
President Committee, Inc.

for

William M. Landau
Treasurer

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BRUCE H. TURNBULL
DIRECT LINE (202) 682-7070

December 4, 1987

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Dear Mr. Noble:

On behalf of my client, the Cranston for President Committee, Inc. ("Committee") and its treasurer, William M. Landau, I am submitting this letter as an additional response to the "Questions and Request for Production of Documents" issued to the Committee by the Federal Election Commission ("Commission") on July 14, 1987. Specifically, this letter addresses the issue of the Committee's reimbursement to Senator Cranston for campaign-related charges on his American Express card.

As you know, on the American Express reimbursement issue, the Commission's July 24 "Questions and Request for Production of Documents" only requested any documents in the Committee's possession and did not present any questions for the Committee to answer. As we assembled documents in response to this request, however, it became clear that the documents, in and of themselves, do not fully portray Senator Cranston's efforts to receive reimbursement from the Committee.

Therefore, in this letter, I will discuss the facts concerning the Committee's delayed reimbursement to the Senator and the Senator's efforts to be reimbursed in a prompt manner. The information in this letter is based on the documents already provided to the Commission in the

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Committee's September 8th and October 2nd submissions and discussions that I have had with present and former staffpeople on the Senator's Senate staff and on the Committee's staff. Sworn affidavits from those individuals are attached.

First, it is important to understand the process by which the American Express bills were handled. In 1983 and 1984, American Express mailed the monthly bill of charges to Senator Cranston at his Senate office. There, Jan Mueller, Administrative Coordinator of the Senator's office, would review the bill and divide the charges into three categories: personal charges; Senate business-related charges; and Presidential campaign-related charges. Ms. Mueller then would notify the Senator and the Committee of their respective charges and arrange for payment of Senate charges from the Senate office account. Each responsible party wrote checks payable to American Express, and the three checks were sent as payment to American Express.

As the Commission knows, the Committee stopped making its portion of these payments beginning in approximately August, 1983. Ms. Mueller remained in contact with Tom Pazzi of the Committee staff and, in the normal course described above, forwarded to him the Committee's charges on the American Express bills of September, October, and November of 1983. Further, in an October 25, 1983 memorandum, Ms. Mueller reminded Mr. Pazzi of the Committee's outstanding charges for the months of August, September, and October of 1983 and warned Mr. Pazzi that the Committee's failure to pay its portion of the bills had caused those portions of Senator Cranston's bills to be past due. As a result, he was threatened with the loss of his American Express credit privileges.

Nonetheless, the Committee was unable to make these payments. At the time, the Committee had serious financial problems. By the late fall of 1983, the Committee had accumulated a massive debt, which was owed to banks, campaign staff, and vendors, as well as to American Express. Although Senator Cranston demanded reimbursement from Sergio Bendixen, the Committee's campaign manager, and Mr. Pazzi, the answer was always the same: the Committee did not have anywhere near enough money to pay the Committee's vendors and other

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creditors and that Senator Cranston would not be treated any more favorably than the Committee's many other non-priority creditors.

Because the Senator's American Express credit problems related solely to the Committee's nonpayment, in early December, 1983, Ms. Mueller referred Mrs. Secrest, of the debt collection department at American Express, to Mr. Pazzi. Mr. Pazzi and Mrs. Secrest came to an agreement under which the Senator would receive a new American Express card so long as all past-due payments were made by the end of December, 1983. Subsequently, Senator Cranston was informed of this agreement to preserve his American Express card. Unfortunately, the Committee still did not have sufficient funds to make the payment by the end of the year, and Senator Cranston, confident that the Committee would reimburse him for these outstanding charges as soon as sufficient funds were available, made the decision to pay American Express the amount owed so that he would get a new card and, thereby, avoid the disruption to his personal and Senate-related activities that would have resulted from the loss of his American Express card.

In addition to the contacts between the Senate and Committee staffs, Senator Cranston himself made direct efforts to receive reimbursement from the Committee. In particular, during the period of December, 1983 to March, 1984, Senator Cranston demanded reimbursement in at least two conversations with Mr. Bendixen. Beginning in March, 1984, Senator Cranston intensified his efforts to receive reimbursment from the Committee. In addition to telephone discussions with William M. Landau, the Committee's treasurer, Senator Cranston also sent Mr. Landau a letter requesting repayment and laying out in detail the Committee's current debt to him. Soon thereafter, the Committee began making both reimbursement payments to Senator Cranston and, direct payments to American Express.

Several basic facts emerged during our review of the Committee's documents and our discussions with staffpersons involved on this issue. First, the Committee made a determination in late 1983 that sufficient funds did not exist to pay numerous debts, including Senator Cranston's Committee-related American Express charges. Second, for the period of August to early December of 1983, Ms. Mueller, at

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the Senator's direction, maintained regular contact with Mr. Pazzi in an effort to secure payment of the American Express charges. Third, during the period of December, 1983 through February, 1984, Senator Cranston personally demanded reimbursement in discussions with Mr. Bendixen and was, on each occasion, told that the Committee could not afford to do so at that time. Fourth, the Senator's decision to pay the Committee's outstanding charges on his American Express card was based on the need to do so in order to ensure that American Express would issue him a new card in January, 1984 and not revoke that card subsequently.

Our interviews with present and former staffpersons all revealed that Senator Cranston pushed the Committee hard to reimburse him for his American Express charges. As with many of the Committee's commercial vendors, Senator Cranston made a commercially-reasonable decision to continue to use his American Express card for his Committee-related expenses, based on the Senator's confidence that the Committee would reimburse him for these payments as soon as sufficient funds were available. In fact, the Committee did establish a payment schedule and Senator Cranston and American Express were both paid in full.

Please do not hesitate to contact me if you have any further questions.

Sincerely,

Bruce H. Turnbull

Bruce H. Turnbull

Enclosures

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AFFIDAVIT OF JANET MUELLER

I, Janet Mueller, being duly sworn, state the following.

1. I have worked on the Senatorial staff of Senator Alan Cranston from February, 1969 to present. For approximately the last twelve years, I have served as the Administrative Coordinator/Aide in Senator Cranston's office.

2. One of my responsibilities as the Administrative Coordinator is to review the monthly charges on Senator Cranston's American Express card, dividing those charges between business and personal expenses.

3. During 1983 and 1984, I reviewed the Senator's American Express charges (which are mailed directly to the Senate office), dividing them into three categories: personal expenses; Senate expenses; and presidential campaign expenses. Once the bill was so divided, I would notify the Senator of his personal charges and Pat Osbon - or, later, Sergio Bendixen or Tom Pazzi - of the Cranston for President Committee, Inc. ("Committee") of the Committee's charges.

4. Starting in approximately August, 1983, the Committee began falling behind in making its share of the American Express payments. Thus, I sent Tom Pazzi a memorandum on October 25, 1983 in which I recounted the amounts that the Committee owed on the Senator's American Express charge for the months of August, September, and October of 1983. In that memorandum, I also advised Mr. Pazzi that the Senator's American Express card was expiring in December, 1983 and suggested that the Committee had to remain current in its payments if the Senator was to receive a new card. During this time period, Mr. Pazzi stated that the Committee would attempt to make the payments for which it was responsible.

5. As was my usual practice, I forwarded the November, 1983 American Express bill to Mr. Pazzi at the Committee once I had had an opportunity to review it for personal and senatorial charges.

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6. By December, 1983, the Committee had fallen several months behind in making its share of the payments to American Express. During that period, I was in contact with a Mrs. Secrest in the American Express collection department, who reiterated that the Senator was not likely to receive a new card after his card expired in December, 1983. I referred Mrs. Secrest directly to Mr. Pazzi to resolve the late payment problem.

7. Subsequently, following his discussions with Mrs. Secrest, Mr. Pazzi informed me that the Committee and American Express had agreed that Senator Cranston would be issued a new card so long as he paid all outstanding charges by December 28, 1983 and that the Committee would reimburse the Senator as soon as sufficient funds were available. In approximately late November, 1983, I was told that someone on the Committee staff, whose identity I do not recall, informed the Senator of this arrangement.

8. Later, I advised the Senator of when payments needed to be made if he was to avoid loss of his American Express card. Further, prior to leaving on my Christmas vacation in 1983, I left instructions with another member of the Senator's staff about getting the Senator's check covering the remaining outstanding 1983 campaign expenses to American Express by the necessary date.

I do hereby attest that all of the above is true and accurate to the best of my recollection.

Janet Mueller

Janet Mueller

Sworn before me on this
4th day of December, 1987.

Notary Public
NOTARY PUBLIC
DISTRICT OF COLUMBIA

MY COMMISSION EXPIRES JANUARY 31, 1989

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AFFIDAVIT OF SERGIO BENDIXEN

I, Sergio Bendixen, being duly sworn, state the following.

1. I served as campaign manager for the Cranston for President Committee, Inc. ("Committee") from approximately June, 1982 to March, 1984.

2. As campaign manager, one of my principal responsibilities was to make final determinations concerning the allocation of the Committee's financial resources.

3. By late in the summer of 1983, the Committee was suffering extreme financial problems. As a result, the Committee began to accumulate a massive debt, a large portion of which was owed to vendors and Committee staff.

4. Among the debts that went unpaid during the fall of 1983 was that attributable to Senator Cranston's Presidential campaign-related charges on his American Express card. During the fall of 1983, this matter was handled by Committee staff working for me who discussed the matter with Jan Mueller, the Administrative Coordinator in Senator Cranston's Senate office. At my direction, and in accordance with the Committee's position vis-a-vis most of its creditors at that time, the Committee staff informed Ms. Mueller that the Committee would not be able to pay American Express.

5. In early 1984, on at least two occasions, Senator Cranston raised this issue with me and demanded that the Committee make a prompt payment for these charges. On each occasion, I responded that the Committee was in grave financial condition, and owed a large debt to numerous vendors and employees of the Committee. I told Senator Cranston that sufficient funds did not exist to pay any of these debts, including the one owed to him and, further, that I did not believe it was appropriatee to treat his debt in a more favorable manner than those owed to other vendors.

I do hereby attest that all of the above is true and accurate to the best of my recollection.

Sergio Bendixen

Sworn before me on this
3rd day of November, 1987.

Ramona G Cohen
Notary Public, D.C.
My Commission Expires
9/30/91

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Mark R. Weinberg) MUR #2073

SENSITIVE

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to Mark R. Weinberg, based on the assessment of the information presently available.

Date 12/23/87

Lawrence M. Noble
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Mark R. Weinberg	)	MUR #2073

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On October 17, 1985, the Commission found reason to believe that Mark R. Weinberg made excessive contributions to the Cranston for President Committee, Inc. in violation of 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act, through several commodities transactions.

This matter concerns an excessive contribution that resulted when Mark R. Weinberg, a commodities trader and advisor, used his personal funds to pay the Committee a $45,000 profit from its alleged investment.

According to the Committee, Mr. Weinberg approached Senator Cranston in the Fall of 1983 with an opportunity to invest in the commodities market. The Committee told the Commission Audit Staff that, after the candidate was approached by Mr. Weinberg, the Committee sought advice as to the legality of this type of investment. Although the Committee could not recall who gave them the advice, they were assured that this activity was legal. The Committee stated that the legal advice was not from the Commission nor was it in writing.

According to Michael Novelli, who was the Committee's Finance Chairman at that time, Mr. Weinberg set up a customer account and presented certain documents for signature to

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establish the business relationship. The Committee, however, has been unable to produce copies of these documents. According to Mr. Novelli and Sergio Bendixen, the Committee's campaign manager, Mr. Weinberg offered to raise the funds to be invested as contributions to the Committee. Once those contributions were received, the Committee was to send Mr. Weinberg a check for the amount raised, made out to "Conti Commodity Services." After having received $9,000 in contributions solicited by Mr. Weinberg, the Committee, on December 15, 1983, provided a $9,000 check payable to the "Conti Commodity Service" as capital. This check was never cashed.

In addition to the commodity investment plan, Mr. Weinberg volunteered to host a fundraising reception on January 30, 1984. As part of this effort, Mr. Novelli, Mr. Bendixen, and Senator Cranston spoke to Mr. Weinberg by telephone during the month of January to receive progress reports on the investments and the fundraiser. On January 24, 1984, the Committee received $15,000 by wire transfer. The Committee stated they believed that the $15,000 represented profits of its commodities transactions. The receipt of the $15,000 was itemized on the disclosure report listing the Harris Bank in Chicago as the provider of the funds.

According to the Committee, Mr. Weinberg contacted them and related that an additional $30,000 in profit from the commodities trading was due them and would be forthcoming. However, there was a problem having the money released. Nevertheless, on

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February 8, 1984, the Committee received $30,000 by wire transfer. The receipt of the $30,000 was itemized on the disclosure report listing the commodites adviser, Mark Weinberg, as the person providing the funds.

Further, Committee officials stated there was a conversation between Mr. Weinberg and a Committee staff member shortly after the Committee received the $30,000. It was during this conversation that Mr. Weinberg told the Committee that because of the problem of having the money released, he used $30,000 of his personal funds to send to the Committee. Mr. Weinberg claimed the $30,000 was a loan to the Committee until the money was released. As a result of this conversation, the Committee stated that the next day they sent a $30,000 refund check to Mr. Weinberg.

The documentation available concerning the $30,000 refund consisted of an unsigned letter dated February 8, 1984, which refers to, and purportedly accompanied, the refund. Committee records indicate that the refund check was sent on February 8, 1984, however, their check register disclosed that the account from which the check was drawn had a negative balance of $136,166.32 on the date the refund money was allegedly forwarded. The Committee did not report the $30,000 refund made to the commodities advisor.

Because of concern regarding the source of the $45,000, the Committee's treasurer, Mr. Landau, met with Mr. Weinberg in Los Angeles, California on May 14, 1984. During that meeting,

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according to the Committe, Mr. Weinberg disclosed for the first time that both the $15,000 and the $30,000 wire transfers came from Mr. Weinberg's personal funds. Before this meeting, the Committee was apparently under the impression that the $15,000 wire transfer was a legitimate profit on its investment.

The Committee wrote its $9,000 investment check on December 15, 1983. By January 24, 1984, when the Committee received the $15,000, it was unaware that the $9,000 check had not been cashed. During the May 14, 1984 meeting, Mr. Weinberg also disclosed for the first time why the $9,000 check was never cashed. He stated that he had intended to use the $9,000 to engage in commodities trading on behalf of the Committee. He did not so use the money, however, because he had been advised by his attorneys that it would have been illegal for him to do so. Instead, he invested "for the Committee's account in his own name" and made a profit of $45,000. After making this profit, however, he was told by Conti that he could not transfer the profits to the Committee since he had traded in his own name.

On June 20, 1984, in their June Monthly FEC report, the Committee notified the Commission that $15,000 would be refunded to avoid a possible illegal contribution, that a check issued on February 8, 1984 refunding $30,000 to avoid a possibly illegal contribution had not been cashed promptly, and that the account on which the check was drawn no longer had any funds. This

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report disclosed two refunds of $5,000 each on May 19 and 23, 1984. The Committee said it would refund the balance as soon as it could raise the funds.

As of October 10, 1984, the Committee had refunded a total of $45,000 to the commodities trader. The Committee's Quarterly FEC Reports revealed that the Committee reimbursed the balance of the excessive amount in installment payments of $5,000 each on June 12 and 28, July 3 and 10, 1984, and payments of $7,000 on September 1, and $8,000 on October 10, 1984. In addition to these contributions, Mr. Weinberg contributed $1,000 to the Committee on November 4, 1983.

II. ANALYSIS

This matter presents the question of whether Mark R. Weinberg violated 2 U.S.C. § 441a(a)(1)(A) by contributing a total of $46,000 to the Cranston for President Committee, Inc. The Act provides that no person may make contributions to any candidate and his authorized political committee, with respect to any election for Federal office, which, in the aggregate, exceed $1,000. 2 U.S.C. § 441a(a)(1)(A). For purposes of the Act, the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(8)(A).

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The Committee submitted a check for $9,000 as its capital for investment on December 15, 1983. The check was never cashed, however the Committee received a profit from its investment.

The first return on the investment was a check for $15,000 which the Committee received by wire on January 24, 1984. The Committee was intially under the impression that this was income from its investment. The Committee learned later, however, that Mr. Weinberg had put up his own money and traded "for the Committee's account in his own name."

Mr. Weinberg was apparently advised before he made the investment for the Committee that he could not legally do so. After he traded in his own name, he was again advised that he could not legally transfer the profits to the Committee. He nonetheless, forwarded $15,000 to the Committee as a "loan" until he could transfer the money legally. It would appear, that the $15,000 was a contribution. The $30,000 wire, which was an advance from Mr. Weinberg's personal funds, received on February 8, 1984, was also a contribution.

The definition of contribution in the Act includes any gift, subscription, loan advance or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(8)(A). The $15,000 wire and the $30,000 fall into this category. Since the $9,000 check was never cashed, the Committee received the $45,000 without cost or other consideration.

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The $9,000 was not included as a contribution in the audit referral or in the reason to believe finding. The Commission did not have sufficient evidence, at that time, to conclude that Mr. Weinberg had paid the $9,000 on behalf of the Committee. The Committee's response to interrogatories, however, described a meeting in which Mr. Weinberg stated that he paid the $9,000 from his personal funds. Before that meeting, the Committee had no information regarding the disposition of the $9,000 check.

The $9,000 should also be treated as a contribution, since it is now apparent that the $9,000 initial investment was paid from Mr. Weinberg's personal funds. Although it was not paid to the Committee, it was paid on the Committee's behalf for the purpose of influencing a Federal election. The $15,000 wire was a separate payment, and thus an additional amount in violation. It would appear, therefore, that Mr. Weinberg's contribution total should be increased by $9,000 to $55,000, or excessive contributions of $54,000 ($9,000 + $15,000 + $30,000).

Section 441a(a)(3) prohibits any individual from making contributions aggregating to more than $25,000 in any calendar year. Since Mr. Weinberg made contributions to the Cranston Committee in excess of $25,000, he has violated that section as well as 2 U.S.C. § 441a(a)(1)(a).

In sum, Mr. Weinberg failed to cash a check the Committee submitted to him as its capital for investment; he proceeded to trade commodities on behalf of the Committee after he was advised

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that he could not legally do so; and he failed to cash a contribution reimbursement check from the Committee for $30,000. This course of conduct shows that Mr. Weinberg knew his efforts to raise funds for the Cranston Committee were of dubious legality. Therefore, the Office of General Counsel recommends that the Commission find probable cause to believe Mr. Weinberg violated 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3), and that the violations were knowing and willful.

III. **GENERAL COUNSEL'S RECOMMENDATION**

1. Find probable cause to believe that Mark R. Weinberg knowingly and willfully violated 2 U.S.C. §§ 441a(a)(1)(A), and 441a(a)(3).

Date 1/20/88

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 20, 1988

CERTIFIED MAIL - RETURN RECEIPT REQUESTED
John F. Walter, Esquire
Walter, Finestone, Richter & Kane
10920 Wilshire Blvd.
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Los Angeles, CA 90024

RE: MUR 2073
Mark R. Weinberg

Dear Mr. Walter:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on October 17, 1985, found reason to believe that your client, Mark R. Weinberg, violated 2 U.S.C. § 441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended, and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

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If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Donna W. Anderson, the attorney assigned to handle this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Brief

89040753512

BCC# 6114

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January 22, 1988

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88 JAN 27 AM 11:21

The Honorable Scott E. Thomas
Chairman
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Dear Chairman Thomas:

On behalf of our client, the Cranston for President Committee, Inc. ("Committee") and pursuant to 11 CFR 9038.2(d)(1) and 9038.4, this letter requests that the Federal Election Commission grant a 30-day extension for the Committee to make final repayment of certain public funds found to have been used to pay non-qualified campaign expenses.

Pursuant to the Commission's October 27, 1987, determination, the Committee must make repayment of $22,400.05, of which the Committee has repaid $16,500, leaving a balance of $5,900.05. That is the amount for which the Committee requests the 30-day extension. According to our calculations, that payment is now due on January 29, 1988.

The reason for the request is that the Committee has encountered increasing difficulty in raising funds, as the period of Senator Cranston's active candidacy becomes more and more remote. Despite the Committee's diligent efforts to raise the funds necessary to repay the Commission, insufficient funds have been raised as of this date. Recent efforts, however, do provide confidence that funds will be forthcoming within a very short time.

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available. In this situation, as in all of its dealings with the Commission, the Committee is endeavoring to fulfill its obligations and be fully cooperative. The Committee had hoped to avoid having to request this extension but finds itself with no other alternative at this point.

We appreciate your prompt attention to this matter. If there are any questions concerning this request, do not hesitate to contact me.

Sincerely,

Bruce H. Turnbull

Bruce H. Turnbull

cc: The Honorable Thomas J. Josefiak
Lawrence M. Noble, Esq.
Mr. William M. Landau

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JEFF M. NOVATT
NANCY R. BENVENISTE
MARK A. O'BRIEN

CABLE ADDRESS:
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TELECOPIER NO.:
(213) 824-4092

February 9, 1988

REFER TO FILE NO.

11456-1 019

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

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Re: MUR 2073, Mark R. Weinberg

Dear Mr. Noble:

This letter will confirm receipt of your correspondence dated January 20, 1988, and attached General Counsel's Brief on January 28, 1988. Your correspondence allowed us until February 12, 1988, to file with the Secretary of the Commission a Reply Brief. Given the complexity of the issues raised by the General Counsel's Brief, a meeting with Mr. Weinberg prior to our preparation of a Reply Brief is essential. Unfortunately, we have been unable to conduct such a meeting as of this date. Accordingly, we request an extension of time up to March 2, 1988, within which to file the Reply Brief to enable us an opportunity to meet with Mr. Weinberg and review the applicable facts and law. In this regard, Mr. Lee Anderson advised the undersigned today that an extension of time under twenty days will be routinely granted. Please confirm this extension by so indicating on the enclosed copy of this letter. We have enclosed a self-addressed, stamped envelope for your use in returning the enclosed copy of this letter to our office.

Thank you for your courtesy and cooperation in allowing us the necessary time to respond properly to the General Counsel's Brief. Should you have any questions concerning the foregoing, kindly contact the undersigned.

Very truly yours,

Frederick F. Mumm
of WALTER, FINESTONE, RICHTER & KANE

FFM:llp
Enclosures

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 18, 1988

Frederick F. Mumm, Esquire
Walter, Finestone, Richter & Kane
10920 Wilshire Blvd.
Suite 1400
Los Angeles, CA 90024-6592

RE: MUR 2073
Mark R. Weinberg

Dear Mr. Mumm:

This is in response to your letter dated February 9, 1988, which we received on February 12, 1988, requesting an extension of 20 days to respond to the General Counsel's Brief. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on March 3, 1988.

If you have any questions, please contact Donna Wade Anderson, the attorney assigned to this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Cranston for President Committee, Inc.,	)	MUR 2073
	)	
William M. Landau, as treasurer, et al.	)	
	)	

SENSITIVE

EXECUTIVE SESSION
FEB 23 1988

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On October 17, 1985, the Commission found reason to believe that Senator Alan Cranston and the Cranston for President Committee, Inc. (the "Committee"), and William M. Landau, as treasurer, violated 26 U.S.C. § 9035(a), of the Presidential Primary Matching Payment Account Act (the "Matching Payment Act"). The Commission also found reason to believe that the Committee and Mr. Landau, as treasurer, violated 2 U.S.C. §§ 434(a), 434(b)(2)(H), 434(b)(3)(B), 434(b)(3)(E), 441a(f), and 441b(a), provisions of the Federal Election Campaign Act (the "Act"), and 11 C.F.R. § 106.2, of the Commission's regulations. Other reason to believe findings on that date were that Mark R. Weinberg, Cecil R. Venturella, Adolph P. Schuman and David D. Miller each violated 2 U.S.C. § 441a(a)(1)(A).

For purposes of organization, the violations and respondents were broken up into three groups. Group I, the commodities issue, involves the Committee and Mark R. Weinberg. Group II, the credit card issue, involves Senator Cranston and the Committee. Group III encompasses the remaining issues: the excessive individual contributions, the excessive contribution from a political committee, the corporate contribution, the

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letters of credit, the reporting violations, and the issue of state allocations. Group III involves the Committee and various contributors.

The Commission, on July 20, 1987, issued interrogatories to the Committee and to Mr. Weinberg. Mr. Weinberg refused to answer, but the Committee submitted three separate responses on September 8, October 2, and December 4, 1987. On October 3, 1987, the Commission declined to enter into conciliation negotiations with Mr. Weinberg prior to a finding of probable cause. This Office delayed the circulation of briefs on this issue with regard to Mr. Weinberg until the Committee's response of December 4 could be taken into consideration. The response affected not only progress on the commodities issue, but the issue of the candidate's personal expenditure limitation as well (Group II). These two issues had been the main focus of the two previous responses. Counsel for the respondent Committee indicated, however, that the December 4th response would most likely be the final amendment. On January 20, this Office notified Mr. Weinberg of its intention to proceed toward a finding of probable cause, and provided him with a copy of the General Counsel's brief on the matter.

This Office is also in the process of preparing a report on the other issues involving the Committee (Group III).

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II. LEGAL AND FACTUAL ANALYSIS

A. Credit Card Use by the Candidate

1. Factual Analysis

The Commission found reason to believe Senator Cranston violated 26 U.S.C. § 9035(a) by incurring or making expenditures from his personal funds in an aggregate amount exceeding $50,000 in connection with his campaign for nomination for election to the Office of President. Senator Cranston first exceeded his $50,000 limit on October 31, 1983. For the period October 31, 1983 through May 3, 1984, Senator Cranston exceeded his limit by an amount ranging from $21,784.86 to $76,369.15.

On October 30, 1983, the Senator had personally expended $46,782.36 on behalf of the campaign. See Attachment 1. That total was composed of: a $2,000 contribution, $20,300 in loans to the Committee, $2,310.05 in miscellaneous expenditures, and $22,172.31 in expenditures charged on his Amex card. On October 31, 1983, along with other miscellaneous expenditures, Senator Cranston loaned to the Committee an additional $25,000. This brought his expenditure total to $71,784.86, or $21,784.86 over the $50,000 limitation of 26 U.S.C. § 9035(a). The Senator continued to accumulate campaign-related debt and to charge these expenditures on his Amex card through April 9, 1984. By that date, Senator Cranston had exceeded the $50,000 limit, embodied in 26 U.S.C. § 9035(a), by $67,803.72 through these transactions.

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The Committee made regular direct payments to American Express for qualified campaign expenses until September 23, 1983. After that date, beginning on December 5, 1983, the Senator made regular direct payments on the account through March 19, 1984. See Attachment 1, pp. 6, 9. On May 4, 1984, the Committee made its first reimbursement to the candidate, and on July 31, 1984 it again began to make direct payments to American Express. Attachment 1, p. 9. The Committee made its last direct payment on that account on August 24, 1984 (Attachment 1, p. 9), and its last reimbursement to the candidate on October 23, 1984. Attachment 1, p. 12.

Apparently, neither the Committee nor the candidate made any payments on the Amex account in October or November of 1983, nor during April, May, or June of 1984. The Amex account was cancelled with the June 8, 1984 statement and not reopened until September 7, 1984.

Beginning in October 1983 and continuing through April 1984, the Senator, through his Senatorial staff, made regular requests for payment or reimbursement to the Committee. The Committee states that when the Amex invoice was received in the Senator's office, a staff member reviewed the bill to separate campaign expenditures from Senate business-related charges, and personal charges. Once that was done, the Senator's office attempted to get the Committee to pay the Amex bill by informally notifying Committee officials of the charges and requesting payment of those charges. If the Committee had not paid the bill within a

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few days of the due date (before of after the due date), the Senator then made a payment on the account for the campaign-related charges, and the Senator's office would then make a reimbursement request. In October and November, the Senator did not pay the Amex bill, therefore there was no need for reimbursement. The Committee was, nonetheless, notified that the bill had to be paid.

The first documented request for direct payment was made in a memorandum dated October 25, 1983. In that memorandum, Ms. Janet Mueller, Administrative Coordinator of the candidate's Senate office, requested payment of campaign-related charges for the months of August, September, and October 1983. The memorandum also warned that the Committee's failure to pay its portion of the bills could result in the loss of the Senator's American Express credit privileges. The second documented request for payment was made on November 23, 1983.

In early December 1983, according to the Committee, American Express informed the Senator that he would lose his card unless the outstanding balance was paid. Ms. Mueller reportedly referred American Express to the Committee, and the two came to an agreement under which the Senator would receive a new card provided that the past due amount was paid by the end of the year. The agreement was apparently oral as the Committee has provided no documentary evidence of its particulars.

The Committee states that, at this time, it did not have the funds to pay the American Express bill. Therefore, in an

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apparent effort to comply with the agreement and to keep his card, the candidate made his first payment on December 5, 1983 of $15,100.00. The candidate followed that with additional payments on December 28, 1983 of $8,475.50; January 25, 1984 of $8,353.46; February 15, 1984 of $3,529.32; and March 19, 1984 of $10,452.42. According to candidate's counsel, the Senator continued to pay the bills and continued to charge campaign-related expenses to his American Express account because he was confident that the Committee would reimburse him for his payments as soon as possible. The candidate, however, ended his campaign in March 1984. In fact, the Commission had determined his date of ineligibility for federal matching funds to be March 1, 1984 pursuant to 26 U.S.C. § 9033(c)(1)(B).

The Committee states that the Senator's office made regular requests for payment between November 23, 1983 and March 20, 1984, however there is no documentary evidence of written notifications between those dates. The documentation provided by the Committee notes that a payment had to be sent by December 28, 1984, however there is no indication that a request for reimbursement was transmitted to the Committee. After March 20, 1984, the Committee corresponded directly with American Express, thus eliminating the need for reimbursement to the Senator.

The longest period of delinquency on the Amex account for direct payments by the Committee was 146 days between the candidate's last direct payment on March 19, 1984, and the

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Committee's first direct payment on July 31, 1984. The request for payment was made on March 20, 1984, making the actual period of time between the request and payment 145 days. The amount due during this period (as it appeared on the statement covering the period February 9, 1984 through March 9, 1984) was $19,472.08. See Attachment 1, p. 9. The longest period of time for reimbursement of the Senator by the Committee was 217 days for advances totalling $10,425.42. In this instance, the candidate advanced the money on March 19, 1984, and the Committee did not repay that full amount until October 23, 1984. Again, the request for reimbursement was made on March 20, 1984. Therefore, the period of delinquency between the request and the reimbursement was 217 days. See infra n.2. The candidate made the largest advance, however, on December 5, 1983 in the amount of $15,100.00. The Committee took 165 days to reimburse that advance. See Attachment 1, p. 12. The request for payment with regard to that invoice was made on November 23, 1983.

The Amex invoice records make clear that the Committee did not reimburse the candidate (nor make direct payments on the Amex account) within a reasonable time after the candidate requested payment or reimbursement, nor did it reimburse the full amount advanced. Attachment 1, pp. 3, 12. The invoice records also make clear that the candidate made a large percentage of the direct payments himself. Of the total $63,164.52 in qualified campaign expenses charged to the Amex account, Senator Cranston made direct payments totalling $45,883.70.

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2. Legal Analysis

The Matching Payment Act provides that no candidate shall knowingly incur or make expenditures from his personal funds, or the funds of his immediate family, in connection with his campaign for nomination for election to the Office of President in excess of, in the aggregate, $50,000. 26 U.S.C. § 9035(a).

The Act defines an expenditure as "any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office." 2 U.S.C. § 431(9)(A)(i).

a. Standard of Review

In this matter, there are two types of payments: direct payments by the Committee to American Express, and payments by the candidate for which the Committee later reimbursed him. The Audit Division's referral included in the amount by which Senator Cranston exceeded his $50,000 limit, only those American Express card bills for which the Committee did not reimburse the candidate within 30 days of the advance, and any American Express card bills submitted directly to the Committee which were outstanding for more than 30 days after the due date. In MURs 2175 and 2339, however, the Commission used a different standard

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in determining the amounts in excess of the limits.1/

In MUR 2175, the Commission determined that former Senator Gary Hart violated 26 U.S.C. § 9035(a) when the campaign-related expenditures charged on his American Express card in excess of his $50,000 limit went unpaid by his committee for an unreasonable time after the due date on the invoice. In that matter, there was an understanding between the candidate and the Committee that the Committee would be responsible for the campaign-related charges on the account. In MUR 2175, there were no payments for approximately 5 months between July 31, 1983 and January 8, 1984. The Commission determined that in calculating how much to allocate to the candidate's expenditure limit, the issue is whether the committee paid the bills within a reasonable time of the due date. (In MUR 2073, presently before the Commission, the Committee made no payments or reimbursements to the candidate for approximately 6 months between October 30, 1983 and May 4, 1984.)

In MUR 2339, Bert Lance charged campaign expenditures for the Mondale/Ferraro Committee, Inc. on his American Express card

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1/ The new regulations, which were not in effect at the time of the events discussed herein, specify that the Commission will include in the candidate's expenditure total those campaign expenditures charged to his or her personal credit card that are not reimbursed or paid in full by the committee within 60 days after the closing date on the billing statement on which the charges first appear. 11 C.F.R. § 9035(a)(2). See Explanation and Justification, 52 Fed. Reg. 106, 20872 (1987).

between May and July 1984. On or around September 10, 1984, Mr. Lance made two requests for reimbursement for the charges. In that case, the Commission determined that the main issue was whether the Committee reimbursed the cardholder for the campaign-related charges within a reasonable time after a reimbursement request was made. MUR 2339 and the case on hand are similar in that in some instances the cardholder first paid the bills.

Based on the Commission's actions in those matters, therefore, this Office will apply the due date standard of MUR 2175 to those bills the Committee paid directly, and the notification standard of MUR 2339 to those bills the Senator paid.

b. Application to the Facts

In order to properly determine the length of time it took the Committee to make direct payments to American Express, payments similar to those in MUR 2175, it is necessary to examine, in particular, the March billing statement. It is here that the payments made by the candidate and those made directly by the Committee to American Express overlap. On the March statement, which covered the period of February 9, 1984 to March 9, 1984, there were $19,472.08 in new campaign-related expenses charged to the account. See Attachment 1, p.9. The due date on this statement was March 31, 1984. On March 19, 1984, the candidate made a payment of $10,425.42. This amount was applied

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to charges appearing on two statements: $7,617.42 was applied to the statement covering the period of January 10, 1984 to February 8, 1984; $2,808.00 was applied to the statement covering the period of February 9, 1984 to March 9, 1984. See Attachment 1, p.8, comments.

After applying the candidate's payment of March 19, 1984 to the March statement, there remained $16,664.08 outstanding. This amount remained outstanding for 146 days past the due date (4/1/84-8/24/84) until the Committee paid off the balance. See Attachment 1, p.9, comments. While it took the Committee 146 days to pay off the total balance of $16,664.08 for the March statement, the Committee made its first payment on that amount on July 31, 1984, or 122 days beyond the due date. The average length of time it took the Committee beyond the due date to pay off balances directly to American Express was 78 days. It is the view of the Office of General Counsel that, with respect to those bills paid directly, as in MUR 2175, the Committee did not pay American Express within a reasonable time beyond the due date. Therefore, those amounts outstanding for an unreasonable time beyond the due date should be attributed to the candidate's expenditure total.

The Audit Division's analysis of the American Express invoice records shows that none of the bills paid by the candidate were reimbursed by the Committee within a reasonable time after it received notice of the advances. It took the

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Committee between 146 and 217 days to reimburse a total of $45,883.70 in payments advanced by Senator Cranston.2/ See Attachment 1, p. 12. It would appear that with respect to those bills paid initially by the candidate, similar to the situation in MUR 2339, the Committee did not reimburse the candidate within a reasonable time after receiving notice of his advances to American Express. Therefore, those amounts outstanding for an unresonable time after notification of the candidate's advances should be attributed to the candidate's total.

It is the view of the Office of the General Counsel, that the expenditures attributed to the candidate should include: the total amount of late reimbursements for advances made to American Express, the candidate's loans to the Committee, telephone payments the candidate made, direct contributions and miscellaneous expenditures, as well as the amount of charges paid directly by the Committee that were outstanding for an unreasonable time past the due date. From that amount, we have

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2/ Note again that the Audit Division concludes that it took the Committee between 145 and 218 days to reimburse the candidate: 145 days was the shortest period of time for reimbursement of the advance made on February 15, 1984; 218 days was the longest period of time, according to the Audit Division, for reimbursement of the advance made on March 19, 1984. See Attachment 1, p. 12. The Audit Division's analysis, however, does not take into account application of the notification standard of MUR 2339. We have reduced the length of time for reimbursement of the advance made on March 19, 1984 to 217 days due to application of the notification standard. The Committee was not notified of this particular advance until March 20, 1984, a day after it was made.

excluded the amount of security on an airline debt that was mistakenly charged to the candidate's account. The Audit Division maintains that the amount used as security for this debt, $11,783.48, should be included in the total amount by which the candidate exceeded the limits set in 26 U.S.C. § 9035(a). It is the view of the Office of General Counsel, however, that this amount should be excluded as the candidate has denied having authorized that use. As the result of this adjustment, it would appear that the candidate exceeded his 9035(a) expenditure limitation by $67,803.72.

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TOTAL CANDIDATE EXPENDITURES IN EXCESS OF THE LIMITATION

$45,883.70	- late reimbursements on Amex advances
45,300.00	- loans to the Committee
4,586.65	- telephone payments
2,000.00	- direct contributions
+ 2,752.55	- miscellaneous expenditures
$100,522.90	SUBTOTAL
+17,280.82	- Amex charges paid late by the Committee (see Attachment 1, pp. 3, 13)
$117,803.72	- total candidate expenditures
-50,000.00	- 26 U.S.C. § 9035(a) limitation
$ 67,803.72	- TOTAL excess expenditures 3/

3/ At the request of the Commission and the Office of the General Counsel, the Audit Division conducted another review of the American Express invoices the Committee had submitted with earlier reports. After this review, the Audit Division changed some of the amounts used in its referral. As a result, the amount in excess of the candidate's expenditure limit has been changed from $64,272.25, to $67,803.72.

3. Analysis of Cranston's Response to the Reason to Believe Finding

After the Committee and the Senator received notice of the Commission's finding of reason to believe, the Committee, through its attorney, submitted several responses on different issues involved in the MUR. Counsel for the Committee, who is also representing Senator Cranston, responded to the Commission's finding with respect to the credit card issue on February 7, 1986. In that response, Counsel argues that the Commission should not view amounts charged on Senator Cranston's personal American Express card as advances to his Committee. Counsel cites section 100.7(a)(4) of the Commission's regulations and argues that the Senator stands in the same position as any other Committee creditor who supplies goods or services.4/ A vendor, he maintains, is not considered to have made a contribution to a campaign as long as the committee incurred the debt in a normal commercial situation and the creditor makes reasonable attempts to collect the debt.

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4/ Section 100.7(a)(4) states, in part:

> The extension of credit by any person for a length of time beyond normal business or trade practice is a contribution, unless the creditor has made a commercially reasonable attempt to collect the debt. (See 11 C.F.R. 114.10).

11 C.F.R. 100.7(a)(4) (emphasis added by Senator Cranston).

Counsel argues that Senator Cranston, like a vendor, expected and demanded prompt payment of his expenses. During 1982 and early 1983, the Committee reimbursed the Senator promptly. Later, near the end of the campaign, the Committee failed to reimburse Senator Cranston promptly. At that time, the Senator says, he made payments on his American Express bills in order to avoid adverse effects on his credit rating.

The Committee indicates that it treated Senator Cranston's requests for payment as it did any bill from a creditor. The Committee states it believed it was important to show all of its creditors that the Committee considered them important and that it would pay them as promptly as possible. To treat Senator Cranston specially would have been inconsistent with the Committee's effort to demonstrate commercial good faith to the other creditors.

The fact is, however, that the candidate is not like any other creditor. There is no arms-length relationship between the two. This is evidenced by the very existence of 26 U.S.C. § 9035(a) and the special expenditure limitation for the candidate and his family. It is expected that the candidate will make some expenditures from personal funds, including loans to the Committee as a method of increasing cash flow. To avoid exceeding the Section 9035 limit, however, the Committee must reimburse the candidate promptly.

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In response to the Commission's reason to believe finding, the Senator also argues that Section 9035(a) does not apply to credit card expenditures when the Committee later reimburses the candidate because he did not make the payments for the purpose of influencing an election; he made the payments to protect his credit rating. His argument is that he lacked the requiste intent to make an expenditure.

Section 9035(a) states that "no candidate shall knowingly make expenditures from his personal funds...in excess of, in aggregate, $50,000" (emphasis added). Expenditures, as described in the Act, is any payment made for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(9)(A)(i). The Matching Payment Account Act goes further to describe a qualified campaign expense as a payment incurred or made by a candidate in connection with his campaign. 26 U.S.C. § 9032(9)(A) (these expenditures would not be considered qualified campaign expenses if they were incurred in violation of 26 U.S.C. § 9035(a). See 26 U.S.C. § 9032(9)(B). Therefore, if the original charge was made in connection with the campaign and for the purpose of influencing the election, the Senator's later payment would also be in connection with the campaign, and thus, an expenditure within the Act.

Additionally, most of the charged expenditures for which the Senator did not make direct payments were also outstanding for an

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unreasonable period of time beyond the date on which the Committee was notified. Supra p. 12. See also Attachment 1, p. 12. Therefore, these expenditures also should be included in his personal expenditure total.

Senator Cranston further argues that Advisory Opinion 1984-37 does not apply to the situation at hand. That AO includes a footnote which states: "an advance of funds for services rendered to a candidate with an expectation of repayment, like a loan, is a contribution." AO 1984-37, n.2. According to the response, the Advisory Opinion "discussed services rendered to the candidate by a person who is later reimbursed by a political action committee and the Commission's determination that those services constituted a contribution by the person for the period prior to repayment by the PAC." Response at p.12 (emphasis in original). Senator Cranston's situation, on the other hand, involves his personal expenses for which the Committee later reimbursed him. Senator Cranston and the Committee argue that the AO is limited to the situation discussed in the AO and, therefore, does not apply to the situation of Senator Cranston and the Committee.

However, the Committee chose only to look at that section of the footnote. The footnote cites 2 U.S.C. § 431(8)(A)(i), but that section of the footnote does not refer specifically to services rendered to the candidate; they could be services

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rendered to the Committee or independent expenditures meant to somehow benefit the candidate or Committee. The Act states:

> (8)(A) The term "contribution" includes- (i) any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office;

2 U.S.C. § 431(8)(A)(i) (emphasis added). See also 2 U.S.C. § 431(9)(A)(i). The Committee seems to be arguing that the term "any person" cannot apply to the candidate himself. However, that term can apply to the candidate.

The footnote continues, after stating that an advance is a contribution, by adding:

> An exception exists for the extension of credit in the ordinary course of business for a length of time that is normal in the business or trade, see 11 C.F.R. § 114.10 and 100.7(a)(4), but that exception would not apply to persons working for Federal candidates at the direction of a political committee such as AMPAC. Just as a loan by any person other than a recognized lending institution is a contribution, see 2 U.S.C. § 431(8)(A), (B)(vii), an extension of credit by any person other than a business acting in its ordinary course of operation is a contribution. Accordingly, employees who pay for expenses from their own pocket must be sure that their outstanding advances on behalf of the candidates involved, when aggregated with any other contributions they may have made, do not exceed $1,000 per election. See 2 U.S.C. § 441a(a)(1)(A).

AO 1984-37, n.2.

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The most important part of that footnote, as it pertains to Senator Cranston, is that which states that an extension of credit by any person other than a business in the ordinary course of business is a contribution. This statement applies to the Senator. Just any individual with a $1,000 contribution limit must stay within that limit when making advances on behalf of a committee, the Senator must be sure that his expenditures or advances on behalf of the campaign do not exceed the $50,000 expenditure limit of 26 U.S.C. § 9035(a).

Thus, the Senator exceeded the $50,000 expenditure limitation, not only by using his credit card for committee expenditures which the Committee did not reimburse in a reasonable time, but also by making direct payments to American Express which were not reimbursed in a reasonable time.

B. Discussion of Conciliation Provisions and Civil Penalty for Senator Cranston

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III. RECOMMENDATIONS

1. Enter into conciliation with Senator Alan Cranston prior to a finding of probable cause to believe.

2. Approve and send the attached letter and proposed conciliation agreement for Senator Cranston.

2/10/88
Date

Lawrence M. Noble
General Counsel

Attachments
1. Audit Division Memorandum and Credit Card Analysis
2. Proposed letter
3. Proposed Conciliation Agreement for Senator Cranston

Staff Person: Donna Wade Anderson

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Cranston for President Committee, Inc.	)	MUR 2073
William M. Landau, as treasurer,	)	
et al.	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of February 23, 1988, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2073:

1. Enter into conciliation with Senator Alan Cranston prior to a finding of probable cause to believe.

2. Approve and send the letter and proposed conciliation agreement as recommended in the General Counsel's report dated February 10, 1988.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarrry, and Thomas voted affirmatively for the decision.

Attest:

2/25/88
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 1, 1988

Bruce H. Turnbull, Esquire
Weil, Gotshal & Manges
1615 L Street, N.W.
Washington, D.C. 20036

RE: MUR 2073
Senator Alan Cranston

Dear Mr. Turnbull:

On October 17, 1985, the Federal Election Commission found reason to believe that your client violated 26 U.S.C. § 9035(a). At your request, on February 23, 1988, the Commission determined 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 Donna W. Anderson, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Mark R. Weinberg) MUR 2073

EXECUTIVE SESSION
MAY 17 1988

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter concerns an excessive contribution of $54,000 that resulted when Mark R. Weinberg, a commodities advisor, used his personal funds to pay a $45,000 profit to the Cranston for President Committee, Inc. (the "Committee") on a market investment. On October 17, 1985, the Commission found reason to believe that Respondent Weinberg made these contributions in violation of 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act (the "Act"). On January 20, 1988, this Office sent a copy of the General Counsel's brief recommending a finding of probable cause to believe in this matter to counsel for Mr. Weinberg. After receipt of a request for an extension of time to respond, this Office granted a 20-day extension to March 3, 1988. When a response had not been received by March 8, 1988, we contacted Respondent's counsel, who indicated that Mr. Weinberg did not wish to respond to the brief, but wished to conciliate as soon as possible.

On March 11, 1988, this Office received a letter from Respondent's counsel indicating that Mr. Weinberg is asserting his privilege under the Fifth Amendment of the United States Constitution to refuse to answer the General Counsel's brief. In addition, Respondent requested that the Commission stay its enforcement proceedings. As Respondent's counsel revealed, Mr. Weinberg is the focus of a Federal grand jury investigation

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being conducted by the U.S. Attorney in the Southern District of New York.

II. LEGAL AND FACTUAL ANALYSIS

In regard to Respondent's latest communication, the Office of General Counsel recommends that the Commission deny the request for a stay and proceed to a finding of probable cause to believe. We note several arguments in support of our recommendation. First, although the Fifth Amendment privilege may be invoked in both criminal and civil proceedings, it does not protect against civil liability. While courts have allowed defendants to invoke the privilege to refuse to answer interrogatories or produce evidence, the Fifth Amendment is not an automatic shield against the continuance of adverse civil proceedings. See United States v. Fredrick, No.87-3001, slip op. at 26-27 (D.C. Cir. March 11, 1988). See also Driver v. Helms, 402 F. Supp. 683 (D.R.I. 1975)

Secondly, the Respondent has not satisfied his burden of proving that a stay is appropriate. The U.S. Supreme Court has determined that a stay of civil proceedings should be granted only in rare circumstances in which the applicant can make out a clear case of hardship or inequity in being required to go forward. See Landis v. North American Co., 299 U.S. 248, 255 (1936), and Driver, 402 F. Supp. at 685.

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The Respondent has cited the case of Campbell v. Eastland, 307 F.2d 478, 487 (5th Cir. 1962) to show that a stay of the instant proceedings is appropriate at this time. In that case, however, the defendant had been indicted, the issues and parties in the criminal proceeding were identical, and a trial was in progress. In regard to the instant case, Respondent has made no substantive showing that the grand jury investigation and the instant enforcement matter involve the same subject matter or legal issues. No grand jury indictment has been handed down, and no trial is underway. There are many cases where courts have refused to stay civil proceedings even when related criminal cases were much more fully developed than in this instant situation. See Driver at 684. In Gordon v. Federal Deposit Ins. Corp., 427 F.2d 578, 580 (D.C. Cir. 1970), the court refused a stay of related criminal proceedings even though an indictment had been handed down: "the fact that a man is indicted cannot give him a blank check to block all civil litigation on the same or related subject matter....The overall interest of the courts that justice be done may very well require that...the remedy due the civil plaintiff should not be delayed...." 427 F.2d at 580.

The instant enforcement matter differs from those cases where proceedings in civil cases have been stayed pending the outcome of related criminal trials (e.g. Gordon and Campbell). The Respondent has not shown how the instant proceedings will interfere with the criminal investigation or that, if he had provided answers in this proceeding to the Commission's arguments, his answers would have

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been used by the government in the grand jury investigation, and place him in jeopardy of criminal prosecution. See U.S. v. Kordel, 397 U.S. 1, 11-12 (1969). Such interference is dubious since the Respondent has the right to assert his Fifth Amendment privilege in the criminal proceedings, whether or not the Commission's civil proceedings go forward. See Driver at 685-686. Additionally, the possibility of criminal prosecution in connection with Respondent's violations of the Act is not a valid basis for granting a stay of the Commission's proceedings. If such a stay was allowed, any Respondent could stop the Commission's investigation where a finding of a knowing and willful violation was recommended.

Finally, no irreparable harm would result should Respondent decline to file a responsive brief. If the Commission denies Respondent's request for a stay, and finds probable cause to believe, the Respondent will have an opportunity to conciliate. If he refuses to sign a conciliation agreement which includes an admission of a knowing and willful violation of the Act, the Commission could then seek relief in U.S. District Court pursuant to 2 U.S.C. § 437g(a)(6).1/ At that point, Respondent would receive a trial de novo on the facts of this case.2/

1/ The maximum civil penalty provided under 2 U.S.C. § 437g(a)(6) is $10,000, or 200% of the amount in violation. The amount in violation in this matter is $54,000.

2/ Of course, the merits of the Commission's finding of probable cause to believe would not be reviewable. See FEC v. Gus Savage for Congress '82 Committee, 606 F. Supp. 541,543 (N.D. Ill. 1985), quoting FEC v. Nat'l Rifle Assoc., 553 F. Supp. 1331, 1332-33 (D.D.C. 1983).

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Mr. Weinberg would then have another opportunity to present his exculpatory evidence, or reassert his Fifth Amendment privilege and request that the court order a stay of the Commission's proceedings.

The Commission should not grant the Respondent's request for a stay of its proceedings. The Respondent has not demonstrated that a stay is appropriate at this time. Moreover, there is no indication how long the grand jury proceedings will continue, or how long such a stay would last. The Commission's decision to deny this request would not result in irreparable harm to the Respondent, and a denial would allow the Commission to close this matter as it pertains to Mr. Weinberg. Accordingly, the Office of General Counsel recommends that the Commission deny Respondent's request for a stay of these proceedings. In regard to the other issues of this case, we refer to the General Counsel's brief on this matter, which was circulated to the Commission on January 20, 1988.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

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IV. **RECOMMENDATIONS**

1. Find probable cause to believe that Mark R. Weinberg violated 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3), and that the violations were knowing and willful.

2. Approve the attached conciliation agreement and letter.

5/6/88
Date

Lawrence M. Noble
General Counsel

Attachments

1. Conciliation Agreement
2. Letter to Respondent
3. Respondent Letter Requesting a Stay

Staff Person: Donna Wade Anderson

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2073
Mark R. Weinberg	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of May 17, 1988, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 2073:

1. Find probable cause to believe that Mark R. Weinberg violated 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3), and that the violations were knowing and willful.

2. Approve the conciliation agreement and letter attached to the General Counsel's May 6, 1988 report.

Commissioners Aikens, Elliott, Josefiak, McGarry, and Thomas voted affirmatively for the decision; Commissioner McDonald was not present at the time this matter was under consideration.

Attest:

5/18/88
Date

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

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plm

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL - RETURN RECEIPT REQUESTED
Frederick F. Mumm, Esquire
Walter, Finestone, Richter & Kane
10920 Wilshire Blvd.
Suite 1400
Los Angeles, CA 90024-6592

RE: MUR 2073
Mark R. Weinberg

Dear Mr. Mumm:

On May 17, 1988, the Federal Election Commission found that there is probable cause to believe your client, Mark R. Weinberg, violated 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3), provisions of the Federal Election Campaign Act of 1971, as amended, in connection with contributions made to the Cranston for President Committee, Inc. in 1983 and 1984. The Commission also determined that the violations were knowing and willful.

The Commission has a duty to attempt to correct such violations for a period of 30 to 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement during that period, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission within 10 days. I will then recommend that the Commission approve the agreement. Please make your check for the civil penalty payable to the Federal Election Commission.

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If you have any questions or suggestions for changes in the enclosed conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Donna Wade Anderson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

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RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

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SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Senator Alan Cranston	)	MUR 2073
	)	

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to Respondent Senator Alan Cranston based on the assessment of the information presently available.

5/9/88
Date

Lawrence M Noble (HJ)
Lawrence M. Noble
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2073 SENSITIVE
Senator Alan Cranston)

GENERAL COUNSEL'S REPORT

On October 17, 1985, the Commission found reason to believe that Senator Alan Cranston violated 26 U.S.C. § 9035(a), of the Presidential Primary Matching Payment Account Act (the "Matching Payment Act"). The Commission, on July 20, 1987, issued interrogatories to the Cranston for President Committee, Inc. (the "Committee") regarding, among other things, the candidate's credit card expenditures. The Committee submitted three separate responses on September 8, October 2, and December 4, 1987.

On February 23, 1988, after consideration of a General Counsel's Report on this issue, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement prior to a finding of probable cause to believe. Counsel for the Respondent was notified by letter dated March 1, 1988. Counsel met with representatives of this Office on March 16, 1988 without reaching an agreement. Counsel stated that he no longer wished to negotiate, and that he wanted to see a brief detailing the Commission's reasoning behind its finding of reason to believe.

In our preparations for circulation of said brief, a close-of-investigation report was circulated prematurely. Nonetheless,

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the conciliation negotiations have concluded, and the Office of General Counsel is preparing a brief with appropriate recommendations to be circulated in the near future.

5/23/88
Date

Lawrence M. Noble
General Counsel

Staff Person: Donna W. Anderson

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 25, 1988

Bruce H. Turnbull, Esquire
Weil, Gotshal & Manges
1615 L Street, N.W.
Washington, D.C. 20036

Re: MUR 2073
Senator Alan Cranston

Dear Mr. Turnbull:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on October 17, 1985, found reason to believe that your client, Senator Alan Cranston, violated 26 U.S.C. § 9035(a), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

The Commission may or may not approve the General Counsel's recommendation submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Donna Wade Anderson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Brief

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Senator Alan Cranston) MUR #2073

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On October 17, 1985, the Commission found reason to believe that Senator Alan Cranston violated 26 U.S.C. § 9035(a), of the Presidential Primary Matching Payment Account Act (the "Matching Payment Act"). The Commission, on July 20, 1987, issued interrogatories to the Cranston for President Committee, Inc. (the "Committee") regarding, among other things, the candidate's credit card expenditures. The Committee submitted three separate responses on September 8, October 2, and December 4, 1987.

II. ANALYSIS

A. Facts

The Commission found reason to believe Senator Cranston violated 26 U.S.C. § 9035(a) by incurring or making expenditures from his personal funds in an aggregate amount exceeding $50,000 in connection with his campaign for nomination for election to the Office of President. Senator Cranston first exceeded his $50,000 limit on October 31, 1983. For the period October 31, 1983 through May 3, 1984, Senator Cranston exceeded his limit by an amount ranging from $21,784.86 to $76,369.15.

On October 30, 1983, the Senator had personally expended $46,782.36 on behalf of the campaign. That total was composed

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of: a $2,000 contribution, $20,300 in loans to the Committee, $2,310.05 in miscellaneous expenditures, and $22,172.31 in expenditures charged on his Amex card. On October 31, 1983, along with other miscellaneous expenditures, Senator Cranston loaned to the Committee an additional $25,000. This brought his expenditure total to $71,784.86, or $21,784.86 over the $50,000 limitation of 26 U.S.C. § 9035(a). After October 31, 1983, the Senator continued to pay for campaign-related expenses, including telephone costs of $4,586.65 and additional miscellaneous expenses of $442.50. In addition, he continued to charge campaign-related expenses on his Amex card through April 9, 1984. By that date, Senator Cranston had exceeded the $50,000 limit, embodied in 26 U.S.C. § 9035(a), by $67,803.72 through these transactions.

The Committee made regular direct payments to American Express for campaign expenses until September 23, 1983. After that date, beginning on December 5, 1983, the Senator made regular direct payments on the account through March 19, 1984. On May 4, 1984, the Committee made its first reimbursement to the candidate, and on July 31, 1984 it again began to make direct payments to American Express. The Committee made its last direct payment on that account on August 24, 1984, and its last reimbursement to the candidate on October 23, 1984.

Apparently, neither the Committee nor the candidate made any payments on the Amex account in October or November of 1983, nor during April, May, or June of 1984. The Amex account was

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cancelled with the June 8, 1984 statement and not reopened until September 7, 1984.

Beginning in October 1983 and continuing through April 1984, the Senator, through his Senatorial staff, made regular requests for payment or reimbursement to the Committee. In October and November, the Senator did not pay the Amex bill, therefore there was no need for reimbursement. The Committee was, nonetheless, notified that the bill had to be paid.

The first documented request for direct payment was made in a memorandum dated October 25, 1983. In that memorandum, the administrative coordinator of the candidate's Senate office requested payment of campaign-related charges for the months of August, September, and October 1983. The memorandum also warned that the Committee's failure to pay its portion of the bills could result in the loss of the Senator's American Express credit privileges. The second documented request for payment was made on November 23, 1983. In early December 1983, according to the Committee, American Express informed the Senator that he would lose his card unless the outstanding balance was paid.1/

The Committee states that, at this time, it did not have the funds to pay the American Express bill. Therefore, in an

1/ The Committee states that the Senator's office made regular requests for payment between November 23, 1983 and March 20, 1984, however there is no documentary evidence of written notifications between those dates. The documentation provided by the Committee notes that a payment had to be sent by December 28, 1984, however there is no indication that a request for reimbursement was transmitted to the Committee. After March 20, 1984, the Committee corresponded directly with American Express, thus eliminating the need for reimbursement to the Senator.

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apparent effort to keep his card, the candidate made his first payment on December 5, 1983 of $15,100.00. The candidate followed that with additional payments on December 28, 1983 of $8,475.50; January 25, 1984 of $8,353.46; February 15, 1984 of $3,529.32; and March 19, 1984 of $10,452.42. According to candidate's counsel, the Senator continued to pay the bills and continued to charge campaign-related expenses to his American Express account because he was confident that the Committee would reimburse him for his payments as soon as possible. The candidate, however, ended his campaign in March 1984. In fact, the Commission had determined his date of ineligibility for federal matching funds to be March 1, 1984 pursuant to 26 U.S.C. § 9033(c)(1)(B).

The longest period of delinquency on the Amex account for direct payments by the Committee was 146 days between the candidate's last direct payment on March 19, 1984, and the Committee's first direct payment on July 31, 1984. The request for payment was made on March 20, 1984, making the actual period of time between the request and payment 145 days. The amount due during this period (as it appeared on the statement covering the period February 9, 1984 through March 9, 1984) was $19,472.08. The longest period of time for reimbursement of the Senator by the Committee was 217 days for advances totalling $10,425.42. In

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this instance, the candidate advanced the money on March 19, 1984, and the Committee did not repay that full amount until October 23, 1984. Again, the request for reimbursement was made on March 20, 1984. Therefore, the period of delinquency between the request and the reimbursement was 217 days. See infra n.3. The candidate made the largest advance, however, on December 5, 1983 in the amount of $15,100.00. The Committee took 165 days to reimburse that advance. The request for payment with regard to that invoice was made on November 23, 1983.

The Amex invoice records make clear that the Committee did not reimburse the candidate (nor make direct payments on the Amex account) within a reasonable time after the candidate requested payment or reimbursement, nor did it reimburse the full amount advanced. The invoice records also make clear that the candidate made a large percentage of the direct payments himself. Of the total $63,164.52 in campaign expenses charged to the Amex account, Senator Cranston made direct payments totalling $45,883.70.

B. Legal Analysis

The Matching Payment Act provides that no candidate shall knowingly incur or make expenditures from his personal funds, or the funds of his immediate family, in connection with his campaign for nomination for election to the Office of President in excess of, in the aggregate, $50,000. 26 U.S.C. § 9035(a).

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The Act defines an expenditure as "any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office." 2 U.S.C. § 431(9)(A)(i).

1. Standard of Review

In this matter, there are two types of payments: direct payments by the Committee to American Express, and payments by the candidate for which the Committee later reimbursed him. In reviewing this matter, the Commission has looked at whether the committee paid for campaign-related expenditures/charges within a reasonable time of the due date.2/ The Commission has applied this standard in situations in which the candidate uses his personal credit card for campaign-related charges, and the committee makes direct payments for those charges. (In the instant case, the Committee made no payments or reimbursements to the candidate for approximately 6 months between October 30, 1983 and May 4, 1984.)

The Commission has applied a different standard when the candidate or a third party makes payments for campaign-related charges to his or her personal credit card. In this situation,

2/ The new regulations, which were not in effect at the time of the events discussed herein, specify that the Commission will include in the candidate's expenditure total those campaign expenditures charged to his or her personal credit card that are not reimbursed or paid in full by the committee within 60 days after the closing date on the billing statement on which the charges first appear. 11 C.F.R. § 9035.2(a)(2). See Explanation and Justification, 52 Fed. Reg. 106, 20872 (1987).

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the main issue is whether the Committee reimbursed the cardholder for the campaign-related charges within a reasonable time after a reimbursement request was made.

In the instant matter, there are both types of transactions. Therefore, the due date standard applies to those bills the Committee paid directly, and the notification standard applies to those bills Senator Cranston paid initially.

2. Application to the Facts

In order to properly determine the length of time it took the Committee to make direct payments to American Express, it is necessary to examine, in particular, the March billing statement. It is here that the payments made by the candidate and those made directly by the Committee to American Express overlap. On the March statement, which covered the period of February 9, 1984 to March 9, 1984, there were $19,472.08 in new campaign-related expenses charged to the account. The due date on this statement was March 31, 1984. On March 19, 1984, the candidate made a payment of $10,425.42. This amount was applied to charges appearing on two statements: $7,617.42 was applied to the statement covering the period of January 10, 1984 to February 8, 1984; $2,808.00 was applied to the statement covering the period of February 9, 1984 to March 9, 1984.

After applying the candidate's payment of March 19, 1984 to the March statement, there remained $16,664.08 outstanding. This amount remained outstanding for 146 days past the due date

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(4/1/84-8/24/84) until the Committee paid off the balance. While it took the Committee 146 days to pay off the total balance of $16,664.08 for the March statement, the Committee made its first payment on that amount on July 31, 1984, or 122 days beyond the due date. The average length of time it took the Committee beyond the due date to pay off balances directly to American Express was 78 days. It is the view of the Office of General Counsel that, with respect to those bills paid directly, the Committee did not pay American Express within a reasonable time beyond the due date. Therefore, those amounts outstanding for an unreasonable time beyond the due date should be attributed to the candidate's expenditure total.

The Audit Division's analysis of the American Express invoice records shows that none of the bills paid by the candidate were reimbursed by the Committee within a reasonable time after it received notice of the advances. It took the Committee between 146 and 217 days to reimburse a total of $45,883.70 in payments advanced by Senator Cranston.3/ It would appear that with respect to those bills paid initially by the

3/ Note again that the Audit Division concludes that it took the Committee between 145 and 218 days to reimburse the candidate: 145 days was the shortest period of time for reimbursement of the advance made on February 15, 1984; 218 days was the longest period of time, according to the Audit Division, for reimbursement of the advance made on March 19, 1984. The Audit Division's analysis, however, does not take into account application of the notification standard. We have reduced the length of time for reimbursement of the advance made on March 19, 1984 to 217 days due to application of the notification standard. The Committee was not notified of this particular advance until March 20, 1984, a day after it was made.

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candidate, the Committee did not reimburse the candidate within a reasonable time after receiving notice of his advances to American Express. Therefore, those amounts outstanding for an unreasonable time after notification of the candidate's advances should be attributed to the candidate's total.

It is the view of the General Counsel, that the expenditures attributed to the candidate should include: the total amount of late reimbursements for advances made to American Express, the candidate's loans to the Committee, telephone payments the candidate made, direct contributions and miscellaneous expenditures, as well as the amount of charges paid directly by the Committee that were outstanding for an unreasonable time past the due date. It appears, therefore, that the candidate exceeded his 9035(a) expenditure limitation by $67,803.72. 4/

TOTAL CANDIDATE EXPENDITURES IN EXCESS OF THE LIMITATION

$45,883.70	- late reimbursements on Amex advances
45,300.00	- loans to the Committee
4,586.65	- telephone payments
2,000.00	- direct contributions
+ 2,752.55	- miscellaneous expenditures
$100,522.90	SUBTOTAL
+17,280.82	- Amex charges paid late by the Committee
$117,803.72	- total candidate expenditures
-50,000.00	- 26 U.S.C. § 9035(a) limitation
$ 67,803.72	- TOTAL excess expenditures 5/

4/ A charge of $11,783.48, representing security on an airline debt, has been excluded from this amount based on the candidate's statement that he did not authorize the charge.

5/ At the request of the Commission and the Office of the General Counsel, the Audit Division conducted another review of the American Express invoices the Committee had submitted with earlier reports. After this review, the Audit Division changed some of the amounts used in its referral. As a result, the amount in excess of the candidate's expenditure limit has been changed from $64,272.25, to $67,803.72.

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Thus, the Senator exceeded the $50,000 expenditure limit of 26 U.S.C. § 9035(a), not only by using his credit card for committee expenditures which the Committee did not reimburse in a reasonable time, but also by making direct payments to American Express which were not reimbursed within a reasonable time.

III. GENERAL COUNSEL'S RECOMMENDATION

1. Find probable cause to believe that Senator Alan Cranston violated 26 U.S.C. § 9035(a).

Date 5/24/88

Lawrence M. Noble
General Counsel

Staff person: Donna Wade Anderson

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NEIMAN BILLET ALBALA & LEVINE
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JUDY A. SHERMAN
PATRICIA M. WOLFE
DAVID A. LASH
KENNETH W. BABCOCK
DAVID R. KRAUS
MARK E. FIELD
STUART D. TOCHNER
ELISSA D. MILLER
PAUL N. GLASSER
TERRI L. CHENEY
ERIN M. KENNEY

June 1, 1988

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
88 JUN -2 PM 12: 52

FEDERAL EXPRESS

Donna Anderson, Esq.
Federal Election Commission
Office of General Counsel
999 E Street, N.W.
Washington D.C. 20463

Re: MUR2073, Respondent: David D. Miller

Dear Ms. Anderson:

In accordance with our numerous discussions, this letter constitutes a request on behalf of respondent David D. Miller for a pre-probable cause conciliation with regard to the above matter. This matter relates to two checks signed by Mr. Miller, one dated April 13, 1983 in the amount of $1,000.00 and one dated September 7, 1983 in the amount of $1,500.00, made payable to "Cranston for President". As previously set forth in a letter dated December 17, 1985, addressed to Michelle Brown of the Federal Election Commission, the second check represented a $1,000.00 contribution from Denyse M. Miller, Mr. Miller's wife (the check was written on their joint account) and a $500.00 contribution from George Miller, Mr. Miller's brother, who resides with Mr. and Mrs. Miller. The letter to Michelle Brown dated December 17, 1985 enclosed Verification of Contribution Statements signed by Mrs. Miller and George Miller. I believe the facts clearly support the conclusion that there is no violation.

The above is a basic outline of the facts and circumstances regarding the claimed violation. It is my understanding that we will have an opportunity to present the matter further to you

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in connection with the negotiations to take place as part of the pre-probable cause conciliation. Thank you for your cooperation.

Very truly yours,

Allan Albala

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88 JUN -9 AM 11: 12

WALTER, FINESTONE, RICHTER & KANE
LAWYERS
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10920 WILSHIRE BOULEVARD
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GREGORY C. GLYNN
MELINDA J. TOOCH
CHRISTOPHER TESAR
FREDERICK F. MUMM
JEFF M. NOVATT
NANCY R. BENVENISTE

CABLE ADDRESS:
SURELAWC

TELECOPIER NO.:
(213) 824-4092

REFER TO FILE NO.

June 6, 1988

RECEIVED
FEDERAL ELECTION COMMISSION
88 JUN -9 PM 12: 13

Ms. Donna Wade Anderson
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2073
Mark R. Weinberg

Dear Ms. Anderson:

This will acknowledge receipt of your undated letter enclosing an original of the Conciliation Agreement in the above-referenced matter. We have delivered your letter and the Conciliation Agreement to our client. However, I will be out of the country until June 17, 1988 and will be unable to review the terms and conditions of the Conciliation Agreement with Mr. Weinberg until the week of June 20, 1988. If this delay presents any problem in resolving this matter, please contact Mr. Mumm in my absence.

Very truly yours,

John F. Walter
of WALTER, FINESTONE, RICHTER & KANE

JFW:dks

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WEIL, GOTSHAL & MANGES
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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BRUCE H. TURNBULL
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June 20, 1988

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FEDERAL ELECTION COMMISSION
88 JUN 21 AM 10:43

Commission Secretary
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: In the Matter of Senator Alan Cranston
MUR 2073

Dear Sir or Madam:

Enclosed for filing please find the original and ten copies of respondent's brief on the issue of probable cause to believe that a violation has been committed in the above-captioned matter under review. Three copies have been delivered to the General Counsel of the Commission.

If there are any questions concerning the enclosed brief or other aspects of this matter, please contact me at the above telephone number.

Sincerely,

Bruce H. Turnbull

Bruce H. Turnbull

cc: Lawrence Noble, Esq.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR #2073
Senator Alan Cranston)

RESPONDENT'S BRIEF

I. PRELIMINARY STATEMENT

In this case, the General Counsel to the Federal Election Commission ("Commission") has recommended that the Commission find probable cause to believe that Senator Alan Cranston personally violated federal law because the Cranston for President Committee ("Committee") failed to reimburse him in a timely manner for certain election-related expenses. Such a finding, however, would be contrary to the facts and the applicable law. In all his actions, Senator Cranston followed normal business procedures -- and, specifically, the procedures of the United States Senate -- for payment and reimbursement of travel expenses. Further, it is undisputed that Senator Cranston and his Senate office staff made considerable efforts to obtain repayment from the Committee. These actions surely cannot be the basis for a finding that Senator Cranston "knowingly" violated the law.

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With respect to the law, at the time that the events involved in this case occurred, there was no guidance from the Commission on the issues involved here. Reference to the most logical analogous provisions of the law and regulations clearly leads to the conclusion that Senator Cranston acted legally.

Only in 1987 did the Commission provide any guidance, in amendments to the pertinent regulations, by specifying that credit card expenses must be paid within 60 days of the closing date on the bill in which they appear. Certainly, it would be unfair in the extreme for the Commission to apply its 1987 standard retroactively to Senator Cranston personally.

Indeed, the Commission has never before entered into a conciliation agreement or taken enforcement action against a prominent individual candidate personally on any issue. To do so under the legal and factual circumstances of this case would trivialize the important mandate of the Commission. Accordingly, the Commission should reject the General Counsel's request.

II. STATEMENT OF THE CASE

A. Procedural History

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On October 17, 1985, the Commission found reason to believe that Senator Alan Cranston had violated 26 U.S.C. § 9035(a), a provision of the Presidential Primary Matching Payment Account Act (the "Matching Payment Act"). On March 4, 1988, the undersigned counsel for Senator Cranston received from the Commission's General Counsel a proposed conciliation agreement. This agreement was subsequently declined. On June 3, 1988, the undersigned counsel for Senator Cranston was served with a copy of a brief by the General Counsel of the Commission (hereinafter referred to as the "General Counsel's Brief") recommending that the Commission find probable cause to believe that Senator Cranston had violated Section 9035(a).

B. Facts

With respect to the sequence and timing of the course of transactions concerning this case, respondent accepts the statement of facts as set forth by the General Counsel. See, General Counsel's Brief at 1-5. The General Counsel's Brief, however, gives little feel for the diligent and reasonable efforts of Senator Cranston and his Senatorial staff from October 1983 through April 1984 to obtain payment from the Cranston for President Committee, Inc. ("Committee") for certain expenses related to his campaign for President.

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Throughout this period, Senator Cranston and his staff made efforts to impel the Committee to make timely payment to American Express directly for the portion of the Senator's bill attributable to campaign committee expenses and to obtain reimbursement for those American Express charges which the Senator himself temporarily paid.[1]

On October 25, 1983, Jan Mueller, the Administrative Coordinator of Senator Cranston's Senate office, sent a memorandum to Tom Pazzi of the Committee staff, instructing the Committee to pay that portion of the Senator's American Express charges for August, September, and October of 1983, which were for campaign expenses. The memorandum warned Mr. Pazzi that the Committee's failure to pay its portion of the bills had caused these portions of Senator Cranston's bills to be past due. Ms. Mueller conveyed the importance of timely payment, indicating that the Senator risked losing his American Express credit privileges if the bill was not paid. On November 23, 1983, Jan Mueller sent Tom Pazzi the November American Express bill for payment, as was her custom.

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1. Because the amounts involved with American Express constitute the vast bulk of the funds at issue here, and in order to avoid awkward, repetitious references, references to "American Express" and "credit cards" should be read to include the telephone and other incidental expenses.

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Nonetheless, the Committee was unable to make these payments. At the time, the Committee was encountering serious financial difficulties. The Committee accumulated a massive debt by late Fall of 1983, a debt owed to banks, campaign staff and vendors, as well as American Express.

Because the Senator's American Express credit problems related solely to the Committee's nonpayment, in early December, 1983, Ms. Mueller referred Mrs. Secrest, of the debt collection department at American Express, to Mr. Pazzi. Mr. Pazzi and Mrs. Secrest came to an agreement under which the Senator would receive a new American Express card so long as all past-due payments were made by the end of December, 1983. Subsequently, Senator Cranston was informed of this agreement to preserve his American Express card. Unfortunately, the Committee still did not have sufficient funds to make the payment by the end of the year, and American Express informed Ms. Mueller that failure to pay the amount owed by late December would result in cancellation of the account. Senator Cranston made the decision to pay American Express the amount owed, confident that the Committee would reimburse him for these outstanding charges as soon as sufficient funds were available and motivated solely by a

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desire to avoid the disruption to his personal and Senate-related activities that would have resulted from the loss of his American Express card.

In addition to the contacts between the Senate and Committee staffs, Senator Cranston himself made direct and personal efforts to receive reimbursement from the Committee. Specifically, during the period of December, 1983, to March, 1984, Senator Cranston demanded reimbursement in at least two conversations with Sergio Bendixen, the Campaign Manager. Bendixen told the Senator that there were no funds available to pay him or any other creditors and that the Senator was being treated in the same way as the other creditors with respect to his requests for payment. In March 1984, Senator Cranston wrote to and met with William Landau, Campaign Treasurer, demanding that the committee promptly pay the March American Express bill and telephone bills and laying out in detail the Committee's current debt to him. In keeping with its general program at that time of determining its debts and establishing schedules to pay as much as could be paid, the Committee soon thereafter began making both reimbursement payments to Senator Cranston and, direct payments to American Express. Final payments were made later in 1984.

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III. ARGUMENT

A. Senator Cranston's Use of His Credit Card Did Not Constitute the Making of "Expenditures" Within the Meaning of 26 U.S.C. Section 9035(a).

No provision in the Matching Payment Act or the implementing regulations prohibits a candidate from using his or her personal credit cards with the understanding that the campaign committee will provide reimbursement. No provision requires a candidate or his or her campaign to pay credit card bills immediately upon receipt. No provision of law or regulation indicates that such payments by candidates and delayed payments by campaign committees constitute expenditures or contributions.

The only uncertainty until 1987 was how quickly the candidate must receive reimbursement. The 60-day rule promulgated in 1987 arbitrarily answered that question. See 11 C.F.R. § 9035.2(a)(2)(1988). But, in light of the confusing and vague regulations in existence in 1983 and general lack of guiding materials, Senator Cranston's actions were completely reasonable in all respects. The period for the reimbursement process was reasonable - the expenses were incurred in a period of only four months; payment requests

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were made regularly, the minor delays in payment were protested; and final payment of all expenses was completed within six months.

1. Senator Cranston's use of his credit card was not an "expenditure" at the time of the use.

Immediate inclusion of credit card expenses as "expenditures" is not the law and never has been. Indeed, the Commission has clearly recognized that credit card charges are not, when made, covered by the definition of "expenditures." See 11 C.F.R. § 9035.2(a)(2)(1988) (Credit card expenses count toward the $50,000 limit only if they are not paid by the candidate's committee within 60 days after the close of the billing cycle.)

In fact, "expenditures" is not defined in the Matching Payment Act or the Commission's regulations implementing that Act. It is defined in the Federal Election Campaign Act of 1971 ("FECA") in a provision at 2 U.S.C. Section 431(9) and implementing regulations at 11 C.F.R. Section 100.8 (1983 & 1984). This definition is the only guidance which was provided in 1983-84 with respect to the meaning of "expenditure" as used in 11 C.F.R. Section 9035.2, although this definition is not, by the terms of either Act, explicitly applicable to the Matching Payment Act.

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Section 100.8(a)(1) states in part, "A purchase, payment, distribution, loan (except for a loan made in accordance with 11 C.F.R. 100.8(b)(12)), advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office is an expenditure." Including personal credit card use or toll calls placed on a home telephone as "expenditures" when the use occurs would effectively preclude these actions for any candidate who has already spent $50,000 on his or her campaign. The Commission has never taken that extreme position and would not be justified in doing so.

As noted above, if Section 100.8(a)(1) includes credit card charges, then that section would be in conflict with the current Section 9035.2(a), which counts credit card charges as expenditures only 60 days after the end of the billing cycle. That Section 100.8(a)(1) was not amended along with Section 9035.2 demonstrates that the Commission does not see Section 100.8(a)(1) as in conflict with the amended Section 9035.2, and, hence, credit card charges cannot be expenditures when they are incurred.

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2. **The credit card payments and reimbursements are not expenditures because they were made within a commercially reasonable time and manner and in the ordinary course of business.**

Given that credit card use is not an "expenditure" when made but would be an "expenditure" if the candidate's use was never paid or reimbursed, the question in 1983 and 1984 was when would a credit card expense become an expenditure. Unfortunately, candidates, including Senator Cranston, had very little to guide them on this question. As indicated above, there were no reported enforcement decisions,[2] no regulations, no advisory opinions, and no other type of Commission guidance relevant to the conduct which here forms the basis for the General Counsel's allegation of a Section 9035(a) violation.

Other regulations, however, strongly suggested that delayed payments by a political committee would not transform the amounts owed into contributions or expenditures. For a candidate in 1983-84, the most logical analogy to his

2. Indeed, as noted, the FEC has never entered a conciliation agreement with a candidate personally on any issue nor found probable cause to believe a candidate had violated Section 9035(a). In fact, in the only other similar case, In the Matter of Walter Mondale (MUR 1741), the Commission found no probable cause to believe that Walter Mondale violated 26 U.S.C. Section 9035(a). See, Certification by Marjorie W. Emmons, Secretary of the Commission, April 2, 1986.

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situation when he was owed money for credit card use was to the commercial extension of credit provisions of the Act and regulations. Specifically, 11 C.F.R. Section 114.10(a) provides in part:

> A corporation may extend credit to a candidate, political committee, or other person in connection with a Federal election provided that the credit is extended in the ordinary course of the corporation's business and the terms are substantially similar to extensions of credit to nonpolitical debtors which are of similar risk and size of obligation.

11 C.F.R. § 114.10(a) (1983 & 1984).

The prime guidance on what is the ordinary course of business comes from regulations on when bank loans are not contributions or expenditures. In both situations:

> A loan will be deemed to be made in the ordinary course of business if it: bears the usual and customary interest rate of the lending institution for the category of loan involved; is made on a basis which assures repayment; is evidenced by a written instrument; and is subject to a due date or amortization schedule.

11 C.F.R. § 100.7(b)(11) and § 100.8(b)(12) (1983 & 1984).

With respect to delayed payments on extensions of credit, the regulations also provide guidance in commercial settings:

> The extension of credit by <u>any person</u> for a length of time beyond normal business or trade practice is a contribution, <u>unless the creditor has made a commer-</u>

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> cially reasonable attempt to collect the debt. (See 11 C.F.R. 114.10). A debt owed by a political committee which is forgiven or settled for less than the amount owed is a contribution unless such debt is settled in accordance with the standards set forth at 11 C.F.R. 114.10.

11 C.F.R. § 100.7(a)(4) (1983 & 1984) (emphasis added).

The regulations at 11 C.F.R. Section 114.10, cast some light on the meaning of commercially reasonable. The regulations state:

> A settlement will be considered commercially reasonable if -
>
> (1) The initial extension of credit was made in accordance with regulations issued pursuant to 2 U.S.C. 451 or paragraph (a) of this section.
>
> (2) The candidate or political committee or person has undertaken all commercially reasonable efforts to satisfy the outstanding debt; and
>
> (3) The corporate creditor has pursued its remedies in a manner similar in intensity to that employed by the corporation in pursuit of a non-political debtor, including lawsuits if filed in similar circumstances.

11 C.F.R. § 114.10(c) (1983 & 1984).

Senator Cranston's credit card transactions meet the basic overlapping requirements of being in the ordinary course of business and commercially reasonable. With regard to the requirements of being in the ordinary course of

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business set forth in 11 C.F.R. Section 100.7(b)(11) and Section 100.8(b)(12), it is certainly the ordinary practice for business executives to cover their business expenses temporarily until reimbursement can be obtained from their companies, including through use of their personal credit cards. It is usual and customary to charge no interest in such situations. In this respect, Senator Cranston acted no differently from other business executives. Business executives ordinarily obtain no assurance of repayment other than faith that the business will remain solvent and reimburse them. Senator Cranston behaved reasonably in not obtaining other assurances of repayment. The temporary payment of the charges was evidenced in writing, by the credit card receipts. Eventually, a schedule for repayment was set up and Senator Cranston was repaid on terms similar to those of the campaign's other creditors.

With regard to the other requirements of commercial reasonableness set forth in 11 C.F.R. Section 114.10(c), it is not disputed that the Senator and his campaign committee acted at all times in a commercially reasonable manner. As a creditor, Senator Cranston and his Senate staff diligently pursued reimbursement with the same intensity as that employed by other creditors. This diligence is evidenced by

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the memoranda produced and affidavits.[3] Senator Cranston acted reasonably in all respects. There is evidence Senator Cranston recognized that reimbursement had to be made within a reasonable period of time and was aware that if the campaign took too long to repay these debts, such debts could eventually be considered contributions.[4]

A recent district court discussion, showing reluctance to impose penalties on other candidates who acted in similarly reasonable and innocently-motivated ways, should guide the Commission here as well. In FEC v. Haley Cong. Comm., 654 F. Supp. 1120 (W.D. Wash. 1987), the court stated in dicta that even if a congressional candidate had been found guilty of a technical violation of FECA contribution limits, civil penalties would not be imposed. The court stated, "The circumstances of their candid reporting of the loan guarantees, the rapid repayment of the loan by the former candidate from personal funds, and the clear innocence of their motives, leave no justifiable grounds for assessment of penalties." 654 F. Supp. at 1127.

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3. Commercially reasonable efforts would not require firing his campaign staff, especially where the campaign lacked funds to pay the debts, and there was no basis on which to believe the staff was violating the law.

4. See, Letter from Senator Alan Cranston to William Landau (March 20, 1984) (requesting repayment).

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Perhaps most importantly in viewing Senator Cranston's actions, he acted in accordance with the procedures used by the United States Senate. For fifteen years, Senator Cranston had operated within those procedures as the normal method for treating his Senate-related travel and telephone expenses. To find here that he knowingly violated the law because he followed those procedures, in circumstances in which these were no other procedures specified, would be absurd.

B. Senator Cranston's Credit Card Charges Billed After January 1, 1984, Cannot Be "Expenditures" Even Under the Commission's Current 60-Day Rule.

Senator Cranston withdrew from the campaign on March 1, 1984. As the General Counsel indicates in his brief, Senator Cranston thus ceased to be a candidate and became ineligible for matching funds.[5]

---

5. The pertinent regulation is 11 C.F.R. § 9033.5(a) (1988), which provides:

> The ineligibility date shall be the day on which an individual ceases to be a candidate because he or she is not actively conducting campaigns in more than one State in connection with seeking the Presidential nomination. This date shall be the earliest of -
>
> (1) The date the candidate publicly announces that he or she will not be actively conducting campaigns in more than one State; or

(footnote continued)

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Once Senator Cranston no longer was eligible for public funds, the $50,000 maximum personal contribution requirements could not apply. First, the clear language of Section 9035 applies only to "candidates," not to "former candidates" or "persons [as opposed to 'candidates'] who have received matching funds," as Congress could have formulated the provision if it intended the prohibition to apply after a person stopped being a candidate. The definition of "candidate" applicable to Section 9035 is phrased in the present tense -- "an individual who seeks nomination" -- and explicitly excludes "any individual who is not actively conducting campaigns in more than one state. . . ." 26 U.S.C.A. § 9032(2) (West Supp. 1988). As of March 1, 1984, Senator Cranston was no longer seeking nomination and was not conducting campaigns in any state. He, therefore, was not a "candidate" for purposes of Section 9035.

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(2) The date the candidate notifies the Commission by letter that he or she is not actively conducting campaigns in more than one State; or

(3) The date which the Commission determines under 11 CFR 9033.6 to be the date that the candidate is not actively seeking election in more than one State.

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Further, as was held in Buckley v. Valeo, 424 U.S. 1 (1975) (per curiam), limits on a candidate's expenditures from his own personal funds are unconstitutional where the candidate is not receiving public financing. 424 U.S. at 58 (declaring unconstitutional Section 608(a) of the Federal Election Campaign Act of 1971). Only voluntary acceptance of such limits may be imposed as a predicate for receiving public financing. 424 U.S. at 57 n.65. Accord, John Glenn Presidential Comm. v. FEC, 822 F.2d 1097, 1099 (D.C. Cir. 1987) (upholding state-by-state spending limits for candidates in presidential primaries only where the candidates receive federal matching funds); Republican Nat'l Comm. v. FEC, 487 F. Supp. 280, 284 (S.D.N.Y. 1980) (three-judge court), 616 F.2d 1 (2d Cir. 1980) (response to certified questions) (en banc), aff'd mem., 445 U.S. 955 (1980) (upholding overall expenditure limits for candidates in general elections only where the candidates receive federal financing).

Therefore, even if the Committee applies the 60-day rule, payments made by Senator Cranston after January 1, 1984, and charges on bills not rendered by American Express until after January 1, 1984, could not become expenditures in violation of Section 9035. For these expenses, the 60 days

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would not elapse until after Senator Cranston was no longer a candidate receiving federal financing and, therefore, no longer subject to the expenditure limits.

C. Senator Cranston did not "knowingly" make excess expenditures.

Unlike other portions of the Act and regulations, Section 9035 requires that the excess expenditures be made "knowingly" by the candidate before a violation may be found. The discussion above demonstrates the reasonableness of Senator Cranston's actions in light of the law, regulations and available guidance on the provisions at issue here. In that context, his actions were clearly within the realm of what a reasonable person would have believed to be the requirements of the law and cannot, therefore, be the basis for finding that Senator Cranston "knowingly" exceeded the expenditure limits.

The statute and regulations do not define knowingly, and there have been no reported cases in which the Commission or a court has interpreted that term in this or related contexts in this statute. Common usage and definitions and interpretations from various other statutes and common law, however, provide some insight into the nature of the required finding here.

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Webster's Third International Dictionary defines "knowingly" as "in a knowing manner; esp. with awareness, deliberateness or intention." The record is totally devoid of any indication that Senator Cranston knew or intended that the actions described in both the General Counsel's Brief and this brief would be considered to be an "expenditure" (unless, of course, he was never reimbursed).

Other regulatory statutes use a "reasonable man" standard in defining "knowing" or "knowingly" for purposes of finding civil violations of law. See, e.g., 15 U.S.C.A. § 2069(d) (West 1982) ("'knowingly' means (1) the having of actual knowledge, or (2) the presumed having of knowledge deemed to be possessed by a reasonable man who acts in the circumstances, including knowledge of . . . representations"); 15 U.S.C.A. § 3414(b)(6)(B) (West 1982) ("'knowing' means the having of (i) actual knowledge; or (ii) the constructive knowledge deemed to be possessed by a reasonable individual who acts under similar circumstances.")

Under the "reasonable man" test, Senator Cranston cannot be said to have "knowingly" violated Section 9035. As demonstrated above, there was no guidance from the Commission or elsewhere as to when credit card expenses would be transformed into "expenditures," and Senator Cranston's conduct

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was perfectly consistent with both normal commercial conduct and the standards of the closest analogous provision of this statute - that relating to the extension of credit and settlement of debts. A "reasonable man" would not have been able to divine any more or any different meaning from the words of Section 9035.

CONCLUSION

For all the foregoing reasons, the Commission should decline to find probable cause that Senator Cranston violated 26 U.S.C. Section 9035.

Respectfully submitted,

Bruce H. Turnbull

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Weil, Gotshal & Manges
1615 L Street, N.W.
Washington, D.C. 20036
202/682-7070
Attorney for Senator Alan Cranston

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Cranston for President Committee,)
Inc.,) MUR 2073
William M. Landau, as treasurer,)
et al.)

COMPREHENSIVE INVESTIGATIVE REPORT #4 SENSITIVE

I. BACKGROUND

On October 17, 1985, the Commission found reason to believe the Cranston for President Committee, Inc. and William M. Landau, as treasurer, violated 2 U.S.C. §§ 434(a), 434(b)(3)(B), 434(b)(3)(E), 434(b)(3)(H), 441a(f), and 441b(a) of the Federal Election Campaign Act of 1971, as amended (the "Act"), and 26 U.S.C. § 9035(a) of the Presidential Primary Matching Payment Account Act (the "Matching Payment Act"), and 11 C.F.R. § 106.2 of the Commission's regulations. The Commission also found reason to believe, on that date, that 77 individuals violated 2 U.S.C. § 441a(a)(1)(A), Senator Cranston violated 26 U.S.C. § 9035(a), Marazul Tours, Inc. violated 2 U.S.C. § 441b(a), and MEBA Political Action Fund violated 2 U.S.C. § 441a(a)(2)(A). However, the Commission decided to take no further action against 67 of the individuals and the political committee.

On November 6 and 8, 1985, the Commission sent reason to believe letters to the above-named respondents. All but two of the respondents answered the notification with explanations, or in most cases, designations of counsel. Of the two respondents who did not answer initially, one, Mark Weinberg, has since been in contact with this Office. We have also learned that the

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second, Adloph P. Schuman, died before receiving notification of the Commission's findings.

For purposes of organization, the violations and respondents were broken up into three groups. Group I, the commodities issue, involves Mark R. Weinberg. Group II, the credit card issue, involves Senator Cranston. Group III encompasses the remaining issues and respondents: the remaining excessive individual contributions, the Committee's receipt of excessive contributions, the corporate contribution, the letters of credit, the reporting violations, and the issue of state allocations. Group III involves the Committee, nine individual contributors, and one corporation.

GROUP I -- Weinberg

On January 20, 1988, this Office sent a copy of the General Counsel's Brief recommending a finding of probable cause to believe in this matter to counsel for Mr. Weinberg. After receipt of a request for an extension of time to respond, this Office granted a 20-day extension to March 3, 1988. When a response had not been received by March 8, 1988, we contacted Respondent's counsel, who indicated that Mr. Weinberg did not wish to respond to the brief, but wished to conciliate as soon as possible.

On March 11, 1988, this Office received a letter from Respondent's counsel indicating that Mr. Weinberg was asserting his privilege under the Fifth Amendment of the United States Constitution to refuse to answer the General Counsel's brief. In

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addition, Respondent requested that the Commission stay its enforcement proceedings. On May 17, 1988, the Commission found probable cause to believe that Mark R. Weinberg violated sections 441a(a)(1)(A), and 441a(a)(3) of the Act, and that the violations were knowing and willful. Thus, the Commission refused the Respondent's request for a stay of its proceedings. In a letter received on June 9, 1988, Mr. Weinberg's counsel stated that he would be out of country briefly, but would resume conciliation negotiations upon his return.

Group II -- Senator Cranston

On February 23, 1988, after consideration of a General Counsel's Report on this issue, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement prior to a finding of probable cause to believe. Counsel for the Respondent was notified by letter dated March 1, 1988. Counsel met with representatives of this Office on March 16, 1988 without reaching an agreement. Counsel stated that he no longer wished to negotiate, and that he wanted to see a brief detailing the Commission's reasoning behind its finding of reason to believe.

On May 25, 1988, the Office of the General Counsel notified the Senator, through counsel, of its intention to proceed. We also transmitted a copy of the General Counsel's Brief of the matter. A responsive brief is due by June 20, 1988.

Group III -- Cranston for President Committee, Inc., et al.

This Office is also in the process of preparing a report on the other issues involving the Committee and 10 other respondents.

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On November 20, 1985, the Committee requested that we enter into conciliation negotiations prior to a finding of probable cause on all issues in the MUR. The Commission, however, declined on January 7, 1986 to enter into conciliation negotiations because the amount in violation on the issue of state limitations had yet to be determined. The original audit referral was based, in part, upon debts that the Committee had not yet paid or settled. While certain debts were still in the process of being settled (See DSR 88-08), the Committee's total expenditures were determined in the Commission's initial repayment determination and final addendum to the final audit report. The Commission's initial determination became final on December 2, 1987, by operation of 11 C.F.R. § 9038.2(c)(1), when the Committee failed to respond within 30 days. The Committee made its last installment on the repayment amount as specified in the final determination on February 3, 1988.

In the meantime, the Office of the General Counsel continued its investigation of this matter. On July 20, 1987, the Commission approved the issuance of informal questions for the Committee with regard to the commodities transactions (Group I), as well as the Senator's campaign-related credit card charges (Group II) and several excessive contributions (Group III). The request for information was of a continuing nature. Therefore, the Committee sent three responses, one on September 8, 1987, one on October 2, 1987 and one on December 4, 1987. Each response

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contained information pertaining to the commodities transactions, and in light of Mr. Weinberg's refusal to respond to questioning, the Committee's responses were very important to the investigation.

The Office of General Counsel is now preparing a report regarding the information from the Committee's three latest responses, along with three other responses dated February 7, and 24, and March 21, 1986.

6/21/86
Date

Lawrence M. Noble
General Counsel

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EXECUTIVE SESSION
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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
David D. Miller,	)	MUR 2073
Adolph P. Schuman, and	)	
Cecil R. Venturella	)	

JUL 12 1988
SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On October 17, 1985, the Commission found reason to believe the David D. Miller, Adolph P. Schuman, and Cecil R. Venturella violated 2 U.S.C. § 441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended (the "Act").

On November 8, 1985, the Commission sent reason to believe letters to the above-named respondents. All but Mr. Schuman answered the Commission's notice, and it was recently learned that Mr. Schuman died prior to receiving the Commission's letter. Mr. Venturella responded in writing on November 18, 1985, denying that he had made an excessive contribution, and Mr. Miller, most recently, requested that the Commission enter into negotiations with him prior to a finding of probable cause to believe. The Commission received this request on June 2, 1988.

II. LEGAL AND FACTUAL ANALYSIS

The Act provides, at 2 U.S.C. § 441a(a)(1)(A), that no person shall make contributions to any candidate and his authorized political committee(s) with respect to any election for Federal office which, in the aggregate, exceed $1,000.

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The Commission's regulations in effect at the time of the 1984 elections provided that if a single contribution represents contributions from more than one person, all of the contributors must so indicate on the written instrument (check, money order, etc.), or on an accompanying written statement signed by all of the contributors, and must indicate the amount to be attributed to each contributor. 11 C.F.R. § 104.8(d)(1984).1/ If this requirement is not met, any contribution made by check, money order or other written instrument is attributed to the last person signing the instrument prior to delivery of the instrument to the candidate or committee. 11 C.F.R. § 104.8(c)(1984).1/ See Advisory Opinions 1985-25, 1980-67 and 1980-11. The Commission's regulations state further that, "[f]or purposes of 11 C.F.R. § 100.7(a) and (b) [defining the term "contribution"], any contributions or payments made by a married individual shall not be attributed to that individual's spouse, unless otherwise specified by that individual or by the individual's spouse." 11 C.F.R. § 100.7(c)(1984).2/

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1/ This regulation was amended in 1987. 52 Fed. Reg. 774 (January 9, 1987). The joint contribution provisions were moved from section 104.8(d) to new section 110.1(k). The present section 110.1(k)(1) states that the signatures of all contributors are required on the face of joint contribution checks. However, present section 110.1(k)(2) provides that equal attribution will be presumed with any contribution made on a joint account where there is no indication how much money should be attributed to each contributor. This formulation was not in effect during the 1984 campaign, however. Section 104.8(c) remains unchanged.

2/ The present regulation has been amended to conform with revised regulation 11 C.F.R. § 110.1(k).

1. Respondent David D. Miller

During the course of the audit, the Audit Division noted that the Committee's Reports of Receipts and Disbursements disclosed that David D. Miller contributed an aggregate of $2,500 to the Committee. The original contribution of $1,000 was made on April 13, 1983. A second contribution of $1,500 was made on September 7, 1983. David Miller signed both checks. There are two points to note about the second contribution: one, the check was excessive on its face; and two, the face of the check did not indicate that it was drawn on a joint account.

In response to the Commission's finding of reason to believe, Mr. Miller provided a letter of explanation and copies of affidavits reattributing the excessive amounts to Mrs. Denyse Miller ($1,000), and to David Miller's brother, George Miller ($500).3/ Mr. Miller explained that Mrs. Miller was a signatory on the account and argued that California's community property law negated the need to include her name on the face of the check to indicate that the funds in the account are jointly owned. He further explained that George Miller, respondent's brother, was retired and lived with Mr. and Mrs. Miller.4/ Respondent

3/ The Committee originally provided these reattribution forms during the audit exit conference on October 19, 1984.

4/ According to Respondent's letter, David, Denyse, and George Miller all lived together. Denyse Miller, however, stated on her reattribution form that she lived in Palos Verdes Estates, California. George Miller stated that he lived in Upland, California. The contributor card listed an Ontario, California post office address for David Miller. Upland and Ontario are contiguous inland cities. However, Palos Verdes Estates is at least 30 miles away on the coast of California. These facts are inconsistent with Respondent's assertions.

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maintains that he generally made advances on behalf of George Miller, who later reimbursed the Respondent. Respondent did not specify that George reimbursed David for this particular contribution, however.

Despite Respondent's argument, it would appear that the two contributions constituted violations of section 441a(a)(1)(A) of the Act. Both checks were signed by David Miller, they totalled $2,500, and there was no indication on the face of the checks or on an accompanying written statement signed by all of the contributors indicating that the instruments represented joint contributions. 11 C.F.R. § 104.8(d)(1984). Therefore, the contributions should both be attributed to David Miller, the last person who signed the checks prior to delivery to the Committee. 11 C.F.R. § 104.8(c)(1984). It is apparent that David Miller made excessive contributions in violation of 2 U.S.C. § 441a(a)(1)(A).

On June 2, 1988, the Office of General Counsel received a request from Respondent to enter into negotiations toward conciliation prior to a finding of probable cause to believe. This Office, therefore, recommends that the Commission enter into such conciliation negotiations at this time.

2. Respondent Adolph P. Schuman

During the course of the audit, the Audit Division noted that the Committee's Reports of Receipts and Disbursements disclosed that Adolph P. Schuman contributed an aggregate of $2,500 to the Committee. While it would appear that Mr. Schuman made excessive contributions in violation of 2 U.S.C.

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§ 441a(a)(1)(A), this Office recommends that the Commission take no further action against him, as it has been confirmed that Mr. Schuman died on September 30, 1985.

3. Respondent Cecil R. Venturella

During the course of the audit, the Audit Division also noted that the Committee's Reports of Receipts and Disbursements disclosed that Cecil R. Venturella had contributed an aggregate of $2,250 to the Committee. The Committee's records reflect reattributions of $1,000 to Mrs. Thelma Venturella and $250 to Delmer Venturella, however, there was no documentation to support these reattributions.

In response to the Commission's finding of reason to believe, Mr. Venturella noted in a letter that $750 should be attributed to Mrs. Venturella, and $750 to his son, Delmer Venturella. This letter, dated November 18, 1985, was not accompanied by any reattribution forms, although such forms were sent to the respondent with the November 6, 1985 notification of the Commission's findings.

In its response of September 8, 1987 to interrogatories, the Committee provided copies of three checks for $750 each, drawn on a joint account held by Cecil and Thelma Venturella. All three checks were signed by Thelma Venturella. See Attachment 4. The response included copies of unsigned contributor cards, however, the information on the cards conflicted with the information on the Committee's reports and the Respondent's assertions.

While the checks were drawn on a joint account held by Cecil

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and Thelma Venturella, none of the checks indicated how much was to have been attributed to which contributor, and only one account holder, Mrs. Venturella, signed the checks. Moreover, the checks were not accompanied by a statement signed by all three contributors.5/ Pursuant to 11 C.F.R. § 104.8(c)(1984), the total amount of the three contribution checks should be attributed to Mrs. Venturella, the last person who signed them.

Therefore, the Office of General Counsel recommends that the Commission find reason to believe that Thelma Venturella made excessive contributions in violation of 2 U.S.C. § 441a(a)(1)(A). The Office of General Counsel will prepare a brief with appropriate recommendations regarding Mr. Venturella.

III. RECOMMENDATIONS

1. Enter into conciliation negotiations with David D. Miller regarding a violation of 2 U.S.C. § 441a(a)(1)(A) prior to a finding of probable cause to believe, and approve and send the attached letter and proposed conciliation agreement.

2. Take no further action against Adolph P. Schuman regarding a violation of 2 U.S.C. § 441a(a)(1)(A).

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5/ Of the three checks, two showed some apparent attempts to reattribute as required within the 1984 regulations. Both Cecil's and Thelma's names were printed on the checks, and Cecil's name was circled on the face of one check. On another check, Cecil's name was circled, but there was a hand-written arrow pointing to Thelma's name. See Attachment 4. These confusing signals are insufficient for reattribution pursuant to 11 C.F.R. § 104.8(d). While the Committee's records reflected a reattribution to Delmer Venturella, it was not sufficiently documented. None of the documentation received included Delmer's signature. Therefore, all three checks should be attributed to Thelma pursuant to 11 C.F.R. § 104.8(c)(1984).

3. Find reason to believe that Thelma Venturella made excessive contributions in violation of 2 U.S.C. § 441a(a)(1)(A), and approve and send the attached letter and Factual and Legal Analysis.

Date 2/1/88

Lawrence M. Noble
General Counsel

Attachments
1. Proposed letter and conciliation agreement to David D. Miller
2. Proposed letter to the Estate of Adolph P. Schuman
3. Proposed letter and Factual and Legal Analysis to Thelma Venturella
4. Venturella Contribution Checks

Staff Person: Donna Wade Anderson

89040753598

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
David D. Miller	)	
Adolph P. Schuman	)	MUR 2073
Cecil R. Venturella	)	
Thelma Venturella	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of July 12, 1988, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 2073:

1. Enter into conciliation negotiations with David D. Miller regarding a violation of 2 U.S.C. § 441a(a)(1)(A) prior to a finding of probable cause to believe, and approve and send the letter and proposed conciliation agreement as recommended in the General Counsel's report dated July 1, 1988.

2. Take no further action against Adolph P. Schuman regarding a violation of 2 U.S.C. § 441a(a)(1)(A) and close the file with respect to this respondent.

3. Find reason to believe that Thelma Venturella made excessive contributions in violation of 2 U.S.C. § 441a(a)(1)(A), but take no further action and close the file with respect to this respondent.

(continued)

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4. Direct the Office of General Counsel to send the Factual and Legal Analysis attached to the General Counsel's report dated July 1, 1988.

5. Direct the Office of General Counsel to send appropriate letters pursuant to the above noted actions.

Commissioners Aikens, Elliott, Josefiak, McGarry, and Thomas voted affirmatively for the decision. Commissioner McDonald was not present.

Attest:

7-13-88
Date

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

8904075360 0

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

88 JUL -5 PM 3:33

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Cranston for President Committee, Inc.,	)	MUR 2073
	)	
William M. Landau, as treasurer, et al.	)	
	)	

SENSITIVE

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to Respondent Cecil R. Venturella based on the assessment of the information presently available.

Date 7/5/88

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 14, 1988

Mr. Cecil Venturella
19921 Avenue 312
Exeter, CA 93221

RE: MUR 2073
Cecil R. Venturella

Dear Mr. Venturella:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, on October 17, 1985, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that you violated this section.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2073
Cecil R. Venturella	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On October 17, 1985, the Commission found reason to believe that Cecil R. Venturella made excessive contributions in violation of 2 U.S.C. § 441a(a)(1)(A). On November 8, 1985, the Commission sent a letter to the respondent notifying him of its finding. On November 18, 1985, respondent submitted an answer stating that the excessive portion represented contributions of family members.

II. ANALYSIS

No person may make contributions to any candidate and his authorized political committee, with respect to any election for Federal office, which, in the aggregate, exceed $1,000. 2 U.S.C. § 441a(a)(1)(A). For purposes of the Act, a person includes any individual, partnership, or committee, other than a multicandidate committee. 2 U.S.C. § 431(11).

The Commission's regulations in 1984 provided that if a single instrument represents contributions from more than one person, all of the contributors must so indicate on the face of the written instrument, or on an accompanying written statement signed by all of the contributors, and must indicate the amount

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to be attributed to each contributor. 11 C.F.R. § 104.8(d) (1984).1/ If this requirement is not met, any contribution made by check, money order or other written instrument is attributed to the last person signing the instrument prior to delivery of the instrument to the candidate or committee. 11 C.F.R. § 104.8(c)(1984).1/ See Advisory Opinions 1985-25, 1980-67 and 1980-11. The Commission's regulations in effect in 1984 stated further that, "[f]or purposes of 11 C.F.R. § 100.7(a) and (b) [defining the term "contribution"], any contributions or payments made by a married individual shall not be attributed to that individual's spouse, unless otherwise specified by that individual or by the individual's spouse." 11 C.F.R. § 100.7(c).

The Committee's Reports of Receipts and Disbursements stated that Cecil Venturella made contributions to the Committee, which, in the aggregate, exceeded $1,000. On October 17, 1985, after examining those reports, the Commission found reason to believe that Mr. Venturella made excessive contributions totalling $1,250 in violation of 2 U.S.C. § 441a(a)(1)(A). In a letter dated November 18, 1985, in response to the Commission's finding,

1/ This regulation was amended in 1987. 52 Fed. Reg. 774 (January 9, 1987). The joint contribution provisions were moved from section 104.8(d) to new section 110.1(k). The present section 110.1(k)(1) states that the signatures of all contributors are required on the face of joint contribution checks. However, present section 110.1(k)(2) provides that equal attribution will be presumed with any contribution made on a joint account where there is no indication how much should be attributed to each contributor.

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Mr. Venturella stated that $750 represented his wife's contribution, and $750 represented his son's contribution. This conflicted with Committee records, which reflected reattributions of $1,000 to Mrs. Thelma Venturella, and $250 to Delmer Venturella.

The Commission examined three contribution checks for $750 each, drawn on a joint account held by Cecil and Thelma Venturella. While the checks were drawn on a joint account, none of the checks indicated how much was to be attributed to which contributor, and only one account holder, Mrs. Venturella, signed the checks as required by 11 C.F.R. § 104.8(d)(1984). Mr. Venturella's signature did not appear on the check or on any contributor card, and none of the documents contained the signature of Delmer Venturella. Therefore, there was no effective reattribution. 11 C.F.R. §§ 104.8(c) and 104.8(d)(1984). Moreover, the checks were not accompanied by a statement signed by all supposed contributors. Pursuant to 11 C.F.R. § 104.8(c)(1984), the total amount of the three checks should, therefore, be attributed to the last person who signed the checks: Mrs. Thelma Venturella, and not Cecil Venturella.

III. GENERAL COUNSEL'S RECOMMENDATION

1. Find no probable cause to believe that Cecil R. Venturella violated 2 U.S.C. § 441a(a)(1)(A).

7/12/80
Date

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 20, 1988

Mr. Alan Albala, Esquire
Neiman, Billet, Albala & Levine
Suite 1908
10960 Wilshire Blvd.
Los Angeles, CA 90024-3805

RE: MUR 2073
David D. Miller

Dear Mr. Albala:

On October 17, 1985, the Federal Election Commission found reason to believe that your client violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with contributions to the Cranston for President Committee, Inc. At your request, on July 12, 1988, the Commission determined 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 Donna Wade Anderson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

8904075360 6

RECEIVED
FEDERAL ELECTION COMMISSION
88 AUG -8 AM 9:22

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Cecil R. Venturella) MUR 2073

SENSITIVE
EXECUTIVE SESSION
AUG 30 1988

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On October 17, 1985, the Commission found reason to believe that Cecil R. Venturella made excessive contributions in violation of 2 U.S.C. § 441a(a)(1)(A). On November 8, 1985, the Commission sent a letter to the respondent notifying him of its finding. On November 18, 1985, respondent submitted an answer stating that the excessive portion represented contributions of family members.

II. ANALYSIS

The Commission is referred to the General Counsel's Brief signed on July 14, 1988, in which this Office recommended no probable cause to believe on the violation of 2 U.S.C. § 441a(a)(1)(A). No reply brief has been received from the respondent.

III. RECOMMENDATIONS

1. Find no probable cause to believe that Cecil R. Venturella violated 2 U.S.C. § 441a(a)(1)(A).

2. Close the file as it pertains to Mr. Venturella.

3. Approve the attached letter.

8/5/88
Date

Lawrence M. Noble
General Counsel

Attachments
1. Letter to respondent

Staff Assigned: Donna Wade Anderson

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2073
Cecil R. Venturella	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of August 30, 1988, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 2073:

1. Find no probable cause to believe that Cecil R. Venturella violated 2 U.S.C. § 441a(a)(1)(A).

2. Close the file as it pertains to Mr. Venturella.

3. Approve the letter attached to the General Counsel's report dated August 5, 1988.

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

Attest:

8/31/88
Date

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

R904075608

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 6, 1988

Mr. Cecil Venturella
19921 Avenue 312
Exeter, CA 93221

RE: MUR 2073
Cecil R. Venturella

Dear Mr. Venturella:

This is to advise you that on August 30, 1988, the Federal Election Commission found that there is no probable cause to believe you violated 2 U.S.C. § 441a(a)(1)(A). Accordingly, the file in this matter has been closed as it pertains to you.

This matter will become part of the public record within 30 days after it has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

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

If you have any questions, please contact Donna Wade Anderson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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RECEIVED
FEDERAL ELECTION COMMISSION

88 AUG -1 AM 11:45

LAW OFFICES
NEIMAN BILLET ALBALA & LEVINE
A PROFESSIONAL CORPORATION
SUITE 1908
10960 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90024-3805
(213) 824-5100

TELECOPIER 213-824-3313
TELEX 910-342-6507
ANSWERBACK NSALAW LSA

ALLAN ALBALA
JEROME L. LEVINE
ALLEN I. NEIMAN
JEROME S. BILLET
JUDY A. SHERMAN
PATRICIA M. WOLFE
DAVID A. LASH
KENNETH W. BABCOCK
DAVID R. KRAUS
MARK E. FIELD
STUART D. TOCHNER
ELISSA D. MILLER
PAUL N. GLASSER
TERRI L. CHENEY
ERIN M. KENNEY

July 27, 1988

CERTIFIED MAIL #P 780 271 053
RETURN RECEIPT REQUESTED

Laura M. Noble, General Counsel
Federal Election Commission
Washington D.C. 20463

Re: David D. Miller, MUR 2073

Dear Ms. Noble:

I am enclosing herewith original Conciliation Agreement in the above matter signed by David D. Miller together with Mr. Miller's check in the sum of $375.00 payable to the Federal Elections Commission in full payment of the penalty referred to in paragraph VI. I would appreciate receiving a copy of the Conciliation Agreement signed by the Commission. Thank you for your cooperation.

Very truly yours,

Allan Albala

AA:car
enclosures
cc: David D. Miller (without enclosures)

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RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

88 AUG -3 PM 3:22

6004159

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
88 AUG 18 PM 2:02

WALTER, FINESTONE, RICHTER & KANE
LAWYERS
A PROFESSIONAL CORPORATION
10920 WILSHIRE BOULEVARD
SUITE 1400
LOS ANGELES, CALIFORNIA 90024-6592
(213) 824-0800

JEFFREY R. RICHTER
WILLIAM FINESTONE
JOHN F. WALTER
KEVIN P. KANE
GREGORY C. GLYNN
MELINDA J. TOOCH
CHRISTOPHER TESAR
FREDERICK F. MUMM
JEFF M. NOVATT
NANCY R. BENVENISTE
MARK A. O'BRIEN

CABLE ADDRESS:
SURELAWC

TELECOPIER NO.:
(213) 824-4092

REFER TO FILE NO.

11456-1 019

August 17, 1988

EXPRESS MAIL

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2073
Mark R. Weinberg

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
88 AUG 18 PM 3:20

Dear Mr. Noble:

We are enclosing a copy of the Conciliation Agreement that has been executed by our client, Mr. Weinberg. Please provide us with a fully executed copy of the Conciliation Agreement after the Agreement is executed by the Federal Election Commission.

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

Very truly yours,

John F. Walter
of WALTER, FINESTONE, RICHTER & KANE

JFW:dks
Enclosure

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BEFORE THE FEDERAL ELECTION COMMISSION SENSITIVE

In the Matter of	)	
	)	MUR 2073
David D. Miller and Mark R. Weinberg	)	
	)	

RECEIVED FEDERAL ELECTION COMMISSION SECRETARIAT 88 AUG 29 AM 10:22

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached are two conciliation agreements which have been signed by David D. Miller, and Mark R. Weinberg.

The attached signed agreements contain no changes from the agreements approved by the Commission on July 21 and July 16, 1988, respectively. Mr. Miller has submitted a check for $375.00, the amount of the civil penalty.

Mr. Weinberg's first installment check for $6,000 was due September 1, 1988 pursuant to the conciliation agreement he signed. However, after August 18, 1988, when this Office received Mr. Weinberg's response, the next Commission meeting was not scheduled until August 30, 1988. Therefore, we propose to revise page two of the conciliation agreement to make the first payment of $6,000 due on October 1, 1988, and the first of eleven monthly installment payments due on November 1, 1988. Counsel for Mr. Weinberg indicates that this alteration will not affect the execution of the agreement. Therefore, this Office recommends that the Commission accept the conciliation agreement, with substitute page two, as signed by Mr. Weinberg.

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II. RECOMMENDATIONS

1. Accept substitute page two to the conciliation agreement with Mark R. Weinberg.

2. Accept the revised conciliation agreement with Mark R. Weinberg, and the attached conciliation agreement with David D. Miller.

3. Close the file as to these respondents.

4. Approve the attached letters.

8/26/88
Date

LMNoble (JPS)
Lawrence M. Noble
General Counsel

Attachments
1. Signed Conciliation Agreements (2)
2. Substitute Page two
3. Copy of civil penalty check
4. Letters to Respondents (2)

Staff Assigned: Donna Wade Anderson

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2073
David D. Miller and Mark R. Weinberg	)	
	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 31, 1988, the Commission decided by a vote of 6-0 to take the following actions in MUR 2073:

1. Accept substitute page two to the conciliation agreement with Mark R. Weinberg, as recommended in the General Counsel's report signed August 26, 1988.

2. Accept the revised conciliation agreement with Mark R. Weinberg, and the conciliation agreement with David D. Miller, as recommended in the General Counsel's report signed August 26, 1988.

3. Close the file as to these respondents.

4. Approve the letters, as recommended in the General Counsel's report signed August 26, 1988.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

8/31/88
Date

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

Received in the Office of Commission Secretary:	Mon.,	8-29-88,	10:22
Circulated on 48 hour tally basis:	Mon.,	8-29-88,	4:00
Deadline for vote:	Wed.,	8-31-88,	4:00

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plm

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 2, 1988

Allan Albala, Esquire
Neiman, Billet, Albala & Levine
10960 Wilshire Blvd.
Suite 1908
Los Angeles, CA 90024-3805

RE: MUR 2073
David D. Miller

Dear Mr. Albala:

On August 31, 1988, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to your client. This matter will become a part of the public record within 30 days after it has been closed with respect to all other respondents involved. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

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

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Donna Wade Anderson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

8904075361 5

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
David D. Miller	)	MUR 2073
	)	

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that David D. Miller ("Respondent") violated 2 U.S.C. § 441a(a)(1)(A).

NOW, THEREFORE, the Commission and the 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 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, David D. Miller, is an individual.

2. The Cranston for President Committee, Inc. was the principal campaign commiteee for Senator Alan Cranston when he sought the Democratic nomination for election to the Office of President in 1984.

3. Respondent made contributions totalling $2,500 to the Cranston for President Committee, Inc.

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4. Pursuant to 2 U.S.C. § 441a(a)(1)(A), no person may make contributions to any candidate and his authorized political committee, with respect to any election for Federal office, which, in the aggregate, exceed $1,000.

V. Respondent made a $1,500 excessive contribution in violation of 2 U.S.C. § 441a(a)(1)(A).

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Three Hundred Seventy-Five dollars ($375.00), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or

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

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

Date 9/2/88

FOR THE RESPONDENT:

x (Name)
(Position)

Date 7-25-88

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plm

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 2, 1988

John F. Walter, Esquire
Walter, Finestone, Richter & Kane
10920 Wilshire Blvd.
Suite 1400
Los Angeles, CA 90024-6592

RE: MUR 2073
Mark R. Weinberg

Dear Mr. Walter:

On August 31, 1988, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of violations of 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3), provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to your client. This matter will become a part of the public record within 30 days after it has been closed with respect to all other respondents involved. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that the first installment payment of $6,000 is due October 1, 1988. This date change was necessary to accommodate the meeting schedule of the Commission. Thereafter, beginning November 1, 1988, eleven consecutive payments of $1,000 will be due on the first of each month. While the file will be closed as it pertains to your client, if payments cease, or are unduly delayed, the Commission may reopen the file, accelerate the payments, and institute a civil action for relief in the United States Court for the District of Columbia.

Note also, that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

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

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Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Donna Wade Anderson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Mark R. Weinberg	)	MUR 2073

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that Mark R. Weinberg ("Respondent") violated 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3) by making contributions in excess of $25,000 to a Federal candidate.

NOW, THEREFORE, the Commission and the Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding.

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

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

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

1. Respondent, Mark R. Weinberg, is an individual.

2. Respondent contributed $1,000 directly to the Cranston for President Committee (the "Committee").

3. Respondent made a $9,000 advance of his personal funds on behalf of the Committee as its initial investment into the commodities market.

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4. Respondent made an advance of $15,000 of his personal funds to the Committee on January 24, 1984.

5. Respondent made an advance of $30,000 of his personal funds to the Committee on February 8, 1984.

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

7. Section 441a(a)(3) of Title 2 provides, in part, that no individual shall make contributions aggregating to more than $25,000 in a calendar year.

8. Section 431(8)(A)(i) of Title 2 provides that an advance is a contribution.

V. Respondent contributed $54,000 to the Cranston for President Committee, Inc. in violation of 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3), and the violations were knowing and willful.

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Seventeen Thousand Dollars ($17,000), pursuant to 2 U.S.C. § 437g(a)(5)(A), such penalty to be paid as follows:

1) One initial payment of $6,000, due on October 1, 1988;

2) Thereafter, beginning on November 1, 1988, eleven consecutive monthly installment payments of $1,000 each;

3) Each such installment shall be paid on the first day of

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the month in which it becomes due;

4) In the event that any installment payment is not received by the Commission by the fifth day of the month in which it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to the respondent. Failure by the Commission to accelerate the payments with regard to any overdue installment shall not be construed as a waiver of its right to do so with regard to future overdue installments.

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

FOR THE COMMISSION:

BY: _____ Date 9/1/88
Lawrence M. Noble
General Counsel

FOR THE RESPONDENT(S):

_____ Date 16 Aug 88
(Name) [redacted]
(Position)

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Mark R. Weinberg	)	MUR 2073

SENSITIVE
EXECUTIVE SESSION
NOV 15 1988

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On August 31, 1988, the Commission approved a signed conciliation agreement from Mark R. Weinberg. The agreement called for payment of a $17,000 civil penalty in installments. The first payment of $6,000 was due by October 1, 1988, and the first of eleven monthly installment payments of $1,000 is due by November 1, 1988. The agreement also states that in the event that any installment payment is not received by the Commission by the fifth day of the month in which it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to the respondent. (See Attachment 1.)

The payment of $6,000 has not yet been received. On October 12, 1988, after several attempts, staff contacted Mr. Weinberg through counsel. Mr. Weinberg stated that he would submit the $6,000 via Federal Express by Friday, October 14, 1988. The payment was not submitted on that date. Therefore, this Office is seeking an acceleration of the payments, and simultaneous authorization to file suit in the event that Mr. Weinberg does not submit the full amount due within 10 days of service of the attached letter.

II. RECOMMENDATIONS

1. Accelerate installment payments.

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2. Cause the full $17,000 civil penalty to become due within 10 days of service of the attached letter.

3. Approve and send the attached letter.

4. Authorize the Office of the General Counsel to file a civil suit for relief in United States District Court against Mark R. Weinberg in the event that he does not submit the full civil penalty within 10 days of service of the notice of accelerated payment.

10/31/88
Date

Lawrence M. Noble
General Counsel

Attachment
1. Conciliation Agreement
2. Proposed letter

Staff Assigned: Donna Wade Anderson

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2073
Mark R. Weinberg	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of November 15, 1988, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2073:

1. Accelerate installment payments.

2. Cause the full $17,000 civil penalty to become due within 10 days of service of the letter attached to the General Counsel's report dated October 31, 1988.

3. Approve and send the letter attached to the General Counsel's report dated October 31, 1988.

4. Authorize the Office of the General Counsel to file a civil suit for relief in United States District Court against Mark R. Weinberg in the event that he does not submit the full civil penalty within 10 days of service of the notice of accelerated payment.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

Nov. 17, 1988
Date

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

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Pr-xcl plan

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 28, 1988

John F. Walter, Esquire
Walter, Finestone, Richter & Kane
10920 Wilshire Blvd.
Suite 1400
Los Angeles, CA 90024-6592

RE: MUR 2073
Mark R. Weinberg

Dear Mr. Walter:

By letter dated September 2, 1988, the Office of General Counsel notified you that the Commission had approved your client's conciliation agreement to pay a civil penalty of $17,000 in 12 installments. Neither the first payment of $6,000, which was due by October 1, 1988, nor the second payment of $1,000, which was due by November 1, 1988, has yet been received by this Office.

On October 12, 1988, during a telephone conversation with Donna Wade Anderson, the attorney assigned to this matter, you were reminded that while the file has been closed as it pertains to your client, the conciliation agreement states that in the event that any installment payment is not received by the Commission by the fifth day of the month in which it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to the respondent. Moreover, if payments cease or are unduly delayed, the Commission may institute a civil action for relief in the United States District Court for the District of Columbia.

Your client stated that he would submit the $6,000 initial payment via Federal Express by Friday, October 14, 1988. The payment was not received. Therefore, the Commission has determined to accelerate the payments. The entire amount, $17,000, or balance thereon, is now due within 10 days of the

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date of service of this letter. Furthermore, Commission has authorized the filing of a civil suit to enforce compliance with the conciliation agreement should your client fail to submit payment in full within 10 days of your receipt of this notice. If you have any questions or problems, please contact Ms. Anderson at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Senator Alan Cranston) MUR 2073
)

EXECUTIVE SESSION
DEC 01 1988
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GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter concerns excessive expenditures from personal funds that resulted when Senator Alan Cranston ("Respondent") used his personal credit card for campaign-related expenses, and the Cranston for President Committee, Inc. ("Committee") failed to reimburse him or pay the credit card bill within a reasonable time. On October 17, 1985, the Commission found reason to believe that the Respondent made expenditures in violation of 26 U.S.C. § 9035(a), a provision of the Presidential Primary Matching Payment Account Act (the "Matching Payment Act").

On February 23, 1988, after consideration of a General Counsel's Report on this issue, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement prior to a finding of probable cause to believe. Counsel for the Respondent was notified by letter dated March 1, 1988. Counsel met with representatives of this Office on March 16, 1988, without reaching an agreement. Counsel stated that he no longer wished to negotiate, and that he wanted to see a brief detailing the Commission's reasoning behind its finding of reason to believe finding.

On May 25, 1988, this Office sent a copy of the General Counsel's Brief recommending a finding of probable cause to believe in this matter to the Senator's counsel. On June 21, 1988, this Office received Senator Cranston's responsive brief.

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II. LEGAL AND FACTUAL ANALYSIS

This report relies chiefly upon the General Counsel's Brief circulated to the Commission on May 25, 1988 ("G.C. Brief"). The Senator's responsive brief, however, raises several additional issues that are discussed below. To summarize, Respondent argues that his use of his personal credit card for campaign-related expenses did not constitute expenditures. Respondent also argues that there was no guidance within the Federal Election Campaign Act of 1971, as amended ("FECA") or Matching Payment Act directing the treatment of expenditures within section 9035(a), and that his actions were reasonable under the circumstances. Finally, Respondent argues that many of the expenditures in question were not subject to section 9035(a) because they were made after his date of ineligibility.

A. Unreasonable Delays in Reimbursement of Advances of the Senator's Personal Funds and the Committee's Direct Payment of the American Express Invoices Constituted Expenditures

Respondent argues that his use of his personal credit card for campaign-related expenses did not constitute expenditures within the meaning of 26 U.S.C. § 9035(a). 1/ Respondent

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1/ Respondent states that since the term "expenditure" is not defined within the Matching Payment Act, the Title 2 definition of the term is inapplicable to him. This argument, however, lacks merit. Section 9035(a) specifically refers to expenditures within Title 2; therefore, the Title 2 definition of the term is applicable to the Matching Payment Act. See 2 U.S.C. § 431(9). Moreover, Presidential candidates are clearly Federal candidates and subject to the FECA whether or not they accept Federal matching funds. Finally, Respondent agreed to comply with the FECA as a prerequisite to receiving matching funds. See 11 C.F.R. § 9033.1(b)(9).

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seems to be arguing that the standard articulated in the G.C. Brief calculated as reasonable only a time period for reimbursement or direct payment from the date of purchase or presentation of the Senator's card in payment. However, the Respondent has mischaracterized the General Counsel's position.

1. The Commission's Standard of Review

The G.C. Brief states that credit charges do not become expenditures immediately upon presentment of the charge plate.2/ In reviewing this matter, the Commission considered whether the Committee made direct payments within a reasonable time of the due date, and whether it made reimbursements to the Senator within a reasonable time after a reimbursement request was made. See G.C. Brief, pp. 6-7. The usual treatment of an advance or loan is that the loan or advance is a contribution, or expenditure, at the time it is made, and is a contribution to the extent that it remains unpaid. 11 C.F.R. § 100.7(a)(1)(i)(B)(1983). See also 11 C.F.R. § 100.8(a)(1)(1983).

The Commission has determined, however, that the candidate should be allowed to use his or her personal credit card without increasing his or her personal expenditures provided that the committee pays the bills directly or reimburses the candidate for the campaign-related charges within a reasonable time. This rule gives candidates increased flexibility in the use of their personal

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2/ See also MUR 2175 (Senator Gary Hart) and MUR 2339 (Bert Lance).

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credit.3/ Here, by failing to make direct payment for an average of 78 days and failing to see to it that the Committee reimburse him for between 146 and 217 days, Respondent has gone beyond the reasonable time period contemplated by the Commission in his use of his personal credit card for campaign-related expenses.

2. Respondent's Analogy to an Arms-length Commercial Transaction is Inappropriate and Lacks Merit

Respondent argues that there was no guidance for the interpretation of section 9035(a) in 1983 and 1984, when he made these campaign-related expenditures. Therefore, Respondent continues, the most logical analogy to his situation was to the debt settlement and commercial credit provisions of the Commission's regulations. 11 C.F.R. § 114.10(a)(1983 and 1984). Respondent states that, in accordance with this regulation, his credit card transactions with the Committee were in the ordinary course of business and commercially reasonable, and should not constitute contributions. See 11 C.F.R. §§ 100.7(a)(4), 100.7(b)(11), 100.8(b)(12), and 114.10(c)(1983 and 1984).

3/ The Respondent argues that credit card charges cannot be expenditures when they are incurred because the Commission did not amend section 100.8(a)(1) to conform with current section 9035.2(a)(2). Current section 9035.2(a)(2)(1988) states that credit card expenses count toward the candidate's $50,000 expenditure limit to the extent that the full amount due, including any finance charge, is not paid by the committee within 60 days after the closing date of the billing statement on which the charges first appear. As stated above, section 9035(a)(2) is an exception the Commission has made for candidates. While the exception is not applicable here because the credit card advances in this case occurred before the effective date of this revision, the Audit Division's analysis of the Amex account demonstrates that the candidate exceeded the new 60-day period on several occasions in 1983 and 1984. See General Counsel's Report signed February 10, 1988, Attachment 1.

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Respondent also analogizes his situation to that of the business executive who covers business expenses out of his or her own pocket until the company reimburses them.

Neither the commercial credit example, nor the example of the business executive, however, is truly analogous to the Senator's situation.4/ In the commercial setting, there is an arms-length relationship. The commercial creditor has no particular reason for leniency with any individual creditor. In the case of the business executive, she or he has no reason for making gifts of his or her personal funds to an autonomous, profit-making entity.

The same cannot be said of the relationship between a Presidential candidate and his authorized campaign committee. There is no arms-length relationship between these two. The Committee exists because the candidate needs it. Without the candidate, there would be no Committee, and the Committee, as a creature of the candidate's necessity, must be sensitive to his needs and the restrictions placed upon him by FECA and the Matching Payment Act. An authorized Presidential campaign committee is unlike any other entity. It is not created to make a profit, and it is not independent from its creator, the candidate.

Moreover, the candidate is not a mere employee of a

4/ Moreover, the debt settlement regulations to which Respondent refers are not appropriately applied to this situation. These regulations apply to situations where parties provide goods or services to a committee in the ordinary course of business. Settlement between the Committee and the candidate would constitute a contribution or expenditure by the candidate.

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corporation, he is the Committee's raison d'etre and has the power to direct the Committee to pay him first. In effect, Respondent is arguing that he had no control over his own committee. The fact is that the candidate is required by law to keep his campaign expenditures under the $50,000 limit, and the Committee should have reimbursed him within a reasonable time to insure compliance with the law.

B. Respondent was Bound to the Expenditure Limitations of the FECA and the Matching Payment Act

Respondent argues that his credit card charges billed after January 1, 1984, could not be considered "expenditures" because he withdrew as a candidate on March 1, 1984. Respondent contends that under the current 60-day rule the charges made to his American Express card after January 1, 1984, would not have been considered expenditures by March 1, 1984. 11 C.F.R. § 9035.2(a)(2)(1988). Moreover, he argues, after a candidate announces his or her withdrawal from the race, he is no longer bound by the expenditure limitations of the Matching Payment Act. Therefore, he concludes, after March 1, 1984, his date of withdrawal, he could have spent as much as he wanted to retire his campaign debts. This argument, however, is unfounded. Senator Cranston was still receiving matching payments through March 21, 1985, and thus was subject to the limitations of the FECA and Matching Payment Act through that date.5/

5/ According to the Commission's Audit Division, the Committee spent its last matching fund dollar on May 1, 1985 (LIFO date).

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1. As a Recipient of Federal Matching Funds, Respondent Voluntarily Accepted the Expenditure Limitations of Titles 2 and 26

As Respondent correctly states, limits on a candidate's expenditures from his own personal funds are constitutional only when the candidate voluntarily accepts such limits as a predicate for receiving public funds.6/ Buckley v. Valeo, 424 U.S. 1, 57 n. 65. Respondent has too narrowly interpreted the use of the term "candidate" within the Matching Payment Act. Although Respondent was no longer actively conducting primary campaigns, he was still bound by the reporting requirements, and the expenditure and contribution limitations of the FECA long after March 1, 1984. 2 U.S.C. §§ 434, 441a, 441b. See also 11 C.F.R. § 9033.1(b)(9).

2. Payment of Expenses Incurred for the Purpose of Influencing a Federal Election Constitutes an Expenditure Subject to the Limitations of Title 2 and Title 26

Respondent argues that because some of the reimbursements and payments were made after his date of ineligibility, these expenditures were not subject to the restrictions of the FECA and Matching Payment Act. (R.B. at p. 16). However, as the court in FEC v. Ted Haley Congressional Committee, et al., 852 F.2d 1111 (9th Cir. 1988) has recently reaffirmed, the payment of expenses incurred for the purpose of influencing a Federal election are

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6/ Respondent, however, incorrectly asserts that after March 1, 1984, he received no Federal matching payments. Between March 1, 1984 and March 21, 1985, the Commission certified $416,072.53 in Federal matching fund payments to the candidate.

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expenditures subject to the limitations of the FECA and the Matching Payment Act, regardless of when they are paid.

The FECA and the Matching Payment Act both place limitations on expenditures for a primary campaign. 2 U.S.C. § 441a(b)(1)(A); 26 U.S.C. § 9035. The definition of the term "expenditure" includes debts, or "a written contract, promise, or agreement to make an expenditure." 2 U.S.C. § 431(9)(A)(ii). The Commission's regulations further specify that contributions made to retire debts resulting from elections held after December 31, 1974, are subject to the limitations of the FECA. 11 C.F.R. § 110.1(g)(2)(1984).

The Respondent's situation was similar to that of a candidate raising post-election contributions to retire campaign debts. The Commission has long maintained that post-election contributions received to defray campaign debts are subject to the limitations and prohibitions of the Act. See Advisory Opinions 1981-16, 1981-22, 1983-2, 1983-9, 1984-60. The fact that the contributions or expenditures were made after the candidate stopped campaigning does not take them outside of the expenditure limitations of section 9035(a).

3. Respondent's Construction Unlawfully Circumvents the Limitations of the Matching Payment Act and the Purpose of Section 9035(a)

If candidates were not bound to the $50,000 limitation on campaign expenditures from personal funds for the duration of the matching payment period, they could circumvent the limitation and gain an advantage over less-wealthy candidates. The purpose of section 9035(a), dubbed the "rich man's amendment," when it was originally proposed in 1971, was to limit the amount that a

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Presidential candidate could contribute to his campaign from his own funds or from the funds of his family. Senator Mathias, when explaining the intent of his amendment during the floor debates, stated:

> I think there is nothing more destructive of confidence in representative government and in the democratic process than enormous sums of personal or family money invested in a campaign. (Congressional Record - Senate, August 4, 1971, S. 13120) 7/

The Congressional purpose of section 9035(a) is, therefore, to restrict the use of the candidate's personal funds. Yet, Respondent's interpretation would allow candidates to circumvent this provision by retiring campaign debts with personal funds after withdrawing from the race. Respondent has presented no basis for his interpretation that clearly runs counter to congressional purposes.

C. Prior Determinations Against Individual Candidates

Respondent states that the Commission has never before entered into a conciliation agreement or taken enforcement action against a prominent individual candidate personally on any issue. (R.B. p.2.) This, however, is not accurate. The Commission has recently concluded conciliation negotiations with Senator Gary Hart, who is personally named in a violation of 26 U.S.C. §9035(a), for analogous credit card expenditures. See Conciliation Agreement signed July 27, 1988, MUR 2175. See also MUR 1689, naming Senator John Glenn.

7/ This language, which first appeared as one of several Mathias/Chiles amendments to S.382, the Federal Election Campaign Act of 1971, survived the 1974 Amendments intact.

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Moreover, even if Respondent's assertion were true, the mere fact that the Commission has not previously taken enforcement action against individual candidates for violations of 26 U.S.C. § 9035(a) is no bar to such action in this instance. This action is specifically provided for in the applicable statutes and regulations. The Matching Payment Act states that:

> no candidate shall knowingly make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaign for nomination for election to the office of President in excess of, in the aggregate, $50,000.

26 U.S.C. § 9035(a). This particular provision of that section is personal to the candidate, and only the candidate can violate the provision. Thus enforcement against individual candidates personally for violation of section 9035(a) is a logical step against candidates who exceed the $50,000 limit on the use of personal funds.

D. Respondent's Knowledge Satisfied the Statutory Standard of Section 9035(a)

Finally, Respondent maintains that he did not "knowingly" make excessive expenditures because his actions were reasonable. Respondent erroneously states that there were no reported cases in which the Commission or a court interpreted the term "knowingly" in this or related contexts. Therefore, he argues, the common usage of the word was applicable, implying a requirement that Respondent must have been aware that his actions were in violation of the law.

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In John A. Dramesi for Congress Committee v. FEC, 640 F. Supp. 985 (D.N.J. 1986), the court distinguished between a "knowing" standard and a "knowing and willful" one. The court, in reference to the term's usage in 2 U.S.C. § 441a(f), determined that the civil standard is one whereby it is not necessary that the committee which receives an unlawful contribution have knowledge that it is violating the law. The respondent need only be aware of the facts rendering its conduct unlawful to constitute "knowing" acceptance. See also, FEC v. California Medical Association, 502 F. Supp. 196 (N.D. Cal 1980).

The same rationale should be applied to the "knowing" issue in section 9035(a). Here, Respondent knew that he was advancing funds to his Committee, he presumably knew how much he had advanced, and how much in campaign-related expenditures he had charged on his personal credit card. He also knew that the Committee took a long time to reimburse him for his direct payments to American Express. These are the basic facts that made up the violation. The Respondent was aware of these facts; therefore, he knowingly made expenditures from his personal funds in excess of the $50,000 limitation of section 9035(a).

III. CONCLUSION

It is the view of this Office that the Commission should follow its previous decisions with regard to this matter. The Office of General Counsel has presented evidence that the Respondent violated 26 U.S.C. § 9035(a), and Respondent's

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arguments to the contrary are unpersuasive. The Commission has previously proceeded against a Presidential candidate for violation of 26 U.S.C. § 9035(a) in connection with the candidate's use of his personal credit card for campaign-related expenditures. The Commission has also revised its regulations regarding such use to clarify when the candidate would be charged with the expenditures. It is important, therefore, to continue enforcement of section 9035(a) with this matter.

The Respondent has failed to demonstrate that any of the advances were reimbursed within a reasonable time, and that they were not, therefore, transformed into candidate expenditures. Moreover, the Respondent has failed to demonstrate that he had no knowledge of the circumstances which constituted the violation. Therefore, the Office of General Counsel recommends that the Commission find probable cause to believe that Senator Cranston made expenditures from his personal funds in excess of $50,000, in violation of 26 U.S.C. § 9035(a).

IV. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

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V. **RECOMMENDATIONS**

1. Find probable cause to believe that Senator Alan Cranson violated 26 U.S.C. § 9035(a).

2. Approve and send the attached conciliation agreement and letter.

11/15/88
Date

Lawrence M. Noble
General Counsel

Attachments
1. Respondent's Brief
2. Proposed Conciliation Agreement
3. Proposed Letter to Respondent

Staff assigned: Donna Wade Anderson

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	**MUR 2073**
Senator Alan Cranston	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of January 10, 1989, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2073:

1. **Find probable cause to believe that Senator Alan Cranston violated 26 U.S.C. § 9035(a).**

2. **Approve and send the conciliation agreement and letter attached to the General Counsel's report dated November 15, 1988, with the understanding that the agreement may be signed on behalf of Senator Cranston.**

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

Jan. 13, 1989
Date

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

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plus

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 24, 1989

Bruce H. Turnbull, Esquire
Weil, Gotshal & Manges
1615 L Street, N.W.
Washington, D.C. 20036

RE: MUR 2073
Senator Alan Cranston

Dear Mr. Turnbull:

On January 10, 1989, the Federal Election Commission found that there is probable cause to believe your client, Senator Alan Cranston, violated 26 U.S.C. § 9035(a), a provision of Chapters 95 and 96 of Title 26, U.S. Code, in connection with his use of his personal credit card for campaign-related expenditures.

The Commission has a duty to attempt to correct such violations for a period of 30 to 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement during that period, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission within ten days. I will then recommend that the Commission accept the agreement. Please make your check for the civil penalty payable to the Federal Election Commission.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Donna Wade Anderson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Cranston for President Committee, Inc.,	)	MUR 2073
William M. Landau, as treasurer, et al.	)	

SENSITIVE
EXECUTIVE SESSION
JAN 10 1989

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On October 17, 1985, the Commission found reason to believe the Cranston for President Committee, Inc. ("the Committee") and William M. Landau, as treasurer, violated 2 U.S.C. §§ 434(a), 434(b)(3)(B), 434(b)(3)(E), 434(b)(3)(H), 441a(f), and 441b(a) of the Federal Election Campaign Act of 1971, as amended (the "Act"), and 26 U.S.C. § 9035(a) of the Presidential Primary Matching Payment Account Act (the "Matching Payment Act"), and 11 C.F.R. § 106.2 of the Commission's regulations. The Commission also found reason to believe, on that date, that 77 individuals violated 2 U.S.C. § 441a(a)(1)(A), Senator Cranston violated 26 U.S.C. § 9035(a), Marazul Tours, Inc. violated 2 U.S.C. § 441b(a), and MEBA Political Action Fund violated 2 U.S.C. § 441a(a)(2)(A). However, the Commission decided to take no further action against 67 of the individuals and the political committee.

II. LEGAL AND FACTUAL ANALYSIS

In this report, the Office of General Counsel will address those violations and issues that directly involve the Committee, six individuals, and one corporation.1/ We will recommend that

1/ For purposes of organization, the violations and respondents were broken up into three groups: Group I, Mark R. Weinberg; Group II, Senator Cranston; Group III, the Committee, one corporation, and nine individual contributors.

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the Commission: 1) take no further action against Charles Benton, Eleanor Cameron (formerly Eleanor Fowle), Donald Hawley, Raymond Lapin (now deceased), Bernard Schwartz, and David Sprague; 2) enter into conciliation negotiations with the Committee; and 3) enter into conciliation negotiations with Marazul Tours, Inc. prior to a finding of probable cause to believe.

On November 20, 1985, the Committee requested that we enter into conciliation negotiations prior to a finding of probable cause on all issues in the MUR. The Commission, however, declined on January 7, 1986, to enter into conciliation negotiations at that time. Discussion of issue Group III has been delayed, in part, pending calculation of the total amount in violation. The debts in question have now been paid or settled. The Audit Division has also conducted follow-up fieldwork on the Committee, and the Commission has approved the addendum to the final audit report and made its final determination on the matter. Therefore, this Office is now going forward with the Title 2 ramifications of issue Group III, that are the focus of this report. Issue Groups I and II have been discussed in previous reports and will not be addressed here, except to the extent that they involve the Committee.

A. Allocation of Expenditures to States

1. Factual Background

2 U.S.C. §§ 441a(b)(1)(A) and 441a(c) provide, in part, that no Presidential candidate, eligible under section 9033 of Title

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26 to receive payments from the Secretary of the Treasury, may make expenditures in any one state aggregating in excess of the greater of 16 cents multiplied by the voting age population of the state, or $200,000, whichever is greater, as adjusted by the Consumer Price Index. 26 U.S.C. § 9035(a) provides, in part, that no candidate shall knowingly incur qualified campaign expenses in excess of the expenditure limitation applicable under section 441a(b)(1)(A) of Title 2.

11 C.F.R. § 9038.2(b)(2)(i)(A) provides, in part, that the Commission may determine that the amount of any payments made to a candidate from the matching payment account, or contributions received by the candidate, were used for purposes other than qualified campaign expenses.

11 C.F.R. § 106.2(a)(1) provides that, except for expenditures exempted under section 106.2(c), expenditures which a candidate's authorized committee incurs for the purpose of influencing the nomination of that candidate for the office of President with respect to a particular state shall be allocated to that state.

11 C.F.R. § 106.2(b)(1) provides that an expenditure which a candidate's authorized committee incurs for the purpose of influencing the nomination of that candidate in more than one state shall be allocated to each state on a reasonable and uniformly applied basis.

The proposed final audit report on the Cranston for President Committee noted accounts payable that would put the Committee over the 1984 Iowa state spending limit of $684,537.50

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when paid. When the Commission took this proposed report under consideration, it referred this issue to the Office of General Counsel and deleted the discussion of the matter from the publicly-released final audit report. After the Committee paid or settled the debts in question, the Audit Division conducted follow-up fieldwork pursuant to 11 C.F.R. § 9038.1(b)(3) in preparation of an addendum to the final audit report.

In addition to the follow-up fieldwork, the Commission took into consideration the Committee's March 21, 1986, response to the Commission's finding of reason to believe in this matter, as well as the Committee's June 22, 1987, response to the interim addendum. The information contained in these responses along with the Audit Division's fieldwork resulted in changes which were reflected in the final addendum, that concluded the Committee exceeded the Iowa spending limit by $106,924.49. See Attachment 1. The Commission approved the final addendum on October 27, 1987. On December 2, 1987, the Commission's initial determination became final by operation of 11 C.F.R. § 9038.2(c)(1).2/

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2/ Section 9038.1(c)(1) of the Commission's regulations states that if the candidate does not respond to the initial determination within 30 calendar days after service of the final (addendum) audit report, the initial determination will be considered final. No response was received, and the Commission's determination became final on December 2, 1987. On February 3, 1988, the Commission received the balance of the Committee's repayment for matching funds spent in excess of the Iowa limit.

The expenditure subtotals for the categories discussed below do not, in and of themselves, constitute violations of the expenditure limitations. The fact that the Committee allocated expenditures improperly among these categories from state-to-state appears to constitute only a violation of 11 C.F.R. § 106.2. When taken together, however, these expenditures, properly allocated according to the requirements of Section 106.2, appear to increase the Committee's Iowa expenditures to a level that exceeds the expenditure limit of 2 U.S.C. § 441a(b)(1)(a). Since the Commission has adjusted the total expenditures for each category substantially since this matter was originally referred to this Office, it is necessary to review those adjustments for use in the enforcement action.3/

2. Analysis

In the General Counsel's Factual and Legal Analysis, which accompanied the Committee's notification of reason to believe, we stated that the Committee apparently failed to allocate properly to the Iowa limit expenditures incurred by the Cranston Committee for Salaries, Intra-state Travel and Subsistence, Media and Polling, Overhead and Miscellaneous Expenditures, Compliance Costs and Fundraising. The Committee, however, commented only on the allocation of salaries in the context of the MUR. Therefore,

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3/ This Office notes that in MUR 2072 (John Glenn) it was unnecessary to review the audit adjustments since they amounted to less than $600 for Iowa, and less than $500 for New Hampshire.

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we recommend that for the purposes of this matter, the Commission adopt the revised expenditure subtotals in each category approved in the Commission's addendum to the final audit report, as follows: Intra-State Travel, $45,345.55 ($46,541.39 - $1,195.84); Media and Polling (unchanged since interim audit report); Overhead and Miscellaneous, $84,460.43 ($94,575.84 - $10,115.41); Compliance, $31,260.03 ($36,768.60 - $7,430.06 + $1,921.49); and Fundraising, $19,665.66 ($11,692.33 + $8,000 - $133.61 + $167.04). See Attachment 1. The allocation of Iowa salaries, the only audit revision challenged by the Committee, is discussed below.

Salaries, Employer FICA and Consultant Fees

11 C.F.R. § 106.2(b)(2)(ii) requires that, except for expenditures exempted under paragraph (c) of section 106.2, salaries paid to persons working in a particular state for five consecutive days or more, including advance staff, shall be allocated to each state in proportion to the amount of time spent in that state during a payroll period. 11 C.F.R. § 106.2(a)(1) states, in part, that expenditures incurred by a candidate's authorized committee for the purpose of influencing the nomination of that candidate for the office of President with respect to a particular state shall be allocated to that state.

a. Previously Allocated Expenditures

The Committee originally reported $606,208.69 in Iowa salaries. In its response to the notification of reason to believe, the Committee argued that this total should be reduced by $14,458.32 because the staff persons were not owed salaries

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for the period in question. The Committee originally carried these salaries as debts owed by the Committee on its internal worksheets and on its reports filed with the Commission through October 31, 1984 (Schedule D-P). In its March 21, 1986 response to the Commission's determination of reason to believe, the Committee submitted documentation in the form of signed statements from former staff who attested, that for a specific period, usually in February, 1984, they worked as volunteers and were not owed any salary for work performed in Iowa during the period.

The Committee had originally argued for a reduction of $17,278.32 in its response to the interim audit report. However, in the context of the MUR, the Committee argued only to reduce previously allocated Iowa salary expenditures by $14,458.32. The Commission, in approving the final addendum, reduced Iowa salaries by only $13,458.32 because the Committee's Reports of Receipts and Disbursements showed that the Committee had made a payment of $1,000 on the amount in question to one of the "volunteers."

The fact that the Committee paid $1,000 on an amount it claimed was no longer owing, and the fact that the Committee carried the salaries as debts on its reports for more than six months, raises questions as to the validity of these disclaimers. 11 C.F.R. § 100.7(b)(3) provides that the value of volunteer services is not considered a contribution. See 2 U.S.C. § 431(8)(B)(i). See also Advisory Opinions 1982-4 and 1980-88. If the individuals performed the work expecting payment, however,

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the issue is raised whether they can later forgive the salary debt, or whether these salaries should be considered in-kind contributions rather than volunteer services. 4/

The Office of General Counsel notes that a committee's unilateral decision to convert paid staff to volunteers, after the fact, might be used as a device to evade the state limitations. On the other hand, there is little reason to question the veracity of the staff statements. The campaign had trouble paying its debts to numerous vendors, and it does not seem unreasonable for paid staff to have volunteered their services under these circumstances. Campaign staff often work with the understanding that they will be paid only as funds are available, and if funds run out, they will work as volunteers thereafter. Where staff are paid only as committee funds allow, uncompensated work can be treated as volunteer activity. The Commission has recognized this fact in the debt settlement context. See e.g. DSR 87-3 (Americans with Hart, Inc.) In keeping with this approach, the Cranston Committee's Iowa expenditures should be reduced by $13,458.32, the balance of uncompensated salaries claimed by the Committee to be volunteer activity.

4/ The Commission was faced with a similar situation in its review of the 1980 Carter/Mondale Presidential Committee. The Committee submitted to the Commission documentation supporting a reduction of the Committee's outstanding debt by converting debts owed to former campaign employees for per diem payments, and reimbursements for travel expenses to in-kind contributions. The Commission decided, however, that because the documentation was submitted after the Committee's receipt of the final determination, the submission was out of time and was not taken into consideration.

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b. Unallocated Iowa Expenditures

It appears, from examination of the Committee's payroll records, that the Cranston Committee failed to allocate to Iowa certain salaries, employer FICA, consultant fees, and payroll taxes paid from its national account; and salaries, employer FICA and consultant fees paid from its Iowa bank accounts during January, 1984. In some instances, the Committee allocated net salaries to Iowa but not the associated payroll taxes and employer FICA.

The audit staff estimated in the interim audit report, that an additional $142,407.53 in salary expenditures was allocable to Iowa. The Cranston Committee, in responding to the interim audit report, challenged the inclusion of $73,684.30 in salaries, employer FICA and consulting fees which the audit staff applied to the Iowa limitation. The Committee provided documentation to support its challenge to reallocation. Part of the documentation pertained to the $14,458.32 in volunteer services discussed above. The rest of the documentation pertained to $56,405.98 in salaries, employer FICA, and consulting fees that the Audit Division had reallocated to Iowa from other states.

The documentation for the expenses totalling $56,405.98 consisted of written statements from Committee officials, check request authorization forms and copies of expense reimbursement vouchers, to support its contention that the expenses were not

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allocable to Iowa. The audit staff analyzed the documentation finding that, in several instances, it was not sufficient to demonstrate that an expense was not allocable to Iowa. The audit staff did not reduce the amount it found allocable to Iowa if the Committee submitted an official statement without copies of travel vouchers signed by the individual demonstrating that the individual did not work in Iowa during the relevant time period. In some instances, the Audit staff found documentation that conflicted with supervisors' statements. Therefore, the audit staff reduced the amount allocable to Iowa where statements were accompanied by documentation for each day during the period in which the Committee argued that the individual did not work in Iowa, or where the documentation clearly demonstrated that the individual was not in Iowa for more than four consecutive days during the pay period.

The audit staff concluded in the proposed final audit report that $36,193.33 of the $56,405.98 in documentation which the Committee provided was sufficient to warrant a reduction in the amount allocable to the Iowa limit. The Audit Division did not accept the Committee's documentation for $20,212.65 in expenses. The amount allocable to Iowa, therefore, was reported at $106,214.20 ($142,407.53 - $36,193.33) in the audit referral.

In its March 21, 1986 response to this Office, the Committee resubmitted some documentation in an attempt to show that $17,466.22 (of the remaining $20,212.65 the Audit Division proposed to allocate to Iowa) in salaries should not be allocated to Iowa because the individuals were not in Iowa during the pay periods in question. Of this amount, $1,042.82 represented

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expenses for which the Committee had submitted supervisors' statements and personnel vouchers, reimbursement requests, airline receipts and travel itineraries; $16,423.40 represented expenses for which the Committee had submitted supervisors' statements only.5/

In regard to the $16,423.40 in salary expenses, the Committee had three arguments against inclusion of the amount in the Iowa allocation: (1) it "was assured by the Commission that supervisors' statements would serve as sufficient documentation" to substantiate reallocation of the salaries to another state; (2) the reallocations requested were not amenable to documentary proof; and (3) no reason was given to question the veracity of the supervisors' statements.

In regard to the Committee's first argument, the respondent Committee has provided no documents indicating such an understanding. Furthermore, this Office has found no record of such an assurance being made. Even if an assurance had been relayed on an informal basis, oral representations of staff members do not bind the Commission to a particular decision.

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5/ In the final addendum, the Commission rejected the Committee's arguments regarding a portion of the $1,042.82 in expenses because there were gaps in the Committee's documentation. The Commission did not reallocate $623.30 in expenses for those periods where the Committee had no receipts to support the supervisors' statements. The Commission did accept the Committee's documentation for $419.52 in expenses because the Committee provided both receipts and supervisors' statements to support reallocation of this amount. This is the only adjustment the Commission has previously made in response to the Committee's arguments to reallocate salaries to Iowa.

Federal Election Commission v. Citizens for LaRouche, et. al., Fed. Election Camp. Fin. Guide (CCH) ¶ 9214 (D.D.C. Sept. 17, 1984).

Second, the Committee's argument that the requested reallocations were not amenable to documentary proof is without merit. Indeed, the Committee provided such proof to substantiate a similar request for reallocation of $419.52 in expenses. Reliable documentation is required to substantiate the requested reallocations.

Finally, a decision not to rely solely on supervisors' statements does not necessarily bring into question the veracity of those statements. By the Committee's own admission, the supervisors' statements were found to be erroneous in two of nine instances. See Attachment 2. It is reasonable, therefore, to question whether the supervisors' statements were completely accurate, and require additional documentation in support of those statements. Note, also that in some instances, the Committee stated in its response that for the periods in question that several of the targeted staff were in Iowa for five days or more. Pursuant to 11 C.F.R. § 106.2(b)(2)(ii), those expenditures should properly be allocated to Iowa. Thus in the view of this Office, the Committee has failed to adequately substantiate reallocation of salary related expenditures away from Iowa. Therefore, it would appear that the Committee failed to allocate an additional $105,794.68 ($106,214.20 - $419.52) to Iowa for salary expenses. See Attachment 1.

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3. CONCLUSION

The Commission's regulations require that Presidential primary candidates receiving matching funds allocate expenditures consistent with 11 C.F.R. § 106.2. The discussion above analyzes instances in which the Committee has misallocated and under-allocated expenditures in Iowa. This Office is of the view that the Committee apparently failed to allocate to Iowa $200,192.71 in expenditures in violation of 11 C.F.R. § 106.2(a)(1).

The expenditures allocable to Iowa increase the total of the Cranston Committee's Iowa Campaign expenses to $791,461.99. This total exceeds the expenditure limitation applicable under 2 U.S.C. § 441a(b)(1)(A) by $106,924.49. See Attachment 1.

While this Office noted in its First General Counsel's Report that the Committee had exceeded the limits of 2 U.S.C. § 441a(b)(1)(A), no recommendations on this statutory provision were made, and the Commission did not find reason to believe that the Committee violated the provision by making expenditures in excess of the spending limitation in Iowa. It is the view of the Office of General Counsel, however, that a violation of that section should also be included in the Commission's determinations at this point. At the time of the Commission's referral of this matter, the Committee had not paid debts in excess of the Iowa limit. The Committee had, by that time, incurred debts in excess of the Iowa limit, however. Since the Act defines the term "expenditure" to include a "written contract, promise, or agreement to make an expenditure," and since debts are promises to make expenditures, incurred debts are

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the equivalent of expenditures for purposes of the Act. 2 U.S.C. § 431(9)(A)(ii). It would appear, then, that the Committee both incurred and subsequently paid expenses in excess of the Iowa state expenditure limitation in violation of section 441a(b)(1)(A).

Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that the Committee violated 2 U.S.C. § 441a(b)(1)(A), as adjusted by section 441a(c), by making expenditures in excess of the Iowa limit.6/

B. Contributions in Excess of the Limitations

The Act provides, at 2 U.S.C. § 441a(a)(1)(A), that no person shall make contributions to any candidate and his authorized political committee(s) with respect to any election for Federal office which, in the aggregate, exceed $1,000.

2 U.S.C. § 441a(a)(2)(A) provides that no multicandidate political committee shall make contributions to any candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceed $5,000.

Section 431(8)(A)(i) of Title 2, United States Code, defines the term "contribution" to include any gift, subscription, loan,

6/ The Committee has agreed to extend its request for conciliation prior to a finding of probable cause to believe to cover the Commission's finding of reason to believe on the additional violation of 2 U.S.C. § 441a(b)(1)(A) as adjusted by section 441a(c).

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advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office.

1. The Cranston for President Committee--Acceptance of Excessive Contributions

The Act provides that no candidate or political committee shall knowingly accept any contribution in violation of the provisions of section 441a. 2 U.S.C. § 441a(f). The Commission's 1984 regulations further provided that:

> (b)(1) Contributions which appear to be illegal shall be, within 10 days, either returned to the contributor or deposited into the campaign depository, and reported. If deposited, the treasurer shall make and retain a written record noting the basis for the appearance of illegality. A statement noting that the legality of the contribution is in question should be included in the report. The treasurer shall make his or her best efforts to determine the legality of the contribution.
>
> (2) When a contribution cannot be determined to be legal, refunds shall be made within a reasonable time, and the treasurer shall note the refund by amending the current report or noting the change on the committee's next required report.

11 C.F.R. § 103.3(b). 7/

The Commission, on October 17, 1985, found reason to believe that 77 individuals violated 2 U.S.C. § 441a(a)(1)(A), and that the Committee violated 2 U.S.C. § 441a(f) by accepting the excessive contributions. Based on the relatively small amounts

7/ Section 103.3 has been revised to make clear that the treasurer of a political committee has ten days from the date of receipt of a contribution to either return it to the contributor or to deposit it in the committee's account. The revised section 103.3 also clarifies the procedures to be followed when a political committee receives a contribution which requires further information before it can be determined to be legal. See also 11 C.F.R. §§ 110.1(b)(5), 110.1(k), and 110.2(b)(5)(revised January 9, 1987).

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of those contributions, the Commission also decided to take no further action against 67 of the individuals. The Commission proceeded against the remaining ten individuals.8/

Analysis of the Committee's Reports of Receipts and Disbursements filed with the Commission reveals the Committee apparently accepted 70 direct excessive contributions from individuals, six excessive contributions in the form of letters of credit, one corporate contribution in the form of a letter of credit, and one excessive contribution that resulted from a failed investment plan. See infra Sections 2 and 3. The Committee has submitted documentation to show that most of the direct contributions have been reattributed or refunded, the letters of credit have been cancelled or recalled, and most of the contribution that resulted from the failed investment plan has also been refunded.

Of the 70 individual contributors, 14 received refunds. However, it took the Committee between 153 and 679 days, or an average of 263 days, to refund the excessive amounts. In its May 2, 1985 response to the interim audit report, the Committee

8/ On October 17, 1985, the Commission also found that the MEBA Political Action Fund had violated 2 U.S.C. § 441a(a)(2)(A), but later determined, on December 3, 1985, to take no further action regarding the PAC. (The Committee refunded the excessive amount from the PAC 21 months after receipt.) In regard to the remaining ten individuals, six are discussed in this report. As to the other four, the Commission has conciliated after finding probable cause to believe against one individual, Mark R. Weinberg; found no probable cause to believe against a second individual, Cecil Venturella; took no further action against a third individual, Adolph P. Schuman; and has conciliated prior to a finding of probable cause with a fourth individual, David D. Miller. In considering the circumstances of Mr. Venturella's contributions, the Commission found reason to believe that Mrs. Thelma Venturella, and not Mr. Venturella, had apparently made excessive contributions in violation of 2 U.S.C. § 441a(a)(1)(A). However, the Commission simultaneously determined to take no further action against her.

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provided reattribution forms from 42 of the 56 remaining individuals. However, none of these reattribution forms were dated. Therefore, it is not possible to determine how long it took the Committee to seek reattribution in these cases.

In any event, none of these reattributions were properly documented pursuant to 11 C.F.R. § 104.8(d)(1984), the regulation in effect at the time, to avoid the resulting excessive contributions. This regulation provides that if a single written instrument represents contributions from more than one person, all of the contributors must so indicate on the written instrument (check, money order, etc.), or on an accompanying written statement signed by all of the contributors, and must indicate the amount to be attributed to each contributor. 11 C.F.R. § 104.8(d)(1984).9/ If this requirement is not met, any contribution made by check, money order or other written instrument is attributed to the last person signing the instrument prior to delivery of the instrument to the candidate or committee. 11 C.F.R. § 104.8(c)(1984). See Advisory Opinions 1985-25, 1980-67 and 1980-11. The Commission's regulations state further that, "[f]or purposes of 11 C.F.R. § 100.7(a) and (b) [defining the term "contribution"], any contributions or payments made by a married individual shall not

9/ This regulation was amended in 1987. 52 Fed. Reg. 774 (January 9, 1987). The joint contribution provisions were moved from section 104.8(d) to new section 110.1(k). New section 104.8(d)(1) provides that committees report the amount to be attributed to each contributor if an itemized contribution is made by more than one person in a single written instrument. However, when the check or other writing is signed by all contributors but does not indicate the amount that should be attributed to each contributor, new section 110.1(k)(2) provides that the contribution will be attributed equally among the contributors. Section 104.8(c) remains unchanged.

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be attributed to that individual's spouse, unless otherwise specified by that individual or by the individual's spouse." 11 C.F.R. § 100.7(c)(1984).10/

In its response, the Committee does not dispute the finding that it accepted contributions which exceeded the aggregated $1,000 limit. The Committee stresses, however, that the number of excessives is small in comparison to the total number of contributions received, and that it exercised its best efforts to comply with the contribution limit and resolve all excessive contributions. See 11 C.F.R. § 103.3(b)(1)(1984). The Committee described a method of processing contributions in which each contribution was checked three times to avoid the acceptance of excessive amounts.

The Committee also made a detailed argument that a 30-day limit for making refunds and reattributions was unreasonable. According to the Committee's response, dated February 7, 1986, a Commission auditor had suggested, in a December 3, 1985 meeting with Committee officials, that "the Commission uses a requirement that such actions be taken within 30 days of receipt of the contribution." The Committee argued that the 30-day limit for making refunds and reattributions was inapplicable in this case because the Committee had no notice of the rule. The 30-day limit was discussed in AO 1985-25, which noted that the Commission first formulated the 30-day limit in MUR 1360, when it

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10/ The present regulation has been amended to conform with revised regulation 11 C.F.R. § 110.1(k).

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decided not to pursue violations of contribution limits where refunds were issued within a month of the committee's receipt of the contribution. That MUR was closed on February 3, 1983, and placed on the public record on March 10, 1983. Consequently, contrary to Respondent's assertion, the Committee did have at least some written notice of this standard. Futhermore, although the Commission has used 30 days as a guideline for refunds under certain circumstances (see AO 1985-25 and MUR 1360), the regulation in effect at the time of the events involved herein called for refund within a "reasonable" time. 11 C.F.R. § 103.3(b)(1984). The Cranston Committee took between 153 and 679 days to refund the excessive amounts. Therefore, the Committee did not make the refunds within a reasonable time.

Moreover, with regard to the reattributions, it is impossible to ascertain whether they were made within a reasonable time because they were undated. The only dates available for review are October 19, 1984, the date of the audit exit conference, and May 2, 1985, the date the Committee submitted its response to the interim audit report. Since all but one of the contributions in question were made during 1983, there is every indication that the reattributions were not made within a reasonable time.11/ It appears, therefore, that the Committee accepted $37,919.70 in excessive contributions in violation of 2 U.S.C. § 441a(f).

11/ One excessive contribution was made on February 8, 1984. Using the October 19, 1984 date rather than the May 2, 1985 date, it appears, nonetheless, that the reattribution was not made within a reasonable time.

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2. Excessive Contributions of Six Individuals and A Corporate Contribution in the Form of Irrevocable Letters of Credit

No person may make contributions to any candidate and his authorized political committee, with respect to any election for Federal office, which, in the aggregate, exceed $1,000. 2 U.S.C. § 441a(a)(1)(A). For purposes of the statute, a person includes any individual, partnership, or committee, other than a multicandidate committee. See 2 U.S.C. §§ 431(11) and 441a(a)(2). Also, it is unlawful for any corporation to make a contribution or expenditure in connection with any primary election or political convention or caucus held to select candidates for any political office. 2 U.S.C. § 441b(a). It is also unlawful for any candidate or political committee knowingly to accept corporate contributions. Id.

Section 431(8)(A)(i) of Title 2, United States Code, defines the term "contribution" to include any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office. See also 2 U.S.C. § 441b(b)(2). The term "loan" includes a guarantee, endorsement, and any other form of security. 11 C.F.R. § 100.7(a)(1)(i). A loan or guarantee which exceeds the contribution limitations of 2 U.S.C. § 441a and 11 C.F.R. Part 110 is unlawful whether or not it is repaid. 11 C.F.R. § 100.7(a)(1)(i)(A). Additionally, any loan is a

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contribution at the time it is made, and is a contribution to the extent that it remains unpaid. 11 C.F.R. § 100.7(a)(1)(i)(B). Sections 434(b)(2)(H) and 434(b)(3)(E) require that each political committee disclose the identification of each person who makes a loan to the Committee, the identification of any guarantor of such loan, as well as the date and amount or value of such loan.

As a prerequisite for providing telephone service, various telephone companies required the Committee to make security deposits. In lieu of actual deposits of money, the Committee provided the telephone companies with seven irrevocable letters of credit. 12/ Therefore, the letters of credit were clearly something of value to the Committee and constituted contributions. These letters of credit, totalling $104,600, were issued by banks as a result of individuals either pledging or depositing amounts equal to the value of each letter. Five individuals each provided a letter of credit. Another individual provided two letters of credit. All exceeded the contribution limits of 2 U.S.C. § 441a(a)(1)(A) and two individuals exceeded the limit of 2 U.S.C. § 441a(a)(3). Further, the Committee did not disclose this activity on its reports, in apparent violation of 2 U.S.C. §§ 434(b)(2)(H) and 434(b)(3)(E).

In the interim report, the Audit staff recommended that the Committee provide the current status of each letter of credit, as well as copies of the security agreements between the banks and the individuals who secured these letters of credit.

On May 2, 1985, the Committee responded to the audit report

12/ A letter of credit is an agreement between a bank and a customer, for the benefit of a third party, that the bank will honor drafts or other demands for payment made by the third party.

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that "none of the letters of credit provided to the telephone companies were ever drawn upon, and all telephone charges have been satisfied." Apparently, the Committee's position is that there were no contributions because the funds represented by the letters of credit were not spent. The response also stated that the Committee did not have copies of the security agreements. In addition, the Committee provided documentation verifying the closed status of each letter of credit.

The letters of credit should be viewed as contributions. The letters of credit had value to the Cranston Committee in that the telephone companies would have otherwise required the Cranston Committee to deposit its own funds in order to have telephone service started. Instead of using Committee funds, the Committee used the letters of credit as the deposits. This allowed the Committee to put its own funds to other uses, and thus the letters of credit had significant and real value for the Committee. Moreover, it appears that the amount of the contribution would be equal to the total amount deposited through the letters of credit by the individuals and the corporation. 13/

There were six individual guarantors. Charles Benton provided a letter of credit for $3,000. Mr. Benton also

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13/ The Commission received substantive responses on the letter of credit issue from two individual respondents, Mr. Sprague and Mr. Schwartz. The arguments set forth in these responses did not expand upon those previously made by the Committee in its responses.

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contributed $1,000 directly to the Committee. Therefore, it appears that Mr. Benton exceeded the $1,000 contribution limitation of section 441a(a)(1)(A).

Eleanor C. Fowle provided a $25,000 letter of credit. She also made a direct contribution of $1,000 to the Committee. Therefore, it appears that she exceeded the $1,000 contribution limit of section 441a(a)(1)(A), as well as the $25,000 annual contribution limit of section 441a(a)(3). (Ms. Fowle has since changed her name to Eleanor C. Cameron.)

Donald J. Hawley provided a $5,000 letter of credit and contributed $1,000 directly to the Committee. Therefore, it appears that he exceeded the $1,000 contribution limit of section 441a(a)(1)(A).

Raymond Lapin provided the Committee with a $15,000 letter of credit. He also contributed $1,000 directly to the Committee. Therefore, it appears that he exceeded the $1,000 contribution limitation of section 441a(a)(1)(A). The Committee's counsel has indicated, and we have confirmed, that Mr. Lapin died subsequent to receipt of the Commission's notification of reason to believe.

Bernard Schwartz provided the Committee with two letters of credit: one worth $35,000 and one worth $15,000. He also contributed $1,000 directly to the Committee. Therefore, it appears that he exceeded the $1,000 contribution limitation of section 441a(a)(1)(A), as well as the $25,000 annual contribution limitation of section 441a(a)(3).

David Sprague provided a $3,000 letter of credit to the Committee. He also contributed $490 directly to the Committee.

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Therefore, it appears that he exceeded the $1,000 contribution limitation of section 441a(a)(1)(A).

Finally, during the audit, the Committee provided a copy of another letter of credit, drawn on their behalf, to secure telephone services. It appears that this letter of credit (No. 116 - The First Women's Bank, New York) was drawn at the request of Marazul Tours, Inc., a corporation, for $3,600. In a letter to the telephone company, the Committee referred to the maker of this letter of credit as an individual, Francisco Aruca. It is now apparent that Mr. Aruca was, at that time, the president of the company and signed the letter on behalf of the corporation. This letter of credit appears to constitute a corporate contribution.

The Committee has argued that since these individuals and the corporation provided letters of credit at the Committee's request, they should not be held liable for any violations of the Act. Counsel for the Committee has proposed that the Committee take legal responsibility for any violations that occurred as the result of the provisions of these letters.14/ To that end, all seven respondents provided designations allowing the Committee's counsel to represent them in this matter.

The Committee provided the guarantors with assurances that the Commission would not consider the letters of credit to be contributions. The Cranston Committee provided a copy of a

14/ Although the Committee submitted a conciliation agreement consolidating the respondents, it was for discussion purposes and not for submission to the Commission. See Attachment 4.

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letter from attorney Stephen Daniel Keefe to respondents Sprague and Marazul Tours. (Mr. Keefe was the Committee's counsel at that time.) The letter incorrectly states that "[t]he General Counsel's Office of the FEC has indicated that it would not be a violation of contribution limitations for a person to pledge a letter of credit to secure services for the Cranston for President Committee. Provided that letter of credit was not called upon.... [t]his interpretation is not binding upon the FEC but provides helpful guidance in determining how letters of credit may be used."

Although the respondent individuals acted after receiving assurances from the Committee that providing the letters of credit would not result in a violation, the Office of General Counsel recommends that the Commission seek conciliation with the individuals for making, and the Committee for receiving the excessive contributions resulting from the letters of credit. This Office recommends, however, that the Commission proceed with conciliation under one agreement for the Committee and the individuals since counsel for the Committee has been designated counsel for the individuals as well. The proposed agreement provides for conciliation of the violation by both the individuals and the Committee and would be signed by counsel for respondents.

In the General Counsel's view, the corporation should be treated differently than the individuals. These letters of credit clearly constituted "something of value," or

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contributions. While the individuals violated the contribution limitations, they were otherwise allowed to make political contributions -- the corporation was not. This Office believes, therefore, that the Commission should proceed with a separate conciliation agreement on the making of a corporate contribution for Marazul Tours, Inc.

Marazul Tours, Inc. has requested, by letter dated November 22, 1985, conciliation prior to a finding of probable cause to believe. Moreover, during a recent telephone conversation with Commission staff, the corporation's counsel reiterated the corporation's willingness to conciliate at this time. Therefore, the Office of the General Counsel further recommends that the Commission grant the corporation's separate request for conciliation prior to a finding of probable cause to believe.

The Committee maintains that it was unaware that a corporation had provided a letter of credit on its behalf. The Committee states that it solicited assistance from individuals only, and not the corporation. The Committee further maintains that it did not realize that a corporation was involved until the New York telephone company provided copies of the cancelled letter of credit.

Included in the audit referral was a letter dated October 24, 1984, to New York Telephone from William M. Landau, Committee treasurer. In that letter, Mr. Landau asked that the

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telephone company send a letter to them "stating that the letter of credit in the amount of $3,600 drawn by Francisco Aruca was returned..." The Committee argues that this letter shows that it was unaware that the corporation, rather than an individual, provided the letter of credit and, therefore, is evidence that there was no knowing acceptance of a corporate contribution.

This argument lacks merit. The Committee was aware that it had received the benefit of the letter of credit, regardless of the provider. In order to meet the statutory standard, it is not necessary that the Committee know that the contribution was illegal. See John A. Dramesi for Congress v. FEC, 640 F. Supp. 985 (D.N.J. 1986) and FEC v. California Medical Association, 502 F. Supp. 196, 203 (N.D.Cal. 1980). But see Re-Elect Hollenbeck to Congress Committee v. FEC, No. 85-2239 (filed July 15, 1985). Indeed, the Committee had a duty to determine whether the contributions they received were legal. 11 C.F.R. § 103.3(b). In this particular situation, the Cranston Committee should have been aware, that the letters of credit could be considered contributions regardless of whether they were drawn upon. The Committee had the further responsibility to make sure that the resulting contributions were from a permissible source. The Committee could have prevented this particular violation by screening the letters of credit before they were presented to the telephone companies. Thus, it appears that the Committee knowingly accepted a corporate contribution.

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3. Commodities Transaction

a. Background

At an interim conference on August 30, 1984, Cranston Committee officials said that during December 1983, an individual approached the Committee with an opportunity to invest in the commodities market. Later, the Committee stated that Mr. Mark R. Weinberg approached Senator Cranston in the Fall of 1983 with the proposal. The Committee told the Commission audit staff that, after the candidate was approached by Mr. Weinberg, the Committee sought advice as to the legality of this type of investment. Although the Committee officials could not recall who gave them the advice, they were assured that this activity was legal. The Committee stated that the legal advice was not from the Commission nor was it in writing.

According to Michael Novelli, who was the Committee's Finance Chairman at that time, Mr. Weinberg set up a customer account and presented certain documents for signature to establish the business relationship. The Committee, however, has been unable to produce copies of these documents. According to Mr. Novelli and Sergio Bendixen, the Committee's campaign manager, Mr. Weinberg offered to raise the funds to be invested as contributions to the Committee. Once those contributions were received by the Committee, the funds were to be sent to Mr. Weinberg in the form of a check for the amount he had raised, made out to "Conti Commodity Services." After having received

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$9,000 in contributions solicited by Mr. Weinberg, the Committee, on December 15, 1983, provided a $9,000 check payable to the "Conti Commodity Service" for investment as agreed. This check, however, was never cashed.

In addition to the commodity investment plan, Mr. Weinberg volunteered to host a fundraising reception on January 30, 1984. As part of this effort, Mr. Novelli, Mr. Bendixen, and Senator Cranston spoke to Mr. Weinberg by telephone during the month of January to receive progress reports on the investments and the fundraiser. On January 24, 1984, the Committee received $15,000 by wire transfer. The Committee stated they believed that the $15,000 represented profits from its commodities investments. The receipt of the $15,000 was itemized on the disclosure report listing the Harris Bank in Chicago as the provider of the funds.

According to the Committee, Mr. Weinberg contacted them and related that an additional $30,000 in profit from the commodities trading was due them and would be forthcoming. However, there was a problem having the money released. Nevertheless, on February 8, 1984, the Committee received $30,000 by wire transfer. The receipt of the $30,000 was itemized on the disclosure report listing the commodities adviser, Mark Weinberg, as the person providing the funds.

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Further, Committee officials stated there was a conversation between Mr. Weinberg and a Committee staff member shortly after the Committee received the $30,000. It was during this conversation that Mr. Weinberg told the Committee that because of the problem of having the money released, he sent $30,000 of his personal funds to the Committee. Mr. Weinberg claimed the $30,000 was a loan to the Committee until the money was released. As a result of this conversation, the Committee stated that the next day they sent a $30,000 refund check to Mr. Weinberg.

The documentation available concerning the $30,000 refund consists of an unsigned letter dated February 8, 1984, which refers to, and purportedly accompanied, the refund. Committee records indicate that the refund check was issued on February 8, 1984, however, their check register disclosed that the account from which the check was drawn had a negative balance of $136,166.32 on the date the refund money was allegedly forwarded. Moreover, the Committee did not report a $30,000 refund to Mr. Weinberg on that date.

Because of concern regarding the source of the $45,000, the Committee's treasurer, Mr. Landau, met with Mr. Weinberg in Los Angeles, California on May 14, 1984. During that meeting, according to the Committee, Mr. Weinberg disclosed for the first time that both the $15,000 and the $30,000 wire transfers came from Mr. Weinberg's personal funds. Before this meeting, the Committee was apparently under the impression that the $15,000 wire transfer was a legitimate profit on its investment.

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During the May 14, 1984 meeting, Mr. Weinberg also disclosed for the first time why the $9,000 check was never cashed. He stated that he had intended to use the $9,000 to engage in commodities trading on behalf of the Committee. He did not use the money for this purpose, however, because he had been advised by his attorneys that it would have been illegal for him to do so. Instead, he apparently invested "for the Committee's account in his own name," using his own funds, and made a profit of $45,000. After making this profit, however, he was told by Conti that he could not transfer the profits to the Committee since he had traded in his own name.

On June 20, 1984, in their June Monthly FEC report, the Committee notified the Commission that $15,000 would be refunded to avoid a possible illegal contribution, that a check issued on February 8, 1984 refunding $30,000 to avoid a possibly illegal contribution had not been cashed promptly, and that the account on which the check was drawn no longer had any funds. This report disclosed two refunds of $5,000 each on May 19 and 23, 1984. The Committee said it would refund the balance as soon as it could raise the funds.

As of October 10, 1984, the Committee had refunded a total of $45,000 to Mr. Weinberg. The Committee's Quarterly FEC Reports revealed that the Committee reimbursed the balance of the excessive amount in installment payments of $5,000 each on June 12 and 28, July 3 and 10, 1984, and payments of $7,000 on September 1, and $8,000 on October 10, 1984. In addition to

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these contributions, Mr. Weinberg made a direct contribution of $1,000 to the Committee on November 4, 1983.

On July 20, 1987, the Commission approved the issuance of interrogatories to the Committee and to Mr. Weinberg concerning the commodities transactions. The Committee requested and received an extension of time to respond. The Committee submitted three separate responses on September 8, October 2, and December 4, 1987.

b. Legal Analysis

The Act provides that no person may make contributions to any candidate and his authorized political committee, with respect to any election for Federal office, which, in the aggregate, exceed $1,000. 2 U.S.C. § 441a(a)(1)(A). For purposes of the Act, the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(8)(A).

The $15,000 and the $30,000 wire transfers fall into this category. Since the $9,000 check was never cashed, the Committee received the $45,000 without cost or other consideration. Thus, the $9,000 capital investment made by Mr. Weinberg with his own personal funds should also be included in the excessive amount because it was an investment he made on behalf of the Committee. The investment saved the Committee $9,000, and therefore, it constituted a contribution by Mr. Weinberg to the Committee. It would appear, therefore, that Mr. Weinberg's contribution total

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should be increased by $9,000 to $55,000, or excessive contributions of $54,000 ($9,000 + $15,000 + $30,000).

The $9,000 was not included as a contribution in the audit referral or in the original reason to believe finding. The Commission did not have sufficient evidence, at that time, to conclude that Mr. Weinberg had paid the $9,000 on behalf of the Committee. The Committee's response to interrogatories, however, described a meeting in which Mr. Weinberg stated that he paid the $9,000 from his personal funds. The Committee states that before that meeting, it had no information regarding the disposition of the $9,000 check.

The Committee wrote its $9,000 investment check on December 15, 1983. By January 24, 1984, when the Committee received the $15,000, it may have been unaware that the $9,000 check had not been cashed. It is reasonable to presume, however, that in February, when the second payment of $30,000 arrived, the Committee knew or should have known that the $9,000 check had not been cashed since nearly two months had elapsed since it was issued.

Several facts concerning these transactions are worthy of note. The account on which the Committee allegedly wrote the $30,000 refund check had no funds on February 8, 1984, even though the Committee had deposited that amount from Weinberg on the same day. According to the Committee, there was an arrangement with its bank for the account on which the $30,000 check was written under which the Committee would cover the

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checks that were presented for payment on a day-to-day basis. However, according to the Committee's monthly reports, the Committee never reported the February $30,000 check as a refund.15/ It is possible that the check was never mailed, or may never have been issued.

The Committee argues that it reimbursed the initial $45,000 as quickly as it could. However, it took 140 days from January 24, 1984 to June 12, 1984 to reimburse the $15,000, and 245 days from February 8, 1984 to October 10, 1984 to reimburse the $30,000. (The Committee has not been informed that an additional $9,000 may have to be reimbursed.) While the reimbursement might have been made as quickly as the Committee could raise the funds, it was not done within a reasonable time.

In conclusion, therefore, the Committee accepted a total of $192,919.70 in excessive contributions in violation of 2 U.S.C. § 441a(f). That total consists of: $37,919.70 in refunded or reattributed contributions; $101,000 in returned letters of credit; and $54,000 in excessive advances from Mr. Weinberg.

C. Itemization of Contributions from Political Committees

Under 2 U.S.C. § 434(b)(3)(B), each report shall disclose the identification of each political committee which makes a contribution to the reporting committee during the reporting period, together with the date and amount of any such contribution.

15/ The Commission's regulations require committees to report an obligation "when payment is made," in other words, when the check is issued, not when it is cashed. See 11 C.F.R. § 104.11(b).

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The Audit staff reviewed the Committee's contribution records to determine whether all contributions from political committees were itemized on the Committee's disclosure reports. It was noted that 60 contributions from political committees totaling $20,309.09 were not itemized as required.

At the exit conference on October 19, 1984, the audit staff presented Committee officials with schedules of the unitemized contributions from political committees. In the interim audit report, the audit staff recommended that the Committee file a comprehensive amendment to correct the disclosure problems noted above. On May 2, 1985, the Committee amended its reports itemizing the contributions as required.

Nonetheless, on October 17, 1985, the Commission found reason to believe that the Committee violated 2 U.S.C. § 434(b)(3)(B) for failure to properly report contributions from political committees. 16/ This apparent violation is included in the attached proposed conciliation agreement.

D. Discussion of Conciliation Provisions and Civil Penalty for The Cranston for President Committee, Inc. and Marazul Tours, Inc.

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16/ The Commission also found reason to believe that the Committee violated 2 U.S.C. § 434(a). However, it would appear that section 434(a) was included in error as section 434(b) is the appropriate reporting citation. Therefore, the Office of General Counsel recommends that the Commission take no further action on its finding of reason to believe that the Committee violated 2 U.S.C. § 434(a).

III. RECOMMENDATIONS

1. Find reason to believe that the Cranston for President Committee, Inc. and William M. Landau, as treasurer, violated 2 U.S.C. § 441a(b)(1)(A), as adjusted by 441a(c), and approve and send the attached Factual and Legal Analysis.

2. Take no further action on the finding of reason to believe that the Cranston for President Committee, Inc. and William M. Landau, as treasurer, violated 2 U.S.C. § 434(a).

3. Enter into conciliation negotiations with the Cranston for President Committee, Inc. and William M. Landau, as treasurer, Bernard L. Schwartz, Eleanor C. Cameron, Donald J. Hawley, Charles Benton, and David A. Sprague prior to a finding of probable cause to believe and approve and send the attached letter and proposed conciliation agreement.

4. Enter into conciliation negotiations with Marazul Tours, Inc. prior to a finding of probable cause to believe, and approve and send the attached letter and proposed conciliation agreement for Marazul Tours, Inc.

5. Take no further action against Raymond Lapin, and approve and send the attached letter.

Date 12/13/88

Lawrence M. Noble
General Counsel

Attachments
1. Recap of Allocable Expenditures
2. Committee Response of March 1986--excerpts
3. Proposed letter to the Estate of Raymond Lapin
4. Committee Letter of December 24, 1985
5. Proposed letter and conciliation agreement--Marazul Tours, Inc.
6. Proposed letter and conciliation agreement--Cranston for President Committee, Inc., et al.
7. Proposed Factual and Legal Analysis--Cranston for President Committee, Inc.

Staff Person: Donna Wade Anderson

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Cranston for President Committee, Inc.	)	MUR 2073
William M. Landau, as treasurer,	)	
et al.	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of January 10, 1989, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2073:

1. Find reason to believe that the Cranston for President Committee, Inc. and William M. Landau, as treasurer, violated 2 U.S.C. § 441a(b)(1)(A), as adjusted by 441a(c), and approve and send the Factual and Legal Analysis attached to the General Counsel's report dated December 13, 1988.

2. Take no further action on the finding of reason to believe that the Cranston for President Committee, Inc. and William M. Landau, as treasurer, violated 2 U.S.C. § 434(a).

(continued)

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3. Enter into conciliation negotiations with the Cranston for President Committee, Inc. and William M. Landau, as treasurer, Bernard L. Schwartz, Eleanor C. Cameron, Donald J. Hawley, Charles Benton, and David A. Sprague prior to a finding of probable cause to believe and approve and send the letter and proposed conciliation agreement attached to the General Counsel's report dated December 13, 1988.

4. Enter into conciliation negotiations with Marazul Tours, Inc. prior to a finding of probable cause to believe, and approve and send the letter and proposed conciliation agreement for Marazul Tours, Inc., as recommended in the General Counsel's report dated December 13, 1988.

5. Take no further action against Raymond Lapin, and approve and send the letter as recommended in the General Counsel's report dated December 13, 1988.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

Jan 17, 1989
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 25, 1989

The Estate of
Mr. Raymond H. Lapin
2000 California Street
Apartment 306
San Francisco, CA 94109

RE: MUR 2073
Raymond H. Lapin

To Whom It May Concern:

On November 8, 1985, Mr. Lapin was notified that the Federal Election Commission found reason to believe that he had violated 2 U.S.C. § 441a(a)(1)(A).

After considering the circumstances of the matter, the Commission determined on January 10, 1989, to take no further action against him, and closed its file as it pertains to him. The file will be made part of the public record within 30 days after the matter has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

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

If you have any questions, please contact Donna Wade Anderson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 25, 1989

Harold Mayerson, Esquire
Mayerson & Zorn, P.C.
211 East 43rd Street
New York, New York 10017

RE: MUR 2073
Marazul Tours, Inc.

Dear Mr. Mayerson:

On October 17, 1985, the Federal Election Commission found resason to believe that your client, Marazul Tours, Inc., violated 2 U.S.C. § 441b(a). On January 10, 1989, the Commission rejected the proposal of the Cranston for President Committee, Inc. to accept full responsibility for the corporation's violation, and determined, at your request, to enter into negotiations 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 Donna Wade Anderson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 25, 1989

Bruce H. Turnbull, Esquire
Weil, Gotshal & Manges
1615 L Street, N.W.
Washington, D.C. 20036

Re: MUR 2073
Cranston for President
Committee, Inc. William M.
Landau, as treasurer, et al.

Dear Mr. Turnbull:

On October 17, 1985, the Federal Election Commission found reason to believe that your clients, the Cranston for President Committee, Inc., and William M. Landau, as treasurer, violated 2 U.S.C. §§ 434(a), 434(b)(2)(H), 434(b)(3)(B), 434(b)(3)(E), 441a(f), and 441b(a), 26 U.S.C. § 9035(a), and 11 C.F.R. § 106.2. On November 6 and 8, 1985, your clients Charles Benton, Bernard Schwartz, David Sprague, Donald J. Hawley, Eleanor C. Cameron, and Raymond Lapin were notified that the Commission found reason to believe that they had violated 2 U.S.C. § 441a(a)(1)(A).

On January 10 , 1989, the Commission also found reason to believe that your clients, Cranston Committee, and William M. Landau, as treasurer, violated 2 U.S.C. § 441a(b)(1)(A), as adjusted by section 441a(c). The Factual and Legal Analysis that formed the basis for this finding is attached for your information. Finally, the Commission determined to take no further action on the violation of 2 U.S.C. § 434(a).

At your request, on January 10 , 1989, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe with respect to the Committee, Mr. Landau, and five of the six individual respondents. The Commission determined to take no further action against Mr. Lapin's estate. The Commission, however, has rejected the Committee's request to enter into conciliation negotiations on behalf of Marazul Tours, Inc.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If your clients agree with the provisions of the enclosed agreement, please sign and

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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 Committee's agreement, if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, or if you have any questions regarding the other five respondents, please contact Donna Wade Anderson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

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OGC 2357
(FAX OGC 2347)
Mur 2073

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Jeffrey A. Schumacher
Steven H. Cohen
Eugene F. Zalek, Jr.
Jeffrey T. Gilbert
Linda L.R. Robison
Margaret O. Allison
Ellen T. McKnight
Brian D. Roche
Karl W. Krause, Jr.
Charles J. Ryan, Jr.
Carolyn H. Rosenberg Safer
Maureen A. Hosh
Paul E. Bateman
Michael A. LeVallo
Douglas R. Newkirk
Clifford J. Shapiro
Glen R. Cornblath
Ruth S. Flynn
M. Marshall Seeder
Melissa B. Pazack
Thomas J. Bamonte
Lisa A. Garoon
Matthew T. Gensburg
Joel N. Shapiro
Bruce W. Boyd
Frank D. Ballantine
Rebecca A. Cochran
Scott D. Gudmundson
Stuart J. Chanen
Carole C. Cooke
Seth M. Hamming
Andre L. Jackson
Mark A. Kaprelian
Constance L. Bauer
Steven A. Drizin
David Medow
Duane F. Sigelko
Cynthia A. Wilson
John N. Gallo
JoAnn C. Butler
Miriam I. Pickus
Steven L. Hamann
Ayesha S. Hakeem
Robert S. Rivkin
Christine M. Berry*
Bradley S. Schmarak
Bradley H. Lippitz
Howard Schickler
Judi A. Lamble
Gary S. Caplan
Brenda J. Rotz

OF COUNSEL
Jeffrey C. Rubenstein
Lewis Manilow
Leonard Jay Schrager
Richard C. Jones
Jules G. Cogan
Franklin G. Allen
Clinton A. Krislov
James A. Geocaris
Joseph Stein
Thomas E. Moran

*Admitted in Texas only

March 31, 1989

89 APR -3 PM 3:25
RECEIVED
FEDERAL ELECTION COMMISSION

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VIA TELECOPY

Jonathan Bernstein, Esq.
Federal Election Commission
General Counsel's Office
Room 657
999 E Street, N.W.
Washington, D.C. 20463

Dear Mr. Bernstein:

I enclose a letter from Charles Benton authorizing our firm to represent him in connection with the Senator Cranston Election Commission matter now pending before the Commission. This also will confirm the meeting we have set up for Wednesday morning, April 5th, at 10:00 A.M. in your office.

Sincerely,

Lowell E. Sachnoff

Lowell E. Sachnoff
for Sachnoff Weaver & Rubenstein, Ltd.

LES/ab

Enclosure

cc: Mr. Charles Benton
Bruce N. Turnbull, Esq.

RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION
89 APR -3 AM 11:05

March 27, 1989

Public Media Inc.
5547 N. Ravenswood Ave.
Chicago, Illinois 60640-1199
(312) 878-7300
Telex: 270333
FAX: 312/878-8648

Mr. Lowell Sachnoff
Sachnoff, Weaver & Rubenstein
30 S. Wacker Drive, Suite 2900
Chicago, IL 60606

Dear Lowell:

This will authorize you to represent me in connection with the Senator Cranston Campaign Committee matter now pending before the Federal Elections Commission.

Sincerely,

Charles Benton

89040753688

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Cranston for President Committee, Inc., and William M. Landau, as treasurer	)	
Senator Alan Cranston	)	MUR 2073
Bernard L. Schwartz	)	
Eleanor C. Cameron	)	
Donald J. Hawley	)	
Charles Benton	)	
David A. Sprague	)	
Marazul Tours, Inc.	)	

GENERAL COUNSEL'S REPORT

On January 10, 1989, the Commission found probable cause to believe that Senator Alan Cranston violated 26 U.S.C. § 9035(a) and approved a conciliation agreement. Also on that date, the Commission made an additional reason to believe finding against the Cranston for President Committee, Inc. and William M. Landau as treasurer ("the Committee"), and determined to enter into pre-probable cause conciliation with the Committee, Marazul Tours, Inc. and the remaining individuals. By letters dated January 24 and January 25, 1989, Respondents were notified of the Commission's determinations.

This Office is now close to agreement with counsel for Marazul Tours, Inc. and will report to the Commission shortly with respect to this Respondent. Furthermore, staff of this Office have met several times with one counsel who is representing Senator Cranston, the Committee, and the individuals. The ninety day maximum period for conciliation regarding Senator Cranston is due to expire on April 27, 1989. Although more than thirty days have elapsed since the Commission

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initiated pre-probable cause conciliation in this matter, negotiations are ongoing and resolution of the remaining areas of disagreement vis-a-vis these respondents may take place soon. Accordingly, this Office intends to continue these negotiations for an additional twenty days.

Date 3/28/89

Lawrence M. Noble
General Counsel

Staff assigned: Jonathan Bernstein

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OGC 2399

RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION

89 APR -7 PM 12:02

MAYERSON ZORN PÉREZ & KANDEL
ATTORNEYS AT LAW
211 EAST 43RD STREET
NEW YORK, NEW YORK 10017

HAROLD A. MAYERSON
JEAN G. ZORN
FRANKLYN PEREZ
RANDY FRANCIS KANDEL

MARY M. GRONQUIST**

*MEMBER NEW JERSEY BAR ONLY
**MEMBER NEW YORK & NEW JERSEY BARS

VICTOR M. GOODE*
MICHAEL STEVEN SMITH
OF COUNSEL

212 [illegible]

TELEX 230199 MZS

FAX 212 [illegible]

April 5, 1989

89 APR -7 PM 4:07

VIA FEDERAL EXPRESS

Mr. Jonathan Bernstein
Federal Election Commission
Washington, D.C. 20463

Dear Mr. Bernstein:

Enclosed are the Conciliation Agreement and Mr. Aruca's Affidavit. Please excuse the delay but Mr. Aruca was unavailable until this week. Please keep me posted on this matter.

Very truly yours,

MAYERSON ZORN PEREZ & KANDEL

By: _____
Harold A. Mayerson

ham/9
bernstein/el
Enclosure

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of Marazul Tours, Inc.) MUR 2073

FRANCISCO ARUCA, being duly sworn, deposes and says:

1. In 1984, I was the President of Marazul Tours, Inc., a New York based corporation. I am no longer affiliated with that company.

2. I make this affidavit in support of Marazul Tour's attempt to resolve the pending matter before the Federal Election Committee.

3. In 1984, I was approached by a representative of the Cranston for President Committee after I had indicated that I would like to help Senator Cranston's campaign. I was told by a representative of the Committee that they needed letters of credit to obtain telephone lines. I informed them that my company had good relations with our bank and that I did not see any problem with lending my company's name to the effort of the Committee. I was assured that the letter of credit would probably never be needed. I was informed, that a letter of credit from my company was legal. Had I known what I now know, I

would not have permitted the company I was the affiliated with use its credit on behalf of the Cranston Committee and would have used my own personal credit to assist the campaign to the extent permitted by law.

FRANCISCO ARUCA

Sworn to before me this
24 day of March, 1989.

Notary Public

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. MAR.26,1992
BONDED THRU GENERAL INS. UND.

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aruca3/el

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FEDERAL ELECTION COMMISSION
89 APR 11 PM 3:32

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of	)	
	)	
Marazul Tours, Inc.	)	MUR 2073
	)	
	)	

GENERAL COUNSEL'S REPORT

This matter involves, inter alia, a corporate letter of credit provided to the Cranston for President Committee, Inc. On April 7, 1989, this Office received a signed conciliation agreement submitted on behalf of respondent Marazul Tours, Inc. ("Marazul") in settlement of this matter (Attachment 1).

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RECOMMENDATIONS

1. Accept the attached conciliation agreement with Marazul Tours, Inc.

2. Close the file as it pertains to Marazul Tours, Inc.

2. Approve the attached letter.

Date 4/11/89

Lawrence M. Noble
General Counsel

Attachments
1. Signed conciliation agreement
(with cover letter and affidavit)
2.

3. Proposed letter

Staff assigned: Jonathan Bernstein

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Marazul Tours, Inc.	)	MUR 2073

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on April 14, 1989, the Commission decided by a vote of 5-0 to take the following actions in MUR 2073:

1. Accept the conciliation agreement with Marazul Tours, Inc., as recommended in the General Counsel's report signed April 11, 1989.

2. Close the file as it pertains to Marazul Tours, Inc.

3. Approve the letter, as recommended in the General Counsel's report signed April 11, 1989.

Commissioners Aikens, Elliott, Josefiak, McGarry, and Thomas voted affirmatively for the decision; Commissioner McDonald did not cast a vote.

Attest:

April 14, 1989
Date

Hilda Arnold
for Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary:	Tues.,	4-11-89,	3:32
Circulated on 48 hour tally basis:	Wed.,	4-12-89,	11:00
Deadline for vote:	Fri.,	4-14-89,	11:00

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plm

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 19, 1989

Harold A. Mayerson, Esquire
Mayerson Zorn Peres & Kandel
211 East 43rd Street
New York, NY 10017

RE: MUR 2073
Marazul Tours, Inc.

Dear Mr. Mayerson:

On April 14, 1989, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to Marazul Tours, Inc. This matter will become a part of the public record within 30 days after it has been closed with respect to all other respondents involved. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

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

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2073
Marazul Tours, Inc.	)	

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Marazul Tours, Inc. ("Respondent") violated 2 U.S.C. § 441b(a) by providing an irrevocable letter of credit for the benefit of the Cranston for President Committee, Inc.

NOW, THEREFORE, the Commission and the 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 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, Marazul Tours, Inc., is a New York corporation.

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2. Respondent provided New York Bell with a letter of credit with a face value of $3,600 for the benefit of the Cranston for President Committee, Inc.

3. Pursuant to 2 U.S.C. § 441b(a), no corporation may make a contribution or expenditure in connection with any election to any federal office.

4. For the purposes of section 441b(a), the term "contribution" includes any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value to any candidate. 2 U.S.C. § 441b(b)(2).

5. Letters of credit are something of value and constitute contributions.

V. Respondent contributed $3,600 to the Cranston for President Committee, Inc. in violation of 2 U.S.C. § 441b(a).

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Nine Hundred dollars ($900), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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VIII. Respondent admits all of the aforesaid and further states that the then President of the Company had been advised by the Cranston for President Committee that a letter of credit obtained by the corporation could permissibly be used by the Committee to meet its obligations to New York Bell. Respondent contends that had the Company President been properly advised he would not have used the credit of his corporation to obtain a letter of credit for the Committee.

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

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

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

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

Date 4/18/89

FOR THE RESPONDENT:

Secretary of the Corporation

Date 4/5/89

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89 MAY -3 PM 4:06

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of	)	
	)	
Cranston for President Committee, Inc.,	)	
William M. Landau, as treasurer	)	
Senator Alan Cranston	)	MUR 2073
Bernard L. Schwartz	)	
Eleanor C. Cameron	)	
Donald J. Hawley	)	
Charles Benton	)	
David A. Sprague	)	

GENERAL COUNSEL'S REPORT

I. **BACKGROUND**

Attached for Commission approval is a conciliation agreement which has been signed by counsel on behalf of the above-named respondents (Attachment 1).

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Acceptance of this conciliation agreement would result in the closing of the file in this matter. The Commission has brought suit against Mark Weinberg pursuant to 2 U.S.C. § 437g(a)(5)(D) to enforce the conciliation agreement entered into by Mr. Weinberg. FEC v. Weinberg, No. 89-416 (D.D.C. complaint filed February 15, 1989). This Office believes, though, that the pendency of this suit to enforce a conciliation agreement is no barrier to the closing and making public of the entire investigatory file in this matter.

II. RECOMMENDATIONS

1. Accept the attached conciliation agreement signed on behalf of Cranston for President Committee, Inc., William M. Landau, as treasurer, Senator Alan Cranston, Bernard L. Schwartz, Eleanor C. Cameron, Donald J. Hawley, Charles Benton, and David A. Sprague.

2. Close the file in this matter.

3. Approve the attached letters.

Date 5/3/87

Lawrence M. Noble
General Counsel

Attachments
1. Conciliation Agreement
2. Letters (includes sample of closing letter to other respondents)

Staff assigned: Jonathan Bernstein
Donna W. Anderson

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
	)	
Cranston for President Committee, Inc.,	)	MUR 2073
William M. Landau, as treasurer	)	
Senator Alan Cranston	)	
Bernard L. Schwartz	)	
Eleanor C. Cameron	)	
Donald J. Hawley	)	
Charles Benton	)	
David A. Sprague	)	
	)	

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CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 8, 1989, the Commission decided by a vote of 5-0 to take the following actions in MUR 2073:

1. Accept the conciliation agreement signed on behalf of Cranston for President Committee, Inc., William M. Landau, as treasurer, Senator Alan Cranston, Bernard L. Schwartz, Eleanor C. Cameron, Donald J. Hawley, Charles Benton, and David A. Sprague, as recommended in the General Counsel's report signed May 3, 1989.

2. Close the file in this matter.

(Continued)

3. Approve the letters, as recommended in the General Counsel's report signed Mny 3, 1989.

Commissioners Aikens, Elliott, Josefiak, McGarry, and Thomas voted affirmatively for the decision; Commissioner McDonald did not cast a vote.

Attest:

5-8-89
Date

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

Received in the Office of Commission Secretary:	Wed.,	5-3-89,	4:05
Circulated on 48 hour tally basis:	Thurs.,	5-4-89,	11:00
Deadline for vote:	Mon.,	5-8-89,	11:00

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 17, 1989

Bruce H. Turnbull, Esquire
Weil, Gotshal & Manges
1615 L Street, N.W.
Washington, D.C. 20036

RE: MUR 2073
Cranston for President Committee, Inc.,
William M. Landau, as treasurer, et al.

Dear Mr. Turnbull:

On May 8, 1989, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of your clients Cranston for President Commitee, Inc., William M. Landau, as treasurer, Senator Alan Cranston, Bernard L. Schwartz, Eleanor C. Cameron, Donald J. Hawley, Charles Benton, and David A. Sprague, in settlement of violations of 2 U.S.C. §§ 434(b)(2)(H), 434(b)(3)(B), 434(b)(3)(E), 441a(a)(1)(A), 441a(a)(3), 441a(b)(1)(A), 441a(f), and 441b(a), 26 U.S.C. § 9035(a), and 11 C.F.R. § 106.2. Accordingly, the file has been closed in this matter. This matter will become a part of the public record within 30 days. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty called for in the agreement is due thirty days from the date the Commission signs this agreement. If you have any questions, please contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

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OGC 2591

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Cranston for President Committee, Inc.,	)	MUR 2073
William M. Landau, as treasurer,	)	
Senator Alan Cranston, et al.	)	

FEDERAL ELECTION COMMISSION
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CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter the "Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that the Cranston for President Committee, Inc. (the "Cranston Committee" or the "Committee") and Respondent William M. Landau, as treasurer violated 26 U.S.C. § 9035, 2 U.S.C. §§ 434(a), 441a(b)(1)(A), and 441a(c), and 11 C.F.R. § 106.2, by under-allocating expenditures in Iowa and exceeding the expenditure limitation applicable under 2 U.S.C. § 441a(b)(1)(A). The Commission found reason to believe that Respondent Cranston Committee and Respondent Landau, as treasurer, violated 2 U.S.C. § 441a(f), by knowingly accepting contributions from 77 individuals and MEBA Political Action Fund in excess of the contribution limitations applicable under 2 U.S.C. § 441a(a). The Commission found reason to believe that Respondent Cranston Committee and Respondent Landau, as treasurer, violated 2 U.S.C. § 441a(f), by accepting excessive contributions in the form of letters of credit from six individuals, section 441b(a) by

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accepting a contribution from Marazul Tours, Inc., a corporation, in the form of a letter of credit, and section 434(b)(2)(H) and section 434(b)(3)(E), by failing to disclose the receipt of the letters of credit on the Committee's Reports of Receipts and Disbursements. The Commission found reason to believe that Bernard L. Schwartz, Eleanor C. Cameron, Donald J. Hawley, Charles Benton and David A. Sprague violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to Respondent Cranston Committee in the form of letters of credit. The Commission found reason to believe that Respondent Cranston Committee and Respondent Landau, as treasurer, violated 2 U.S.C. § 441a(f), by accepting an excessive contribution from Mark R. Weinberg in excess of the contribution limitations applicable under 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3). The Commission found reason to believe that Respondent Cranston Committee and Respondent Landau, as treasurer, violated 2 U.S.C. § 434(b)(3)(B) by failing to itemize on the Committee's Reports of Receipts and Disbursements 60 contributions from political committees.

The Commission found reason to believe and, subsequently, probable cause to believe that Respondent Senator Alan Cranston violated 26 U.S.C. § 9035(a) by incurring or making expenditures from his personal funds in connection with his campaign for the nomination for election to the Office of President in an aggregate amount exceeding $50,000.

NOW, THEREFORE, the Commission and Respondents, having participated in informal methods of conciliation prior to a

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finding of probable cause to believe, and, in the case of Respondent Senator Cranston, subsequent to a finding of probable cause, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents, 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. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

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

<u>Expenditures</u>

1. Respondent Cranston for President Committee, Inc. was the principal campaign committee for Senator Alan Cranston when he sought the nomination for election to the Office of President in 1984.

2. Respondent William M. Landau is the treasurer of Cranston for President Committee, Inc.

3. Respondents Cranston for President Committee, Inc. and William M. Landau, as treasurer, did not allocate to Iowa $200,192.71 in allocable expenses incurred with respect to that state.

4. Respondents Cranston for President Committee, Inc. and William M. Landau, as treasurer, incurred $791,461.99 in allocable expenses in Iowa. The 1984 Iowa state limitation was $684,537.50.

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Contributions

5. Respondents Cranston for President Committee, Inc. and William M. Landau, as treasurer, accepted contributions from 77 individuals in excess of $1,000.

6. Respondents Cranston for President Committee, Inc. and William M. Landau, as treasurer, accepted contributions from MEBA Political Action Fund, a multicandidate committee, in excess of $5,000.

7. Bernard L. Schwartz, Eleanor C. Cameron, Raymond Lapin, Donald J. Hawley, Charles Benton, David A. Sprague, and Mark R. Weinberg are individuals.

8. Marazul Tours, Inc. is a New York corporation.

9. The Act defines contribution to include any gift, subscription, loan, advance, deposit of money, or anything of value made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(8)(A)(i). Letters of credit constitute contributions within the meaning of 2 U.S.C. § 431(8)(A)(i).

10. Bernard L. Schwartz provided C&P Telephone with a letter of credit in the amount of $15,000 and Northwestern Bell with a letter of credit in the amount of $35,000 for the benefit of Respondent Cranston Committee and that same individual contributed an aggregate of $1,000 directly to the Committee in two separate contributions of $250 and $750.

11. Eleanor C. Cameron provided New England Bell with a letter of credit in the amount of $25,000 for the benefit of

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Respondent Cranston Committee, and also contributed $1,000 directly to the Committee.

12. Donald J. Hawley provided Pacific Bell with a letter of credit in the amount of $5,000 for the benefit of Respondent Cranston Committee, and also contributed an aggregate of $1,000 directly to the Committee in two separate contributions of $750 and $250.

13. Charles Benton provided Illinois Bell with a letter of credit in the amount of $3,000 for the benefit of Respondent Cranston Committee, and also contributed $1,000 directly to the Committee.

14. David A. Sprague provided Pacific Northwest Bell with a letter of credit in the amount of $3,000 for the benefit of Respondent Cranston Committee, and also contributed an aggregate of $490 directly to the Committee in three separate contributions of $250, $140, and $100.

15. Raymond Lapin provided Northwestern Bell with a letter of credit in the amount of $15,000 for the benefit of Respondent Cranston Committee, and also contributed an aggregate of $1,000 directly to the Committee in two separate contributions of $750 and $250.

16. Marazul Tours, Inc. provided New York Telephone with a letter of credit in the amount of $3,600 for the benefit of the Cranston for President Committee, Inc.

17. Respondents contend that the five individuals named in paragraphs 10-14 supplied the letters of credit in good faith reliance on advice from the counsel to the Committee

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(Stephen Daniel Keefe and Mark R. Fitzgerald) that these letters of credit were not contributions under the Act.

18. Respondents Cranston for President Committee, Inc. and William M. Landau, as treasurer, accepted contributions in the form of letters of credit from the six individuals and one corporation named in paragraphs 10-16.

19. Respondents Cranston for President Committee, Inc. and William M. Landau, as treasurer, also accepted direct contributions from these six individuals named in paragraphs 10-15.

20. Respondents Cranston for President Committee, Inc. and William M. Landau, as treasurer, accepted $45,000 in advances from Mark R. Weinberg as part of a commodities trading transaction. Although an arrangement was made between the Committee and Mr. Weinberg to raise campaign funds through commodities trading by Mr. Weinberg, in fact, funds contributed to the Committee were the personal funds of Mr. Weinberg. Mr. Weinberg also contributed $1,000 directly to the Committee.

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Reporting

21. Respondents Cranston for President Committee, Inc. and William M. Landau, as treasurer, failed to disclose on the Committee's Reports of Receipts and Disbursements its receipt of the letters of credit.

22. Respondents Cranston for President Committee, Inc. and William M. Landau, as treasurer, failed to itemize on the Committee's Reports of Receipts and Disbursements 60 contributions from political committees totalling $20,309.09.

The Candidate's Personal Expenditures
Subject to 26 U.S.C. § 9035(a)

23. Respondent, Senator Alan Cranston, was a candidate for the nomination for election to the Office of President in 1984.

24. Senator Cranston certified that he would not incur qualified campaign expenses in excess of the expenditure limitations prescribed by 26 U.S.C. § 9035 and 11 C.F.R. § 9035.

25. The Commission, on April 14, 1983, determined that Senator Cranston was eligible under 26 U.S.C. § 9033, to receive presidential primary matching funds under 26 U.S.C. § 9034.

26. Senator Cranston incurred obligations and made expenditures from his personal funds in the amount of $117,803.72 in connection with his campaign for nomination for election to the Office of President.

27. Senator Cranston's expenditures consisted of otherwise qualified campaign expenses incurred by him and charged on his personal American Express card; outstanding loans made to the Cranston for President Committee, Inc., his principal campaign committee; direct contributions to the Cranston Committee; telephone charges paid by Senator Cranston; and miscellaneous expenditures paid by him.

28. For those campaign-related bills that the Senator paid, the Committee did not reimburse him within a reasonable time after his requests for repayment.

29. For those campaign-related bills which were sent directly to the Committee, the Committee did not make payments on

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the Senator's personal American Express account within a reasonable time after the due date.

V. Violations

1. Pursuant to 11 C.F.R. § 106.2(a)(1), except for expenditures exempted under 11 C.F.R. § 106.2(c), expenditures incurred by a candidate's authorized committee for the purpose of influencing the nomination of that candidate for the office of President with respect to a particular state shall be allocated to that state. Respondents Cranston for President Committee, Inc. and William M. Landau, as treasurer, failed to properly allocate to Iowa $200,192.71 in allocable expenses incurred with respect to that state in violation of 11 C.F.R. § 106.2(a)(1).

2. Pursuant to 2 U.S.C. § 441a(b)(1)(A), a candidate receiving matching payments under the Presidential Primary Matching Payment Account Act may not make expenditures in any one state that exceed the greater of sixteen cents multiplied by the voting age population of that state or $200,000. Section 441a(c) of Title 2 provides for the adjustment of the limitations in section 441a(b) in accordance with the Consumer Price Index. Pursuant to 26 U.S.C. § 9035(a), a candidate shall not incur qualified campaign expenses in excess of the expenditure limitation of 2 U.S.C. § 441a(b)(1)(A). Pursuant to 2 U.S.C. § 431(9), expenditures include both payments made and written contracts, promises, or agreements to make expenditures. Respondents Cranston for President Committee, Inc. and William M. Landau, as treasurer, incurred $106,924.49 in expenses in excess

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of the 1984 Iowa state spending limitation, in violation of 2 U.S.C. §§ 441a(b)(1)(A) and 441a(c), and 26 U.S.C. § 9035(a).

3. Pursuant to 2 U.S.C. § 441a(f), no candidate or authorized political committees may knowingly accept any contribution in violation of the provisions of 2 U.S.C. § 441a. Pursuant to 2 U.S.C. § 441a(a)(1)(A), no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000. Pursuant to 2 U.S.C. § 441a(a)(3), no person shall make contributions aggregating more than $25,000 in any calendar year. Respondents Cranston for President Committee, Inc. and William M. Landau, as treasurer, knowingly accepted contributions in excess of the statutory limitations from Mark R. Weinberg, MEBA Political Action Fund, Raymond Lapin, and 77 individuals referred to in paragraph 5 of Section IV above, in violation of 2 U.S.C. § 441a(f). Bernard L. Schwartz and Eleanor C. Cameron made contributions in excess of the statutory limits set forth in 2 U.S.C. § 441a(a)(3). Bernard L. Schwartz, Eleanor C. Cameron, Donald J. Hawley, Charles Benton, and David A. Sprague made contributions to the Cranston Committee in excess of the statutory limits set forth in 2 U.S.C. § 441a(a)(1)(A). Respondents Cranston for President Committee, Inc. and William M. Landau, as treasurer, knowingly accepted these excessive contributions, in violation of 2 U.S.C. § 441a(f).

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4. Pursuant to 2 U.S.C. § 441b(a), no corporation shall make any contribution in connection with any election to any federal office, and no candidate or authorized political committees shall knowingly accept any contribution prohibited by this section. Respondents Cranston for President Committee, Inc. and William M. Landau, as treasurer, knowingly accepted a prohibited corporate contribution in the form of a letter of credit from Marazul Tours, Inc., in violation of 2 U.S.C. § 441b(a).

5. Pursuant to 2 U.S.C. §§ 434(b)(2)(H) and 434(b)(3)(E), each political committee must disclose the identification of each person who makes a loan to the committee, together with the identification of any guarantor of such loan, and the date and amount of such loan. Pursuant to 11 C.F.R § 100.7(a)(1)(i), the term "loan" includes a guarantee, endorsement, or any other form of security. Respondents Cranston for President Committee, Inc. and William M. Landau, as treasurer, failed to disclose the identification of persons who provided letters of credit to the Committee, and the dates of such guarantees, in violation of 2 U.S.C. §§ 434(b)(2)(H) and 434(b)(3)(E).

6. Pursuant to 2 U.S.C. § 434(b)(3)(B), each report of receipts and disbursements filed by a political committee must disclose the identification of each political committee which makes a contribution to the reporting committee, together with the date and amount of any such contribution. Respondents

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Cranston for President Committee, Inc. and William M. Landau, as treasurer, failed to disclose the identification of political committees that made contributions to Respondents and the dates of contributions from such political committees, in violation of 2 U.S.C. § 434(b)(3)(B).

7. Respondent Senator Alan Cranson incurred obligations and made expenditures in connection with his campaign for nomination for election to the Office of President in the amount of $117,803.72 or $67,803.72 in excess of the $50,000 limit, and the Committee did not reimburse the Senator for the excessive expenditures within a reasonable time in violation of 26 U.S.C. § 9035(a).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Fifty Thousand Dollars ($50,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

X. The individuals named herein agree that henceforth they shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §§ 431-455.

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

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

Date 5/16/89

FOR THE RESPONDENTS:

Bruce H. Turnbull
Bruce H. Turnbull, Esquire

April 27, 1989
Date

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CLOSED

May 26, 1989

Mr. W.K. Stewart
26415 Carmel Rancho Boulevard
Carmel, CA 93923

RE: MUR 2073
Cranston for President Committee, Inc.

Dear Mr. Stewart:

On October 17, 1985, the Commission determined that there was reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with contributions you made to the Cranston for President Committee, Inc. However, after considering the circumstances of this matter, the Commission determined to take no further action and closed its file as it pertained to you.

Since that time, on May 8, 1989, the Commission closed the file as to all respondents in this matter and the file will become part of the public record within 30 days. In closing the file, the Commission staff noted that you may not have received notification of the Commission's determination. To that end, I have enclosed a copy of the Commission Certification recording its finding as well as a copy of the Factual and Legal Analysis which formed a basis for the Commission's finding.

Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel. Should you have any questions, please contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Factual and Legal Analysis
Commission Certification of October 21, 1985

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plm

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Paul T. Linsk
7539 Rowena
San Diego, CA 92119

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Linsk:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Colin D. Matthews
2323 49th Street, N.W.
Washington, D.C. 20007

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Matthews:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Cecil Venturella and
Mrs. Thelma Venturella
19921 Avenue 312
Exeter, CA 93221

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. and Mrs. Venturella:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mrs. Lesley G. Sproul
P.O. Box 25845
Albuquerque, N.M. 87125

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mrs. Sproul:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Elmer C. Sproul
P.O. Box 25845
Albuquerque, N.M. 87125

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Sproul:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Mark Hasten
1115 West 57th Street
Indianapolis, IN 46260

RE: MUR 2073
Cranston for President
Committee, Inc.

8904075372 4

Dear Mr. Hasten:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Leonard Goldberg
11940 San Vincente Boulevard
c/o Brown, Kraft & Company
Los Angeles, CA 90049

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Goldberg:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Mark N. Filler
Filler, Goodine & How, PA
53 Exchange Street
Portland, ME 04101

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Filler:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Sandy Elster
One Westwind
Venice, CA 90291

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Elster:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Henry L. McIntyre
Three Embarcadero Center
San Francisco, CA 94111

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. McIntyre:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Arch MacDonald
1901 South Bascum Avenue
Campbell, CA 95008

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. MacDonald:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. David Fleischaker
P.O. Box 1178
2460 Tower
Oklahoma City, OK 73102

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Fleischaker:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Michael D. Derby, Treasurer
MEBA Political Action Fund
444 North Capitol Street
Suite 800
Washington, D.C. 20001

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Derby:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Alfred E. Heller
21 Tamal Vista Boulevard
Room 223
Corte Madera, CA 94925

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Heller:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mrs. Genevieve M. Rasor
15601 Montebello Road
Cupertino, CA 95014

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mrs. Rasor:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Michael Pallen
2809 Avenue L
Brooklyn, NY 11210

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Pallen:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Donald A. Spiegelman
3627 Serra Road
Malibu, CA 90265

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Spiegelman:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Abraham Dedios
2475 Calle Villada Circle
Duarte, CA 91010

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Dear Mr. Dedios:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

8904075736

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Victor Kamber
129 11th Street, S.E.
Washington, D.C. 20002

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Kamber:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. David D. Miller
P.O. Box 5996
Ontario, CA 91761

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Miller:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Maxwell H. Salter
804 North Linden Drive
Beverly Hills, CA 90210

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Salter:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Roy Erwin
P.O. Box 599
San Antonio, TX 78292

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Erwin:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Thomas F. McNamara
777 South Pebble Beach Drive
Crescent City, CA 95531

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. McNamara:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Frederick M. Nicholas
9454 Wilshire Boulevard
Suite 800
Beverly Hills, CA 90212

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Nicholas:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Bernard A. Osher
431 E. Strawberry Drive
Mill Valley, CA 94941

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Osher:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Bernard A. Rapaport
P.O. Box 208
Waco, TX 76703

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Rapaport:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Sanford D. Greenberg
600 New Hampshire Avenue, N.W.
Washington, D.C. 20037

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Greenberg:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Eric Lidow
233 Kansas Street
El Segundo, CA 90245

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Lidow:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Herbert M. Sandler
1970 Broadway, Suite 1000
World Savings and Loan
Association
Oakland, CA 94612

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Sandler:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

8904075537 47

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Charles E. Smith
1735 Jefferson Davis Highway
Arlington, VA 22202

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Smith:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Ms. Anna H. Bing
9700 West Pico Boulevard
Los Angeles, CA 90035

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Ms. Bing:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. A. A. Dunson
1215 Blake Street
Berkeley, CA 94702

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Dunson:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Abraham Feinberg
303 East 57th Street, Apt. 47G
New York, N.Y. 10022

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Feinberg:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Edmund A. Stanley, Jr.
P.O. Box 75
Oxford, MD 21654

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Stanley:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Ms. Lilian Levinson
P.O. Box 5149
Compton, CA 90224

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Ms. Levinson:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

8904075375 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mrs. Frances T. Shalant
14948 Camaroza Drive
Pacific Palisades, CA 90272

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mrs. Shalant:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Ellis Ring
5010 Santa Monica Boulevard
7th Floor, P.O. Box 2143
Santa Monica, CA 90406

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Ring:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

93040753755

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Samuel Y. Kaplan
801 N. Sierra Drive
Beverly Hills, CA 90210

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Kaplan:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. James A. Swofford
2244 Walnut Grove Avenue
Rosemead, CA 91770

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Swofford:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

8904075537 57

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Robert J. Walker
1492 Euclid Avenue
Berkeley, CA 94708

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Walker:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. L.S. Wyler
9460 Wilshire Boulevard
Beverly Hills, CA 90212

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Wyler:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

8904075375 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Ms. Geraldine Romeo
1159 Ellsworth Avenue
Bronx, NY 10465

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Ms. Romeo:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

8904075376 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. James W. Welch
2643 4th Avenue
San Diego, CA 92103

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Welch:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Ms. Miriam B. Butterworth
81 Sunset Farm Road
West Hartford, CT 06107

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Ms. Butterworth:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Victor Carter
10375 Wilshire Boulevard
Suite 2A
Los Angeles, CA 90024

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Carter:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Marvin Cooper
500 North Bay Road
Miami Beach, FL 33140

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Cooper:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

8904075376 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Frank C. Damrell, Jr.
911 13th Street
Modesto, CA 95354

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Damrell:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Adrian W. Dewind
345 Park Avenue
New York, NY 10154

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Dewind:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Ms. Emmy L. Levin
11070 Chula Vista Avenue
San Jose, CA 95127

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Ms. Levin:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

8904075 3767

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Ms. Mary W. Fleming
4111 Stanford Street
Chevy Chase, MD 20815

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Ms. Fleming:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

8904075376 8

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. T.K. Beard
800 N. Shaw Road
Stockton, CA 95205

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Beard:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Ms. Alexandra Hawkins
Broad and Walnut Streets
Philadelphia, PA 19109

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Ms. Hawkins:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

8904075370

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. N.F. Giordano
10370 Monte Mar Drive
Los Angeles, CA 90064

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Giordano:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

89040753771

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Robert H. Powsner
9777 Wilshire Boulevard
Beverly Hills, CA 90212

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Powsner:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Robert H. Rosenfield
150 S. Bentley
Los Angeles, CA 90049

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Rosenfield:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. David Wilstein
2050 Century Park East
Penthouse Suite
Los Angeles, CA 90067

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Wilstein:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

39040753774

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Maurice R. Commanday
1401 Via Gabriel
Palos Verdes, CA 90274

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Commanday:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

8904075375

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Michael C. Colton
5843 Bengal Court
San Diego, CA 92124

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Colton:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

8904075377 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Randolph P. Compton
53 Brookby Road
Scarsdale, NY 10583

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Compton:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. E.R. Lilienthal
2121 Broadway, No.5
San Francisco, CA 94115

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Lilienthal:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Michael A. Liberty
333 Shaker Road
Crystal Lake
Gray, ME 04039

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Liberty:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

R 9 0 4 0 7 5 3 7 7 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. W.R. Pagen
10000 Santa Monica Boulevard
Los Angeles, CA 90067

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Pagen:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

R 9 0 4 0 7 5 5 7 8 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Ronald B. Rapaport
20 Spring West
Williamsburg, VA 23185

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Rapaport:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Michael L. Bobrow
1001 Westwood Boulevard
Los Angeles, CA 90024

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Bobrow:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Ansel Adams
Route 1, Box 181
Carmel, CA 93923

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Adams:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

8904075378 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. Michael Elias
9100 Wilshire Boulevard
Suite 517
Beverly Hills, CA 90212

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Elias:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

89040755784

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Ms. Jeanne Welch
2643 4th Avenue
San Diego, CA 92103

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Ms. Welch:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

R904075375

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Ms. Phyllis Clem
39335 Vineland SP.97
Cherry Valley, CA 92223

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Ms. Clem:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

8904075378 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Mr. A.B. Lewis
Two Girard Plaza
Suite 1908
Philadelphia, PA 19102

RE: MUR 2073
Cranston for President
Committee, Inc.

Dear Mr. Lewis:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

8904075387

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1989

Harold A. Mayerson, Esquire
Mayerson, Zorn, Perez & Kandel
211 East 43rd Street
New York, NY 10017

RE: MUR 2073
Cranston For President
Committee, Inc.
Marazul Tours, Inc.

Dear Mr. Mayerson:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

R 9 0 4 0 7 5 3 7 9 8

OGC 2985

DAVID S. FLEISCHAKER
P.O. BOX 1178
OKLAHOMA CITY, OK 73101
405/235-8444

RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATION
89 JUN -8 AM 9:56

June 5, 1989

Federal Election Commission
Washington, D.C. 20463

Attn: Lawrence M. Noble, Esq.
General Counsel

Re: MUR 2073
Cranston for
President Committee
Inc.

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 JUN -8 PM 12:00

Dear Sir,

This is in response to your May 30, 1989 letter advising me that the file in this matter has been closed and inviting me to submit comments for the public record.

At no time did I intend to violate the Federal Election Commission's regulations. In fact, I was led to believe by the Cranston for President Committee that the contributions were legal and that the attribution memorandum prepared by that Committee were consistent with the Commission's regulations. Apparently they were not.

I regret that this matter occurred and can assure you that it will not happen again.

Very truly yours,

DSF:km

8904075378 9

06C 3053

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 JUN 14 AM 10: 26

WEIL, GOTSHAL & MANGES

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

767 FIFTH AVENUE
NEW YORK, N.Y. 10153
(212) 310-8000
TELECOPIER: (212) 310-8007
CABLE: WEGOMA
TELEX: ITT 424281
ITT 423144

1100 ONE MAIN PLACE
DALLAS, TEXAS 75202
(214) 746-7700
TELECOPIER: (214) 746-7777

1615 L STREET, N.W.
WASHINGTON, D.C. 20036
(202) 682-7000
TELECOPIER (202) 857-0939
(202) 857-0940
TELEX: ITT 440045

1600 REPUBLICBANK CENTER
700 LOUISIANA
HOUSTON, TEXAS 77002
(713) 546-5000
TELECOPIER: (713) 224-9511
TELEX: ITT 4620144

701 BRICKELL AVENUE
MIAMI, FLORIDA 33131
(305) 577-3100
TELECOPIER: (305) 374-7159

BRUCE H. TURNBULL
DIRECT LINE (202) 682-7070

June 14, 1989

CLOSED

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Dear Mr. Noble:

As discussed with Jonathan Bernstein, this letter is to request an extension of time (or its equivalent) for the payment of the civil penalty agreed upon in the conciliation agreement in MUR 2073. On behalf of the respondents Senator Alan Cranston, the Cranston for President Committee, Inc. ("Committee"), and William M. Landau, this request is for a period of at least thirty days.

The reasons for this request are essentially two. First, the Federal Election Commission acted much more quickly than had been expected in its approval of the conciliation agreement. The history of this matter suggested to my clients that this action would take somewhat longer than the two weeks that actually elapsed between my signing the agreement and the Commission's acceptance of it.

Second, raising funds for a 1984 Presidential campaign has proven, in the summer of 1989, to be an understandably difficult task. Thus, while the Committee expects to have on hand a significant portion of the civil penalty by the current "due date" (June 19, 1989), the remainder of the civil penalty may take a short additional period to raise.

89040753790

In part because of the special rules which apply to this situation, the Committee's fundraisers are confident that the additional amount can be raised with a short extension, and this request is made in order to allow that process to continue without unnecessary complication. Diligent efforts have already been made to raise the funds, with sufficient success to allow a partial payment by the current deadline and to assure that an extended deadline (of 30 additional days) will be met. Because of the difficulties involved, however, and as I explained to Mr. Bernstein, the purpose of this request is to allow the General Counsel's Office and the Committee to reach an agreement in advance of the absolute "last minute." Accordingly, I am available at your convenience to discuss any aspect of this request and look forward to your timely reply to it.

Thank you in advance for your consideration on this matter.

Sincerely,

Bruce H. Turnbull

Bruce H. Turnbull

cc: Jonathan Bernstein, Esq.

8904075537 91

WEIL, GOTSHAL & MANGES
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

1615 L STREET, N.W.
WASHINGTON, D.C. 20036
(202) 682-7000
TELECOPIER: (202) 857-0939
(202) 857-0940
TELEX: ITT 440048

767 FIFTH AVENUE
NEW YORK, N.Y. 10153
(212) 310-8000
TELECOPIER: (212) 310-8007
CABLE: WEGOMA
TELEX: ITT 424281
ITT 423144

901 MAIN STREET
SUITE 4100
DALLAS, TEXAS 75202
(214) 746-7700
TELECOPIER: (214) 746-7777

1600 FIRST REPUBLICBANK CENTER
700 LOUISIANA
HOUSTON, TEXAS 77002
(713) 546-5000
TELECOPIER: (713) 224-9511
TELEX: ITT 4620144

701 BRICKELL AVENUE
MIAMI, FLORIDA 33131
(305) 577-3100
TELECOPIER: (305) 374-7159

BRUCE H. TURNBULL
DIRECT LINE (202) 682-7070

June 20, 1989

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 JUN 19 PM 8:58
20 PM 12:40

8904075592

Jonathan Bernstein, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, NW
Room 657
Washington, DC 20463

Dear Mr. Bernstein:

Enclosed please find two checks, each in the amount of $10,000, as partial payment of the civil penalty due pursuant to the conciliation agreement between the Federal Election Commission and the Cranston for President Committee, Inc., et al. As we have discussed, additional funds to pay the balance are being raised as quickly as possible.

As you will note, the enclosed checks are dated June 23 and June 28, reflecting the time necessary to clear the checks deposited in the Committee's account. I am forwarding the checks today as demonstration of the respondents' good faith in fulfilling their obligations under the agreement, but the checks should not (obviously) be deposited until the dates indicated.

Let me know if you have any questions or problems with any of this. We had intended to have these checks to you yesterday, but ran into a glitch in getting them from New York to Washington.

Sincerely,

Bruce H. Turnbull

Bruce H. Turnbull

AT13:\99995\0058\89\06208911.230

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT
89 JUN 21 AM 9:02

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

June 21, 1989

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

SUBJECT: Request for Extension of Time in Which to Pay Civil Penalty in MUR 2073

On April 28, 1989, this Office received a signed conciliation agreement submitted on behalf of the Cranston for President Committee, Inc., Senator Alan Cranston, and several individuals. On May 8, 1989, the Commission accepted the agreement in settlement of this matter. The agreement provided for the payment of a $50,000 civil penalty, to be tendered "no more than thirty (30) days from the date [the] agreement becomes effective." Paragraph IX. Paragraph VIII states that the "agreement shall become effective as of the date that all parties hereto have executed same." Because the agreement was executed on behalf of the Commission on May 16, 1989, the civil penalty payment was due on June 15, 1989.

On June 14, 1989, after a telephone call the week before, this Office received a written request for an extension of time in which to make payment (Attachment 1). Counsel states that the Commission approved the signed agreement "much more quickly than had been expected," and cites the difficulty of raising funds for the civil penalty. Counsel also proposed partial payment by the due date as evidence of the Committee's good faith.*/ Counsel thus requests an extension of at least 30 days in which to tender payment of the entire penalty. On June 20, 1989, this Office received two checks totaling $20,000, as partial payment of the penalty (Attachment 2).

Because of the Committee's apparent good faith intention to quickly retire the balance of the penalty, this Office recommends the Commission grant an extension of 30 days and not attempt to avail itself of other remedies at this time. The attached proposed letter (Attachment 3), however, makes clear that the Respondents agreed to pay the civil penalty within 30 days of the

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*/ The submission describes the "current 'due date'" as June 19, 1989. Staff of this Office contacted counsel for clarification of this discrepancy and he explained that he arrived at this date through an honest error in calculation.

8 9 0 4 0 7 5 3 7 9 3

agreement's execution, and that no further extension will be granted. Should the Respondents not comply with the agreement under the time period as extended, further recommendations will be forthcoming.

RECOMMENDATIONS

1. Grant the request of the Cranston for President Committee Inc., et al., for an extension of 30 days until July 17, 1989 in which to pay the civil penalty provided at Paragraph VI of the conciliation agreement executed May 16, 1989 in this matter.

2. Approve the attached letter.

Attachments
1. Request for extension
2. Partial payment
3. Proposed letter

8904075379 4

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Cranston for President Committee, Inc.,	)	MUR 2073
William M. Landau, as treasurer, et al.	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 23, 1989, the Commission decided by a vote of 5-0 to take the following actions in MUR 2073:

1. Grant the request of the Cranston for President Committee Inc., et al., for an extension of 30 days until July 17, 1989 in which to pay the civil penalty provided at Paragraph VI of the conciliation agreement executed May 16, 1989 in this matter.

2. Approve the letter, as recommended in the General Counsel's memorandum to the Commission dated June 21, 1989.

Commissioners Aikens, Elliott, Josefiak, McGarry and Thomas voted affirmatively for the decision; Commissioner McDonald did not cast a vote.

Attest:

June 23, 1989
Date

Hella Arnold
for Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary:	Wed.,	6-21-89,	9:02
Circulated on 48 hour tally basis:	Wed.,	6-21-89,	4:00
Deadline for vote:	Fri.,	6-23-89,	4:00

R9040753795

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 27, 1989

Bruce H. Turnbull, Esquire
Weil, Gotshal & Manges
1615 L Street, N.W.
Washington, D.C. 20036

RE: MUR 2073
Cranston for President Committee, Inc.,
William M. Landau, as treasurer, et al.

Dear Mr. Turnbull:

On May 8, 1989, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of your clients Cranston for President Committee, Inc., William M. Landau, as treasurer, Senator Alan Cranston, Bernard L. Schwartz, Eleanor C. Cameron, Donald J. Hawley, Charles Benton, and David A. Sprague. Paragraph VI of that agreement provided for the payment of a $50,000 civil penalty, and Paragraph IX required such payment to be tendered "no more than thirty (30) days from the date this agreement becomes effective." Paragraph VIII states that the "agreement shall become effective as of the date that all parties hereto have executed same." Because I executed the agreement for the Commission on May 16, 1989, the civil penalty payment was due on June 15, 1989. On June 20, 1989, we received two post-dated checks totaling $20,000, in partial payment of the civil penalty.

The Commission has considered your request dated June 14, 1989 for an extension of time in which to tender the balance of the penalty. In view of the payment already received and the particular circumstances involved, the Commission has agreed to an extension of 30 days for your clients to comply fully with the conciliation agreement entered into in this matter. Accordingly, the balance of the penalty will be due on July 17, 1989.

The Commission notes, however, that the agreement you executed on behalf of your clients required compliance within 30 days. Accordingly, no further extension will be granted.

If you have any questions, please contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

8 9 0 4 0 7 5 3 7 9 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2073

DATE FILMED 6/29/89 CAMERA NO. 3

CAMERAMAN AS

8904075397

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

THE FOLLOWING MATERIAL IS BEING ADDED TO THE

PUBLIC RECORD IN (CLOSED) MUR 2073

2 2 1 4 0 7 6 3 7 4

OGC 3288

WEIL, GOTSHAL & MANGES

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

767 FIFTH AVENUE
NEW YORK, N.Y. 10153
(212) 310-8000
TELECOPIER: (212) 310-8007
CABLE: WEGOMA
TELEX: ITT 424281
ITT 423144

901 MAIN STREET
SUITE 4100
DALLAS, TEXAS 75202
(214) 746-7700
TELECOPIER: (214) 746-7777

1615 L STREET, N.W.
WASHINGTON, D.C. 20036
(202) 682-7000
TELECOPIER: (202) 857-0939
(202) 857-0940
TELEX: ITT 440045

1600 FIRST REPUBLICBANK CENTER
700 LOUISIANA
HOUSTON, TEXAS 77002
(713) 546-5000
TELECOPIER: (713) 224-9511
TELEX: ITT 4620144

701 BRICKELL AVENUE
MIAMI, FLORIDA 33131
(305) 577-3100
TELECOPIER: (305) 374-7159

BRUCE H. TURNBULL
DIRECT LINE (202) 682-7070

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 JUL -3 AM 10:01

June 20, 1989

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 JUN 19 PM 8:53

Jonathan Bernstein, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, NW
Room 657
Washington, DC 20463

Dear Mr. Bernstein:

Enclosed please find two checks, each in the amount of $10,000, as partial payment of the civil penalty due pursuant to the conciliation agreement between the Federal Election Commission and the Cranston for President Committee, Inc., et al. As we have discussed, additional funds to pay the balance are being raised as quickly as possible.

As you will note, the enclosed checks are dated June 23 and June 28, reflecting the time necessary to clear the checks deposited in the Committee's account. I am forwarding the checks today as demonstration of the respondents' good faith in fulfilling their obligations under the agreement, but the checks should not (obviously) be deposited until the dates indicated.

Let me know if you have any questions or problems with any of this. We had intended to have these checks to you yesterday, but ran into a glitch in getting them from New York to Washington.

Sincerely,

Bruce H. Turnbull

Bruce H. Turnbull

Check:
Deposit on receipt
6/23
6/28

AT13:\99995\0058\89\06208911.230

CLOSED

THIS CHECK IS DELIVERED FOR PAYMENT ON THE FOLLOWING ACCOUNTS

DATE		AMOUNT	
TOTAL OF INVOICES			
LESS % DISCOUNT			
LESS			
TOTAL DEDUCTIONS			
AMOUNT OF CHECK			

CRANSTON FOR PRESIDENT
COMMITTEE INC.
D.M.A.

1038

1 32/210

6/23 1989

PAY TO THE ORDER OF US Treasury $10,000.00

Ten thousand DOLLARS

National Westminster Bank USA
Seventh Avenue Office
Seventh Ave at 38th St
New York NY 10018

CRANSTON FOR PRESIDENT
COMMITTEE INC. D.M.A.

By Auth Sig

⑈001038⑈ ⑆021000322⑆ 2634 24 2020⑈

CEC 3283

MEMORANDUM

TO: DEBRA A. TRIMIEW

FROM: CHERYL T WILLIAMS

TO: CHERYL T WILLIAMS

FROM: DEBRA A. TRIMIEW

CHECK NO. 1038 { A COPY OF WHICH IS ATTACHED } RELATING TO

MUR 2073 (Barnstein) AND NAME Cranston for President Cmte., Inc.

WAS RECIEVED ON 7/3/89. PLEASE INDICATE THE ACCOUNT INTO WHICH IT SHOULD BE DEPOSITED:

/ / BUDGET CLEARING ACCOUNT { 95F3875.16 }

/ ✓ / CIVIL PENALTIES ACCOUNT { 95-1099.160 }

/ / OTHER

SIGNATURE Debra A. Trimiew DATE 7/6/89

THIS CHECK IS DELIVERED FOR PAYMENT ON THE FOLLOWING ACCOUNTS

DATE		AMOUNT	
TOTAL OF INVOICES			
LESS % DISCOUNT			
LESS			
TOTAL DEDUCTIONS			
AMOUNT OF CHECK			

CRANSTON FOR PRESIDENT COMMITTEE INC. D.M.A.

1039

CLOSED

1 32/210

1/28 1989

PAY TO THE ORDER OF U S Treasury $10,000.00

Ten Thousand DOLLARS

National Westminster Bank USA

Seventh Avenue Office
Seventh Ave at 38th St
New York N.Y. 10018

CRANSTON FOR PRESIDENT COMMITTEE INC D.M.A.

By Auth Sig

⑈001039⑈ ⑆021000322⑆ 2634 24 2020⑈

OGC 3288

MEMORANDUM

TO: DEBRA A. TRIMIEW

TO: CHERYL T WILLIAMS

FROM: CHERYL T WILLIAMS

FROM: DEBRA A. TRIMIEW

CHECK NO. 1039 { A COPY OF WHICH IS ATTACHED } RELATING TO

MUR 2073 (Bernstein) AND NAME Cranston For President Committee, Inc.

WAS RECIEVED ON 7/3/89. PLEASE INDICATE THE ACCOUNT INTO WHICH IT SHOULD BE DEPOSITED:

/ / BUDGET CLEARING ACCOUNT { 95F3875.16 }

/ ✓ / CIVIL PENALTIES ACCOUNT { 95-1099.160 }

/ / OTHER

SIGNATURE Debra A. Trimiew DATE 7/6/89

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

June 28, 1989

Mark R. Weinberg
10880 Wilshire Boulevard
Suite 2004
Los Angeles, CA 90024

RE: MUR 2073

Dear Mr. Weinberg:

This is to advise you that the file compiled in the investigation of this matter has now been closed and will become part of the public record. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

This notice does not in any manner affect the pending litigation concerning your failure to comply with the terms of the conciliation agreement in the above-captioned matter.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

9 3 0 4 0 7 6 5 9 3 3

06C 3470

WEIL, GOTSHAL & MANGES

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

767 FIFTH AVENUE
NEW YORK, N.Y. 10153
(212) 310-8000
TELECOPIER: (212) 310-8007
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HOUSTON, TEXAS 77002
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TELEX: ITT 4620144

701 BRICKELL AVENUE
MIAMI, FLORIDA 33131
(305) 577-3100
TELECOPIER: (305) 374-7159

BRUCE H. TURNBULL
DIRECT LINE (202) 682-7070

July 17, 1989

Jonathan Bernstein, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, NW
Room 657
Washington, DC 20463

Dear Mr. Bernstein:

Enclosed please find a check in the amount of $30,000 to complete the payment of the civil penalty agreed upon in the conciliation agreement between the Cranston for President Committee, Inc., William M. Landau, Treasurer, and Senator Alan Cranston.

Please let me know if there are any questions or problems with this payment or any other matter related to this conciliation agreement.

Sincerely,

Bruce H. Turnbull

Bruce H. Turnbull

RECEIVED
FEDERAL ELECTION COMMISSION
89 JUL 20 PM 3:35

CLOSED

THIS CHECK IS DELIVERED FOR PAYMENT ON THE FOLLOWING ACCOUNTS

DATE		AMOUNT	
	TOTAL OF INVOICES		
LESS	% DISCOUNT		
LESS			
	TOTAL DEDUCTIONS		
	AMOUNT OF CHECK		

CRANSTON FOR PRESIDENT
COMMITTEE INC.
D.M.A.

1041

1 32/210

7/13 1989

PAY TO THE ORDER OF US Treasury Dept $30,000.00

Thirty Thousand & 00/100 DOLLARS

National Westminster Bank USA

Seventh Avenue Office
Seventh Ave at 38th St
New York N.Y. 10018

CRANSTON FOR PRESIDENT
COMMITTEE INC. D.M.A.

By Auth Sig

⑈001041⑈ ⑆021000322⑆ 2634 24 2020⑈

06C 3475

MEMORANDUM

TO: DEBRA A. TRIMIEW

FROM: CHERYL T WILLIAMS

TO: CHERYL T WILLIAMS

FROM: DEBRA A. TRIMIEW

CHECK NO. 1041 { A COPY OF WHICH IS ATTACHED } RELATING TO

MUR 2073 (Reinstatement) AND NAME Cranston for President Cmte., Inc.

WAS RECIEVED ON 7/19/89. PLEASE INDICATE THE ACCOUNT INTO

WHICH IT SHOULD BE DEPOSITED:

/ / BUDGET CLEARING ACCOUNT { 95F3875.16 }

/ ✓ / CIVIL PENALTIES ACCOUNT { 95-1099.160 }

/ / OTHER

SIGNATURE Debra A. Trimiew DATE 7/20/89

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 2073.

9004070363 4

OGC 2985

DAVID S. FLEISCHAKER
P.O. BOX 1178
OKLAHOMA CITY, OK 73101
405 235 8444

89 JUN -8 AM 9:56

June 5, 1989

Federal Election Commission
Washington, D.C. 20463

Attn: Lawrence M. Noble, Esq.
General Counsel

Re: MUR 2073
Cranston for
President Committee
Inc.

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 JUN -8 PM 12:56

Dear Sir,

This is in response to your May 30, 1989 letter advising me that the file in this matter has been closed and inviting me to submit comments for the public record.

At no time did I intend to violate the Federal Election Commission's regulations. In fact, I was led to believe by the Cranston for President Committee that the contributions were legal and that the attribution memorandum prepared by that Committee were consistent with the Commission's regulations. Apparently they were not.

I regret that this matter occurred and can assure you that it will not happen again.

Very truly yours,

David Fleischaker

DSF:km

9004070365