FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 211

Date Filmed 6/28/79 Camera No. --- 2

Cameraman J.A.Q.

9040135132

FEDERAL ELECTION COMMISSION

Memoeanda

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

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

Signed Miriam Aguiar

date 6/12/79

FEC 9-21-77

7904013513 3

ACC# 10235

COFFEY, McGOVERN, NOEL AND NOVOGROSKI
ATTORNEYS AT LAW
15 WESTMINSTER STREET
PROVIDENCE, R. I. 02903

JOHN S. COFFEY
CHARLES J. McGOVERN
PHILIP W. NOEL
ARTHUR NOVOGROSKI

JUSTIN P. McCARTHY
JOHN S. COFFEY, JR.
KENNETH R. NEAL
STEPHEN C. HANLEY
ALEXANDER S. WALSH
RUSSELL R. SICARD

TELEPHONE
274-1144

RECEIVED
FEDERAL ELECTION
COMMISSION

'79 MAY 25 PM 1:00

May 23, 1979

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

902470

Re: MUR 211 (76)

Dear Mr. Oldaker:

In accordance with your letter of April 20, 1979, I have enclosed a check made payable to the Treasury of the United States in the amount of $2000.00. If you have any questions please contact me.

Very truly yours,

Philip W. Noel

Philip W. Noel

pwn:vtc
enclosure

79040135134

9040135135

RHODE ISLAND HOSPITAL TRUST NATIONAL BANK

SECRETARY'S CHECK

No. 0169718

57-33
115

PAY TO THE ORDER OF Treasury of the United States

R.I. HOSPITAL TRUST N.B. 2000 dols 00 cts

DATE May 23, 1979

$ 2,000.00

REMITTER Philip W. Lee

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

RHODE ISLAND HOSPITAL TRUST NATIONAL BANK
PROVIDENCE, RHODE ISLAND

⑈4516971⑈8⑈ ⑆011500337⑆ 000 002444⑈

EY. McGOVERN, NOEL AND NOVOGROSKI
ATTORNEYS AT LAW
15 WESTMINSTER STREET
PROVIDENCE, RHODE ISLAND 02903

7904013516

PROVIDENCE, RI 029
PM
23 MAY
1979
RECEIVED
FEDERAL ELECTION
COMMISSION

'79 MAY 25 PM 1:00

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

April 20, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Governor Philip W. Noel
Coffey, McGovern, Noel & Novogoroski
15 Westminster Street
Providence, Rhode Island 02903

Re: MUR 211(76)

Dear Governor Noel:

On April 18, 1979, the Commission voted to approve the April 11, 1979 conciliation agreement. As stipulated in the agreement, the $2,000 civil penalty must be paid within 30 days. Upon payment of the civil penalty this matter will be closed.

Should you have any questions regarding the agreement or payment of the penalty, please contact Lester Scall at (202)523-4166.

Sincerely,

William C. Oldaker
General Counsel

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

19040135137

BEFORE THE FEDERAL ELECTION COMMISSION
APRIL 10, 1979

In the Matter of	)	
	)	MUR 211 (76)
Philip W. Noel	)	

CONCILIATION AGREEMENT

This matter has been initiated by notarized complaints filed with the Federal Election Commission on July 31, 1976 and August 3, 1976, an investigation has been conducted and the Commission has found reasonable cause to believe that Philip W. Noel, ("Respondent") violated 18 U.S.C. Sec.610 (now 2 U.S.C. Sec.441b) and 2 U.S.C. Sec. 434.

NOW, THEREFORE, the respective parties herein, the Federal Election Commission and Philip W. Noel, having duly entered into conciliation as provided for in 2 U.S.C. Sec. 437g (a)(5), do hereby agree as follows:

I. The Federal Election Commission has jurisdiction over the parties 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. The pertinent facts in this matter are as follows:

A. Respondent was a candidate for the United States Senate from Rhode Island in the primary election held on September 14, 1976. Respondent announced his candidacy in February 1976.

B. John D. Lynch served as Chairman of Respondent's federal finance committee and was responsible for raising funds and the payment of campaign expenses.

7904013538

C. Respondent was the Governor of the State of Rhode Island from January 1973 through January 8, 1977.

D. John D. Lynch served as Chairman of Respondent's finance committee during the years 1966 through 1975 when Respondent ran for Mayor and later Governor of the State of Rhode Island. Serving in this capacity, it was customary for John D. Lynch to hold fundraisers and testimonials in the name of the Respondent, in the name of the Democratic Party, and joint fundraisers in the name of the Respondent and other Democratic candidates for public office. The major portion of all funds so raised was expended by John Lynch in payment of Respondent's campaign expenses and the remaining portions of those funds were used to pay the campaign expenses of the Democratic Party and other Democratic candidates. Two of these fundraisers are relevant to the allegations raised in the complaints which initiated this matter, and the facts are as follows:

1. A testimonial fundraiser was held on March 4, 1975 by John D. Lynch in Respondent's name. Respondent received $40,651.25 from this fundraiser which included corporate and union contributions. These funds were deposited in the Philip W. Noel '75 Office Account ("Noel Office Account" #17 211 1) at the Citizen's Bank, Providence, Rhode Island. The account had been opened by John Lynch.

79040135139

2. Although Respondent did not authorize the establishment of this account and was not authorized to draw funds from said account, Respondent knew that the funds would be used by John Lynch to pay bills remaining from Respondent's November, 1974 election campaign and to pay campaign bills incurred by other candidates in that election.

3. A Noel-Garrahy Committee was formed, with John D. Lynch as Treasurer, to organize a joint fundraiser on December 4, 1975 for Respondent and Lt. Governor Joseph P. Garrahy.

a. On October 23, 1975, checking account #05 865 3 ("checking account") was opened in the name of the Noel-Garrahy Committee at the Citizen's Bank, Providence, Rhode Island.

b. On December 2, 1975, savings account #43 438093 (Noel-Garrahy savings account) was opened in the name of the Noel-Garrahy Committee at the Citizen's Bank, Providence, Rhode Island.

c. Receipts from the December 4th fundraiser totalled $96,315.00. Of this total, $41,665.00 was deposited in the checking account and $54,650.00 was deposited in the Noel-Garrahy savings account.

d. Expenses for the December 4th fundraiser totalled $18,613.81 and were paid for entirely from the checking account. On January 9, 1976, the balance in the checking account stood at $23,051.19.

7904013514 0

e. Mr. Lynch calculated the share of net proceeds due Lt. Governor Garrahy from the December 4th fundraiser to be $38,950.00. Therefore, on January 9, 1976, Mr. Lynch issued a check, drawn on the checking account, to the Garrahy for Governor Committee ("Garrahy Committee") for $38,950.00.

f. To cover this check, Mr. Lynch made a deposit to the checking account on January 14, 1976, of $15,899.31 which consisted of $2,583.42 from the Noel-Garrahy savings account, and a check for $13,315.89 drawn on the Noel Office Account.

g. The result of these transactions was that the $13,315.89 from the Noel Office Account was transferred to the Garrahy Committee in exchange for an equivalent amount of individual contributions received through the December 4th fundraiser which otherwise would have gone to the Garrahy Committee. Thus, on January 14, 1976, the Noel-Garrahy savings account showed a balance of $52,066.58.

E. Respondent organized a Noel for U.S. Senate Committee (Senate Committee) with John D. Lynch as Treasurer.

1. On February 26, 1976, the Committee opened a Noel for Senate checking account in the Citizen's Bank, Providence, Rhode Island (account #0015 0012 05 262 0). All expenses for Respondent's Senate campaign were paid by check drawn on this account.

7904013514

2. On July 1, 1976, the balance of the Noel-Garrahy savings account plus accrued interest (for a total of $53,442.75) was transferred to an account entitled the Noel for U.S. Senate Committee savings account in the Citizen's Bank, Providence, Rhode Island (#45 404 544). On October 1, 1976, John D. Lynch transferred $39,753.42 from the Senate Committee savings account to the Noel for Senate checking account, while $14,390.77 remained in the Senate Committee savings account.

3. On July 14, 1977, the Noel for U.S. Senate Committee transferred to the Respondent $14,964.88 from the Noel for U.S. Senate Committee savings account. These funds have not been used in connection with any Federal Election.

IV. 18 U.S.C. Sec. 610 (now 2 U.S.C. Sec. 441b) prohibits a candidate for Federal office or the principal campaign committee of such candidate from accepting or receiving contributions from corporations or labor unions.

RESPONDENT NOW AGREES:

V. The action taken by John D. Lynch in exchanging funds containing corporate and union contributions for individual contributions which would otherwise have gone to the Garrahy Committee, gave the appearance that corporate and union contributions were used in connection with a Federal election, in violation of 18 U.S.C. Sec. 610 (now 2 U.S.C. Sec. 441b).

VI. Respondent acknowledges and assumes responsibility for all actions taken by John D. Lynch and the Noel for U. S. Senate Committee in connection with the receipt and transfer of funds which are the subject of this matter.

7904013514 2

VII In an effort to resolve this matter amicably, Respondent will pay to the Treasury of the United States a civil penalty of Two Thousand Dollars ($2,000).

VIII. Respondent will not use funds prohibited by the Federal Election Campaign Act of 1971, as amended, in connection with a Federal election.

IX. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to matters set forth in this agreement.

GENERAL CONDITIONS

X. The Commission, on the request of anyone filing a complaint under 2 U.S.C. Sec. 437g(a)(1) concerning the matters at issue in this Agreement, 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 Court for the District of Columbia.

XI. It is mutually agreed that this Agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire Agreement.

7904013514 3

XII. It is agreed that 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.

XIII. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

4/19/79

William C. Oldaker
General Counsel
Federal Election Commission

Philip W. Noel
Respondent

7904013514 4

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 211 (76)
Philip W. Noel	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on April 18, 1979, the Commission determined by a vote of 5-0 to adopt the following recommendations, as set forth in the General Counsel's Memorandum dated April 13, 1979, regarding the above-captioned matter:

1. Approve the conciliation agreement attached to the above-named memorandum.

2. Close the file upon receipt of the civil penalty.

3. Send the letter of notification, attached to the above-named report.

Voting for this determination were Commissioners Aikens, Friedersdorf, Harris, McGarry, and Thomson. Commissioner Tiernan abstains on this matter.

Attest:

4/18/79 Marjorie W. Emmons

Date

Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 4-16-79, 10:12
Circulated on 48 hour vote basis: 4-16-79, 3:30

79040135145

April 16, 1979

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: NUR 211

Please have the attached Memo distributed to the Commission on a 48 hour tally basis.

Thank you.

7904013514 6

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY
79 APR 16 A10: 12

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

April 13, 1979

MEMORANDUM

TO: The Commission

FROM: William C. Oldaker

SUBJECT: MUR 211(76) - Conciliation Agreement

On October 5, 1976, the Commission found reason to believe that Noel violated 2 U.S.C. §§ 432, 434 and 18 U.S.C. § 610 (now 2 U.S.C. § 441b). On May 11, 1978, the Commission found no reasonable cause to believe that Noel violated 2 U.S.C. § 432, and found reasonable cause to believe that he violated 18 U.S.C. § 610 (2 U.S.C. § 441b) and 2 U.S.C. § 434.

During conciliation Noel refused to sign any agreement which stipulated that 18 U.S.C. § 610 (2 U.S.C. § 441b) had been violated or which required payment of a civil penalty. On August 18, 1978, the Commission found probable cause to believe that Noel violated 18 U.S.C. § 610 (2 U.S.C. § 441b) and 2 U.S.C. § 434 and authorized the Office of General Counsel to file a civil suit. Pursuant to the probable cause notification, Noel submitted a counter conciliation agreement which contained a new recitation of the facts but which omitted any admission of a violation or payment of a civil penalty.

In January 1979, the Office of General Counsel notified Noel that his proposal was unacceptable, and in an effort to facilitate a settlement, mailed Noel a revised conciliation agreement. FEC attorneys met with Noel on April 11, 1979. During this meeting Noel signed the attached conciliation agreement. Noel agreed to the facts as stipulated in the Commission's revised agreement, acknowledged that the transfer of funds, as detailed in the agreement gave the appearance of a violation of 18 U.S.C. § 610 (2 U.S.C. & 441b) and assumed responsibility for the transactions conducted by John D. Lynch, Noel's agent and treasurer of the Noel for Senate Committee.

7904013514 7

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

In addition, Noel agreed to pay a civil penalty of $2,000. Both Lynch and Noel have stated that the aggregate corporate and union contributions received at the March 4, 1974 fundraiser did not exceed $2,000. Further, the transferred funds were never used in a Federal election and are still maintained by Noel pending the settlement of this matter.

As Noel has acknowledged the mishandling of the March 4 funds which contained union and corporate contributions, has assumed responsibility for the actions of his committee, and has agreed to pay a civil penalty the Office of General Counsel recommends that the Commission approve the attached Conciliation Agreement and close the file.

RECOMMENDATION

1. Approve the attached conciliation agreement.
2. Close the file upon receipt of the civil penalty.
3. Send attached letter of notification.

Attachments

1. Conciliation Agreement
2. Letter

7904013514 8

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Governor Philip W. Noel
Coffey, McGovern, Noel, & Novogoroski
15 Westminster St.
Providence, RI 02903

Re: MUR 211(76)

Dear Governor Noel:

This is in reference to the Commission's May 11, 1978 proposed conciliation agreement and your counter proposed offer of September 11, 1978. We considered your proposed agreement in light of the Commission's May 11th proposal and found it to be unacceptable.

As I am still hopeful that this matter can be settled through a conciliation agreement, the General Counsel's office is prepared to recommend to the Commission a further revised agreement which contains a number of your proposed changes. This agreement is enclosed for your consideration.

Should this conciliation agreement meet with your approval, please sign and return it within ten (10) days of receipt. Further, should you wish to discuss the changes made in the agreement or offer suggestions for additional changes, please contact Lester Scall, the Assistant General Counsel assigned to this matter, at 202-523-4166.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

7904013514 9

BEFORE THE FEDERAL ELECTION COMMISSION
APRIL 10, 1979

In the Matter of	)	
	)	MUR 211 (76)
Philip W. Noel	)	

CONCILIATION AGREEMENT

This matter has been initiated by notarized complaints filed with the Federal Election Commission on July 31, 1976 and August 3, 1976, an investigation has been conducted and the Commission has found reasonable cause to believe that Philip W. Noel, ("Respondent") violated 18 U.S.C. Sec.610 (now 2 U.S.C. Sec.441b) and 2 U.S.C. Sec. 434.

NOW, THEREFORE, the respective parties herein, the Federal Election Commission and Philip W. Noel, having duly entered into conciliation as provided for in 2 U.S.C. Sec. 437g (a)(5), do hereby agree as follows:

I. The Federal Election Commission has jurisdiction over the parties 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. The pertinent facts in this matter are as follows:

A. Respondent was a candidate for the United States Senate from Rhode Island in the primary election held on September 14, 1976. Respondent announced his candidacy in February 1976.

B. John D. Lynch served as Chairman of Respondent's federal finance committee and was responsible for raising funds and the payment of campaign expenses.

7904013515 0

C. Respondent was the Governor of the State of Rhode Island from January 1973 through January 8, 1977.

D. John D. Lynch served as Chairman of Respondent's finance committee during the years 1966 through 1975 when Respondent ran for Mayor and later Governor of the State of Rhode Island. Serving in this capacity, it was customary for John D. Lynch to hold fundraisers and testimonials in the name of the Respondent, in the name of the Democratic Party, and joint fundraisers in the name of the Respondent and other Democratic candidates for public office. The major portion of all funds so raised was expended by John Lynch in payment of Respondent's campaign expenses and the remaining portions of those funds were used to pay the campaign expenses of the Democratic Party and other Democratic candidates. Two of these fundraisers are relevant to the allegations raised in the complaints which initiated this matter, and the facts are as follows:

1. A testimonial fundraiser was held on March 4, 1975 by John D. Lynch in Respondent's name. Respondent received $40,651.25 from this fundraiser which included corporate and union contributions. These funds were deposited in the Philip W. Noel '75 Office Account ("Noel Office Account" #17 211 1) at the Citizen's Bank, Providence, Rhode Island. The account had been opened by John Lynch.

7904013515 1

2. Although Respondent did not authorize the establishment of this account and was not authorized to draw funds from said account, Respondent knew that the funds would be used by John Lynch to pay bills remaining from Respondent's November, 1974 election campaign and to pay campaign bills incurred by other candidates in that election.

3. A Noel-Garrahy Committee was formed, with John D. Lynch as Treasurer, to organize a joint fundraiser on December 4, 1975 for Respondent and Lt. Governor Joseph P. Garrahy.

a. On October 23, 1975, checking account #05 865 3 ("checking account") was opened in the name of the Noel-Garrahy Committee at the Citizen's Bank, Providence, Rhode Island.

b. On December 2, 1975, savings account #43 438093 (Noel-Garrahy savings account) was opened in the name of the Noel-Garrahy Committee at the Citizen's Bank, Providence, Rhode Island.

c. Receipts from the December 4th fundraiser totalled $96,315.00. Of this total, $41,665.00 was deposited in the checking account and $54,650.00 was deposited in the Noel-Garrahy savings account.

d. Expenses for the December 4th fundraiser totalled $18,613.81 and were paid for entirely from the checking account. On January 9, 1976, the balance in the checking account stood at $23,051.19.

7904013515 2

e. Mr. Lynch calculated the share of net proceeds due Lt. Governor Garrahy from the December 4th fundraiser to be $38,950.00. Therefore, on January 9, 1976, Mr. Lynch issued a check, drawn on the checking account, to the Garrahy for Governor Committee ("Garrahy Committee") for $38,950.00.

f. To cover this check, Mr. Lynch made a deposit to the checking account on January 14, 1976, of $15,899.31 which consisted of $2,583.42 from the Noel-Garrahy savings account, and a check for $13,315.89 drawn on the Noel Office Account.

g. The result of these transactions was that the $13,315.89 from the Noel Office Account was transferred to the Garrahy Committee in exchange for an equivalent amount of individual contributions received through the December 4th fundraiser which otherwise would have gone to the Garrahy Committee. Thus, on January 14, 1976, the Noel-Garrahy savings account showed a balance of $52,066.58.

E. Respondent organized a Noel for U.S. Senate Committee (Senate Committee) with John D. Lynch as Treasurer.

1. On February 26, 1976, the Committee opened a Noel for Senate checking account in the Citizen's Bank, Providence, Rhode Island (account #0015 0012 05 262 0). All expenses for Respondent's Senate campaign were paid by check drawn on this account.

7904013515 3

2. On July 1, 1976, the balance of the Noel-Garrahy savings account plus accrued interest (for a total of $53,442.75) was transferred to an account entitled the Noel for U.S. Senate Committee savings account in the Citizen's Bank, Providence, Rhode Island (#45 404 544). On October 1, 1976, John D. Lynch transferred $39,753.42 from the Senate Committee savings account to the Noel for Senate checking account, while $14,390.77 remained in the Senate Committee savings account.

3. On July 14, 1977, the Noel for U.S.Senate Committee transferred to the Respondent $14,964.88 from the Noel for U.S.Senate Committee savings account. These funds have not been used in connection with any Federal Election.

IV. 18 U.S.C. Sec. 610 (now 2 U.S.C. Sec. 441b) prohibits a candidate for Federal office or the principal campaign committee of such candidate from accepting or receiving contributions from corporations or labor unions.

RESPONDENT NOW AGREES:

V. The action taken by John D. Lynch in exchanging funds containing corporate and union contributions for individual contributions which would otherwise have gone to the Garrahy Committee, gave the appearance that corporate and union contributions were used in connection with a Federal election, in violation of 18 U.S.C. Sec. 610(now 2U.S.C. Sec. 441b).

VI. Respondent acknowledges and assumes responsibility for all actions taken by John D. Lynch and the Noel for U. S. Senate Committee in connection with the receipt and transfer of funds which are the subject of this matter.

7904013154

VII In an effort to resolve this matter amicably, Respondent will pay to the Treasury of the United States a civil penalty of Two Thousand Dollars ($2,000).

VIII. Respondent will not use funds prohibited by the Federal Election Campaign Act of 1971, as amended, in connection with a Federal election.

IX. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to matters set forth in this agreement.

GENERAL CONDITIONS

X. The Commission, on the request of anyone filing a complaint under 2 U.S.C. Sec. 437g(a)(1) concerning the matters at issue in this Agreement, 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 Court for the District of Columbia.

XI. It is mutually agreed that this Agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire Agreement.

7904013515 5

XII. It is agreed that 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.

XIII. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

_____

William C. Oldaker
General Counsel
Federal Election Commission

Philip W. Noel

_____

Philip W. Noel
Respondent

7904013515 6

Christian MUR-211

PS Form 3811 Apr. 1977

RETURN RECEIPT REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one)
- ☐ Show to whom and date delivered ____¢
- ☑ Show to whom, date, and address of delivery ____¢
- ☐ RESTRICTED DELIVERY
  Show to whom and date delivered ____¢
- ☐ RESTRICTED DELIVERY
  Show to whom, date, and address of delivery $____
  (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO
Governor Philip W. Noel
15 Westminster Street
Providence, R.I. 02903

3. ARTICLE DESCRIPTION

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438241	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

E Raposa

4. DATE OF DELIVERY

POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE

CLERK'S INITIALS

☆GPO 1977-0-249-595

GC MVR 24

PS Form 3811, Apr. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one)
- ☐ Show to whom and date delivered ____¢
- ☑ Show to whom, date, and address of delivery ____¢
- ☐ RESTRICTED DELIVERY
  Show to whom and date delivered ____¢
- ☐ RESTRICTED DELIVERY
  Show to whom, date, and address of delivery $____
  (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
John D. Lynch.
60 a Tollgate Rd.
Warwick, Rhode Island 02886

3. ARTICLE DESCRIPTION

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	938243	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. Carolyn A. Russ

DATE OF DELIVERY 7-24-78

POSTMARK

U.S.P.O. AUG 24 1978

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆GPO 1977—0—249-595

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

August 21, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Governor Philip W. Noel
Coffey, McGovern, Noel and Novogoroski
15 Westminster Street
Providence, Rhode Island 02903

Re: MUR 211 (76)

Dear Governor Noel:

This is to notify you that on August 17, 1978, the Federal Election Commission found probable cause to believe you violated 18 U.S.C. §610 (now 2 U.S.C. §441b) by your use of corporate and labor union contributions in connection with a Federal election and 2 U.S.C. §434b by your failure to report the receipt of these funds and their later disbursal to the Garrahy for Governor Committee.

Accordingly, the Commission has also authorized the institution of a civil action for relief in U.S. District Court.

Should you have any questions, please contact Gary Christian, the staff member assigned to this matter, at (202) 523-4161.

Sincerely,

William C. Oldaker
General Counsel

cc: John D. Lynch, Esquire
Lynch, Walsh & Coleigh
602 Tollgate Road
Warwick, Rhode Island 02886

7904013515 9

7 9 0 4 0 1 3 5 1 6 0

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Governor Philip W. Noel
Coffey, McGovern, Noel and Novogoroski
15 Westminster Street
Providence, Rhode Island 02903

Re: MUR 211 (76)

Dear Governor Noel:

This is to notify you that on August , 1978, the Federal Election Commission found probable cause to believe you violated 18 U.S.C. §610 (now 2 U.S.C. §441b) by your use of corporate and labor union contributions in connection with a Federal election and 2 U.S.C. §434b by your failure to report the receipt of these funds and their later disbursal to the Garrahy for Governor Committee.

Accordingly, the Commission has also authorized the institution of a civil action for relief in U.S. District Court.

Should you have any questions, please contact Gary Christian, the staff member assigned to this matter, at (202) 523-4161.

Sincerely,

William C. Oldaker
General Counsel

cc: John D. Lynch, Esquire
Lynch, Walsh & Cafeigh
602 Tollgate Road
Warwick, Rhode Island 02886

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
	)	MUR 211(76)
	)	
Philip W. Noel	)	

CERTIFICATION

I, Joyce E. Thomann, Recording Secretary to the Federal Election Commission do hereby certify that on August 17, 1978, the Commission determined by a vote of 5-0, Commissioner Robert O. Tiernan abstaining, to adopt the recommendation of the General Counsel in the above-captioned matter.

TO WIT:

Find probable cause to believe that Governor Philip W. Noel violated 18 U.S.C. §610 (now 2 U.S.C. §441b) by his use of corporate and labor union contributions in connection with a Federal election and 2 U.S.C. §434 by his failure to report receipt of these funds and their later disbursal to the Garrahy for Governor Committee. Authorize the institution of a civil action for relief. Send the letter attached to the General Counsel's Report dated August 4, 1978.

Commissioners Aikens, Harris, Springer, Staebler and Thomson present and voting in the affirmative; Commissioner Robert O. Tiernan abstaining.

Joyce E. Thomann
Joyce E. Thomann,
Recording Secretary

Joyce E. Thomann
for Marjorie W. Emmons
Secretary to the Commission

DATE: August 18, 1978

7904013516 1

EXECUTIVE SESSION
August 17, 1978

BEFORE THE FEDERAL ELECTION COMMISSION
August 4, 1978

In the Matter of	)	
	)	MUR 211 (76)
Philip W. Noel	)	

GENERAL COUNSEL'S REPORT

BACKGROUND

This matter arose from notarized complaints filed by Paul Goulding dated July 31, 1976, and August 3, 1976. The complaints allege that:

(1) Respondent Noel for Senator Committee (Noel Committee) did not register as required by 2 U.S.C. §433 after holding a fundraiser on March 4, 1975, and raising $13,000.

(2) The funds raised at the March 4, 1975, fundraiser included contributions from corporations and labor unions. These contributions were "laundered" or "exchanged" by holding a joint fundraiser with then Lt. Governor J. Joseph Garrahy on December 4, 1975. According to the complaint Noel received one-half the December proceeds plus $13,000 (representing March 4, 1975, funds) and Garrahy received one-half the December proceeds less $13,000.

A preliminary inquiry was authorized on August 17, 1976. On October 5, 1976, the Commission found no reason to believe the Noel Committee violated 2 U.S.C. §433 by failing to register. The Commission found reason to believe, however, that Governor Noel had violated 2 U.S.C. §§432, 434, and 18 U.S.C. §610 (now 2 U.S.C. §441b).

7904013516 2

An extensive investigation was conducted and Governor Noel was given a reasonable opportunity to demonstrate no action should be taken against him. On May 10, 1978, the Commission determined that although there was no reasonable cause to believe Governor Noel had violated 2 U.S.C. §432, there was reasonable cause to believe he had violated 2 U.S.C. §§434 and 18 U.S.C. §610 (now 2 U.S.C. §441b).

ATTEMPTS AT CONCILIATION

Notification of the Commission's finding of reasonable cause to believe and a proposed conciliation agreement were sent to Governor Noel on May 15, 1978. Governor Noel responded with a letter dated May 22 in which he requested a personal meeting with members of the Office of General Counsel.

A meeting was subsequently held in our offices on July 11 between Governor Noel and his attorney Mr. John D. Lynch and the Assistant General Counsel and staff member assigned to this matter. At the end of the meeting Governor Noel promised to prepare a proposed conciliation agreement which he would be willing to sign. He said it would be sent to us within "six to eight days."

Fifteen days later the proposed agreement had still not arrived. Accordingly an OGC staff member called Governor Noel to inquire as to the status of the promised agreement. Governor Noel said it would be in "Monday's (July 31) mail." To date the agreement has not been received.

7904013516 3

We believe it futile to make further attempts at conciliation of this matter. Additionally Governor Noel has proffered no new evidence in this matter.

We therefore recommend the Commission find probable cause to believe Governor Noel violated 18 U.S.C. §610 (now 2 U.S.C. §441b) by his use of corporate and labor union contributions in connection with a Federal election and 2 U.S.C. §434 by his failure to report the receipt of these funds and their later disbursal to the Garrahy for Governor Committee. We also request the Commission authorize the institution of a civil action for relief in this matter.

RECOMMENDATION

Find probable cause to believe Governor Philip W. Noel violated 18 U.S.C. §610 (now 2 U.S.C. §441b) by his use of corporate and labor union contributions in connection with a Federal election and 2 U.S.C. §434 by his failure to report receipt of these funds and their later disbursal to the Garrahy for Governor Committee. Authorize the institution of a civil action for relief. Send attached letter.

8/8/78
Date

William C. Oldaker
General Counsel

7904013516 4

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Governor Philip W. Noel
Coffey, McGovern, Noel and Novogoroski
15 Westminster Street
Providence, Rhode Island 02903

Re: MUR 211 (76)

Dear Governor Noel:

This is to notify you that on August , 1978, the Federal Election Commission found probable cause to believe you violated 18 U.S.C. §610 (now 2 U.S.C. §441b) by your use of corporate and labor union contributions in connection with a Federal election and 2 U.S.C. §434b by your failure to report the receipt of these funds and their later disbursal to the Garrahy for Governor Committee.

Accordingly, the Commission has also authorized the institution of a civil action for relief in U.S. District Court.

Should you have any questions, please contact Gary Christian, the staff member assigned to this matter, at (202) 523-4161.

Sincerely,

William C. Oldaker
General Counsel

cc: John D. Lynch, Esquire
Lynch, Walsh & Coleigh
602 Tollgate Road
Warwick, Rhode Island 02886

7904013516 5

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

July 17, 1978

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS MWE

SUBJECT: MUR 211 - Interim Conciliation Report dated 7-13-78
Received in Office of Commission
Secretary: 7-14-78, 2:37

The above-mentioned document was circulated on a 24 hour no-objection basis at 4:00 p.m., July 14, 1978.

As of 4:00 p.m. this date, no objections have been received in the Office of Commission Secretary to the Interim Conciliation Report.

79040135166

July 14, 1978

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 211

Please have the attached Interim Conciliation Report on MUR 211 distributed to the Commission.

Thank you.

7904013516 7

BEFORE THE FEDERAL ELECTION COMMISSION
July 13, 1978

In the Matter of	)	
	)	
	)	MUR 211 (78)
Philip W. Noel	)	

INTERIM CONCILIATION REPORT

An Assistant General Counsel and an Office of General Counsel staff member met with Governor Noel and his attorney, Mr. John D. Lynch, on July 11, 1978. As a result of this meeting Governor Noel agreed to submit a proposed conciliation agreement within a week incorporating some of the points raised in our discussion. We are presently awaiting receipt of the Governor's suggested changes before proceeding in our attempts to conciliate this matter.

7/14/78
Date

William C. Oldaker
General Counsel

7904013516 8

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 26, 1978

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS MWE

SUBJECT: MUR 211 - Interim Conciliation Report, dated 6-21-78, Signed: 6-22-78, Received in OCS: 6-22-78, 4:30

The above-mentioned document was circulated on a 24 hour no-objection basis at 9:30 a.m., June 23, 1978.

As of 10:30 a.m., this date, no objections have been received in the Office of Commission Secretary to the Interim Conciliation Report.

7904013569

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

June 22, 1978

MEMROANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 211(76)

Please have the attached Interim Conciliation Report on MUR 211(76) distributed to the Commission on a 24 hour no-objection basis.

Thank you.

7 9 0 4 0 1 3 5 1 7 0

BEFORE THE FEDERAL ELECTION COMMISSION
June 21, 1978

In the Matter of	)	
	)	MUR 211 (76)
Philip W. Noel	)	

INTERIM CONCILIATION REPORT

On May 10, 1978, the Commission found reasonable cause to believe Governor Philip W. Noel violated 18 U.S.C. §610 (now 2 U.S.C. §441b) and 2 U.S.C. §434(b) in connection with his use in his 1976 Senate campaign of $13,315.89 in funds from an account containing corporate and union contributions.

After Governor Noel received the Commission's proposed conciliation agreement he raised a number of questions by letter and telephone. We responded to these questions and have also arranged a conciliation meeting with respondent in Washington on July 11. Once this meeting has been held we will be in a position to report further to the Commission on our efforts to conciliate this matter.

6/22/78
Date

William C. Oldaker
General Counsel

7904013517 1

COFFEY, McGOVERN, NOEL AND NOVOGROSKI
ATTORNEYS AT LAW
15 WESTMINSTER STREET
PROVIDENCE, R. I. 02903

JOHN G. COFFEY
CHARLES J. McGOVERN
PHILIP W. NOEL
ARTHUR NOVOGROSKI

JUSTIN P. McCARTHY
JOHN G. COFFEY, JR.
KENNETH R. NEAL
STEPHEN C. HANLEY
ALEXANDER G. WALSH
RUSSELL R. SICARO

TELEPHONE
274-1144

RECEIVED
FEDERAL ELECTION
COMMISSION

'78 JUN 15 AM 9:14

June 13, 1978

803617

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Re: MUR 211 (76)

Dear Mr. Oldaker:

Thank you for your letter of June 5, 1978. I understand the substance of your letter, however, I would like to point out that at the time I had the joint fund raiser with the then Lt. Governor J. Joseph Garrahy, I was not a candidate for the U. S. Seante. The proceeds from that joint fund raiser which did include co-mingled funds that were transferred from my prior political account were the very funds that I refer to in Items 7, 8, 9, 10 of my letter of May 22, 1978. In other words, my entire share of the Noel-Garrahy fund raiser was put aside in a separate account and never co-mingled with the monies later raised and spent in the Senate campaign, so that the violation that you specifically mention in your letter of June 5 did not take place.

I will call Mr. Scall and arrange a mutually convenient meeting time in Washington. I am concerned that the "Conciliation" not expire prior to that meeting. It would be helpful if we could duscuss the point that I raise in this letter by telephone.

Very truly yours,

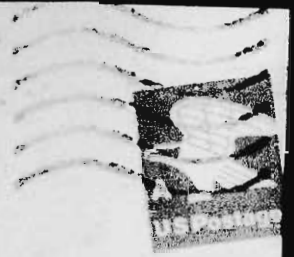
Philip W. Noel

Philip W. Noel

pwn:vtc

7 9 0 4 0 1 3 5 1 7 2

Y, McGOVERN, NOEL AND NOVOGROSKI
ATTORNEYS AT LAW
15 WESTMINSTER STREET
PROVIDENCE, RHODE ISLAND 02903



FEDERAL ELECTION COMMISSION

'78 JUN 15 AM 9:14

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 5, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Governor Philip W. Noel
Coffey, McGovern, Noel and Novogoroski
15 Westminster Street
Providence, R. I. 02903

Re: MUR 211 (76)

Dear Governor Noel:

This is in response to your letter of May 22, 1978, concerning the Commission's finding of reasonable cause to believe you violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). You raise a number of points in your letter which you believe were not adequately considered by the Commission.

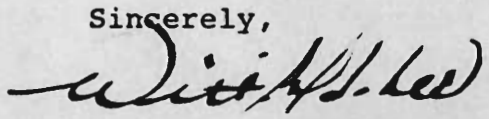
The Commission is aware that Rhode Island law permits candidates for State office to accept corporate and union contributions. The Commission is not challenging the propriety of your acceptance of such contributions for possible use in a State election. It does appear, however, that some corporate and union funds were transferred from your Office Account to the Garrahy for Governor Committee in exchange for a greater proportion of the proceeds of the joint fundraiser you held with Lt. Governor Garrahy in December 1975 than you would otherwise have received. The Commission found that such use constituted a violation of 18 U.S.C. §610 (now 2 U.S.C. §441b) because the funds you derived from this exchange were later used in your Senate campaign.

The question raised in Mr. Lynch's Advisory Opinion Request of April 10, 1976 (AOR 1976-16) was not the issue which concerns the Commission in this matter. The AOR inquires into the legality of your using the approximately $52,000 you obtained through the joint fundraiser even though it was received prior to the time you announced your Senate candidacy. The issue raised in MUR 211 is the use of $13,315.89 in funds from an account which contained corporate and union contributions to obtain a commensurately larger share of the individual contributions received through the December 1975 fundraiser.

The Commission found no reasonable cause to believe the Noel for U. S. Senate Committee violated the Act because the Committee had no part in the exchange of prohibited funds with the Garrahy Committee and was not even in existence at the time of the exchange. As the candidate you had the responsibility for insuring that any funds you used in your Senate campaign which were raised before you became a candidate conformed with the requirements of the Act.

We are prepared to discuss these matters with you personally to achieve a proper conciliation of this matter. If it would be possible for you to come to Washington for this purpose, I ask that you contact Lester N. Scall, Assistant General Counsel, at (202) 523-4052 to arrange a mutually convenient time.

Sincerely,



William C. Oldaker
General Counsel

cc: John D. Lynch, Esquire
Lynch, Walsh & Coleigh
602 Tollgate Road
Warwick, Rhode Island 02886

211 Christian

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- ☐ Show to whom and date delivered ..... ___¢
- ☑ Show to whom, date, and address of delivery ..... ___¢
- ☐ RESTRICTED DELIVERY
  Show to whom and date delivered ..... ___¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery . $___
  (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Gov Philip W Noel

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438532	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☑ Authorized agent
Joan H. Geisel

4. DATE OF DELIVERY
6-7-78

POSTMARK
PROVIDENCE R.I. JUN 7 1978

5. ADDRESS (Complete only if requested)
1015 HOSPITAL TRUST
PROV. R.I. 02903

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

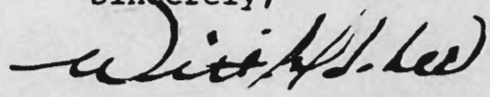
☆ GPO : 1977—O-234-337

The question raised in Mr. Lynch's Advisory Opinion Request of April 10, 1976 (AOR 1976-16) was not the issue which concerns the Commission in this matter. The AOR inquires into the legality of your using the approximately $52,000 you obtained through the joint fundraiser even though it was received prior to the time you announced your Senate candidacy. The issue raised in MUR 211 is the use of $13,315.89 in funds from an account which contained corporate and union contributions to obtain a commensurately larger share of the individual contributions received through the December 1975 fundraiser.

The Commission found no reasonable cause to believe the Noel for U. S. Senate Committee violated the Act because the Committee had no part in the exchange of prohibited funds with the Garrahy Committee and was not even in existence at the time of the exchange. As the candidate you had the responsibility for insuring that any funds you used in your Senate campaign which were raised before you became a candidate conformed with the requirements of the Act.

We are prepared to discuss these matters with you personally to achieve a proper conciliation of this matter. If it would be possible for you to come to Washington for this purpose, I ask that you contact Lester N. Scall, Assistant General Counsel, at (202) 523-4052 to arrange a mutually convenient time.

Sincerely,



William C. Oldaker
General Counsel

cc: John D. Lynch, Esquire
Lynch, Walsh & Coleigh
602 Tollgate Road
Warwick, Rhode Island 02886

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 31, 1978

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS MWE

SUBJECT: MUR 211 - Interim Conciliation dated 5-25-78
Signed by GC: 5-26-78
Received in Office of Commission
Secretary: 5-26-78

The above-mentioned document was circulated on a 24 hour no-objection basis at 1:30 p.m., May 30, 1978.

There were no objections to the Interim Conciliation Report.

Attached is a copy of Commissioner Springer's vote sheet with a suggestion regarding the letter to Governor Philip Noel.

ATTACHMENT:
Vote Sheet
Copy of letter

7904013518

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

78 MAY 31 A11:41

FEDERAL ELECTION COMMISSION

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

DATE AND TIME OF TRANSMITTAL 1:30 May 30,

Commissioner Springer

RETURN TO OFFICE OF COMMISSION SECRETARY BY: 1:30 MAY 31, 1978

MUR No: 211 - Interim Conciliation Report dated 5-25-78

( ) I object to the recommendation in the attached report.

COMMENTS: Suggest adding sentence as marked on page 1 in letter to Gen. Counsel re 2 U.S.C. §453 and our regulations 108.7(a)(1)(3) re preemption.

Date _____ Signature _____

OBJECTIONS, SIGNED AND DATED, MUST BE RECEIVED IN THE COMMISSION SECRETARY'S OFFICE NO LATER THAN THE DATE AND TIME SHOWN ABOVE OR THE MATTER WILL BE DEEMED APPROVED. PLEASE RETURN ALL PAPERS TO THE OFFICE OF THE SECRETARY TO THE COMMISSION.

7904013517 9

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Governor Philip W. Noel
Coffey, McGovern, Noel and Novogoroski
15 Westminster Street
Providence, R. I. 02903

Re: MUR 211 (76)

Dear Governor Noel:

This is in response to your letter of May 22, 1978, concerning the Commission's finding of reasonable cause to believe you violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). You raise a number of points in your letter which you believe were not adequately considered by the Commission.

The Commission is aware that Rhode Island law permits candidates for State office to accept corporate and union contributions. The Commission is not challenging the propriety of your acceptance of such contributions for possible use in a State election. It does appear, however, that some corporate and union funds were transferred from your Office Account to the Garrahy for Governor Committee in exchange for a greater proportion of the proceeds of the joint fundraiser you held with Lt. Governor Garrahy in December 1975 than you would otherwise have received. The Commission found that such use constituted a violation of 18 U.S.C. §610 (now 2 U.S.C. §441b) because the funds you derived from this exchange were later used in your Senate campaign.

7904013518 0

May 26, 1978

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 211

Please have the attached Interim Conciliation Report on MUR 211 distributed to the Commission.

Thank you.

7904013518 1

BEFORE THE FEDERAL ELECTION COMMISSION

May 25, 1978

In the Matter of	)	
	)	MUR 211 (76)
Philip W. Noel	)	

INTERIM CONCILIATION REPORT

On May 10, 1978, the Commission found reasonable cause to believe Governor Philip W. Noel violated 18 U.S.C. §610 (now 2 U.S.C. §441b) and 2 U.S.C. §434(b) in connection with his use in his 1976 Senate campaign of $13,315.89 in funds from an account containing corporate and union contributions.

Governor Noel has sent us a letter (Attachment I) in which he raises a number of points he feels the Commission may not have adequately considered in making its determination. We have reviewed the points raised and, for reasons outlined in our response (Attachment II), do not believe they warrant the Commission's reconsideration of its finding of reasonable cause to believe Governor Noel violated the Act.

In his letter, Governor Noel suggests that he meet with members of the Office of General Counsel staff to personally review this matter. We believe such a meeting would be useful and have invited him to contact us to arrange an appointment.

26 May 1978
Date

William C. Oldaker for WCO
General Counsel

7904013518 2

803008

COFFEY, McGOVERN, NOEL AND NOVOGROSKI
ATTORNEYS AT LAW
15 WESTMINSTER STREET
PROVIDENCE, R.I. 02903

JOHN G. COFFEY
CHARLES J. McGOVERN
PHILIP W. NOEL
ARTHUR NOVOGROSKI

JUSTIN P. McCARTHY
JOHN G. COFFEY, JR.
KENNETH R. NEAL
STEPHEN C. HANLEY
ALEXANDER G. WALSH
RUSSELL R. SICARD

TELEPHONE
274-1144

RECEIVED
FEDERAL ELECTION
COMMISSION

'78 MAY 24 AM 9:07

AGC 3631

May 22, 1978

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Re: MUR 211 (76)

Dear Mr. Oldaker:

Thank you for your letter of May 15, 1978 and the enclosed Conciliation Agreement. I have been involved in reviewing all correspondence that is relative to this matter since its inception. I have done that by coordination with the office of John D. Lynch. I would like to, at this time, relate some facts which I think are very pertinent. It would appear that these facts have not been given adequate consideration by the Commission. They are as follows:

1. There is no law in the State of Rhode Island that prohibits a candidate for state office from collecting campaign funds from corporations or unions.

2. While serving as Governor, people would solicit contributions and gifts from, among others, unions and corporations. There were testimonial dinners held in my honor during my tenure as Governor and contributions to those testimonials were made by unions and corporations.

3. Prior to becoming a candidate for U. S. Senate, I had funds on hand, some of which were corporate and union contributions.

4. Prior to becoming a candidate for U. S. Senate, I did participate in a joint fund raiser with the then Lt.Gov. J. Joseph Garrahy.

5. Prior to becoming a candidate for U. S. Senate, together with outside counsel, I participated in a careful analysis of the Federal Election Law and it was apparent to all involved in that exercise that there was a prohibition against the use of corporate and union contributions.

7904013518 3

ATTACHMENT I

6. When I became a candidate for U. S. Senate, I put a campaign finance committee into place which was headed by John Lynch.

7. When John Lynch was prepared to file his first report with the Commission, he brought it to me for my review. That report did not contain any disclosure of the substantial funds that we had gathered prior to the decision to run for the U. S. Senate.

8. I recommended to Lynch that he amend the report prior to filing so as to disclose all of the prior existing funds that were on hand; that he should keep those prior existing funds in a separate account and not co-mingle them with any funds that were raised by the Noel for Senate Committee; that he should petition the Commission and request instructions as to how the committee might utilize some of those funds.

9. To the best of my knowledge, John Lynch, in his capacity, as the man in charge of the Noel for Senate Finance Committee, followed those instructions.

10. John Lynch was never able to get timely instructions from the Commission concerning the use of portions of the funds in question, and therefore, during the campaign the finance committee maintained those funds in a separate account and did not co-mingle those funds with those that were being used to pay election expenses.

11. Subsequent to the election, the Committee, under Lynch's direction, did convert the non-union/corporate monies that were being held aside into legitimate Noel for Senate contributions.

12. No attempt was ever made to convert the union and corporate funds, nor were any of those funds ever utilized to pay campaign expenses.

Throughout all of these proceedings, I, personally, never became involved in the solicitation of any contributions, nor did I incur, personally, any campaign expenses, nor have I ever paid any bills that related to my Senate election. This mode of personal behavior was by design, because I did not want to put myself in a position where I might unintentionally violate the Federal Election Law.

I cannot understand how the Commission can conclude that I, personally, violated the Federal Election Law. It appears as though the Commission believes that I made an attempt to utilize union and corporate funds in my Senate election bid. However, if the Commission goes back to the first report and the accompanying request for instructions concerning the use of that money, then I believe that the Commission may conclude that neither I, nor the Committee, ever had such intention. We

7 9 0 4 0 1 3 5 1 8 4

did know that the major portion of those funds could be converted to lawful campaign funds and attempted to get direction from the Commission in order to make that conversion properly.

I would further ask the Commission to consider the dilemma that faced me relative to the monies in question at the time that I decided to run for the U. S. Senate. If I did not disclose to the Federal Election Commission that I had those funds on hand, I would have been in a position where I would not be able to make a contribution of my own funds to my election campaign without appearing to have violated the intent, if not the letter of the law.

In closing, I would welcome the opportunity to sit with you personally and with your staff people in order to review the entire travel of this matter. I am convinced that I did not violate either the letter or intent of the law, and I believe that if all of the circumstances surrounding this matter are brought into proper focus, the Commission will be able to reach the same conclusion.

If you have any questions, or if you would like to arrange such a meeting, please advise.

Very truly yours,

Philip W. Noel

Philip W. Noel

pwn:vtc

7904013518 5

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Governor Philip W. Noel
Coffey, McGovern, Noel and Novogoroski
15 Westminster Street
Providence, R. I. 02903

Re: MUR 211 (76)

Dear Governor Noel:

This is in response to your letter of May 22, 1978, concerning the Commission's finding of reasonable cause to believe you violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). You raise a number of points in your letter which you believe were not adequately considered by the Commission.

The Commission is aware that Rhode Island law permits candidates for State office to accept corporate and union contributions. The Commission is not challenging the propriety of your acceptance of such contributions for possible use in a State election. It does appear, however, that some corporate and union funds were transferred from your Office Account to the Garrahy for Governor Committee in exchange for a greater proportion of the proceeds of the joint fundraiser you held with Lt. Governor Garrahy in December 1975 than you would otherwise have received. The Commission found that such use constituted a violation of 18 U.S.C. §610 (now 2 U.S.C. §441b) because the funds you derived from this exchange were later used in your Senate campaign.

7904013518 6

The question raised in Mr. Lynch's Advisory Opinion Request of April 10, 1976 (AOR 1976-16) was not the issue which concerns the Commission in this matter. The AOR inquires into the legality of your using the approximately $52,000 you obtained through the joint fundraiser even though it was received prior to the time you announced your Senate candidacy. The issue raised in MUR 211 is the use of $13,315.89 in funds from an account which contained corporate and union contributions to obtain a commensurately larger share of the individual contributions received through the December 1975 fundraiser.

The Commission found no reasonable cause to believe the Noel for U. S. Senate Committee violated the Act because the Committee had no part in the exchange of prohibited funds with the Garrahy Committee and was not even in existence at the time of the exchange. As the candidate you had the responsibility for insuring that any funds you used in your Senate campaign which were raised before you became a candidate conformed with the requirements of the Act.

We are prepared to discuss these matters with you personally to achieve a proper conciliation of this matter. If it would be possible for you to come to Washington for this purpose, I ask that you contact Lester N. Scall, Assistant General Counsel, at (202) 523-4052 to arrange a mutually convenient time.

Sincerely,

William C. Oldaker
General Counsel

cc: John D. Lynch, Esquire
Lynch, Walsh & Coleigh
602 Tollgate Road
Warwick, Rhode Island 02886

7904013518 7

FEC3660

LYNCH & COLEMAN
ATTORNEYS AT LAW
606 TOLLGATE ROAD
WARWICK, R. I. 02886
739-6500

JOHN D. LYNCH
MICHAEL D. COLEMAN
THOMAS E. HEFFNER

RECEIVED
FEDERAL ELECTION
COMMISSION

'78 MAY 27 AM 12:24

May 23, 1978

IN REPLY PLEASE
REFER TO FILE NO. _____

803095

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

RE: MUR 211 (76)

Dear Mr. Oldaker:

Your communication of May 15, 1978, directed to Philip W. Noel in reference to the above-entitled case has been forwarded to this office for reply. Since I am near completion of an extremely busy trial calendar, it would be appreciated if you would allow me an additional two weeks to respond to this communication.

Unless I hear from you to the contrary, I will assume you have no objection to the filing of a response of this office during the week of June 5, 1978. Thanking you in advance for your anticipated cooperation, I am

Very truly yours,

LYNCH & COLEMAN

John D. Lynch

JDL:brr

7904013518 9

YNCH & COLEMAN
ATTORNEYS AT LAW
802 TOLLGATE ROAD
WARWICK, R. I. 02886

RECEIVED
FEDERAL ELECTION
COMMISSION

'78 MAY 27 AM 12:24

79040013518

PROVIDENCE, R.I. 02828
PM
24 MAY
1979

PROCLAIM LIBERTY THROUGHOUT ALL THE LAND
USA 13¢

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D. C. 20463

803008

COFFEY, McGOVERN, NOEL AND NOVOGROSKI
ATTORNEYS AT LAW
15 WESTMINSTER STREET
PROVIDENCE, R. I. 02903

JOHN G. COFFEY
CHARLES J. McGOVERN
PHILIP W. NOEL
ARTHUR NOVOGROSKI

JUSTIN P. McCARTHY
JOHN G. COFFEY, JR.
KENNETH R. NEAL
STEPHEN C. HANLEY
ALEXANDER G. WALSH
RUSSELL R. SICARD

TELEPHONE
274-1144

RECEIVED
FEDERAL ELECTION
COMMISSION

'78 MAY 24 AM 9:07

MCC 3631

May 22, 1978

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Re: MUR 211 (76)

Dear Mr. Oldaker:

Thank you for your letter of May 15, 1978 and the enclosed Conciliation Agreement. I have been involved in reviewing all correspondence that is relative to this matter since its inception. I have done that by coordination with the office of John D. Lynch. I would like to, at this time, relate some facts which I think are very pertinent. It would appear that these facts have not been given adequate consideration by the Commission. They are as follows:

1. There is no law in the State of Rhode Island that prohibits a candidate for state office from collecting campaign funds from corporations or unions.

2. While serving as Governor, people would solicit contributions and gifts from, among others, unions and corporations. There were testimonial dinners held in my honor during my tenure as Governor and contributions to those testimonials were made by unions and corporations.

3. Prior to becoming a candidate for U. S. Senate, I had funds on hand, some of which were corporate and union contributions.

4. Prior to becoming a candidate for U. S. Senate, I did participate in a joint fund raiser with the then Lt.Gov. J. Joseph Garrahy.

5. Prior to becoming a candidate for U. S. Senate, together with outside counsel, I participated in a careful analysis of the Federal Election Law and it was apparent to all involved in that exercise that there was a prohibition against the use of corporate and union contributions.

7904013519 0

6. When I became a candidate for U. S. Senate, I put a campaign finance committee into place which was headed by John Lynch.

7. When John Lynch was prepared to file his first report with the Commission, he brought it to me for my review. That report did not contain any disclosure of the substantial funds that we had gathered prior to the decision to run for the U. S. Senate.

8. I recommended to Lynch that he amend the report prior to filing so as to disclose all of the prior existing funds that were on hand; that he should keep those prior existing funds in a separate account and not co-mingle them with any funds that were raised by the Noel for Senate Committee; that he should petition the Commission and request instructions as to how the committee might utilize some of those funds.

9. To the best of my knowledge, John Lynch, in his capacity, as the man in charge of the Noel for Senate Finance Committee, followed those instructions.

10. John Lynch was never able to get timely instructions from the Commission concerning the use of portions of the funds in question, and therefore, during the campaign the finance committee maintained those funds in a separate account and did not co-mingle those funds with those that were being used to pay election expenses.

11. Subsequent to the election, the Committee, under Lynch's direction, did convert the non-union/corporate monies that were being held aside into legitimate Noel for Senate contributions.

12. No attempt was ever made to convert the union and corporate funds, nor were any of those funds ever utilized to pay campaign expenses.

Throughout all of these proceedings, I, personally, never became involved in the solicitation of any contributions, nor did I incur, personally, any campaign expenses, nor have I ever paid any bills that related to my Senate election. This mode of personal behavior was by design, because I did not want to put myself in a position where I might unintentionally violate the Federal Election Law.

I cannot understand how the Commission can conclude that I, personally, violated the Federal Election Law. It appears as though the Commission believes that I made an attempt to utilize union and corporate funds in my Senate election bid. However, if the Commission goes back to the first report and the accompanying request for instructions concerning the use of that money, then I believe that the Commission may conclude that neither I, nor the Committee, ever had such intention. We

7 9 0 4 0 1 3 5 1 9 1

did know that the major portion of those funds could be converted to lawful campaign funds and attempted to get direction from the Commission in order to make that conversion properly.

I would further ask the Commission to consider the dilemma that faced me relative to the monies in question at the time that I decided to run for the U. S. Senate. If I did not disclose to the Federal Election Commission that I had those funds on hand, I would have been in a position where I would not be able to make a contribution of my own funds to my election campaign without appearing to have violated the intent, if not the letter of the law.

In closing, I would welcome the opportunity to sit with you personally and with your staff people in order to review the entire travel of this matter. I am convinced that I did not violate either the letter or intent of the law, and I believe that if all of the circumstances surrounding this matter are brought into proper focus, the Commission will be able to reach the same conclusion.

If you have any questions, or if you would like to arrange such a meeting, please advise.

Very truly yours,

Philip W. Noel

Philip W. Noel

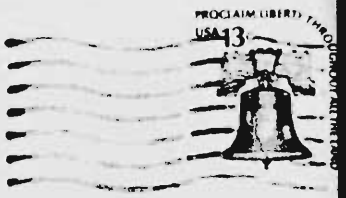
pwn:vtc

2 9 0 4 0 1 3 5 1 9 2

EY, McGOVERN, NOEL AND NOVOGROSKI
ATTORNEYS AT LAW
15 WESTMINSTER STREET
PROVIDENCE, RHODE ISLAND 02903

FEDERAL ELECTION COMMISSION

'78 MAY 24 AM 9:07



William C. Oldaker, Esq.
General Counsel
1325 K Street, N.W.
Washington, D.C. 20463

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 15, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Governor Philip W. Noel
15 Westminster Street
Providence, Rhode Island 02903

Re: MUR 211 (76)

Dear Governor Noel:

On May 10, 1978, the Commission determined there was reasonable cause to believe that you committed a violation of 18 U.S.C. §610 (now 2 U.S.C. §441b) and 2 U.S.C. §434 of the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission found that you used $13,315.89 in funds containing corporate and labor union contributions in connection with your 1976 Senate campaign in violation of 18 U.S.C. §610 (now 2 U.S.C. §441b) and failed to report the receipt and disbursal of these funds to the Garrahy for Governor Committee in violation of 2 U.S.C. §434.

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement. 2 U.S.C. §437g(a)(5)(B). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute a civil suit in United States District Court and seek payment of a civil penalty not in excess of the greater of $5000 or the amount of the violation, in this case $13,315.89.

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

7904013519 4

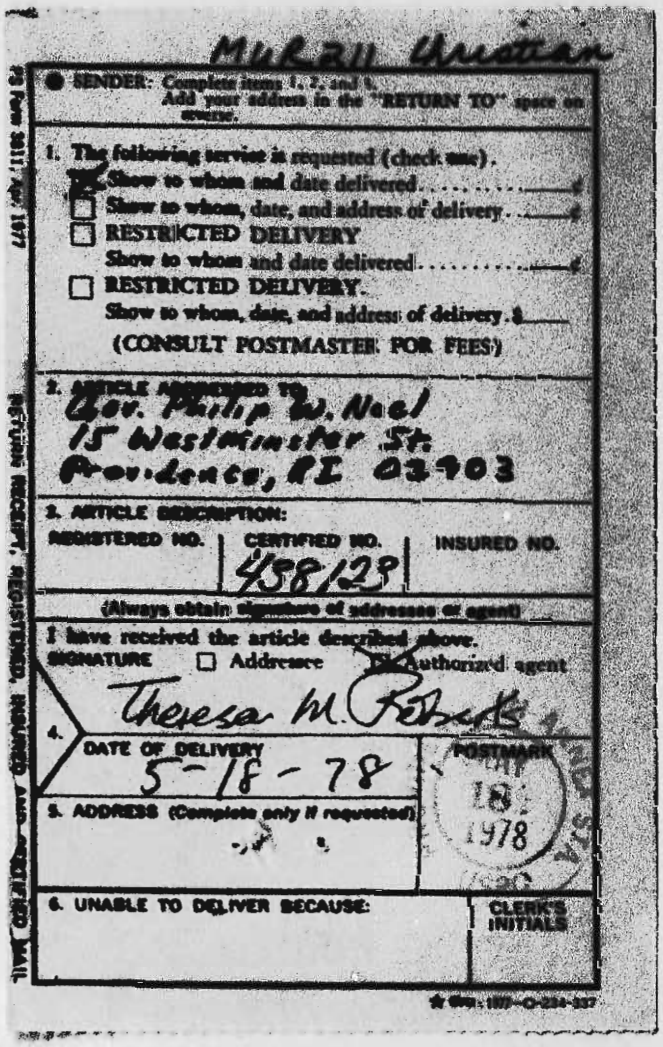
We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it, along with the civil penalty, to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Gary Christian, the staff member assigned to this matter at (202) 523-4001.

Sincerely,

William C. Oldaker
General Counsel

Enclosure


MUR 211 Christian

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
☑ Show to whom and date delivered ____ ¢
☐ Show to whom, date, and address of delivery ____ ¢
☐ RESTRICTED DELIVERY
Show to whom and date delivered ____ ¢
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery $ ____
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Gov. Philip W. Noel
15 Westminster St.
Providence, RI 02903

3. ARTICLE DESCRIPTION:
REGISTERED NO. | CERTIFIED NO. 458128 | INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☑ Authorized agent
Theresa M. Roberts

4. DATE OF DELIVERY 5-18-78
POSTMARK MAY 18 1978

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:
CLERK'S INITIALS

PS Form 3811, July 1977
RETURN RECEIPT, REGISTERED, INSURED, AND CERTIFIED MAIL

7904 013 5155

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 211 (76)
Philip W. Noel	)	

CONCILIATION AGREEMENT

This matter having been initiated by notarized complaints filed with the Federal Election Commission on July 31, 1976, and August 3, 1976, by Paul Goulding, and an investigation having been conducted and reasonable cause to believe having been found that Philip W. Noel ("Respondent") violated 18 U.S.C. §610 (now 2 U.S.C. §441b) and 2 U.S.C. §434;

NOW, THEREFORE, the Federal Election Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. The Federal Election Commission has jurisdiction over the parties and the subject matter of this proceeding.

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

7904013519 6

III. The pertinent facts in this matter are as follows:

A. Respondent was a candidate for the U. S. Senate from Rhode Island in the primary election held on September 14, 1976.

B. A fundraiser was held on March 4, 1975, from which Respondent received $40,651.25. Included in this sum were corporate and labor union contributions. These funds were deposited in the Philip W. Noel '75 Office Account ("Noel Office Account") #17 211 1 maintained at the Citizens Bank, Providence, Rhode Island.

C. A Noel - Garrahy Committee was formed with Mr. John D. Lynch as Treasurer to organize a joint fundraiser on December 4, 1975, ("December fundraiser") with Lt. Governor Joseph P. Garrahy.

D. On October 23, 1975, checking account #05 865 3 ("checking account") was opened in the name of the Noel - Garrahy Committee at the Citizens Bank, Providence, Rhode Island.

E. On December 2, 1975, savings account #43 438093 ("savings account") was opened in the name of the Noel - Garrahy Committee at the Citizens Bank, Providence, Rhode Island.

F. Receipts for the December fundraiser totalled $96,315.00. Of this total $41,665.00 was deposited in the checking account and $54,650.00 was deposited

7904013519 7

in the savings account.

G. Expenses for the December fundraiser totalled $18,613.81 and were paid for entirely from the checking account.

H. Mr. Lynch calculated the share of net proceeds due Lt. Governor Garrahy from the December fundraiser to be $38,950.50.

I. On January 9, 1976, the balance in the checking account stood at $23,051.19.

J. On January 12, 1976, Mr. Lynch issued a check on the checking account to the Garrahy for Governor Committee ("Garrahy Committee") for $38,950.50.

K. To cover this check, Mr. Lynch made a deposit to the checking account on January 14, 1976, of $15,899.31 consisting of $2583.42 from the savings account and a check for $13,315.89 drawn on the Noel Office Account.

L. The result of these transactions was that the $13,315.89 from the Noel Office Account was transferred to the Garrahy Committee in exchange for an equivalent amount of individual contributions received through the December fundraiser which otherwise would have gone to the Garrahy Committee. The savings account, therefore, on January 14, 1976, showed a balance of $52,066.58.

M. On July 1, 1976, the balance of the savings account plus accrued interest (total $53,442.75) was trans-

7904013598

ferred to the Noel for U. S. Senate Committee.

IV. 18 U.S.C. §610 (now 2 U.S.C. §441b) prohibits a candidate for Federal office from accepting or receiving contributions from corporations or labor unions. 2 U.S.C. §434 requires a candidate for Federal office to report all contributions received by him, the source of all contributions greater than $100, all expenditures, and to itemize all expenditures greater than $100.

V. Respondent's exchange of funds containing corporate and labor union contributions for individual contributions which would otherwise have gone to the Garrahy Committee constitutes use of corporate and labor union contributions in connection with a Federal election in violation of 18 U.S.C. §610 (now 2 U.S.C. §441b).

VI. Respondent's failure to report the receipt of funds from the Noel Office Account and their disbursal to the Garrahy Committee is a violation of 2 U.S.C. §434.

VII. Respondent will pay to the Treasury of the United States a civil penalty of Thirteen Thousand Three Hundred Fifteen Dollars and Eighty-nine Cents ($13,315.89).

VIII. Respondent will amend his candidate disclosure reports to reflect receipt of the funds from the Noel Office Account and transfer of these funds to the Garrahy Committee.

IX. Respondent will not use funds prohibited by the Federal Election Campaign Act of 1971, as amended, in connection with a Federal election.

7904013519 9

X. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to matters set forth in this agreement.

GENERAL CONDITIONS

XI. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue in this Agreement, 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 Court for the District of Columbia.

XII. It is mutually agreed that this Agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire Agreement.

XIII. It is agreed that 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.

XIV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

7904013520

Date

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463
(202) 523-4143

Date

Philip W. Noel
15 Westminster Street
Providence, Rhode Island 02903

7 9 0 4 0 1 3 5 2 0 1

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Philip W. Noel)

MUR 211 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on May 10, 1978, the Commission determined by a vote of 5-0 to adopt the recommendation of the General Counsel to take the following actions in the above-captioned matter:

1. Find no reasonable cause to believe that Philip W. Noel violated 2 U.S.C. Section 432.
2. Find reasonable cause to believe that Philip W. Noel violated 18 U.S.C. Section 610 (now 2 U.S.C. Section 441b) by his use of corporate and labor union contributions in connection with a Federal election and 2 U.S.C. Section 434 by his failure to report the receipt of these funds and their later disbursal to the Garrahy for Governor Committee.
3. Send the letter and proposed conciliation agreement attached to the General Counsel's Report signed May 5, 1978.

Voting for this determination were Commissioners Aikens, Harris, Springer, Staebler, and Thomson. Commissioner Tiernan was present but did not participate in the discussion or the vote in this matter.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Date: 5-11-78

7904013520 2

EXECUTIVE SESSION

MAY 10 1978

BEFORE THE FEDERAL ELECTION COMMISSION

May 5, 1978

In the Matter of)
) MUR 211 (76)
Philip W. Noel)

GENERAL COUNSEL'S REPORT

I. ALLEGATIONS

In notarized complaints dated July 31, 1976, and August 3, 1976, filed by Paul Goulding, it was alleged that:

(1) Respondent Noel for Senator Committee (Noel Committee) did not register as required by 2 U.S.C. §433 after holding a fundraiser on March 4, 1975, and raising $13,000.

(2) The funds raised on March 4, 1975, included contributions from corporations and labor unions. These contributions were "laundered" or "exchanged" by holding a joint fundraiser with Lt. Governor Joseph P. Garrahy on December 4, 1975, and dividing the proceeds from the March fundraiser and the December joint fundraiser in the following manner: Noel received one-half of the December proceeds plus $13,000 (representing the March 4, 1975 funds) and Lt. Governor Garrahy received one-half of the December proceeds less $13,000.

Complainant also provided a copy of an article which appeared in the Providence Journal-Bulletin on

7904013520 3

April 17, 1976 (Attachment I). In the article John D. Lynch, the Noel Committee Treasurer, is reported as having explained how the $13,000 from the March 1975 fundraiser (which contained corporate and union contributions) was transferred to the Garrahy for Governor Committee (Garrahy Committee) in exchange for a greater portion of the proceeds of the December 1975 fundraiser.

II. BACKGROUND

The Commission authorized a preliminary inquiry and the Noel Committee and Governor Noel were so notified on August 17, 1976. Mr. Lynch, in a notarized response dated August 26, 1976, stated that the Noel Committee was formed on January 29, 1976, and received its first contribution on February 26, 1976. He further stated that the Noel Committee had no involvement in the March or December 1975 fundraisers.

On October 5, 1976, the Commission found no reason to believe the Noel Committee violated 2 U.S.C. §433 by failing to register. The Commission found reason to believe Governor Noel violated 2 U.S.C. §§432, 434, and 18 U.S.C. §610 (now 2 U.S.C. §441b).

The Office of General Counsel sought several times to obtain information necessary to the Commission's inquiry but respondent's replies were unsatisfactory. An attempt was made to conciliate the matter but this, too, proved

7904013520 4

unsuccessful.

On December 7, 1977, the Commission authorized the issuance of a subpoena duces tecum for the production of books and records pertaining to the March and December 1975 fundraisers. On January 12, 1978, senior investigator Craig Crooks met with Mr. Lynch to review and copy the subpoenaed documents.

III. EVIDENCE

The following documents were made available for examination and copying:

1. A list reflecting the names and addresses of contributors to the December 1975 fundraiser with respect to the Noel share of the proceeds, and a financial statement;
2. Cancelled checks and bank statements pertaining to three checking accounts established to receive and disburse monies in connection with the March and December 1975 fundraisers;
3. Cancelled checks and bank statements for the campaign depository of the Noel Committee;
4. A copy of the invitation to the December 1975 fundraiser;
5. Savings account passbook in which Noel's share of the December 1975 proceeds was placed;
6. Written authorization from contributors to use their funds in Mr. Noel's Senate campaign;
7. Cancelled checks relating to expenses for the

7 9 0 4 0 1 3 5 2 0 5

December 1975 fundraiser.

IV. ANALYSIS

On March 4, 1975, a fundraiser was held for Governor Noel, the net proceeds of which were $40,651.25. Mr. Lynch informed us that some of this money consisted of corporate and union contributions which are permissible under Rhode Island law. All funds were deposited in the Philip W. Noel '75 Office Account (Noel Office Account) #17 211 1 at the Citizens Bank, Providence, Rhode Island.[1/] As indicated on the flow chart (Attachment II), $17,211.25 of these funds were transferred in March 1975 to the Philip W. Noel Campaign Fund - Governor's Office Account and $9624.11 was expended to defray various office expenses. The $13,315.89 remaining in the Noel Office Account was transferred to the Garrahy for Governor Committee on January 14, 1976, under the following circumstances.

A Noel - Garrahy Committee was formed, with Mr. Lynch as Treasurer, to organize a joint fundraiser on December 4, 1975, with Lt. Governor Garrahy. Lynch used $200 from the Noel Office Account to open checking account #05 865 3 in the Committee's name on October 23, 1975.[2/]

1/ All accounts referred to in this report were maintained at the Citizens Bank.

2/ This $200 was apparently returned to Noel on December 11, 1975, by a debit memo drawn on the checking account.

7 9 0 4 0 1 3 5 2 0 6

Mr. Lynch informed our investigator that this account was the depository for all union and corporate contributions and some individual contributions received through the December fundraiser. He also stated that all expenses for the joint fundraiser were paid from the checking account.

On December 2, 1975, Mr. Lynch opened savings account #43 438093 in the name of the Noel - Garrahy Committee. Mr. Lynch told our investigator that all funds deposited in this account were "personal" contributions, i.e. permissible under the Act.

Receipts for the Noel - Garrahy fundraiser totalled $96,315.00. Of this $54,650.00 was deposited in the savings account and $41,665.00 was deposited in the checking account. When questioned on this division Mr. Lynch could not recall why the money was divided this way.

Despite this uneven division of receipts, a financial summary of the event found in Mr. Lynch's files (Attachment III) shows that he intended the net proceeds of the fundraiser to be shared equally. In this summary Mr. Lynch lists gross receipts as $96,515.00.[3/] Expenses are listed as $18,613.81. (While checks and service charges drawn on the checking account total $19,013.81, a $400 deposit was made on January 9, 1976, which would appear

---

3/ Mr. Lynch apparently erroneously included the $200 initial deposit made to open the checking account.

7904013520 7

to be a refund by a vendor.) Net proceeds are given as $77,901.19 and "shares" as $38,950.50 (one-half of net proceeds).

On January 9, 1976, after all expenses had been paid (and the refund collected), the balance in the checking account stood at $23,051.19 (Attachment IV). On January 12, 1976, Mr. Lynch issued a check on this account to the Garrahy for Governor Committee for $38,950.50 (Attachment V). To bring the balance in the account up to $38,950.50, Mr. Lynch made a deposit of $15,899.31 on January 14, 1976. This deposit consisted of a $2583.42 withdrawal from the savings account (destined to be Noel Committee money) (Attachment VI) and a check for $13,315.89 drawn on the Noel Office Account (which contained corporate and union funds) (Attachment VII). This left a balance of $984.77 in the Noel Office Account, which apparently was needed to cover other obligations. The Noel Office Account was closed out twelve days later (Attachment VIII).

The result of these transactions was that while the Garrahy Committee received what Mr. Lynch had calculated to be one-half the net proceeds of the fundraiser, or $38,950.50, the savings account (Governor Noel's share) showed a balance of $52,066.58, $13,116.08 greater than Garrahy's share.[4/]

4/ The discrepancy between the $13,315.89 transferred to the checking account and the $13,116.08 difference in the two balances is due to Mr. Lynch's error in including the $200 initial deposit to the checking account in receipts and rounding off net proceeds to the nearest dollar before calculating shares for the event (see again Attachment II).

7904013520 8

In this manner Governor Noel was able to make use of $13,315.89 in prohibited funds by exchanging the money for individual contributions which otherwise would have gone to the Garrahy Committee.

The balance of the savings account plus accrued interest (total $53,442.75) was transferred to the Noel for U. S. Senate Committee savings account on July 1, 1976.

18 U.S.C. §610 (now 2 U.S.C. §441b) prohibits a candidate for Federal office from accepting or receiving corporate or labor union contributions. A candidate's use of prohibited funds would indicate acceptance of such contributions. Governor Noel's use of funds from an office account which contained corporate and labor union contributions to obtain a greater share of the individual contributions received through the joint fundraiser therefore constitutes a violation of 18 U.S.C. §610 (now 2 U.S.C. §441b). The amount of the violation is $13,315.89, being the amount of prohibited funds used in connection with Governor Noel's Senate campaign.[5/]

Governor Noel's failure to report the receipt of these funds and their disbursal to the Garrahy Committee is a violation of 2 U.S.C. §434.

5/ In the attached proposed conciliation agreement we are recommending a civil penalty of $13,315.89, equal to the entire amount of the violation. Due to the commingling of funds in these transactions it is impossible to determine to whom the prohibited contributions should be returned and no return of funds is included in the agreement.

7904013520 9

Respondent contends that he was undecided as to whether to run for the U. S. Senate at the time of the December 1975 fundraiser. The invitations to the fundraiser make no mention of Governor Noel's candidacy and we have developed no information which contradicts this contention. In light of this, and of Governor Noel's later filing candidate reports as required by the Act, we do not believe a violation of 2 U.S.C. §432 has occurred.

RECOMMENDATION

1. Find no reasonable cause to believe Philip W. Noel violated 2 U.S.C. §432.
2. Find reasonable cause to believe Philip W. Noel violated 18 U.S.C. §610 (now 2 U.S.C. §441b) by his use of corporate and labor union contributions in connection with a Federal election and 2 U.S.C. §434 by his failure to report the receipt of these funds and their later disbursal to the Garrahy for Governor Committee.
3. Send attached letter and proposed conciliation agreement.

5/5/78
Date

William C. Oldaker
General Counsel

7904013521 0

Garrahy effort netted $119,000; donors listed

By CHARLES BAKST
Journal-Bulletin Staff Writer

PROVIDENCE — Lt. Gov. J. Joseph Garrahy's gubernatorial campaign grossed $126,140 and netted $118,912 from the $100-a-ticket fundraising reception it held March 19, according to data released yesterday.

In addition to the overall figures, William G. Dugan Jr., campaign coordinator, released a roster of those who contributed more than $200 to the event, held at the Cranston Hilton. Amounts higher than $200 must be reported, according to state campaign finance law.

In its documentation the Garrahy campaign exceeded minimum reporting requirements of the law, which does not require such filings until 30 days before an election.

In fact, Dugan said he understood the campaign would have never been required to report the names, because the event took place before Garrahy officially becomes a candidate (that is, files a declaration), in June. All that would be necessary, Dugan maintained, would be to include the receipts in the beginning cash balance entry on the unit's first report.

William T. Horan, chief auditor of the campaign contributions and expenditures division of the state Board of Elections, said Dugan was correct. Horan indicated the board had so ruled after Garrahy asked for an interpretation.

Dugan, the state's chief of public buildings, said the campaign plans to spend $275,000 to $300,000.

Elsewhere on the political finance scene, a new report of the national presidential campaign of Sen. Henry M. Jackson included the names of 11 Rhode Island contributors.

A Noel-for-Senator report filed under federal law had indicated that the Noel campaign netted $52,066 from a Dec. 4 joint fundraiser, whose proceeds were to be split 50-50 between Noel and Garrahy. This was the same event from which the Garrahy campaign received $38,950.

John D. Lynch, Noel treasurer, explained yesterday that in effect, Noel and Garrahy each came out of the fundraiser $38,950 ahead.

What happened, Lynch said, was this: A "Philip Noel 1975" account had some $13,000 in it, apparently from a controversial March 4, 1975, "semi-secret" fundraiser.

Lynch said some of this was from corporate and union contributions, which may be used in Rhode Island state campaigns but not in federal campaigns. So he transferred the $13,000 into an account set up to receive the Garrahy share of the Dec. 4 joint affair. This Garrahy account then received another $26,000 or so from the Dec. 4 event, bringing it up to the $38,950 level.

Into a new Noel account, Lynch deposited the governor's $38,950 share, plus $13,000 or so more from the joint affair to make up for the "Philip Noel 1975" money that had been given to Garrahy. Thus, all of the $52,066 the Noel-for-Senator report listed actually did come from the joint fundraiser.

Contributions of $500 to the gaudy campaign came from: Leonard R. Abrams of Providence, president of Arden Jewelry Manufacturing; Joseph F. Esposito of Barrington, president of Esposito Jewelry; James Forte of Cumberland, construction contractor; Melvin S. Frank of Providence and H. Alan Frank of Providence, presidents, respectively, of Union Transbag Co. Inc. and Union Paper Co. Inc.; Roland Ferland of Pawtucket, a former member of the state Democratic executive committee; James Gilbert of Woonsocket; an auto agency dealer; Sheldon Gerber of Providence, president of Gerbers Inc.

Also, Thomas C. Haxton Jr. of Warwick, president of Haxton Brothers Inc.; Harold Leavitt of Providence, president of Leavitt-Colson Co.; Isabelle Leeds of New York City, former Rhode Island Democratic national committeewoman; Kent Cruise & Associates, architects; Madozzi Associates, architects; United Sanitation Inc.; David F. Sweeney of East Greenwich, lawyer in Warwick; Washington County Deputy Sheriff Association; Carmine A. Rao of Providence, state mental health advocate; Irwin B. Hamin of Providence, president of McGrath-Hamin Inc.; Howard S. Weiss of Providence, secretary and treasurer of National Office Supply.

Contributions of $400 came from: John Coyne, Glocester Democratic chairman; H.W. Cocke Co.; Donald Dwares of Providence; C&K Electric; Levy, Goodman, Sernoff & Gorin, lawyers; Rhode Island Democratic Women's Club; Waterman Engineering Co.; Wayne Distributors; Fenton Keyes of Warwick, architect; Robert Riesman of Providence, vice-chairman of the Rhode Island Jackson presidential campaign; Mandel Sherman of Providence, Nobemet Refining salesman.

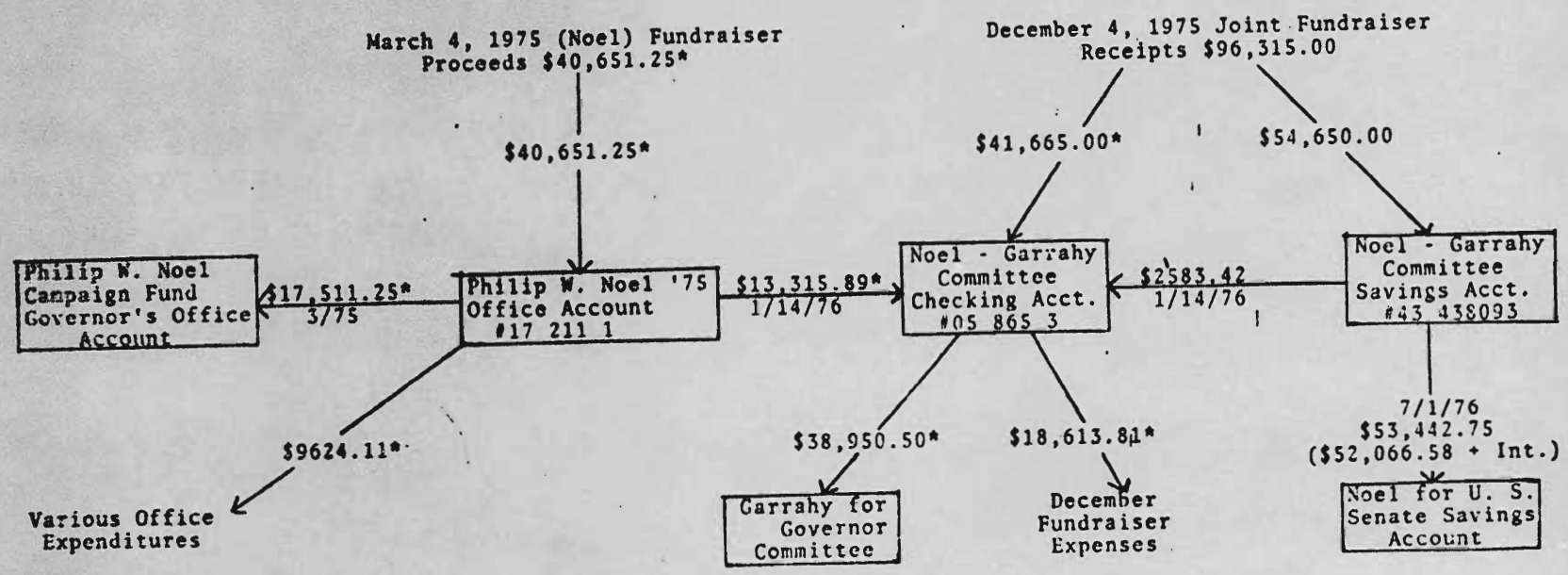
Contributions of $500 came from A. Austin Ferland of Pawtucket, executive vice-president of Ferland Corp; James Lopes, Providence attorney; Pawtucket Mayor Dennis Lynch; Edmund Mauro Jr. of Providence, president of International Supply Co.; Teamster Joint Council 10; Edwin Jaffe of Providence, Fall River manufacturer.

Contributions of $250 came from Abbott Dressler of Cranston, secretary of Colfax Packing Co.; Sidney Dressler of Barrington, president of Colfax Inc.; Leonard Granoff of Providence, vice-president of American Tourister Luggage; Sol Kotler of Providence, president of American Luggage Works Inc.

The Jackson report showed these donations from Rhode Islanders: Mrs. Amax Aborn of Providence, $250; Banice C. Bazar of Providence, $275; Mrs. Banice C. Bazar of Providence, $275; Alan G. Hassenfeld of Providence, $150; Stephen D. Hassenfeld of Providence, $500; John T. Hayward of Newport, $225; Ernest Nalnan of Providence, $200; William E. Reeves of Providence, $200; Mrs. William E. Reeves of Providence, $200; Joseph W. Ress of Providence, $400; Mrs. Joseph Thaler of Pawtucket, $200.

A separate report showed that the American Express Officers Committee for Responsible Government (Washington) gave Rep. Fernand J. St Germain's campaign $100.

ATTACHMENT I



* Indicates presence of funds commingled with corporate and labor union contributions.

7 9 0 4 0 1 3 5 2 1 2

ATTACHMENT II

Mr. Eric Sevareid — Mr. Bill Lee

Summary Sheet for deceuals [illegible] -Dec. 75. Fundwise.

NOEL - GARRAHY PARTY December 4, 1975

GROSS RECEIPTS	- 96,515.00
EXPENSES	- 18,613.81
NET	- 77,901.19
SHARES	- 38,950.50

7904013521 3

ATTACHMENT III

Citizens Bank

For Bank Use Only		Page Number
BR20/US09 1	NOEL-GARRAHY COMMITTEE 602 TOLLGATE RD WARWICK RI 02886	1 OF 1 01/30/76 Statement Date

Statement of Accounts

CHECKING ACCOUNT DATA AS OF 01/30/76 ACCOUNT 05-865-3

SUMMARY

PREVIOUS BALANCE 22,651.19
PLUS 2 DEPOSIT(S) 16,299.31
LESS 1 CHECKS/CHARGES ... 38,950.50
LESS SERVICE CHARGE ..... .00
CURRENT BALANCE ..... .00

DATE	AMOUNT	ACTIVITY AMOUNT	AMOUNT	BALANCE
01-09	400.00 DP			23,051.19
01-14	15,899.31 DP			38,950.50
01-20	38,950.50			.00

*** COMBINED STATEMENT SERVICE FOR INDIVIDUALS ***
YOU CAN HAVE YOUR SAVINGS REPORTED TO YOU MONTHLY ALONG WITH YOUR CHECKING ACCOUNT ACTIVITY BY OPENING ONE OF OUR NEW STATEMENT SAVINGS ACCOUNTS. THERE IS NO EXTRA CHARGE FOR OUR COMBINED STATEMENT SERVICE. ASK ABOUT IT AT ANY OF OUR 25 OFFICES --- THIS SERVICE IS IDEAL FOR STEADY SAVE CUSTOMERS.

/90401352 1 4

Copied from records held in the law offices of John O. Lynch, 602 Tollgate Rd, Warwick, R.I. on January 12, 1978, by E. Craig Crooks

ATTACHMENT IV

Copy of Cancelled Check from
Noel Garrahy Committee Checking Account
05-865-3
Check # 112, 1/12/76 For $38,950.50

MUR - 211

7904013521 5

112

NOEL GARRAHY COMMITTEE

January 12, 1976 57-12V / 115 A

PAY TO THE ORDER OF ----Garrahy for Governor Committee---- $38,950.50

THE SUM 38950 50/100 DOLLARS

WARWICK MALL OFFICE
Citizens Bank
Citizens Trust Company
Providence, R.I.

⑆0115⑈0012⑆ 05 865 3⑈ ⑈0003895050⑈

See January Bank Statement

ATTACHMENT V

No. 43 438093

PLEASE VERIFY ENTRY BEFORE LEAVING WINDOW

	DATE	WITHDRAWAL	DEPOSIT	INTEREST	BALANCE	TELLER
1						
2	DEC 19 75		**3,910 95		**46,250 00	* 05 112
3						
4	DEC 19 75		**2,500 00		**48,750 00	* 05 112
5						
6	DEC 19 75		**2,410 00		**51,160 00	* 05 112
7	DEC 19 75		**1,300 00		**52,460 00	* 05 112
8						
9	DEC 19 75		**2,190 00		**54,650 00	* 05 112
10						
11						
12						
			NOTIFY BANK OF ANY CHANGE OF ADDRESS			
13						
14						
15	JAN 14 76	**2,583 42	JAN 30 76	137 617	**52,066 56	70 05
16						112 112
17	JUL-1 76	*53,442 75			*******00	* 05 112
18						
19						
20			ACCOUNT CLOSED			
21			Book Delivered to Customer			
22						
23						
24						

Citizens Savings Bank

NOTIFY BANK IMMEDIATELY IF PASS BOOK IS LOST OR STOLEN

0 0 4 0 1 3 5 2 1 6

Copied from Records held in the law offices of John O Lynch, 602 Tollgate Rd, Warwick R.I. on January 12 1978 by E Craig Brooks

ATTACHMENT VII

ATTACHMENT VI

PHILIP W. NOEL 75

144

January 13, 1976 57-12/115

PAY TO THE ORDER OF Noel Garraby Committee $13,315.89

THE SUM [illegible] DOLLARS

WARWICK MALL OFFICE
Citizens Bank
Citizens Trust Company
Providence, R.I.

To close acct.

⑆011500120⑆ 17 211 1⑈ ⑈0001331589

ATTACHMENT VII

Citizens Bank

For Bank Use Only		Page Number
BR20/US09 5	PHILIP W NOEL 75 C/O JOHN LYNCH 602 TOLLGATE RD WARWICK RI 02886	1 OF 1 01/30/76 Statement Date

Statement of Accounts

CHECKING ACCOUNT DATA AS OF 01/30/76 ACCOUNT 17-211-1

SUMMARY

PREVIOUS BALANCE	.....	13,995.19
PLUS 1 DEPOSIT(S)	.....	380.47
LESS 5 CHECKS/CHARGES	...	14,375.66
LESS SERVICE CHARGE	.....	.00
CURRENT BALANCE	.....	.00

DATE	AMOUNT	ACTIVITY AMOUNT	AMOUNT	BALANCE
01-05	75.00			13,920.19
01-09	380.47 DP			14,300.66
01-14	13,315.89			984.77
01-16	349.74			635.03
01-22	531.15			103.88
01-26	103.88			.00

*** COMBINED STATEMENT SERVICE FOR INDIVIDUALS ***
YOU CAN HAVE YOUR SAVINGS REPORTED TO YOU MONTHLY ALONG WITH YOUR CHECKING ACCOUNT ACTIVITY BY OPENING ONE OF OUR NEW STATEMENT SAVINGS ACCOUNTS. THERE IS NO EXTRA CHARGE FOR OUR COMBINED STATEMENT SERVICE. ASK ABOUT IT AT ANY OF OUR 25 OFFICES --- THIS SERVICE IS IDEAL FOR STEADY SAVE CUSTOMERS.

Copied from Records held in the law offices of John D. Lynch, 602 Tollgate Rd, Warwick, R.I. on January 12, 1978, by E. Craig Crooks

ATTACHMENT VIII

0-53

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

14 April 1978

MEMORANDUM TO: Bill Oldaker, General Counsel

THROUGH : Orlando B. Potter, Staff Director OBP
Tom Haselhorst, Asst. Staff Director TJH

FROM : Suzanne Wilson, Senate Team Chief S. Wilson

SUBJECT : RFAI - Noel for Senate Committee

The letter requested in your April 10, 1978 memorandum was sent on March 13, 1978 (copy attached). To date no response has been received.

Due to the fact that this RFAI would not have been generated during the normal course of review, our office does not plan any additional follow-up. Should any communication be received by Reports Analysis regarding this matter, it will be brought to your attention. If you feel additional action is needed, please advise.

Attachment

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 13, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John D. Lynch
Treasurer
Noel for Senator Committee
602 Tollgate Road
Warwick, RI 02886

Dear Mr. Lynch:

This acknowledges receipt of your letter, dated December 19, 1977, in response to the Commission's letter of December 9, 1977 and the accompanying request for additional information regarding an item listed on the October 10, 1976 quarterly report of the Noel for Senator Committee.

The information provided in your letter is insufficient; therefore, it is requested that you identify by name and address the source of the voting list disclosed on your report of receipts and expenditures for the period noted above. Please submit this requested information to the Secretary of the Senate's Office of Public Records, United States, 119 D Street N.E., Washington, D.C. 20510 within ten (10) days of receipt of this letter.

If you have any questions, please do not hesitate to contact Suzanne Wilson, our reports analyst assigned to you. Our toll free number is (800)424-9530, our local number is (202)523-4048.

Sincerely,

Orlando B. Potter

Orlando B. Potter
Staff Director

7904013522 0

January 11, 1978

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 211 Team #3 Sulton

Please have the attached Interim Status Report on MUR 211 distributed to the Commission and placed on the Compliance Agenda for the Commission meeting of January 18, 1978.

thank you.

7904013522 1

BEFORE THE FEDERAL ELECTION COMMISSION

January 9, 1978

In the Matter of	)	
	)	
Philip W. Noel	)	MUR 211(76)
	)	

INTERIM STATUS REPORT

In notarized complaints dated July 31, 1976, and August 3, 1976, filed by Paul Goulding, it was alleged that:

(1) Respondent Noel for Senator Committee (Noel Committee) did not register as required by 2 U.S.C. §433 after holding a fundraiser on March 4, 1975, and raising $13,000.

(2) The funds raised on March 4, 1975, included contributions from corporations and labor unions. These contributions were "laundered" or "exchanged" by holding a joint fundraiser with Lt. Gov. Garrahy on December 4, 1976, and dividing the proceeds from the March fundraiser and the December joint fundraiser in the following manner: Noel received one-half of the December proceeds plus $13,000 (representing the March 4, 1975, funds) and Lt. Gov. Garrahy received one-

7904013522 2

half of the December proceeds less $13,000.

On October 5, 1976, the Commission found reason to believe Mr. Noel violated 2 U.S.C. §§432, 434 and 18 U.S.C. §610 (now 2 U.S.C. §441b). Mr. Noel was notified of the Commission's findings and attempts were made to voluntarily settle this matter; however, those attempts were not fruitful.

On December 7, 1977, the Commission authorized the issuance of a subpoena for the production of books and records pertaining to the two 1975 fundraisers. The subpoena was sent to Mr. John Lynch on January 3, 1978, returnable on January 12, 1978.

A follow up report will be submitted to the Commission upon our review of the subpoenaed documents.

1/10/78
Date

William C. Oldaker
General Counsel

7904013522 3

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

January 3, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John D. Lynch, Esquire
Lynch, Walsh & Coleigh
602 Tollgate Road
Warwick, RI 02886

Re: MUR 211(76)

Dear Mr. Lynch:

On December 7, 1977, the Commission authorized the issuance of the enclosed subpoena for the production of the books and records pertaining to the March 4, 1975, and December 4, 1975, fundraisers in the above referenced matter.

If you have any questions, please contact Gloria R. Sulton, the attorney assigned to this matter (telephone: 202-523-4057 or 800-424-9530).

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure: Subpoena

7904013524

MUR 211 Sulton

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- [x] Show to whom and date delivered. . . . . ¢
- [ ] Show to whom, date, and address of delivery. . ¢
- [ ] RESTRICTED DELIVERY
  Show to whom and date delivered. . . . . ¢
- [ ] RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery. $
  (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
John D. Lynch
602 Tollgate Road
Warwick, RI 02886

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	944057	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
Brenda R. [illegible]

4. DATE OF DELIVERY
1-7-?

POSTMARK
JAN 7 1978
WARWICK, R.I.

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GPO : 1977—O-234-027

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

Subpoena to Produce Books, Records and Other Relevant Documents

To: John D. Lynch
602 Tollgate Road
Warwick, RI 02886

At the instance of the Federal Election Commission pursuant to §437d of Title 2 of the United States Code, you are hereby subpoenaed to produce the following books, records and other relevant documents in connection with the investigation of MUR 211:

1. All records reflecting the name and address of all donors and the amount of each contribution to a Philip W. Noel fundraiser held on March 4, 1975;

2. All records reflecting the name and address of all donors and the amount of each contribution to a joint fundraiser held on December 4, 1975 on behalf of Philip W. Noel and then Lt. Gov. Garrahy;

3. Cancelled checks, deposit slips, bank statements, receipted bills, bookkeeping ledgers or journals

7 9 0 4 0 1 3 5 2 2 6

or other documents pertaining to receipts and disbursement of funds raised and expended in connection with the December 4, 1975 fundraiser;

5. Copies of invitations, press releases, or other publicity which solicited attendance at or announced the above fundraisers;

6. Any agreement(s), letter(s), memoranda or other document(s) regarding the arrangements for the December 4, 1975 fundraiser, including division of the funds, between Philip W. Noel and then Lt. Gov. Garrahy or representatives acting on their behalves;

7. Savings account passbooks, bank statements, certificates of deposits, or other evidence of funds on deposit which funds were directly or indirectly received from the March 4, 1975 and December 4, 1975 fundraisers;

8. All documents showing transfers of any and all funds raised at the March 4, 1975 and December 4, 1975 fundraisers from checking accounts to savings accounts, certificates of deposits, other checking accounts, or from savings accounts or other combinations of transfers,

7 9 0 4 0 1 3 5 2 2 7

including but not limited to deposit slips, cancelled checks, receipts;

9. Copies of press releases, newspaper articles or other accounts of Philip W. Noel's decision to seek election to the office of United States Senator from Rhode Island in 1976;

10. Copies of newspaper articles, press releases or other accounts of the March and December 1975 fund-raisers.

You are hereby subpoenaed to make the above documents, books and records available for inspection and copying by the Federal Election Commission at 602 Tollgate Road, Warwick, R.I. on January 12, 1978 at 10:00 A.M.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C. this 20th day of December, 1977.

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

ATTEST:

Marjorie W Emmons
Secretary to the Commission

7 9 0 4 0 1 3 5 2 2 8

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

January 3, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Philip W. Noel, Esquire
Coffey, McGovern, Noel
and Novogroski
15 Westminster Street
Providence, RI 02903

Re: MUR 211(76)

Dear Mr. Noel:

On December 7, 1977, the Commission authorized the issuance of the enclosed subpoena to Mr. John Lynch for the production of the books and records pertaining to the March 4, 1975, and December 4, 1975, fundraisers in the above referenced matter.

The Commission is continuing its investigation into this matter. You may submit any additional factual or legal material which you believe is relevant.

If you have any questions, please contact Gloria R. Sulton, the attorney assigned to this matter (telephone: 202-523-4057 or toll free 800-424-9530).

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure: Copy of subpoena

7904013522 9

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

MUR 211 Sutton

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- [x] Show to whom and date delivered. . . . . ¢
- [ ] Show to whom, date, and address of delivery. . . . ¢
- [ ] RESTRICTED DELIVERY
  Show to whom and date delivered. . . . . ¢
- [ ] RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery. $____
  (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Philip W. Noel
15 Westminster St.
Providence, RI 02903

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	944056	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
Philip W. Noel
per C. Ford

4. DATE OF DELIVERY
JAN - 6 1978

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

PROVIDENCE, R.I. JAN 6 1978 POSTMASTER

USPO&R'S INITIALS

☆ GPO : 1977—O-234-337

7904 0135 230

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Philip W. Noel)

MUR 211 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on December 7, 1977, the Commission determined by a vote of 4-0 to issue a subpoena to John D. Lynch for the production of the books and records pertaining to the March 4, 1975, and December 4, 1975, fundraisers in the above-captioned matter.

Voting for this determination were Commissioners Aikens, Harris, Staebler, and Thomson. Commissioner Tiernan abstained from voting; and Commissioner Springer was not present at the time of the vote.

Marjorie W Emmons

Marjorie W. Emmons
Secretary to the Commission

7904013523 0

December 2, 1977

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 211 Team #3 Sulton

Please have the attached General Counsel's Report on MUR 211 distributed to the Commission and placed on the Compliance Agenda for the Commission meeting of December 7, 1977.

Thankyyou.

7904115 5 229

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 2, 1977

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 211 Team #3 Sulton

Please have the attached General Counsel's Report on MUR 211 distributed to the Commission and placed on the Compliance Agenda for the Commission meeting of December 7, 1977.

Thank you.

7 9 0 4 0 1 3 5 2 3 3

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY
77 DEC 2 P6:08

Submitted Late

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

BEFORE THE FEDERAL ELECTION COMMISSION

November 28, 1977

In the Matter of	)	
	)	MUR 211(76)
Philip W. Noel	)	
	)	

GENERAL COUNSEL'S REPORT

I. Allegations

In notarized complaints dated July 31, 1976, and August 3, 1976, filed by Paul Goulding, it was alleged that:

(1) Respondent Noel for Senator Committee (Noel Committee) did not register as required by 2 U.S.C. §433 after holding a fundraiser on March 4, 1975, and raising $13,000.

(2) The funds raised on March 4, 1975, included contributions from corporations and labor unions. These contributions were "laundered" or "exchanged" by holding a joint fundraiser with Lt. Gov. Garrahy on December 4, 1975, and dividing the proceeds from the March fundraiser and the December joint fundraiser in the following manner: Noel received one-half of the December proceeds plus $13,000 (representing the March 4, 1975, funds) and Lt. Gov. Garrhy received one-

7904013523 4

half of the December proceeds less $13,000.[1]

II. History of Case

The Commission authorized a preliminary inquiry and the Noel for Senator Committee and Mr. Noel were so notified on August 17, 1976. John Lynch, Treasurer of the Noel Committee, in a notarized response dated August 26, 1976, stated that the Noel Committee was formed on January 29, 1976, and received its first contribution on February 26, 1976. He further stated that the Noel Committee had no involvement in the March or December 1975 fundraisers.

The letter to Mr. Noel asked him to address these specific matters: (1) when he became a candidate under the Act; (2) source of the funds raised on March 4, 1975; (3) purpose of the March and December fundraisers; (4) disposition of the funds raised on March 4, 1975;

---

[1]The allegations made by complainant were reported in an article in the Providence Journal-Bulletin on April 17, 1976. The article stated that a "Philip Noel 1975" account contained about $13,000 "apparently from a controversial March 4, 1975" fundraiser and that some of this $13,000 came from corporations and labor organizations which are allowed to contribute to state candidates under Rhode Island law. The $13,000 reportedly was transferred "into an account set up to receive the Garrahy share of the December 4, joint affair." Garrahy then received approximately $26,000 from the December 4, 1975, joint fundraiser bringing his total receipts to $38,950.

7904013523 5

(5) date of organization of the Noel Committee; (6) any agreement for division of the proceeds from the December 4, 1975, fundraiser. Mr. Noel answered on August 25, 1976, stating that the fundraisers were held prior to the time he became a candidate for U.S. Senator. He said that the names and addresses of contributors to the December fundraiser were reported to the Commission on April 10, 1976, with a request by Mr. Lynch as to how said funds could be used in the U.S. Senate campaign. Mr. Noel also said that the "funds in question" were being retained in a separate account and had not been commingled with the Noel Committee's funds.

Neither respondent specifically addressed the questions about corporate and labor union funds which may have been raised in March, 1975, and the alleged transfer of $13,000 to Lt. Gov. Garrahy in December 1976.

On October 5, 1976, the Commission found no reason to believe the Noel Committee violated 2 U.S.C. §433 by failing to register. The Commission found reason to believe Mr. Noel violated 2 U.S.C. §§432, 434, and 18

In a new Noel account Lynch deposited $38,950 plus an additional $13,000 "or so," both accounts having come out of monies contributed to the December 4, 1975 fundraiser. The latter $13,000 was, according to the newspaper article, "to make up for the 'Philip Noel 1975' money that had been given to Garrahy."

7904013523 6

U.S.C. §610 (now 2 U.S.C. §441b).

Mr. Noel was notified of the Commission's findings by letter dated October 5, 1976 (Attachment 1). This letter asked Mr. Noel to respond to eleven specific requests. Mr. Noel responded in a letter dated October 15, 1976, but he did not provide the information requested in the Commission's notification. He asserted that if the Commission dismissed the case against the Noel Committee, then "there is no possibility that any violation could have been committed by me."

Mrs. Sulton of the General Counsel's staff contacted Mr. Lynch by telephone in an effort to clarify and conciliate the matter. Mr. Lynch then stated in a letter dated November 29, 1976, that "none of the funds received in the March 1975 fundraiser, so-called, have been used in the campaign . . . It should further be pointed out that none of these funds will be used for that purpose." (See Attachment 2.)

Pursuant to Mr. Lynch's representation that he was authorized by Mr. Noel to settle this matter (Mr. Lynch is an attorney) a Consent Agreement was drafted and sent to Mr. Lynch for his review on May 26, 1977.

On July 18, 1977, an agreement executed by

7 9 0 4 0 1 3 5 2 3 7

Philip W. Noel was returned to us. The agreement sent to us had been revised in several material aspects although Mr. Lynch neglected to mention that he had made such changes. The changes made were considered unacceptable because the finding by the Commission of "reason to believe" was omitted; and language was added stating that compliance with the agreement would constitute a finding of no violation of the Act.

While this MUR was pending, MUR 411 involving individual contributions in excess of the $1,000 limit made to the Noel for Senator Committee also was being considered. In discussing MUR 411 with Mr. Lynch on the telephone, Mrs. Sulton was informed by him that the funds which were the subject of MUR 211 -- with the exception of $13,000 -- had been transferred from escrow and used by the Noel Committee to pay debts.

This new information regarding use of the money collected at the December 1975 fundraiser was incorporated into a revised Consent Agreement and submitted to Mr. Lynch on August 8, 1977. No response was received and a follow-up letter was sent on September 16, 1977. Mr. Noel, in a letter dated September 20, 1977, requested a personal conference. A meeting was scheduled for

7 9 0 4 0 1 3 5 2 3 8

for October 5, 1977. However, Mr. Noel did not keep the appointment and upon telephoning his office, Mrs. Sulton was informed by Mr. Noel's secretary that Mr. Noel could not attend the meeting and that she would try to arrange a meeting the following week. No further contact has been received regarding the meeting which Mr. Noel had requested.

III. Analysis

The basic issue here is whether Mr. Noel accepted or received contributions from prohibited sources in connection with a Federal election.

Since the initiation of this action, all but $13,000 of the funds placed in escrow from the December 1975 fundraiser were transferred to the Noel Committee's account and used to pay the debts of the campaign, according to Mr. Lynch.

Despite frequent correspondence with the Noel Committee and Mr. Lynch, and our attempt to obtain voluntary compliance in a Consent Agreement, we still do not have the information needed to resolve this matter. Mr. Noel did not respond to specific questions addressed to him, nor did he submit any documentation as requested in the Commission's letter of October 5, 1976. Although Mr. Lynch has stated that he would make the books and records relating to the March and December fundraisers available to us, we have not seen such records. We have

7 9 0 4 0 1 3 5 2 3 9

not received documentation as to the existence of the escrow account, transfers from it to the campaign, or the presence balance. We have requested copies of invitations, news stories, press releases and/or other material which might clarify the purpose of the 1975 fundraisers, but nothing has been provided. We requested a full disclosure of the sources of the funds raised in March and December 1975, how these funds were spent, the expenses incurred in connection with the fundraising events, and the proportionate share of expenses borne by both sponsors of the December fundraiser, but we have not received this information. Mr. Lynch has not returned recent telephone calls made by staff members.

IV. Recommendations

1. Subpoena the books and records pertaining to the March and December fundraisers from John Lynch.

2. Send attached letters to Messrs. Noel and Lynch.

12/2/77
Date

William C. Oldaker
General Counsel

7904013524 0

GCC#1604

COFFEY, McGOVERN, NOEL AND NOVOGROSKI
ATTORNEYS AT LAW
15 WESTMINSTER STREET
PROVIDENCE, R. I. 02903

JOHN G. COFFEY
CHARLES J. McGOVERN
PHILIP W. NOEL
ARTHUR NOVOGROSKI

JUSTIN P. McCARTHY
JOHN G. COFFEY, JR.
KENNETH R. NEAL
STEPHEN C. HANLEY
RUSSELL R. SICARD

TELEPHONE
274-1144

702809

77 SEP 22 AM 10:28

FEDERAL ELECTION COMMISSION

September 20, 1977

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

702810

Dear Mr. Oldaker:

Your letter of August 8, 1977 addressed to John D. Lynch has been referred to me for review.

Before responding specifically to your proposal of settlement, I would like an opportunity to meet with you in the presence of one or more Commission members to review this entire matter.

If you have would someone in your office contact Mrs. Vera Crenca of this office, she has been authorized to make the necessary appointment.

If you have any questions please contact me directly.

Sincerely,

Philip W. Noel

Philip W. Noel

pwn:vtc

7904013524 1

FFEY, McGOVERN, NOEL AND NOVOGROSKI
ATTORNEYS AT LAW
15 WESTMINSTER STREET
PROVIDENCE, RHODE ISLAND 02903

RECEIVED
FEDERAL ELECTION
COMMISSION

77 SEP 22 AM 10:09

PROVIDENCE R.I.
PM
SEP 22
1977

PROCLAIM LIBERTY
USA 13¢

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

7904013524 2

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

September 16, 1977

John D. Lynch, Esquire
Lynch, Walsh & Coleigh
602 Tollgate Road
Warwick, Rhode Island 02886

Re: MUR 211 (76)

Dear Mr. Lynch:

On August 8, 1977, I transmitted to you a revised Consent Agreement in the above matter. We have received no response from you to date. This matter has now been pending for over three months. If we do not hear from you within three days from your receipt of this letter, we will recommend that the Commission proceed with futher action in this matter.

Please contact Mrs. Sulton on 800/424-9530 if you have any questions or suggestions for changes in the Agreement.

Sincerely yours,

William C. Oldaker
General Councel

7904013524 3

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

Marvin Sutton

PS Form 3806, Mar. 1976

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).

- ☐ Show to whom and date delivered..... 15¢
- ☒ Show to whom, date, & address of delivery.. 35¢
- ☐ RESTRICTED DELIVERY.
  Show to whom and date delivered..... 65¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:

John D. Lynch, Esq.

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	938069	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

Brenda Bryguere

4. DATE OF DELIVERY

9-20-77

POSTMARK

SEP 20 1977

5. ADDRESS (Complete only if requested)

602 Pilgrt 7.

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GOP: 1976—O-203-486

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

August 8, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John D. Lynch, Esquire
Lynch, Walsh & Coleigh
602 Tollgate Road
Warwick, R.I. 02886

Re: MUR 211 (76)

Dear Mr. Lynch:

I have reviewed the Consent Agreement which you submitted under cover letter dated July 18, 1977. I am submitting to you for consideration a substitute which incorporates some of your proposed changes.

With respect to the prefatory language on page 1, I cannot agree to modify or exclude the statutory finding of reason to believe". That is a report of the action taken by the Commission in this matter.

Part I-A appears to have a typographical error, and March 14 has been changed to March 4. Paragraph I-B has been slightly modified. Paragraphs C-H of Part I remain as you propose. Paragraph I has been changed to reflect the fact that a portion of the $52,006.58 has been removed from the escrow account. Paragraph J has been added and is substituted for your proposed addition of paragraph D in Part III.

A new paragraph II-5 is added to assure compliance with the terms of this agreement.

I trust that with these changes the Consent Agreement will be acceptable to you and your client, please contact Gloria R. Sulton at 202/523-4057, or toll free 800/424-9530, at your earliest opportunity.

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

7904013524 5

MUR 211 Switon

PS Form 3811, Mar. 1976

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).

- ☐ Show to whom and date delivered..... 15¢
- ☒ Show to whom, date, & address of delivery.. 35¢
- ☐ RESTRICTED DELIVERY.
  Show to whom and date delivered..... 65¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:
Mr John D Lynch, Esquire
Lynch Walsh & Coleigh
600 Tollgate Rd
Warwick RI 02886

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943762	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
Carolyn A. Gross

4. DATE OF DELIVERY

POSTMARK
AUG 10 1977
U.S.P.O. WARWICK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

John D. Lynch, Esquire
Lynch, Walsh & Colleigh
602 Tollgate Road
Warwick, Rhode Island 02886

28 JUN 1977

Re: MUR 211 (76)

Dear Mr. Lynch:

Pursuant to your representation of Governor Noel, a Consent Agreement was forwarded to you on May 26, 1977, in an effort to dispose of the issue in the above-referenced matter. To date, no response has been received.

We are anxious to dispose of this matter and would appreciate the courtesy of a reply at the earliest possible date. Please feel free to contact Mrs. Sulton, the attorney assigned to this matter, if you have any questions. She can be reached direct on 202/523-4057 or toll free 800/424-9530.

Sincerely yours,

William C. Oldaker
General Counsel

7904013524 7

May 22 1977

John D. Lynch, Esq.
Lynch, Walsh & Colleigh
602 Tollgate Road
Warwick, Rhode Island 02886

Re: MUR 211 (76)

Dear Mr. Lynch:

Pursuant to your letter of November 29, 1976, indicating that no part of the funds from the March 1975 fundraiser would be used in connection with Governor Noel's Senatorial campaign, I have prepared the enclosed Consent Agreement in final settlement of the above-referenced case. I regret the delay in forwarding this to you.

I am aware that you wish to terminate the Noel for Senator committee. Every effort will be made to expedite this matter and your prompt response will be appreciated. If you have any questions regarding this matter, please contact Gloria Sulton on (202/523-4057) or toll free (800/424-9530).

Sincerely yours,

William Oldaker
General Counsel

Enclosure

amt: LS: 5/17/77

7904013524 8

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 211 (76)
Philip W. Noel	)	

CONSENT AGREEMENT

This matter having been initiated by the Federal Election Commission (hereinafter Commission) pursuant to a notarized complaint and after preliminary inquiry, the Commission found reason to believe that Philip W. Noel (hereinafter respondent) committed violations of 2 U.S.C. §§432, 434 and 18 U.S.C. §610 (presently 2 U.S.C. §441b). Respondent, having had a reasonable opportunity to respond and demonstrate that no action should be taken, voluntarily enters into this agreement pursuant to 2 U.S.C. §437d(a)(10).

I. STATEMENT OF PERTINENT FACTS:

A. Respondent was a candidate for the office of Senator of the United States from Rhode Island in the primary election held on September 14, 1976.

B. On March 4, 1975, respondent held a fundraiser which raised approximately $13,000 for political purposes; that respondent had not announced his candidacy for Federal office at that time.

7904013524 9

C. The $13,000 from the March 4, 1975 fundraiser represented contributions from corporations and labor organizations.

D. Respondent transferred the $13,000 from the March 4, 1975 fundraiser on or before December 4, 1975 to J. Joseph Garrahy, Lt. Governor of Rhode Island.

E. That respondent and Lt. Governor Garrahy held a joint-fundraiser in December 1975; that the division of the net proceeds from this fundraiser provided for respondent to receive one-half of the funds plus $13,000.

F. That respondent's principal campaign committee, Noel for Senator, disclosed on its April 10, 1976 report of receipts and expenditures cash on hand as of January 1, 1976 in the amount of $52,066.58, which amount represented the total amount received by respondent from the joint fundraiser held in December 1975.

G. The $52,066.58 disclosed by Noel for Senator has been retained in a separate account and has not been comingled with the funds being used to finance respondent's Senate campaign.

II. NOW, THEREFORE, RESPONDENT AGREES:

1. That the FEC has jursidiction over respondent and the subject matter of this proceeding.

2. To amend the Noel for Senator April 10, 1976 report of receipts and expenditures and all subsequent reports filed

7 9 0 4 0 1 3 5 2 5 0

to exclude the $13,00 originally received from a March 4, 1975 fundraiser.

3. Not to use or authorize anyone else to use the $13,000 identified in Part I above in connection with his 1976 election or any subsequent Federal election in which he is a candidate.

4. To maintain and retain documents and records, including but not limited to bank deposits slips, cancelled checks, contributor lists, receipted bills, memos and correspondence, with respect to the matters herein for a period of three years from the effective date of this agreement.

III. GENERAL CONDITIONS

A. Pursuant to §437g(a)(6)(C), the Commission shall make available to the public the results of this compliance action, including the consent agreement herein entered into between the Commission and respondent.

B. The respondent agrees that the Commission, on the request of anyone filing a complaint under §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review, compliance with this agreement. As part of such review, the Commission may require production of all relevant evidence pursuant to its powers under §437d.

C. It is further agreed that this consent agreement is entered into in accordance with 2 U.S.C. §437d(a)(10) and that this Agreement shall constitute a complete bar to any further action by the Commission with regard to the matters set forth

7904013525 1

in this agreement. However, if the Commission believes that this agreement, or any requirement thereof has been violated, it may institute a civil action for relief in the U.S. District Court for the District of Columbia.

D. It is agreed that the respondent shall have no more than 30 days from the date this agreement becomes effective according to paragraph E, to comply with and implement the requirements contained in this Agreement.

E. It is mutually agreed that this agreement shall become effective on the date the Commission approves the entire agreement, which shall be evidenced by the execution of same by the General Counsel.

FEDERAL ELECTION COMMISSION

DATE: _____ by: _____

General Counsel
1325 K Street, N.W.
Washington, D.C. 20463

DATE: _____ by: _____

Philip W. Noel
Respondent
21 Kirby Avenue
Warwick, Rhode Island

7904013525 2

BEFORE THE FEDERAL ELECTION COMMISSION
May 16, 1977

In the Matter of	)	
	)	MUR 211 (76)
Philip W. Noel/Noel for Senator	)	

INTERIM INVESTIGATION REPORT

In notarized complaints dated July 31, 1976 and August 3, 1976, Paul Goulding alleged that:

1. Respondent Noel held a fundraiser on March 4, 1975 (which purportedly raised $13,000) which triggered a registration obligation under 2 U.S.C. §433 for Respondent committee.

2. That the funds raised on March 4, 1975 included corporate and labor union monies which were "laundered" through a joint fundraiser with Lt. Gov. Garrahy on December 4, 1975. Division of the funds from the joint fundraiser, netted respondent Noel 1/2 of the proceeds plus $13,000 (representing the March 4, 1975 funds) while Lt. Gov. Garrahy took 1/2 of the proceeds less $13,000. Complainant asserts that Governor Noel's receipt of the $13,000 violates the prohibitions of 18 U.S.C. §610 since the $13,000 came from corporations and labor unions.

The Commission closed the case with respect to the Noel for Senator committee since it was not in existence in 1975.

7 9 0 4 0 1 3 5 2 5 3

Informal contact between staff counsel and counsel to Governor Noel resulted in a letter from the latter indicating that the funds from the fundraiser in March would not be used in the campaign of Governor Noel for U.S. Senator. A consent agreement has been prepared for submission to respondent embodying his promise not to use the March 1975 funds for his 1976 Senatorial campaign. Further, the agreement contains a prohibition against use of these monies in any Federal election.

An agreement at this juncture of the case is being proposed because there is no evidence to indicate that Governor Noel was a candidate for Federal office in 1975; thus, receipt of the funds, if not received in connection with a Federal election, would not be a violation of §610 (now 2 U.S.C. §441b). Since Governor Noel could have run again for Governor and Senator Pastore had not announced his intention not to seek re-election to the Senate, proof of "candidacy" by Governor Noel in 1975 would be difficult. We are therefore, proposing a voluntary agreement pursuant to the provisions of 2 U.S.C. §437d(a)(10).

William C. Oldaker

DATE: 5/16/77

7904013525 4

02151
MUR 211

LYNCH, WALSH & COBLEIGH
ATTORNEYS AT LAW
600 TOLLGATE ROAD
WARWICK, R. I. 02886
739-2800

JOHN D. LYNCH
JOSEPH W. WALSH
GERARD P. COBLEIGH
MICHAEL A. HIGGINS
JOHN C. REVENS, JR.

RECEIVED
FEDERAL ELECTION
COMMISSION
76 DEC 17 AM 10:39

December 13, 1976

IN REPLY PLEASE
REFER TO FILE NO.

Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 02463

ATTENTION: Ms. Gloria Sulton

RE: Noel For Senator

Dear Ms. Sulton:

Enclosed herewith find a copy of my letter to the Federal Election Commission dated November 29, 1976, regarding the above matter.

Very truly yours,

LYNCH, WALSH & COBLEIGH

John D. Lynch

JDL:brr
Enclosure

7 9 0 4 0 1 3 5 2 5 5

RECEIVED
FEDERAL ELECTION
COMMISSION

'76 DEC 17 AM 10:39

November 29, 1976

Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 02463

RE: Noel for Senator
S-2150, RAD 0069 ND

Gentlemen:

This office has not received a response from your commission relative to the allegations made against this committee during the recent Democratic Primary for the U.S. Senate. In order to hasten decision on this matter, it should be pointed out that none of the funds received in the March 1975 fund raiser, so-called, have been used in the campaign for the Democratic nomination for the U. S. Senate from Rhode Island. It should further be pointed out that none of these funds will be used for that purpose.

It would be appreciated if your commission would render its decision relative to those funds received in the December 4, 1975, rund raiser, keeping in mind our intention to exclude from this campaign those funds remaining from the March 1975 fund raiser.

Thanking you in advance for your anticipated cooperation, I am

Very truly yours,

LYNCH, WALSH & COBLEIGH

John D. Lynch

JDL:brr

7904013525 6

LYNCH, WALSH & COBLEIGH
ATTORNEYS AT LAW
602 TOLLGATE ROAD
WARWICK, R. I. 02886

Federal Election Commission
1325 K Street, N.W.
Washington, D. C. ~~02463~~

ATTENTION: Ms. Gloria Sulton

7 9 0 4 0 1 3 5 2 5 7
'76 DEC 17 AM 10:35 DEC 17 AM 10:34
FEDERAL ELECTION COMMISSION
RECEIVED
United States Po

CC 1107
MUR 211

Rec'd 12-6
Sent to Reports Ex.
because of inaccurate
referenced numbers.

LYNCH, WALSH & COBLEIGH
ATTORNEYS AT LAW
602 TOLLGATE ROAD
WARWICK, R. I. 02886
739-8500

JOHN D. LYNCH
JOSEPH W. WALSH
GERARD P. COBLEIGH
MICHAEL A. HIGGINS
JOHN C. REVENA JR.

DEC 2 A10:26

ATTACHMENT 2

November 29, 1976

IN REPLY PLEASE
REFER TO FILE NO.

763979

Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 02463

RE: Noel for Senator
S-2150, RAD 0069 ND

Gentlemen:

This office has not received a response from your commission relative to the allegations made against this committee during the recent Democratic Primary for the U.S. Senate. In order to hasten decision on this matter, it should be pointed out that none of the funds received in the March 1975 fund raiser, so-called, have been used in the campaign for the Democratic nomination for the U. S. Senate from Rhode Island. It should further be pointed out that none of these funds will be used for that purpose.

It would be appreciated if your commission would render its decision relative to those funds received in the December 4, 1975, rund raiser, keeping in mind our intention to exclude from this campaign those funds remaining from the March 1975 fund raiser.

Thanking you in advance for your anticipated cooperation, I am

Very truly yours,

LYNCH, WALSH & COBLEIGH

John D. Lynch

JDL:brr

79040013258

ATTACHMENT 1

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

5 OCT 1976

Honorable Philip W. Noel
21 Kirby Avenue
Warwick, Rhode Island

Re: MUR 211 (76)

Dear Governor Noel:

This letter is to notify you that on the basis of the information available, the Federal Election Commission has determined that there is reason to believe that you have committed violations of 2 U.S.C. §§432, 434 and 18 U.S.C. §610 (presently 2 U.S.C. §441b). With respect to your receipt of $52,066.88 in net contributions from the fundraiser you held jointly with LT. Governor Garrahy on December 4, 1975.. Complainant alleges that approximately $13,000 of these contributions represented corporate and labor donations that you received in a March 4, 1975 fundraiser. Accordingly, a preliminary investigation will be made into the matters alleged in the complaint.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Statements should be submitted under oath by persons with personal knowledge of the matters being investigated.

In an effort to resolve this matter, the Commission specifically requests that this information be supplied:

1. The purpose of the March 4 and December 4, 1975 fundraisers;

2. A full disclosure of the sources of the funds raised at the March and December 1975 fundraisers.

7904013525 9

3. The disposition of the funds raised in the March 1975 fundraiser, including but not limited to information regarding the identity of bank accounts established to deposit funds, names of persons having authority or control over such funds, chronological transfer of such funds from account to account or person to person, so long as such funds were under your custody or control.

4. Copies of invitations, advertisements or other literature which solicited attendance at or announced these fundraisers.

5. The substance of the agreement, whether oral or written, between you and the joint sponsor of the December 4, 1975 fundraiser for the division of the funds raised.

6. Whether you were a candidate for state or local office in 1975.

7. Whether any of the funds raised at the March and December 1975 fundraisers have been used, and if so, please explain the nature of the expenditure(s).

8. Provide an accounting of the expenses incurred with respect to the December 1975 fundraiser and what proportion of these costs were borne by you.

9. The gross and net proceeds of the December fundraiser and the amount of the contributions you received as your share of the total.

10. The disposition of the funds raised in December 1975 fundraisers, including but not limited to information regarding the identity of bank accounts established to deposit such funds, chronological transfer of such funds from account to account or person to person, so long as such funds were under your custody and control.

11. Copies of newspaper articles, press releases or other accounts of the March and December 1975 fundraisers, if available.

The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days after receipt of this notification. If you have any questions, please contact Gloria R. Sulton (telephone no. 202/382-4041), the attorney assigned to this case.

7 9 0 4 0 1 3 5 2 6 0

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you notify the Commission in writing that you wish the investigation to be made public.

Sincerely yours,

Signed: John G. Murphy, Jr.

John G. Murphy, Jrs.

GSulton:pjg:9/24/76
MUR file 211

79040135261

State of Rhode Island and Providence Plantations
EXECUTIVE CHAMBER PROVIDENCE

CERTIFIED
No. 245318
MAIL

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John G. Murphy, Jr.
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

OCT 18 AM 9 29

CC 741
MUR 211

State of Rhode Island and Providence Plantations
EXECUTIVE CHAMBER, PROVIDENCE

RECEIVED
FEDERAL ELECTION
COMMISSION

76 OCT 18 AM 11:30

Philip W. Noel
Governor

October 15, 1976

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John G. Murphy, Jr.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

762919

RE: MUR 211 (76)

Dear Mr. Murphy:

Your letter of October 5, 1976 (Certified Mail-Return receipt requested) was signed for and received by this office yesterday, October 14, 1976.

I am advised by Mr. John D. Lynch that he received a letter dated October 8, 1976 from you indicating that the Commission determined that there was no reason to believe that a violation of the Federal Election Campaign Act had been committed by the Noel for Senator Committee. If that is factual then there is no possibility that any violation of the Act could have been committed by me. I cite the following reasons:

1. No funds were collected for the Senate campaign by anyone or any committee other than the Noel for Senator Committee under the direction of Mr. John D. Lynch.

2. No funds were spent in the Senate election for or on my behalf by any person or agency other than the Noel for Senator Committee under the direction of Mr. John D. Lynch.

3. The only issue that remains unresolved is whether or not the Election Commission will allow me to utilize the $52,066.88 that was raised prior to my becoming a candidate for Senator to help liquidate a portion of the substantial debt that remains from the election.

4. This sum of $52,066.88 was reported to the Commission and the Commission was advised, in writing, that the money was being held separate and apart from the Noel for Senator funds and that said monies would not be utilized until we received instructions and clearance from the Commission.

5. In spite of repeated requests for such clearance, we have not yet received any instructions, to my knowledge, from the Federal Election Commission.

I respectfully request that a meeting be held in the immediate future so that we can once and for all present whatever evidence is required in order to clear the complaint that is pending against me personally. Such a meeting would also enable us to finally resolve the issue of the $52,066.88.

I personally believe that those funds are legitimate and should be used to reduce some of the debt that I have incurred. If you would be kind enough to advise me of the date of such a meeting, I will be present with Mr. John D. Lynch and with the evidence necessary to finally resolve all remaining issues.

Please advise.

Sincerely,

Philip W. Noel

Philip W. Noel
GOVERNOR

7 9 0 4 0 1 3 5 2 6 4

8 OCT 1976

Mr. John D. Lynch
Treasurer
Noel for Senator
602 Tollgate Road
Warwick, Rhode Island 20886

Re: MUR 211 (76)

Dear Mr. Lynch:

This is to advise you that the Commission has voted to terminate its inquiry into alleged violations of the Federal Election Campaign Act of 1971, as amended (the Act) by Noel for Senator Committee. The inquiry involved 2 U.S.C. §433. The Commission determined that there was no reason to believe that a violation of the Act has occurred. Accordingly, the Commission intends to close its file with respect to the allegations against this committee. With regard to the remaining allegations, the Commission has written separately to Governor Noel.

A copy of the certification of the Commission's Action is enclosed for your information. If you have any questions please contact Gloria R. Sulton (telephone no. 202/382-4041), the attorney assigned to this matter.

Sincerely yours,

Signed: John G. Murphy, Jr.

John G. Murphy, Jr.
General Counsel

Enclosure

cc: GSulton
MUR 211 File
Chron File

GSulton:mpc:9/29/76

7 9 0 4 0 1 3 5 2 6 5

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

5 OCT 1976

Honorable Philip W. Noel
21 Kirby Avenue
Warwick, Rhode Island

Re: MUR 211 (76)

Dear Governor Noel:

This letter is to notify you that on the basis of the information available, the Federal Election Commission has determined that there is reason to believe that you have committed violations of 2 U.S.C. §§432, 434 and 18 U.S.C. §610 (presently 2 U.S.C. §441b) with respect to your receipt of $52,066.88 in net contributions from the fundraiser you held jointly with Lt. Governor Garrahy on December 4, 1975.. Complainant alleges that approximately $13,000 of these contributions represented corporate and labor donations that you received in a March 4, 1975 fundraiser. Accordingly, a preliminary investigation will be made into the matters alleged in the complaint.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Statements should be submitted under oath by persons with personal knowledge of the matters being investigated.

In an effort to resolve this matter, the Commission specifically requests that this information be supplied:

1. The purpose of the March 4 and December 4, 1975 fundraisers;

2. A full disclosure of the sources of the funds raised at the March and December 1975 fundraisers.

7904013526 6

R.S.

3. The disposition of the funds raised in the March 1975 fundraiser, including but not limited to information regarding the identity of bank accounts established to deposit funds, names of persons having authority or control over such funds, chronological transfer of such funds from account to account or person to person, so long as such funds were under your custody or control.

4. Copies of invitations, advertisements or other literature which solicited attendance at or announced these fundraisers.

5. The substance of the agreement, whether oral or written, between you and the joint sponsor of the December 4, 1975 fundraiser for the division of the funds raised.

6. Whether you were a candidate for state or local office in 1975.

7. Whether any of the funds raised at the March and December 1975 fundraisers have been used, and if so, please explain the nature of the expenditure(s).

8. Provide an accounting of the expenses incurred with respect to the December 1975 fundraiser and what proportion of these costs were borne by you.

9. The gross and net proceeds of the December fundraiser and the amount of the contributions you received as your share of the total.

10. The disposition of the funds raised in December 1975 fundraisers, including but not limited to information regarding the identity of bank accounts established to deposit such funds, chronological transfer of such funds from account to account or person to person, so long as such funds were under your custody and control.

11. Copies of newspaper articles, press releases or other accounts of the March and December 1975 fundraisers, if available.

The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days after receipt of this notification. If you have any questions, please contact Gloria R. Sulton (telephone no. 202/382-4041), the attorney assigned to this case.

7904013526 7

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you notify the Commission in writing that you wish the investigation to be made public.

Sincerely yours,

Signed: John G. Murphy, Jr.

John G. Murphy, Jrs.

6 C

6c

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- ☐ Show to whom and date delivered..... 15¢
- ☒ Show to whom, date, & address of delivery.. 35¢
- ☐ RESTRICTED DELIVERY. Show to whom and date delivered..... 65¢
- ☐ RESTRICTED DELIVERY. Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:
Hon. Philip W. Noel

3. ARTICLE DESCRIPTION:
REGISTERED NO. | CERTIFIED NO. 438199 | INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☒ Addressee ☐ Authorized agent

4. DATE OF DELIVERY | POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: | CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL
PS Form 3811, Mar. 1975

GSulton:pjg:9/24/76
MUR file 211

7904013526 8

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 211 (76)
Philip W. Noel/ Noel for Senator	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on October 5, 1976, the Commission determined by a vote of 5-0 that there was reason to believe that violations of the Federal Election Campaign Act of 1971, as amended, had been committed by Mr. Philip W. Noel and that there was no reason to believe that violations of the Federal Election Action Campaign Act of 1971, had been committed by the Noel for Senator Committee. Voting to make this finding were Commissioners Aikens, Harris, Springer, Staebler, and Thomson. Commissioner Tiernan was not present.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

7904013526 9

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 211 (76)
Philip W. Noel/Noel for Senator)

GENERAL COUNSEL'S REPORT

I. Allegations

In notarized complaints dated July 31, 1976 and August 3, 1976, filed by Paul Goulding, it is alleged that:

(1) Respondent Noel held a fundraiser on March 4, 1975 (which reputedly raised $13,000) which triggered a registration obligation under 2 U.S.C. §433 for Respondent committee.

(2) That the funds raised on March 4, 1975 included corporate and labor union monies which were "laundered" through a joint fundraiser with Lt. Gov. Garrahy on December 4, 1975. Division of the funds from the joint fundraiser, netted Respondent Noel 1/2 of the proceeds plus $13,000 (representing the March 4, 1975 funds) while Lt. Gov. Garrahy took 1/2 of the proceeds less $13,000. Complainant asserts that Governor Noel's receipt of the $13,000 constitutes a corporate contribution in connection with a Federal election, thereby violating 18 U.S.C. §610.

7904013527 0

II. Evidence

Complainant submitted several newspaper articles along with his complaint, which purportedly described the March and December, 1975 fundraisers and others held in 1976 on behalf of Governor Noel.

A staff review of Governor Noel's campaign reports revealed that in the Arpil 10, 1976 report of his campaign committee, it was indicated that he had received a net of $52,066.58 from the December 4, 1975 fundraiser. According to a letter from John D. Lynch, Treasurer of Governor Noel's Committee, (the letter accompanied the report), the monies were placed in an account "separate and distinct from the bank account established at the time of the candidate's announcement (and) . . . have not been commingled with contributions received since the candidate made his announcement for federal office."1/ The letter indicated that a separate advisory opinion request was being made as "to the propriety of the use of said funds in a federal election campaign." However, neither the letter, not the opinion request specifically alluded to the corporate contributions problem cited by complainant.

1/ An addendum to the Noel for Senate Committee's July 10, 1976 report indicated that the monies had still not been commingled, although interest of $1,376.17 had been earned in the intervening period.

7 9 0 4 0 1 3 5 2 7 1

In a letter of August 17, 1976 to John Lynch, Treasurer, Noel for Senator, the Office of General Counsel asked when contributions were received or anticipated or expenditures made exceeding $1,000, the letter also inquired as to the Committee's involvement in the March and December 1975 fundraisers. Mr. Lynch in his notarized response dated August 26, 1976, stated that the Noel for Senator committee was formed on January 29, 1976, and received its first contribution on February 26, 1976. He further states that the committee had no involvement in the March or December 1975 fundraisers and that neither fundraiser was held "with the thought of U.S. Senate or any other Federal office in mind." (See attached response.)

In a letter of August 17, 1976 to Governor Noel the Commission asked that he address these specific matters: (1) when he became a candidate under the Act; (2) source of the funds raised on March 4, 1975; (3) purpose of the March and December 1975 fundraisers; (4) the disposition of the funds raised March 4, 1975; (5) the date or organization of the Noel for Senator Committee; (6) the agreement for division of the proceeds from the December 4, 1975 fundraiser. Governor Noel answered by stating that the fundraisers were held prior to the time he became a candidate for U.S. Senate. He states further that the names and addresses of "these contributors" were reported to the Commission on April 10, 1976 with a request by

7 9 0 4 0 1 3 5 2 7 2

Mr. Lynch as to how said funds could be used in his Senate campaign.[2/] He also advises that the "funds in question" have been retained in a separate account and not commingled with his Senate campaign (see attached response).

The complainant's allegation regarding the "laundering" of the March 4, 1975 funds is apparently taken from article in the Providence Journal-Bulletin of April 17, 1976. The article attributed the explanation of the transfer of the March 4, 1975 funds to Lt. Gov. Garrahy and the subsequent division of the fund raised in December 1975 to John Lynch, Treasurer of Gov. Noel's principal campaign committee. Neither respondent addresses the specifics of the transfer or whether corporate and labor union funds were raised in March 1975.

The Providence Journal-Bulletin reports that a "Philip Noel 1975" account contained about $13,000, "apparently from a controversial March 4, 1975" fundraiser. Some of this money was from corporations and labor organizations which are legal under state law. The $13,000 was transferred "into an account set up to receive the Garrahy share of the

---

2/ He apparently refers to the contributors to the December 4, 1975 fundraisers. A review of the report, however, does not indicate that the names and addresses of these contributors were provided in the April 10, 1976 report.

7 9 0 4 0 1 3 5 2 7 3

December 4, joint affair." Garrahy then received approximately $26,000 from the December 4, 1975 joint fundraiser bringing his total to $38,950. In a new Noel account Lynch deposited $38,950 plus approximately $13,000 or more, both amounts physically coming from the December 4, 1975 joint funds raised. The latter $13,000 was according to the newspaper account "to make up for the 'Philip Noel 1975' money that had been given to Garrahy."

III. Analysis and Recommendation

1) The complainant fails to allege any violation of 2 U.S.C. §§432(e) or 434; however, one of the underlying issues in this case is whether Governor Noel became a candidate under 2 U.S.C. §431(b) during 1975 as a result of his fundraising activities. If so, then certain candidate obligations arose in 1975, i.e. designation of a principal campaign committee and disclosure of receipts and expenditures.

An individual is deemed to seek nomination or election to federal office if he or she 1) takes the necessary action under state law to qualify for nomination or election; or 2) receives contributions or makes expenditures or gives consent for others to do so with a view toward bringing about his or her nomination or election. 2 U.S.C. §431(b). Despite the denial of candidacy in this case, the available information is inconclusive to determine this issue which is crucial to

7 9 0 4 0 1 3 5 2 7 4

further establish whether Gov. Noel's obligations under the Act arose prior to 1976. Gov. Noel's response failed to address a specific question directed to him in our letter of August 17, 1976 asking the purpose of these fundraisers. The failure is significant in view of the indication in the initial report of Governor Noel's principal campaign committee that $52,066.88 was received from the December, 1975 fundraiser. This creates an inference that the event was campaign related.

Given the failure of respondent to controvert complainant's charges, we recommend that the Commission find reason to believe that Respondent Noel has violated 2 U.S.C. §§432(e), 434.

With respect to the allegation of failure to register by the Noel for Senator Committee, complainant offers no evidence of the existence of this particular committee in March, 1975. Based upon the denial of the formation of this committee, there is no reason to believe a violation of §433 has occurred with respect to the committee.

2) With regard to the allegations concerning "laundering" of corporate and labor monies, there is a threshold issue as to whether Governor Noel received or accepted prohibited contributions within the meaning of 18 U.S.C. §610.

Clearly, if Respondent was a candidate at the time of the March 4, 1975 fundraiser, then the receipt of the $13,000 in allegedly prohibited contributions would have violated §610. However, this issue is still unresolved.

7 9 0 4 0 1 3 5 2 7 5

If Governor Noel was not a candidate for federal office in March, 1975, then there is an issue as to whether his subsequent receipt of the $13,000 at the time he became a candidate, constitutes a receipt of corporate contributions within the meaning of §610.

§610 defined contribution or expenditure as "any direct or indirect payment . . . to a candidate, campaign committee or political party or organization" (emphasis added). A narrow reading of the statute to require that the "contribution or expenditure" has to be made to an individual who is a candidate at the time he received the money, would undercut the general prohibition of §610 (and its successor, 2 U.S.C. §441b) by permitting the use of a fiction whereby a prospective candidate knowingly collects corporate money, but does not acknowledge receipt for reporting purposes until a subsequent date. Indeed, the use of the word "indirect" with respect to contributions implies a legislative intent to prevent use of such a scheme.[3/]

On the basis of the information presently available it appears to be unquestioned that the $13,000 raised by Governor Noel has been included in funds reported by the Treasurer of

---

3/ Although there is no case law on this precise point, there is authority for the proposition that §610 is triggered when corporate monies confer a benefit on a candidacy--irrespective of whether the candidate or his committee(s) actually receive the monies. See United States v. Chestnut, 394 F. Supp. 581 (S.D.N.Y. 1975), aff'd. 533 F. 2d 40 (2nd Cir., 1976).

7904013527 6

the Noel for Senate Committee. However, other than the information in the article, it is unclear what portion, if any, of the $13,000 contained corporate money and whether the money was knowingly received with a view toward influencing Governor Noel's subsequent federal candidacy. These factual issues, in our view, should be resolved in an investigation.

The answer of John Lynch, Treasurer of the Noel for Senate Committee, suggests that respondent may argue that there can be no finding of "reason to believe" without evidence that the $13,000 has actually been used in Governor Noel's campaign. However, the disclosure in 1976 of the $52,066.88 allegedly containing "indirect" prohibited contributions may be viewed as receipt under the statute to the extent that the candidate has control of the funds, or his agent, since the language of §610 (and §441b) refers to receipt rather than use. Needless to say, any evidence as to non-use would be relevant if this matter requires concilication.

IV. Recommendation

1. With respect to Respondent Noel, find reason to believe that violations of 2 U.S.C. §§432, 434 and 18 U.S.C. §610 (2 U.S.C. §441b) have occurred; send the attached notification with specific requests that certain information be supplied.

7 9 0 4 0 1 3 5 2 7 7

2. With respect to Respondent committee, find no reason to believe that a violation of 2 U.S.C. §433 has occurred and dismiss complaint against this respondent; send the attached letter.

John G. Murphy, Jr.
General Counsel

DATE: September 29, 1976

7 9 0 4 0 1 3 5 2 7 8

Julia CC 459 MUR 211

RECEIVED FEDERAL ELECTION COMMISSION

LYNCH, WALSH & COBLEIGH
ATTORNEYS AT LAW
[illegible] TOLLGATE ROAD
WARWICK, R. I. [illegible]
[illegible]

JOHN D. LYNCH
JOSEPH W. WALSH
GERARD P. COBLEIGH
MICHAEL A. HIGGINS
JOHN C. REVENS, JR.
DAVID C. MORETTI

76 AUG 30 A10:56

August 27, 1976

In Reply Please Refer To File No. ~~[illegible]~~

FEC CORRESPONDENCE CONTROL # 11-1887

Federal Election Commission
1325 K Street N.W.
Washington, D. C. 20463

ATTENTION: John G. Murphy, Jr.
General Counsel

RE: Answer of John D. Lynch, Treasurer Noel For U. S. Senate Committee
MUR 211 (76)

Dear Mr. Murphy:

In response to your letter of August 17, 1976, enclosed herewith find my answer as Treasurer of the Noel For U. S. Senate Committee.

Very truly yours,

LYNCH, WALSH & COBLEIGH

John D. Lynch

JDL:brr
Enclosure

CERTIFIED MAIL--Return Receipt Requested

7904013527 9

ANSWER OF JOHN D. LYNCH, TREASURER
NOEL FOR U. S. SENATE COMMITTEE

I, John D. Lynch, of the City of Warwick, County of Kent and State of Rhode Island, on oath depose and say:

1. That I am the duly appointed and authorized Treasurer of the Noel For U. S. Senate Committee, having been appointed by candidate, Philip W. Noel, on January 29, 1976. A copy of my appointment is attached hereto and made a part hereof and designated as "Exhibit A."

2. This Committee was formed on January 29, 1976, and received its first contribution on the 26th day of February, 1976, and made its first expenditure on the 19th day of March, 1976.

3. The Noel For U. S. Senate Committee had no involvement whatsoever in the March 4, 1975, fund raiser on behalf of Philip W. Noel, Governor of the State of Rhode Island. On that date, to my knowledge, there was no indication publicly, privately or by inference that our present Senator John O. Pastore would not be a candidate for re-election to the U. S. Senate in 1976.

4. A joint fund raiser was held on December 4, 1975, wherein Lt. Governor J. Joseph Garrahy and Governor Philip W. Noel each received a share of the net proceeds. It should be pointed out that at no time was there a commingling of the funds ultimately going to Philip W. Noel and the funds going to J. Joseph Garrahy. As a matter of procedure, the funds were segregated upon receipt and divided between Noel and Garrahy.

5. On December 4, 1975, the Noel For U. S. Senate Committee was not in existence. Philip W. Noel had made no public or private statement concerning his intention to seek elective office to the U. S. Senate. The undersigned having been appointed Treasurer of the Noel For U. S. Senate Committee on January 29, 1976, had no knowledge whatsoever publicly, privately or by inference on December 4, 1975, that Philip W.

LAW OFFICES
LYNCH, WALSH
& COBLEIGH
602 TOLLGATE ROAD
WARWICK, R. I. 02886

herein to respond to the allegations and statements made by candidate Goulding in his complaints to your Commission dated July 31, 1976, and August 3, 1976. These letters on their face contain so many false conclusions and inaccurate interpretations of the law that a sensible response is extremely difficult. The undersigned remains ready and willing to answer any specific questions raised by your Commission.

10. The undersigned as Treasurer of the Noel For U. S. Senate Committee respectfully requests a just and speedy resolution of the pending complaint and speedy response to my request for an advisory opinion of April 10, 1976.

John D. Lynch, Treasurer
Noel For U. S. Senate Committee

In Warwick, Rhode Island, on the 26th day of August, 1976, before me personally appeared John D. Lynch in his capacity as Treasurer of Noel For U. S. Senate Committee to me known and known by me to be the party executing the foregoing instrument, and he acknowledged said instrument, by him executed, to be his free act and deed.

Brenda R. Riggieri
NOTARY PUBLIC
Notary Public

LAW OFFICES
LYNCH, WALSH
& COGLEIGH
502 TOLLGATE ROAD
WARWICK, R. I. 02888

Noel would be or had any intention of being the candidate for the U. S. Senate.

6. The fund raisers of March 4, 1975, and December 4, 1975, both organized and supervised by the undersigned were not held with the intention of raising funds for a candidate for the U. S. Senate. On the date of each fund raiser, the undersigned had no information directly or indirectly that Philip W. Noel would, at any time, be a candidate for the U. S. Senate. Neither fund raiser was conducted with the thought of U. S. Senate or any other federal office in mind.

7. Having answered factually your letter of August 17, 1976, which was received by the undersigned on August 21, 1976, the undersigned as Treasurer of the Noel For U. S. Senate Committee stands ready to answer further questions or to appear before your Commission with all books and records pertaining to this matter to answer the allegations made by the complaint of candidate, Paul Goulding. It is further requested that Mr. Goulding personally appear at the same time and place so that he may be questioned regarding his allegations.

8. The undersigned respectfully directs your attention to your letter of August 17, 1976, wherein you state, "This matter will remain confidential unless you indicate in writing to the Commission that you wish to be made public." It would appear that Mr. Goulding has questionable motivation since his complaint in detail was aired at a public press conference in the State of Rhode Island prior to notifying your Commission. Such conduct on his part, in my opinion, amounts to a reckless disregard of the provisions of the Federal Election Campaign Laws compiled by The Federal Election Commission, June 1976, Chapter 14, Section 437 g, subsection (a) (3) (B). Appropriate action of your Commission is requested in this regard.

9. This answer is intended to include only the questions raised in your letter of August 17, 1976. No attempt is made

LAW OFFICES
LYNCH, WALSH
& COSLEIGH
602 TOLLGATE ROAD
WARWICK, R. I. 02886

Exhibit A

FEC Form 2
January 1975
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Statement of a Candidate for Nomination or Election to Federal Office

("Candidate" as defined by 2 USC 431 (b))

Note: *Committees authorized to receive contributions and make expenditures in connection with more than one election must maintain separate records with respect to each election, and file separate reports with respect to each election.*

1(a) Name of Candidate (in full)	2 Identification Number	3 Party Affiliation
Philip W. Noel	Applied for	Democratic
(b) Address (number and street) 21 Kirby Avenue	4 Office Sought U. S. Senator	
(c) City, State and ZIP code Warwick, Rhode Island	5 District and State of Candidate Rhode Island	

Designation of Principal Campaign Committee

6 I hereby designate the following named political committee as my Principal Campaign Committee for the General and Primary election(s) held on 9/14/76 and 11/476
(General, Primary, Runoff) (Dates)

(a) Name of Committee (in full)
Noel for Senator

(b) Address (number and street)
c/o John D. Lynch, Treasurer, 602 Tollgate Road

(c) City, State and ZIP code
Warwick, Rhode Island 02886

7 I hereby designate the following national and/or State bank(s) as campaign depositories to be used by the above political committee.

(a) Name of Bank (in full)	(a) Name of Bank (in full)
Citizens Bank	
(b) Address (number and street) P. O. Box 789	(b) Address (number and street)
(c) City, State and ZIP code Providence, Rhode Island 02901	(c) City, State and ZIP code
(a) Name of Bank (in full)	(a) Name of Bank (in full)
(b) Address (number and street)	(b) Address (number and street)
(c) City, State and ZIP code	(c) City, State and ZIP code

Candidate Reporting Status

8 Check Reporting Status (a) or (b) (whichever is applicable)

☒ (a) I hereby certify that the above named committee and authorized agents thereof will receive and disburse ALL funds in support of my candidacy in the above election(s). Based upon this certification I hereby request a waiver of my reporting responsibility. If, after filing this form, I personally receive contributions or make expenditures, the waiver becomes void and I must file a separate report as required by 2 USC 434 on Federal Election Commission Form 3.

☐ (b) I intend to personally receive contributions and/or make expenditures in support of my candidacy and will file separate reports of such receipts and expenditures as required by 2 USC 434, on Federal Election Commission Form 3.

Under penalties of perjury, I declare that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.

Philip W. Noel — (Signature of Candidate)

9/21/76 — (Date)

For further information contact: Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463

LYNCH, WALSH & COBLEIGH
ATTORNEYS AT LAW
602 TOLLGATE ROAD
WARWICK, R. I. 02886

CERTIFIED
No. 089124
MAIL

Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

ATTENTION: John G. Murphy, Jr.
General Counsel

CERTIFIED MAIL--Return Receipt Requested

August 27, 1976

Ms. Gloria R. Sulton
c/o The Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Re: MUR 211 (76)

Dear Ms Sulton:

This is in response to your letter of August 17- received on August 23 re MUR 211 (76).

I should like to further point out that Governor Noel's campaign committee did not initiate any action with the Federal Election Commission until it became obvious that there would be an apparent discrepency between their report and the Lt. Governor's vis a vis their joint fundraiser. As recently as last night August 26, Governor Noel publicly stated before the Rhode Island Broadcasters Association that it was a "Garrahy Fundraiser". On the contrary, in the Providence Journal article of August 3, 1976 previously supplied to uou, the Garrahy Campaign states it was handled by the "Noel Group", which laundry is it?

In an article dated March 7, 1975 previously supplied you from the Providence Journal, it states that the excess monies raised at a Noel fundraiser on March 5, 1975 were to be used for "a personal political fund", according to John Lynch, Treasurer of the Noel for Senate Committee. The serious question here is were the donors to this "slush fund" also donors to the Noel for Senate Committee this year, thereby possibly contributing more than the maximum limit of $1,000 per individual. (Title II sec 441a).

FEC Correspondence Control # 761840

Box 427, P.O. Annex, Providence, Rhode Island/Phone 751-1976

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.

GOULDING

A lot of people who think Paul E. Goulding is the best for the U.S. Senate. James E. Edwards II, Chairman

I ask that you immediately conduct interviews of GovernorNoel's contributors, in order to answer these important questions. I also ask that you try to facilitate this matter prior to September 14, 1976.

Sincerely,

Paul E. Goulding

Subscribed and sworn to before me in Providence this day of AUG 27 1976.

Notary Public

LEO L. SWARTZ
NOTARY PUBLIC
MY COMMISSION EXPIRES 6/30/81

7904013528 6

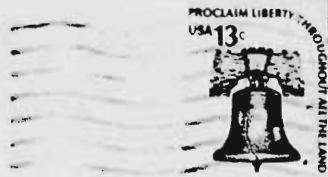
Box 427, P.O. Annex, Providence, Rhode Island/Phone 751-1976

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.

GOULDING

A lot of people who think Paul Goulding, the best man for the U.S. Senate, James P. Twaddell Chairman

Box 427, P.O. Annex, Providence, Rhode Island 02901



Ms. Gloria R. Sulton
c/o The Federal Election Commison
1325 K Street N.W.
Washington, D.C. 20463

OC# 451
MUR 211

State of Rhode Island and Providence Plantations

EXECUTIVE CHAMBER, PROVIDENCE

76 AUG 27 PM 1:21

Philip W. Noel
Governor

August 25, 1976

Mr. John G. Murphy, Jr.
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

FEC CORRESPONDENCE
CONTROL # 761798

Dear Mr. Murphy:

This letter will acknowledge your communication of August 17, 1976 concerning the complaint that has been filed against me by Paul Goulding.

This letter is in the nature of a response to your communication and will also represent my formal complaint against the Federal Election Commission and the way in which the Commission has chosen to implement the Federal Election Campaign Act of 1971, as amended.

I would like to point out the following facts:

1. Paul Goulding is a unendorsed candidate for the Democratic Party's nomination as the U. S. Senate candidate from Rhode Island, and, therefore, is one of my opponents in the September 14, 1976 primary.

2. His complaint to the Commission was dated July 31, 1976 and August 3, 1976.

3. On August 2, 1976 Mr. Goulding made the subject matter of his complaint the total subject matter of a press release (copy enclosed)

4. Mr. Goulding has used other information that he has gathered as the result of the reporting provisions of the law to attempt to gain political advantage (press releases July 26, 1976, August 10, 1976 enclosed)

7 9 0 4 0 1 3 5 2 8 6

5. On August 24, 1976 Mr. Goulding released a letter that he received from you indicating that the Commission had authorized the preliminary inquiry (press release enclosed)

I cite these facts in order to provide a basis for my complaint that the Federal Election Campaign Act of 1971 has become a mockery, because the Commission has allowed the law to be misused to serve the personal political purpose of those running for public office.

I have several years of active legal experience and the facts that I have outlined become much more serious when one takes into account the fact that Mr. Lynch notified your Commission in writing on April 10, 1976 that the funds in question were on hand and were being held in a separate account pending authorization of use by the Commission.

Your letter to Mr. Goulding of August 17, 1976, which he has chosen to make public, made no mention of the fact that Mr. Lynch had written to the Commission on April 10, 1976 and beyond that had placed several telephone calls to the Commission staff and written further letters. I might add that all this correspondence and communication has been without adequate substantive response. When Mr. Goulding makes your letter public and these facts are not contained in your letter, then the disadvantage to my candidacy and the damage to my reputation becomes compounded.

I firmly believe that the abuse of the law in this case has been a violation of my constitutional rights and I intend to register formal complaint with the proper law enforcement agencies of this country, as well as with those who represent me in the Congress of the United States.

I would like to point out some further facts:

1. The funds in question were raised prior to the time when I became a candidate for the U. S. Senate (March 4, 1975 and December 4, 1975)

2. The names and addresses of these contributors were reported to the Commission on April 10, 1976 on the same date that Mr. Lynch provided all of the details in reference to these funds to the Commission in letter form and requested instructions as to how said funds could be used in my Senate campaign.

3. Mr. Lynch did not receive a reply for more than 90 days.

7 9 0 4 0 1 3 5 2 8 9

4. Mr. Lynch has called the Commission on at least six occasions, all without satisfactory results. He has forwarded further written correspondence to the Commission.

5. The funds in question have been retained in a separate account and have not been comingled with the funds that are being used to finance my Senate campaign. It has been the stated intent of my Committee to only use those funds in accordance with instructions from the Commission.

The Rhode Island Senate primary will be held on September 14, 1976. With every passing day, Mr. Goulding and other candidates are using this complaint as an issue against me and there is no way to measure the affect of such tactics.

I have been in public office for sixteen continuous years and I have also had substantial experience as a practicing attorney. I believe that I have a full comprehensive understanding of my rights under the Constitution and laws of the United States of America.

I expect a prompt and fair response to this communication.

Very truly yours,

Philip W. Noel

Philip W. Noel
GOVERNOR

7904013529 0

MUR 217 CC # 384

THE BEST MAN FOR THE U.S. SENATE

GOULDING

A lot of people who think Paul Goulding is the Best man to the U.S. Senate James F. Waddell, Chairman

August 3, 1976

Mr. David Speigel
c/o The Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Dear Mr. Speigel:

This is in further reference to my letter of July 31 re: the violations of the "Noel for Senate Committee S-2150." I am sending to you further evidence of the blatant disregard of Federal laws by the Noel for Senate committee by virtue of Governor Noel and his campaign treasurer's published remarks of August 3, 1976 in the Providence Journal. This matter is so serious and such a willful disregard of the law and the Federal Election Commission that it demands a full field investigation.

By public admission the treasurer states that $13,000 of unaccounted monies (sec. 433) believed to be corporate and illegal labor contributions (sec. 610) were used ("advanced toward the cost") for the purpose of raising a total of $52,000 of Governor Noel's campaign funds. Governor Noel's treasurer said the $13,000 is "gone" (sec. 432) during the process of a dual fund raiser with another candidate. Also he said there "was no obligation to file a report or register a committee" until Noel announced (sec. 433). This as you know is clearly false and illegal. The facts here are clear, Governor Noel's campaign has both raised and expended thousands of dollars by their public admission without reporting or filing. To this day the Federal Election Commission does not know the source or legality of the original $13,000.

Please advise me what steps you plan to undertake in this regard.

Sincerely,

Paul E. Goulding

Paul E. Goulding

Subscribed and sworn to before me in Providence this day of 3 AUG 1976.

Leo L. Swartz

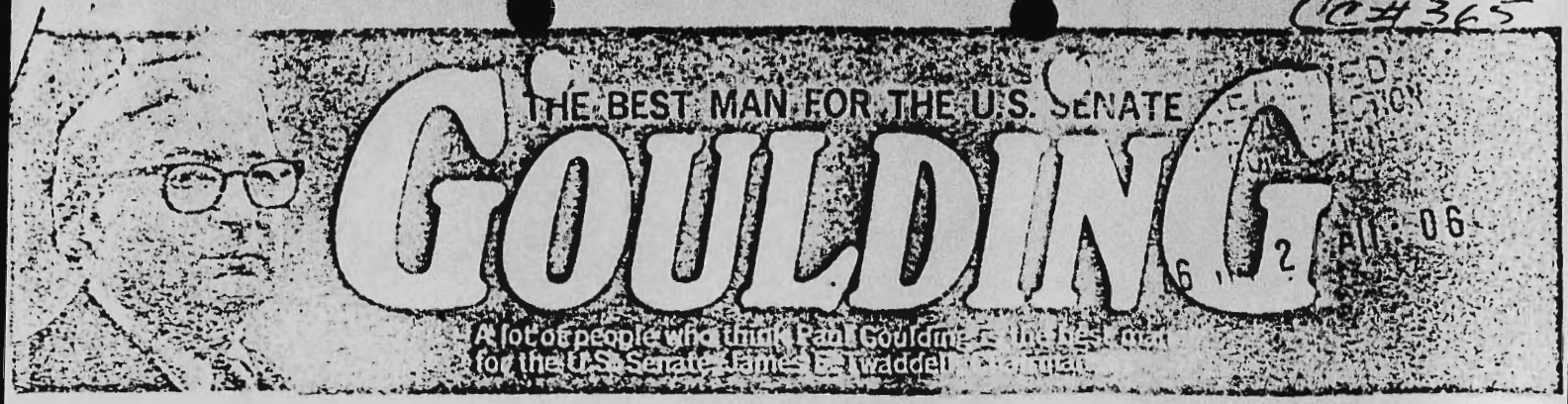
Notary Public

LEO L. SWARTZ
NOTARY PUBLIC
MY COMMISSION EXPIRES 6/30/81

enclosures

7904013529 1

CC#365



MUR 211

76-1341

Mr. David Speigel
c/o The Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Dear Mr. Speigel:

This is a formal complaint filed in accordance with section 437 g. of the Federal Election Campaign Act. I cite the following violations of the Noel for Senator Committee S-2150;

1. On March 4, 1975, Noel raised $13,000 at a "semi-secret" fund-raiser. The money was collected before Noel had announced what political office he was seeking and long before his senatorial campaign committee had registered with the FEC. This "slush fund" activity violates sec. 433 of the Federal Election Campaign Act of 1971 as amended in 1974. The section states a committee must be registered "within 10 days" after receiving contributions. Noel's Committee registered February 16, 1976, nearly one year after the "semi-secret" fundraiser.

2. The Noel Committee, realizing the $13,000 was tainted attempted to cover-up this money by "laundering" it through Lt. Governor J. Joseph Garrahy's campaign committee. In effect, the $13,000 was "transferred" to Garrahy's committee which, in turn, gave Noel's committee a "clean" $13,000.

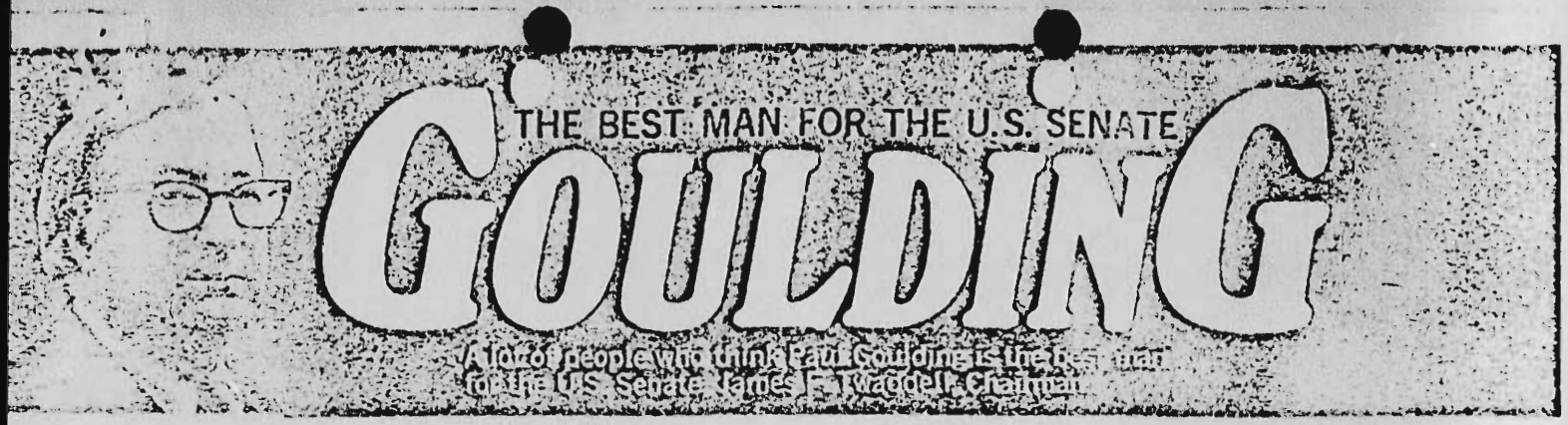
This cleaning operation stemmed from a December 4. 1975 joint fund-raiser in which Garrahy and Noel received $77,900 which they split.

Again, this mixing, or co-mingling of funds ---through a dual fund-raiser and the "laundering process" --- violates sec. 432 of the FEC. law. This section states "all funds of a political committee shall be segregated from and may not be co-mingled with any personal funds of officers, members or associates of such committee".

The pooling of funds is not illegal under state law, which applies to Mr. Garrahy's gubernatorial campaign.

Box 427, P.O. Annex, Providence, Rhode Island/Phone 751-1976

7904013529 2



At the "semi-secret" fund raiser cited earlier, John D. Lynch, Noel Campaign Treasurer, has already admitted to a news reporter as evidenced in the enclosed articles taken from the Providence Journal and the Evening Bulletin, that "some" of the $13,000 was corporate and union contributions. Donations from banks, corporations, and unions are forbidden by section 610 of the federal campaign law. The law states in part:

"It is unlawful for any national bank, or any corporation organized by authority of any law of Congress to make a contribution or expenditure in connection with any election to any political office". The same section also prohibits such labor organization contributions.

I want the FEC to launch a full field investigation into this matter, and I want the FEC to take all necessary steps to insure equity and fair play in our electoral process.

Sincerely,

Paul E. Goulding

Paul E. Goulding

Subscribed and sworn to before me in Providence this day of July 29 1976

William B. Cody, Jr.

Notary Public

enclosures:

PG/mt

Box 427, P.O. Annex, Providence, Rhode Island/Phone 751-1976

7904015529 3

THE BEST MAN FOR THE U.S. SENATE

GOULDING

[illegible]

FOR RELEASE MONDAY, JULY 26? CONTACT: PAUL W. [illegible], [illegible]-0555 751-1976

((NB: News conference, listed below))

NOEL 60% FUNDED BY SPECIAL INTERESTS, GOULDING REVEALS

Governor Noel has received nearly 60 percent of his campaign funds from special interest groups, including a maximum contribution from a financier described by Fortune magazine as the oil industry's "Mr. Fix," Paul Goulding said toda

An analysis of the governor's contributors indicates that of the slightly more than $92,000 collected so far, individuals representing or working for special interests have contributed $51,000, said Mr. Goulding, who opposes Noel for the Senate.

The largest special interest donations came from attorneys, many of whom are registered lobbyists for or who represent clients with state contracts and other public business. Their donations are $12,703.40. Almost as generous as the lawyers are architects and engineers, all of whom do regular business with the Noel administration. This group contributed $12,650.

Other groups and their contributoins include: Corporate officers, $10,100; real estate, $2,450; insurance, $1,900; state workers, $3,750; construction, $1,400; bankers and financiers, $1,450.

Another large group consists of housewives, many of whom are related to contributors in the other cited categories. They gave $4,500.

"Is it any wonder that such special interests -- the oil industry, attorneys, architects and engineers, have such leverage at the Noel state house?" Mr. Goulding asked.

One of the largest individual contributions came from David Karr, who lists himself as a "banker" and gives as his address the Pierre Hotel, one of the most expensive jet-set hotels in New York City.

Mr. Karr was targeted in a June, 1975, Fortune article as "Mr. Fix" who arranges international financial deals involving investment banks, oil companies and foreign nations.

Until 1973 he was a business partner of Armand Hammer, board chairman of Occidental Petroleum, one of the world's largest oil firms. Mr. Hammer later pleaded guilty to making illegal contributions to President Nixon's campaign fund through Gov. Tim Babcock of Montana. The contributions, totalling $54,000, were made in 1972, while Mr. Hammer and Mr. Karr were business associates.

"We do not question Mr. Karr's right to contribute $1,000 to the Noel campaign, but we question his motives," Mr. Goulding said. "Why is this oil industry operative interested at such an expensive level in the Noel campaign?"

"We suspect his donation is the spearhead of an oil industry money drive to get one of its own -- Mr. Noel -- into the U.S. Senate, where consideration is being given this year to a law to break up the international oil cartel controlled by U.S. oil giants," he said.

"We have spoken out before against the mad rush to bring big oil to Rhode Island, especially since recent history reveals the connection between oil and political corruption, oil and pollution, oil and tax avaoidance, oil and bribery."

"I want to know what deals the governor has made to bring big oil and its big contributions to this state," Mr. Goulding demanded. "What is the 'fix' here?"

END

((NOTE: PRESS CONFERENCE MONDAY, JULY 26 AT GOULDING HQ, 189 MATHEWSON ST., PROVIDENCE))

7 9 0 4 0 1 3 5 2 9 4

"Mr. Fix"

Harr of Finatec

David Harr reminds one of the heavily weighted child's toy that always pops up no matter how hard you knock it down. A former journalist who once free-lanced for the *Daily Worker* and sleuthed for Drew Pearson, Harr got into business as a takeover artist. Then, a dozen years ago, he was ousted as chairman of Fairbanks, Whitney (now Colt Industries), and his career seemed finished.

But Harr, 56, has always cultivated the right people. He started his comeback by introducing Charles Forte of Trust Houses Forte to Mme François Dupré, owner of three first-class hotels in Paris. When Forte bought the hotels in 1968, Harr became deputy director general of Forte's Paris subsidiary.

A few years later he teamed up with Armand Hammer to work on some Soviet deals, but the two fell out in 1973. Most recently, through a joint venture called Finatec, he helped Lazard Frères of Paris arrange a $250-million loan to the Soviet Union—the largest private line of credit ever extended to that nation.

Harr hasn't lost his tendency to exaggerate and he remains controversial. "He is punctilious," says a Lazard partner. "He always produces what he announces." Says another client: "He's a lot of a big mouth, but you need these Mr. Fix types in modern business."

The Pygmy Takes a Giant Step

West of Tesoro

Although far from a household name, Tesoro Petroleum Corp. of San Antonio is one of the nation's fastest-growing and most profitable oil companies. Ranked No. 331 by sales in the FORTUNE 500, Tesoro stands No. 4 in return on equity (35 percent) and No. 7 in earnings-per-share growth (41 percent compounded annually since 1964).

Despite that glowing record, Tesoro is still a pygmy in a land of giants: last year it produced only 25,000 barrels of crude a day and its refining capacity totals only 64,000 barrels—less than a single refinery of a major company. It also faces a threat to its exceptional profitability. Nearly half of its profits came from production last year, but its reserves have been declining.

Chairman Robert V. West Jr., the slight, soft-spoken Texan who founded the company ten years ago, is trying to offset that weakness by taking advantage of a major shift in the oil business. "Profits will be moving downstream," says West, "to refining, marketing, and petrochemicals." In one giant step last month, West almost quadrupled Tesoro's refining capacity by tendering for control of Commonwealth Oil Refining Co., which owns a 161,000-barrel-a-day refinery in Puerto Rico. Corco's sales, $1.1 billion last year, are twice Tesoro's, and the deal should keep Tesoro's profits jumping.

Resigned to Victory

Cefis of Montedison

Management, Italian style, seems to involve a volatile blend of talent and bluster—especially threats to resign if one's demands aren't met. In 1969, for example, Eugenio Cefis threatened to quit as chairman of the state-controlled petroleum company ENI if the government didn't let him run the business his own way. Faced with the loss of one of Italy's most talented managers, the politicians backed down and Cefis gained complete operating control.

A couple of years later, Cefis left ENI to take over as chairman of Montedison, Italy's largest company. Ill-planned efforts to expand had left Montedison staggering under huge losses (more than $1 billion in 1971 and 1972). By cutting costs and writing off bad businesses, Cefis turned Montedison around: last year it earned $193 million on sales of $6.3 billion, and it has just paid its first dividend in four years.

Cefis, however, has rankled under the government-established shareholders' syndicate that controls Montedison. In April he went into his resigning act again, refusing to return unless he was made president of the syndicate and given a tie-breaking vote. Once again the government agreed.

The Cefis technique has already been emulated. Last month, Raffaele Girotti, who succeeded Cefis at ENI, suddenly quit in an attempt to gain complete control. In Girotti's case, however, the outcome is less certain.

THE BEST MAN FOR THE U.S. SENATE

GOULDING

Lots of people who think Paul Goulding is the best man for the U.S. Senate. James F. Madden, Chairman

((PLEASE NOTE: [illegible] CONFERENCE 10 a.m. GOULDING HQ, 189 MATHEWSON ST., PROVIDENCE))

FOR RELEASE [illegible] CONTACT: PAUL STREICKER, 274-0555, 751-1976
10 a.m.....10 a.m.....10 a.m.....10 a.m.

[illegible] GOULDING REVEALS

Governor Noel's campaign committee has committed several serious violations of Federal law in the raising of more than $52,000.

The Governor's committee, at one point, "laundered" $13,000 in order to clean up money that had been collected illegally.

These charges were made today by Democratic Senatorial Candidate Paul Goulding in a complaint filed with the FEC.

Goulding charged that the illegalities had been blatantly confirmed by Noel spokesmen in various news stories that noone had brought these errors to the attention of the Federal Government.

Goulding listed the following illegal collections:

On March 4, 1975, Noel raised $13,000 at a "semi-secret" fundraiser. The money was collected before Noel had announced what political office he was seeking and long before his senatorial campaign committee had registered with the FEC. This "slush fund" activity violates sec. 433 of the Federal Election Campaign Act of 1971 as amended in 1974. The section states a committee must be registered "within 10 days" after receiving contributions. Noel's Committee registered Feb. 16, 1976, nearly one year after the "semi-secret" fund-raiser.

The Noel Committee, realizing the $13,000 was tainted, attempted to cover-up this money by "laundering" it through Lt. Governor J. Joseph Garrahy's campagin committee. In effect, the $13,000 was "transferred" to Garrahy's committee which, in turn, gave Noel's committee a "clean" $13,000.

This cleaning operation stemmed from a Dec. 4, 1975 joint fund-raiser in which Garrahy and Noel received $77,900 which they split.

Again, this mixing, or co-mingling of funds --- through a dual fund-raiser and the "laundering process" --- violates sec. 432 of the FEC law. This section states "all funds of a political committee shall be segregated from and may not be comingled with any personal funds of officers, members or associates of such committee".

The pooling of funds is not illegal under state law, which applies to Mr. Garrahy's gubernatorial campaign.

Box 427, P.O. Annex, Providence, Rhode Island/Phone 751-1976
Box 427, P.O. Annex, Providence, Rhode Island/Phone 751-1976
A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.
A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.

7904013529 6

THE BE[illegible] MAN FOR THE U.S. SENATE

GOULDING

A [illegible] people who [illegible] Goulding is the best man [illegible] the U.S. Senate [illegible] Waddell, Chairman.

At the "semi-secret" fund-raiser cited earlier, John D. Lynch, Noel Campaign Treasurer, has already admitted that "some" of the $13,000 was from corporate and union contributions. Donations from banks, corporations, and unions are forbidden by section 610 of the federal campaign law. The law states, in part:

"It is unlawful for any national bank, or any corporation organized by authority of any law of Congress to make a contribution or expenditure in connection with any election to any political office". The same section also prohibits such labor organization contributions.

Slush funds, laundered money and special interest contributions were supposed to have ended with Watergate. Noel, th[illegible]gh his semi-secret fund-raiser and laundered money, has misled and deceived the public on the sources of his financial support.

"I want the FEC to launch a full field investigation into this matter, and I want the FEC to turn any evidence of willful violations over to the Justice Department," Mr. Goulding said.

end.

7 9 0 4 0 1 3 5 2 9 7

Box 427, P.O. Annex, Providence, Rhode Island/Phone 751-1976

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.

THE BEST PLAN FOR THE U.S. SENATE

GOULDING

A group of people who think Paul Goulding is the best man for the U.S. Senate. Louis F. Chaplin, Chairman

FOR RELEASE TUESDAY AT 9:00, AUGUST 10. CONTACT: PAUL W. STREICKER, 274-0555 751-1976

Please note: News conference 9:30A.M. Tuesday at Goulding Headquarters, 189 Mathewson St., Providence. (Corner Weybosset St.)

GOULDING UNCOVERS MAJOR [illegible] CONTRIBUTION TO NOEL

Gov. Noel, who two weeks ago said his staff returns questionable contributions, has accepted a $1,000 gift from the president of Excel-Mineral Co., John A.Stephens.

Excel-Mineral is in the oil and grease absorbent business and is involved in joint ventures with major oil corporations.

Stephens was the donor in a California political contribution scandal last year. Gov. Noel's official campaign report lists his business at a non-existent address.

These revelations were made today by Paul E. Goulding, who faces Noel in the September 14 Democratic primary for the U.S. Senate nomination. Mr. Goulding substantiated his disclosures with a front page Los Angeles Times story of April 16, 1975 and another story of April 18.

According to the Times, Stephens gave $7,000 to a "swing vote" state senator while an oil and gas depletion allowance bill was pending before the legislature. The senator later said the donation was $1000, contending that an aide's penmanship made the figure just look like $7,000 on his official campaign contribution report.

Mr. Goulding said Excel-Mineral is in the international oil business. He pointed out that Noel's official report attributes Mr. Stephens with a phony business address in Los Angeles, California. "It isn't even close to being a real address--it's a highway overpass," he said.

Mr. Goulding revealed two weeks ago that Noel received $1,000 from David Karr,a former Daily Worker reporter and a associate of confessed Watergate briver Armand Hammer of Occidental Petroleum. Mr. Karr, according to Fortune Magazine, is known as "Mr. Fix" for his practice of arranging international deals in the oil industry.

"There is now no question in my mind that Mr. Noel is selling the people of Rhode Island out to the oil industry," Mr. Goulding said. He added that the Noel administration has been "determindedly negligent" in bringing non-oil industry to Rhode Island.

"Noel's campaign evidences a continued disregard for law and propriety, from his insults to people in the ghetto to his duplicitous fund-raisers the proceeds of which he failed to report. Nearly 60% of his reported contributions are from special interests, and we still don't know the sources of that other $13,000."

END

Box 427, P.O. Annex, Providence, Rhode Island/Phone 751-1976

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.

7904015298

FEC begins inquiry asked by Goulding

AUG 25 1976

PROVIDENCE — Staff members of the Federal Election Commission in Washington have begun a preliminary inquiry into charges by Paul E. Goulding, a Democratic U.S. Senate candidate, that some of Governor Noel's fund raising practices have violated federal election law.

Goulding yesterday released an Aug. 12 letter from John G. Murphy Jr., the commission's attorney, saying that a preliminary review of the allegations is under way.

Murphy said the review will determine "what action, if any" the commission should take.

Goulding has charged that the Noel campaign for U.S. Senate raised $32,000 last year without forming a campaign committee within 10 days of receiving contributions, as required by law.

He alleged also that $13,000 from a March 4, 1975, fund-raiser was in corporate and union contributions forbidden to candidates for federal office. He charged an attempt was made to "launder" this through a joint fund-raiser Noel held last December with Lt. Gov. J. Joseph Garrahy.

Noel has denied the charges and has accused Goulding of distorting the facts. He has said the $52,000 raised in 1975 has been segregated from other campaign money and is being held in abeyance pending clearance of its use.

John D. Lynch, Noel's campaign treasurer, has said that there was no need to form a Noel campaign committee until Noel declared his candidacy for U.S. Senate.

The letter from Murphy to Goulding also said that the commission will inspect Goulding's fund-raising reports and statements.

Goulding charges subject of inquiry

24 1976

PROVIDENCE — The Federal Election Commission has authorized a preliminary inquiry into allegations by Paul E. Goulding, a Democratic U.S. Senate candidate, that Governor Noel and his campaign committee have committed several violations of federal campaign finance law.

Noel is the endorsed candidate for the Senate nomination in the Sept. 14 Democratic primary.

Goulding yesterday released an Aug. 12 letter from John G. Murphy Jr., FEC general counsel, saying that the commission had authorized a preliminary inquiry to determine what action, if any, it should take.

The letter also said that pursuant to law the FEC also would review all reports and statements on file with regard to Goulding's own candidacy.

Goulding has charged Noel forces with having raised $52,000 last year without abiding by a federal requirement that a campaign committee be registered within 10 days of receiving contributions. He also said $13,000 of the cash from a "semi-secret" March 4, 1975 fundraiser contained corporate and union donations forbidden to candidates for federal office. Goulding said attempts were made to "launder" this through a joint fundraiser Noel held last Dec. 4 with Lt. Gov. Garrahy.

Noel and John D. Lynch, his campaign treasurer, have said the $52,000 accumulated in 1975 has been strictly segregated pending clearance on its use. Noel has said there has been no violation and has accused Goulding of distortion.

Lynch said there was "no obligation to file a report or register a committee" until Noel announced.

Goulding maintains that mingling of the Noel and Garrahy funds was illegal under federal law. The provision he cites reads, "Every person who receives a contribution in excess of $10 for a political committee shall, on demand of the treasurer, and in any event within 5 days after receipt of such contribution, render to the treasurer a detailed account thereof, including the amount of the contribution and the identification of the person making such contribution, and the date on which received. All funds of a political committee shall be segregated from, and may not be commingled with, any personal funds of officers, members, or associates of such committee."

7 9 0 4 0 1 3 5 2 9 7

7904 1-35300

STATE OF
RHODE ISLAND
AND
PROVIDENCE
PLANTATIONS

FROM
EXECUTIVE
CHAMBERS

PROVIDENCE, R. I.

To

Mr. John G. Murphy, Jr.
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

REGISTERED
NO. 93901

76 AUG27 A10:

RETURN RECEIPT
REQUESTED

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

17 AUG 1976

Mr. John D. Lynch, Treasurer
Noel for Senator
602 Tollgate Road
Warwick, Rhode Island 20886

Re: MUR 211 (76)

Dear Mr. Lynch:

This letter is to advise you that the Federal Election Commission has received a complaint against the Noel for Senator committee alleging violations of the Federal Election Campaign Act of 1971, as amended (the Act). A copy of the complaint is enclosed.

The Commission has authorized a preliminary inquiry into these allegations to determine what action, if any, it should take. The Commission has made no determination that the matters alleged set forth a violation of the Act. I invite you to submit any factual or legal matters which you believe are relevant to the Commission's analysis of the allegations. Essential questions which should be addressed are the date the political committee received contributions or made expenditures aggregating in excess of $1,000 or anticipated such activity or its date of organization; and the committee's involvement, if any, in the March 4, 1975 and December 4, 1975 fundraisers. The Commission must consider such matters within ten days after receipt of this letter. Where appropriate, information should be submitted under oath by individuals with personal knowledge of the matters herein.

The Commission has determined not to issue the advisory opinion you requested on April 10, 1976 until the resolution of this matter since the request relates to the funds which are the subject of this complaint. This matter will remain confidential unless you indicate in writing to the Commission that you wish to be made public. If you have any questions, please do not hesitate to contact my office. The attorney assigned to this case is Gloria R. Sulton (telephone no. 202/382-4041).

Sincerely yours,

Signed: John G. Murphy, Jr.

John G. Murphy, Jr.
General Counsel

Enclosure: Copy of complaint

Gsulton: l.g. 8/17/76

7904 013 5302

PS Form 3811, Mar. 1976

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).

- ☐ Show to whom and date delivered..... 15¢
- X☒ Show to whom, date, & address of delivery.. 35¢
- ☐ RESTRICTED DELIVERY.
  Show to whom and date delivered..... 65¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:

Mr. John D. Lynch

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438 197	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY 8-21-76

POSTMARK AUG 1976 21 RI WARWICK

5. ADDRESS (Complete only if requested) 602 Tillinghast Rd 02886

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GOP 1976—O-203-456

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

17 AUG 1976

Mr. Paul E. Goulding
Box 427, P.O. Annex
Providence, Rhode Island 02901

Re: MUR 211 (76)

Dear Mr. Goulding:

This letter acknowledges receipt of your complaint dated July 31, 1976, alleging certain violations of the Federal Election Campaign Act of 1971, as amended (the Act) by Philip W. Noel and the Noel for Senator Committee. We have numbered your complaint as MUR 211; please refer to this number in any correspondence.

The Commission has authorized a preliminary inquiry into your allegations to determine what action, if any, it should take. If you have any other material to submit which you believe is relevant to our inquiry, please forward it within five days after receipt of this letter.

Pursuant to 2 U.S.C. §437f(a)(3), the Commission will also review all reports and statements on file with respect to your candidacy.

The attorney assigned to this case is Gloria R. Sulton (telephone no. 202/382-4041). Please contact her if you have any questions.

Sincerely yours,

Signed: John G. Murphy, Jr.

John G. Murphy, Jr.
General Counsel

GRSulton:amh: 8/6/76

7904215303

PS Form 3811, Mar. 1976

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).

- ☐ Show to whom and date delivered..... 15¢
- X☒ Show to whom, date, & address of delivery.. 35¢
- ☐ RESTRICTED DELIVERY.
  Show to whom and date delivered..... 65¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:
Paul E. Goulding

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	439196	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY 8/23/76

POSTMARK AUG 23 1976 ANNEX

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GOP 1976—O-203-456

on

ed.

it
hat

you

d

ber 4,

he
he
er 4,

by

icate
e public.
ntact
a R.

O" space on
one).
..... 15¢
ivery.. 35¢
..... 65¢
delivery 85¢

URED NO.

agent)
e.
rized agent

AUG 1 76

CLERK'S INITIALS

GOP 1976—O-203-456

7904 013 5305

PS Form 3811, Mar. 1976

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).

- ☐ Show to whom and date delivered..... 15¢
- X☒ Show to whom, date, & address of delivery.. 35¢
- ☐ RESTRICTED DELIVERY.
  Show to whom and date delivered..... 65¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:

Paul E. Goulding

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	439196	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY 8/23/76

POSTMARK AUG 23 1976 ANNEX

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GOP 1976—O-203-456

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

17 AUG 1976

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Honorable Philip W. Noel
21 Kirby Avenue
Warwick, Rhode Island

Re: MUR 211 (76)

Dear Governor Noel:

This letter is to advise you that the Federal Election Commission has received a complaint against you alleging violations of the Federal Election Campaign Act of 1971, as amended (the Act). A copy of the complaint is enclosed.

The Commission has authorized a preliminary inquiry into these allegations to determine what action, if any, it should take. The Commission has made no determination that the matters alleged set forth a violation of the Act. I invite you to submit any factual or legal matters which you believe are relevant to the Commission's analysis of the allegations. Essential matters which should be addressed are when you became a candidate under the Act (2 U.S.C. §431(b)), the source of the funds raised at the March 4, 1975 affair, the purpose of the March 4, 1975 and December 4, 1975 fundraisers, the disposition of the funds raised at the March 4, 1975 affair, the date of organization of the Noel for Senator Committee, and the agreement between the candidates for division of the proceeds from the December 4, 1975 affair. The Commission must consider such matters expeditiously; accordingly, please submit your response within ten days after receipt of this letter. Where appropriate, information should be submitted under oath by persons with personal knowledge of the events.

This matter will remain confidential unless you indicate in writing to the Commission that you wish it to be made public. If you have any questions, please do not hesitate to contact my office. The attorney assigned to this case is Gloria R. Sulton (telephone no. 202/382-4041).

Sincerely yours,

Signed: John G. Murphy, Jr.

John G. Murphy, Jr.
General Counsel

8/10/76
LS:pc:

7 9 0 2 0 1 3 5 3 0 5

PS Form 3811, Mar. 1976

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).

- ☐ Show to whom and date delivered..... 15¢
- XX☒ Show to whom, date, & address of delivery.. 35¢
- ☐ RESTRICTED DELIVERY.
  Show to whom and date delivered..... 65¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:

Hon. Philip W. Noel

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	138195	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☒ Authorized agent

P. W. Noel

4. DATE OF DELIVERY

8/21/76

WARWICK, R.I. AUG 21 1976

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GOP 1976—O-203-456

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

17 AUG 1976

Honorable Philip W. Noel
21 Kirby Avenue
Warwick, Rhode Island

Re: MUR 211 (76)

Dear Governor Noel:

This letter is to advise you that the Federal Election Commission has received a complaint against you alleging violations of the Federal Election Campaign Act of 1971, as amended (the Act). A copy of the complaint is enclosed.

The Commission has authorized a preliminary inquiry into these allegations to determine what action, if any, it should take. The Commission has made no determination that the matters alleged set forth a violation of the Act. I invite you to submit any factual or legal matters which you believe are relevant to the Commission's analysis of the allegations. Essential matters which should be addressed are when you became a candidate under the Act (2 U.S.C. §431(b)), the source of the funds raised at the March 4, 1975 affair, the purpose of the March 4, 1975 and December 4, 1975 fundraisers, the disposition of the funds raised at the March 4, 1975 affair, the date of organization of the Noel for Senator Committee, and the agreement between the candidates for division of the proceeds from the December 4, 1975 affair. The Commission must consider such matters expeditiously; accordingly, please submit your response within ten days after receipt of this letter. Where appropriate, information should be submitted under oath by persons with personal knowledge of the events.

This matter will remain confidential unless you indicate in writing to the Commission that you wish it to be made public. If you have any questions, please do not hesitate to contact my office. The attorney assigned to this case is Gloria R. Sulton (telephone no. 202/382-4041).

Sincerely yours,

Signed: John G. Murphy, Jr.

John G. Murphy, Jr.
General Counsel

Sulton: 8/10/76 mpc

7904013530 7

CC# 409

LYNCH, WALSH & COBLEIGH
ATTORNEYS AT LAW
602 TOLLGATE ROAD
WARWICK, R. I. 02886
739-8500

JOHN D. LYNCH
JOSEPH W. WALSH
GERARD P. COBLEIGH
MICHAEL A. HIGGINS
JOHN C. REVENS, JR.
DAVID C. MORETTI

RECEIVED
FEDERAL ELECTION
COMMISSION

76 AUG 13 A11:01

August 11, 1976

IN REPLY PLEASE
REFER TO FILE NO.

RE: OPINION REQUEST AOR 1976-16

Federal Election Commission
1325 K Street N.W.
Washington, D. C. 20463

FEC Correspondence Control # 76-1553

ATTENTION: John G. Murphy, Jr.
General Counsel

RE: Philip W. Noel, Candidate for U. S. Senate

Dear Mr. Murphy:

This office wrote to the Federal Election Commission on April 10, 1976, reference copy of said correspondence attached, requesting an advisory opinion concerning certain funds held by the undersigned as Treasurer of the Noel for U. S. Senate Committee. To date we have received no direction from your commission with respect to these funds. You will recall that approximately $52,000 raised on December 4, 1975, is held in a separate bank account for the benefit of the above-captioned candidate for the U. S. Senate. This bank account contains no corporate, union or otherwise prohibited contributions.

Since it is necessary for the undersigned to make the decisions necessary to the proper financing of this Senate Campaign, it is my intention to use these funds toward the primary election of this Senate Campaign unless I hear from you to the contrary on or before August 30, 1976.

Very truly yours,

JOHN D. LYNCH, TREASURER
NOEL FOR U.S. SENATE COMMITTEE

JDL:brr

Enclosure

0 0 4 0 1 5 5 5 0 0

April 10, 1976

Federal Election Commission
1325K Street N.W.
Washington, D. C. 20463

Gentlemen:

Enclosed find "Report of Receipts and Expenditures for a Candidate or Committee Supporting a Candidate for Nomination or Election to Federal Office as required by the Federal Election Campaign Act.

Incorporated into this report is an Addendum relative to the contributions received at a fund raiser held December 4, 1975, prior to the time Governor Philip W. Noel announced his candidacy for federal office. Said contributions ($52,066.58 - net) were received from individuals and deposited with the Citizens Bank in an account, separate and distinct from the bank account established at the time of the candidate's announcement. Therefore, these contributions have not been comingled with contributions received since the candidate made his announcement for federal office.

I have disclosed these contributions in this manner until I determine if these funds are available for use in a federal election campaign.

I, therefore, am herein requesting an advisory opinion from the Federal Election Commission as to the propriety of the use of said funds in a federal election campaign.

Please advise.

Thank you for your attention to my request.

Very truly yours,

JOHN D. LYNCH, Treasurer
NOEL FOR U. S. SENATE

cc: Honorable Francis R. Valeo
Secretary of the Senate

LYNCH, WALSH & COBLEIGH
ATTORNEYS AT LAW
800 TOLLGATE ROAD
WARWICK, R. I. 02886

76 AUG 13 A10:54

Federal Election Commission
1325 K Street N. W.
Washington, D. C. 20463

ATTENTION: John G. Murphy, Jr., General Counsel

7 6 0 4 0 1 3 5 3 1

DATE AND TIME OF TRANSMITTAL: AUG 11 1976

NO. MUR 211 (76)

REC'D: August 2, 1976

FEDERAL ELECTION COMMISSION
Washington, D. C.

Complainant's Name: Paul E. Goulding (candidate for U.S. Senate in Rhode Island)

Respondent's Name: Philip W. Noel/Noel for Senator

Relevant Statute: 2 U.S.C. §§432, 433, 434, 441b

Internal Reports Checked: Reports and Statements filed by both candidates and committees.

Federal Agencies Checked: None

SUMMARY OF ALLEGATION

1) Fundraiser held by respondent on March 4, 1975 (which reputedly raised $13,000) triggered registration obligation under 2 U.S.C. §433.

2) Funds raised on March 4, 1975 were "laundered" through a joint fund-raiser with Lt. Gov. Garrahy on 12/4/75 because of labor and corporate contributions. Division of the joint funds netted respondent 1/2 of proceeds plus $13,000 which represented March 4, 1975, funds

PRELIMINARY LEGAL ANALYSIS

1) Whether the fundraiser on March 4, 1975 triggered obligations by the respondent to designate a committee, etc. and the registration and reporting obligations of the Act depends on whether Noel received contributions for the purpose of influencing his nomination or election to Federal office. There is insufficient information to find reason to believe at this stage that a violation of the Act occurred. The Noel committee registered on February 18, 1976.

RECOMMENDATION

cont'd

Conduct preliminary inquiry. Send attached letters.

Date of Next Commission Review:

7 9 0 4 0 1 3 5 3 1

Preliminary Legal Analysis con't

2) Based on the complaint and attached newspaper articles, the allegation is that the March 1975 fundraiser contained corporate and labor union funds prohibited in Federal elections; that these funds were transferred to an account of Lt. Gov. Garrahy established for the joint-fundraiser in December 1975 and the division of the joint-fundraising funds allowed Gov. Noel to recoup the $13,000 from the March affair out of "clean" money.

A review of the first report of receipts and expenditures filed by the Noel Committee covering the period 1/29-3/31/76 notes in an addendum the receipt of $52,066.58 from a fundraiser on 12/4/75. In the treasurer's covering letter, he asked for an advisory opinion (1976-16) as to whether these funds could be transferred for use in the Governor's Senatorial campaign. The request does not indicate whether the Governor was a candidate for Federal office on December 4, 1975.

The allegations, if true, may constitute a violation of §441b (formerly 610).

7 9 0 4 0 1 3 5 3 1 2

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Sent Oct. 5, 1976

Mr. Paul E. Goulding
Box 427, P.O. Annex
Providence, Rhode Island 02901

Re: MUR 211 (76)

Dear Mr. Goulding:

This letter acknowledges receipt of your complaint dated July 31, 1976, alleging certain violations of the Federal Election Campaign Act of 1971, as amended (the Act) by Philip W. Noel and the Noel for Senator Committee. We have numbered your complaint as MUR 211; please refer to this number in any correspondence.

The Commission has authorized a preliminary inquiry into your allegations to determine what action, if any, it should take. If you have any other material to submit which you believe is relevant to our inquiry, please forward it within five days after receipt of this letter.

Pursuant to 2 U.S.C. §437f(a)(3), the Commission will also review all reports and statements on file with respect to your candidacy.

The attorney assigned to this case is Gloria R. Sulton (telephone no. 202/382-4041). Please contact her if you have any questions.

Sincerely yours,

John G. Murphy, Jr.
General Counsel

7 9 0 4 0 1 3 5 3 1 3

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

sent Oct 5, 1976

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Paul E. Goulding
Box 427, P.O. Annex
Providence, Rhode Island 02901

Re: MUR 211 (76)

Dear Mr. Goulding:

This letter acknowledges receipt of your complaint dated July 31, 1976, alleging certain violations of the Federal Election Campaign Act of 1971, as amended (the Act) by Philip W. Noel and the Noel for Senator Committee. We have numbered your complaint as MUR 211; please refer to this number in any correspondence.

The Commission has authorized a preliminary inquiry into your allegations to determine what action, if any, it should take. If you have any other material to submit which you believe is relevant to our inquiry, please forward it within five days after receipt of this letter.

Pursuant to 2 U.S.C. §437f(a)(3), the Commission will also review all reports and statements on file with respect to your candidacy.

The attorney assigned to this case is Gloria R. Sulton (telephone no. 202/382-4041). Please contact her if you have any questions.

Sincerely yours,

John G. Murphy, Jr.
General Counsel

7 9 0 4 0 1 3 5 3 1 4

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

sent Oct 5, 1976

Honorable Philip W. Noel
21 Kirby Avenue
Warwick, Rhode Island

Re: MUR 211 (76)

Dear Governor Noel:

This letter is to advise you that the Federal Election Commission has received a complaint against you alleging violations of the Federal Election Campaign Act of 1971, as amended (the Act). A copy of the complaint is enclosed.

The Commission has authorized a preliminary inquiry into these allegations to determine what action, if any, it should take. The Commission has made no determination that the matters alleged set forth a violation of the Act. I invite you to submit any factual or legal matters which you believe are relevant to the Commission's analysis of the allegations. Essential matters which should be addressed are when you became a candidate under the Act (2 U.S.C. §431(b)), the source of the funds raised at the March 4, 1975 affair, the purpose of the March 4, 1975 and December 4, 1975 fundraisers, the disposition of the funds raised at the March 4, 1975 affair, the date of organization of the Noel for Senator Committee, and the agreement between the candidates for division of the proceeds from the December 4, 1975 affair. The Commission must consider such matters expeditiously; accordingly, please submit your response within ten days after receipt of this letter. Where appropriate, information should be submitted under oath by persons with personal knowledge of the events.

This matter will remain confidential unless you indicate in writing to the Commission that you wish it to be made public. If you have any questions, please do not hesitate to contact my office. The attorney assigned to this case is Gloria R. Sulton (telephone no. 202/382-4041).

Sincerely yours,

John G. Murphy, Jr.
General Counsel

7 9 0 4 0 1 3 5 3 1 5

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

sent ~~Oct 5, 1976~~ Oct. 5, 1976

Mr. John D. Lynch, Treasurer
Noel for Senator
602 Tollgate Road
Warwick, Rhode Island 20886

Re: MUR 211 (76)

Dear Mr. Lynch:

This letter is to advise you that the Federal Election Commission has received a complaint against the Noel for Senator committee alleging violations of the Federal Election Campaign Act of 1971, as amended (the Act). A copy of the complaint is enclosed.

The Commission has authorized a preliminary inquiry into these allegations to determine what action, if any, it should take. The Commission has made no determination that the matters alleged set forth a violation of the Act. I invite you to submit any factual or legal matters which you believe are relevant to the Commission's analysis of the allegations. Essential questions which should be addressed are the date the political committee received contributions or made expenditures aggregating in excess of $1,000 or anticipated such activity or its date of organization; and the committee's involvement, if any, in the March 4, 1975 and December 4, 1975 fundraisers. The Commission must consider such matters within ten days after receipt of this letter. Where appropriate, information should be submitted under oath by individuals with personal knowledge of the matters herein.

This matter will remain confidential unless you indicate in writing to the Commission that you wish to be made public. If you have any questions, please do not hesitate to contact my office. The attorney assigned to this case is Gloria R. Sulton (telephone no. 202/382-4041).

Sincerely yours,

John G. Murphy, Jr.
General Counsel

Enclosure: Copy of complaint

7 9 0 4 0 1 3 5 3 1 6

FEDERAL ELECTION COMMISSION

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

Aug 17, 1976

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Honorable Philip W. Noel
21 Kirby Avenue
Warwick, Rhode Island

Re: MUR 211 (76)

Dear Governor Noel:

This letter is to advise you that the Federal Election Commission has received a complaint against you alleging violations of the Federal Election Campaign Act of 1971, as amended (the Act). A copy of the complaint is enclosed.

The Commission has authorized a preliminary inquiry into these allegations to determine what action, if any, it should take. The Commission has made no determination that the matters alleged set forth a violation of the Act. I invite you to submit any factual or legal matters which you believe are relevant to the Commission's analysis of the allegations. Essential matters which should be addressed are when you became a candidate under the Act (2 U.S.C. §431(b)), the source of the funds raised at the March 4, 1975 affair, the purpose of the March 4, 1975 and December 4, 1975 fundraisers, the disposition of the funds raised at the March 4, 1975 affair, the date of organization of the Noel for Senator Committee, and the agreement between the candidates for division of the proceeds from the December 4, 1975 affair. The Commission must consider such matters expeditiously; accordingly, please submit your response within ten days after receipt of this letter. Where appropriate, information should be submitted under oath by persons with personal knowledge of the events.

This matter will remain confidential unless you indicate in writing to the Commission that you wish it to be made public. If you have any questions, please do not hesitate to contact my office. The attorney assigned to this case is Gloria R. Sulton (telephone no. 202/382-4041).

Sincerely yours,

John G. Murphy, Jr.
General Counsel

7 9 0 4 0 1 3 5 3 1 7

FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

sent Aug. 17, 1976

Mr. John D. Lynch, Treasurer
Noel for Senator
602 Tollgate Road
Warwick, Rhode Island 20886

Re: MUR 211 (76)

Dear Mr. Lynch:

This letter is to advise you that the Federal Election Commission has received a complaint against the Noel for Senator committee alleging violations of the Federal Election Campaign Act of 1971, as amended (the Act). A copy of the complaint is enclosed.

The Commission has authorized a preliminary inquiry into these allegations to determine what action, if any, it should take. The Commission has made no determination that the matters alleged set forth a violation of the Act. I invite you to submit any factual or legal matters which you believe are relevant to the Commission's analysis of the allegations. Essential questions which should be addressed are the date the political committee received contributions or made expenditures aggregating in excess of $1,000 or anticipated such activity or its date of organization; and the committee's involvement, if any, in the March 4, 1975 and December 4, 1975 fundraisers. The Commission must consider such matters within ten days after receipt of this letter. Where appropriate, information should be submitted under oath by individuals with personal knowledge of the matters herein.

This matter will remain confidential unless you indicate in writing to the Commission that you wish to be made public. If you have any questions, please do not hesitate to contact my office. The attorney assigned to this case is Gloria R. Sulton (telephone no. 202/382-4041).

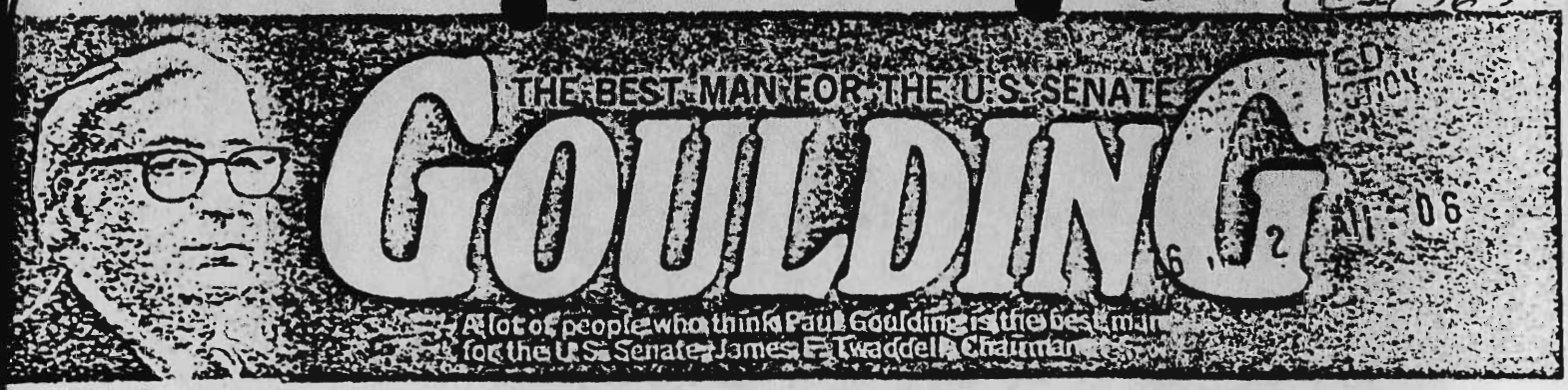
Sincerely yours,

John G. Murphy, Jr.
General Counsel

Enclosure: Copy of complaint

7 9 0 4 0 1 3 5 3 1 8

CC#365



MUR 211

76-1341

July 31, 1976

Mr. David Speigel
c/o The Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Dear Mr. Speigel:

This is a formal complaint filed in accordance with section 437 g. of the Federal Election Campaign Act. I cite the following violations of the Noel for Senator Committee S-2150;

1. On March 4, 1975, Noel raised $13,000 at a "semi-secret" fund-raiser. The money was collected before Noel had announced what political office he was seeking and long before his senatorial campaign committee had registered with the FEC. This "slush fund" activity violates sec. 433 of the Federal Election Campaign Act of 1971 as amended in 1974. The section states a committee must be registered "within 10 days" after receiving contributions. Noel's Committee registered February 16, 1976, nearly one year after the "semi-secret" fundraiser.

2. The Noel Committee, realizing the $13,000 was tainted attempted to cover-up this money by "laundering" it through Lt. Governor J. Joseph Garrahy's campaign committee. In effect, the $13,000 was "transferred" to Garrahy's committee which, in turn, gave Noel's committee a "clean" $13,000.

This cleaning operation stemmed from a December 4. 1975 joint fund-raiser in which Garrahy and Noel received $77,900 which they split.

Again, this mixing, or co-mingling of funds ---through a dual fund-raiser and the "laundering process" --- violates sec. 432 of the FEC. law. This section states "all funds of a political committee shall be segregated from and may not be co-mingled with any personal funds of officers, members or associates of such committee".

The pooling of funds is not illegal under state law, which applies to Mr. Garrahy's gubernatorial campaign.

Box 427 P.O. Annex, Providence, Rhode Island/Phone 751-1976

7904013539

THE BEST MAN FOR THE U.S. SENATE

GOULDING

"A lot of people who think Paul Goulding is the best man for the U.S. Senate" James E. Waddell, Chairman

At the "semi-secret" fund raiser cited earlier, John D. Lynch, Noel Campaign Treasurer, has already admitted to a news reporter as evidenced in the enclosed articles taken from the Providence Journal and the Evening Bulletin, that "some" of the $13,000 was corporate and union contributions. Donations from banks, corporations, and unions are forbidden by section 610 of the federal campaign law. The law states in part:

"It is unlawful for any national bank, or any corporation organized by authority of any law of Congress to make a contribution or expenditure in connection with any election to any political office". The same section also prohibits such labor organization contributions.

I want the FEC to launch a full field investigation into this matter, and I want the FEC to take all necessary steps to insure equity and fair play in our electoral process.

Sincerely,

Paul E. Goulding

Paul E. Goulding

Subscribed and sworn to before me in Providence this day of Aug. 29 1976

William B. Cooley Jr.

Notary Public

enclosures:

PG/mt

Box 427, P.O. Annex, Providence, Rhode Island/Phone 751-1976

A copy of our report is filed with the Federal Election Commission

7 9 0 4 0 1 3 5 3 2 0

March 7, 1975

Noel dinner contributors secret 'til Oct. '76?

7904013532 1

Garrahy effort netted $119,000; donors listed

By CHARLES BAKST
Journal-Bulletin Staff Writer

PROVIDENCE — Lt. Gov. J. Joseph Garrahy's gubernatorial campaign grossed $126,140 and netted $118,912 from the $100-a-ticket fundraising reception it held March 19, according to data released yesterday.

In addition to the overall figures, William G. Dugan Jr., campaign coordinator, released a roster of those who contributed more than $200 to the event, held at the Cranston Hilton. Amounts higher than $200 must be reported, according to state campaign finance law.

In its documentation the Garrahy campaign exceeded minimum reporting requirements of the law, which does not require such filings until 30 days before an election.

In fact, Dugan said he understood the campaign would have never been required to report the names, because the event took place before Garrahy officially becomes a candidate (that is, files a declaration), in June. All that would be necessary, Dugan maintained, would be to include the receipts in the beginning cash balance entry on the unit's first report.

William T. Horan, chief auditor of the campaign contributions and expenditures division of the state Board of Elections, said Dugan was correct. Horan indicated the board had so ruled after Garrahy asked for an interpretation.

Dugan, the state's chief of public buildings, said the campaign plans to spend $275,000 to $300,000.

Elsewhere on the political finance scene, a new report of the national presidential campaign of Sen. Henry M. Jackson included the names of 11 Rhode Island contributors.

A Noel-for-Senator report filed under federal law had indicated that the Noel campaign netted $52,066 from a Dec. 4 joint fundraiser, whose proceeds were to be split 50-50 between Noel and Garrahy. This was the same event from which the Garrahy campaign received $38,950.

John D. Lynch, Noel treasurer, explained yesterday that in effect, Noel and Garrahy each came out of the fundraiser $38,950 ahead.

What happened, Lynch said, was this: A "Philip Noel 1975" account had some $13,000 in it, apparently from a controversial March 4, 1975, "semi-secret" fundraiser.

Lynch said some of this was from corporate and union contributions, which may be used in Rhode Island state campaigns but not in federal campaigns. So he transferred the $13,000 into an account set up to receive the Garrahy share of the Dec. 4 joint affair. This Garrahy account then received another $26,000 or so from the Dec. 4 event, bringing it up to the $38,950 level.

Into a new Noel account, Lynch deposited the governor's $38,950 share, plus $13,000 or so more from the joint affair to make up for the "Philip Noel 1975" money that had been given to Garrahy. Thus, all of the $52,066 the Noel-for-Senator report listed actually did come from the joint fundraiser.

Contributions of $500 to the Garrahy campaign came from: Leonard R. Abrams of Providence, president of Arden Jewelry Manufacturing; Joseph F. Esposito of Barrington, president of Esposito Jewelry; James Forte of Cumberland, construction contractor; Melvin S. Frank of Providence and H. Alan Frank of Providence, presidents, respectively, of Union Transbag Co. Inc. and Union Paper Co. Inc.; Roland Fertand of Pawtucket, a former member of the state Democratic executive committee; James Gilbert of Woonsocket, an auto agency dealer; Sheldon Gerber of Providence, president of Gerbers Inc.

Also, Thomas C. Haxton Jr. of Warwick, president of Haxton Brothers Inc.; Harold Leavitt of Providence, president of Leavitt-Colson Co.; Isabelle Leeds of New York City, former Rhode Island Democratic national committeewoman; Kent Cruise & Associates, architects; Maiorzi Associates, architects; United Sanitation Inc.; David F. Sweeney of East Greenwich, lawyer in Warwick; Washington County Deputy Sheriff Association; Carmine A. Rao of Providence, state mental health advocate; Irwin B. Hamm of Providence, president of McGrath-Hamm Inc.; Howard S. Weiss of Providence, secretary and treasurer of National Office Supply.

Contributions of $400 came from: John Coyne, Glocester Democratic chairman; H.W. Cooke Co.; Donald Dwares of Providence; C&K Electric; Levy, Goodman, Sermonoff & Gorin, lawyers; Rhode Island Democratic Women's Club; Waterman Engineering Co.; Wayne Distributors; Fenton Keyes of Warwick, architect; Robert Riesman of Providence, vice-chairman of the Rhode Island Jackson presidential campaign; Mandel Sherman of Providence, Norbemet Refining salesman.

Contributions of $500 came from A. Austin Fertand of Pawtucket, executive vice-president of Fertand Corp; James Loope, Providence attorney; Pawtucket Mayor Dennis Lynch; Edmund Mauro Jr. of Providence, president of International Supply Co.; Teamster Joint Council 10; Edwin Jaffe of Providence, Fall River manufacturer.

Contributions of $250 came from Abbott Dressler of Cranston, secretary of Colfax Packing Co.; Sidney Dressler of Barrington, president of Colfax Inc.; Leonard Granoff of Providence, vice-president of American Tounster Luggage; Sol Kotker of Providence, president of American Luggage Works Inc.

The Jackson report showed these donations from Rhode Islanders: Mrs. AMax Alperin of Providence, $250; Banice C. Bazar of Providence, $275; Mrs. Banice C. Bazar of Providence, $275; Alan G. Hassenfeld of Providence, $150; Stephen D. Hassenfeld of Providence, $500; John T. Hayward of Newport, $325; Ernest Natman of Providence, $200; William E. Reeves of Providence, $200; Mrs. William E. Reeves of Providence, $200; Joseph W. Ress of Providence, $400; Mrs. Joseph Thayer of Pawtucket, $200.

A separate report showed that the American Express Officers Committee for Responsible Government (Wash-

MAY 21, 1976

Noel's cocktail party seen netting $50,000

WN Providence ★★★★★ Thursday, June 24, 1976 B

Very successful event — but Noel has no estimate

By M. CHARLES BAKST
Journal-Bulletin Staff Writer

PROVIDENCE — Governor Noel reported today that his U.S. Senate drive had a "very successful fund-raiser" Tuesday night at the home of John D. Lynch, a campaign treasurer. But neither Noel nor Lynch had an estimate of how much was raised.

There was no public announcement the event was to be held. Lynch said he saw no reason for one: "It wasn't open to the general public, he said.

Noel and Lynch said 75 to 100 attended. Lynch said there was no specific donation required. Some persons gave nothing, some contributed $100 and no one donated more than $500. He said he did not know what the average contribution was.

Lynch maintained it was not a fund-raiser. "It was a social gathering of people who had expesssed a desire to make contributions to the campaign," he said. He said those who came had supported Noel's past campaigns.

Among those on hand were some labor leaders. Neither Noel nor Lynch would identify them.

Names of contributors of more than $100 will have to be reported, under federal law.

On another matter, Noel confirmed that he has asked Robert J. Rahill, state transportation director, to consider taking a leave of absence to assume an active leadership role in his campaign. "If he says yes, we'll decide what that role will be," the governor said.

One of Noel's leading rivals for the Senate nomination, state Sen. John P. Hawkins was endorsed this week by the executive council of the Rhode Island Federation of Teachers. Noel said of that move today, "It's obvious they are upset because of cuts that I made in the budget and recommendations that I made to conserve state dollars."

Hawkins, he noted, always has been close to public employe unions.

YNCH, WALSH & COBLEIGH
ATTORNEYS AT LAW
602 TOLLGATE ROAD
WARWICK, R. I. 02886

79040135372

76 AUG 10 A10:15

PM
6 AUG
1976

PROCLAIM LIBERTY THROUGHOUT ALL THE LAND
USA 13c

Federal Election Commission
1325K Street N.W.
Washington, D. C. 20463

MUR 211
cc #477

LYNCH, WALSH & COBLEIGH
ATTORNEYS AT LAW
602 TOLLGATE ROAD
WARWICK, R. I. 02886
739-8500

JOHN D. LYNCH
JOSEPH W. WALSH
GERARD P. COBLEIGH
MICHAEL A. HIGGINS
JOHN C. REVENS, JR.
DAVID C. MORETTI

76 AUG 10 A10:31

August 5, 1976

IN REPLY PLEASE
REFER TO FILE NO.

FEC Correspondence Control # 1499

Federal Election Commission
1325K Street N.W.
Washington, D. C. 20463

Re: AOR 1976-16*

Gentlemen:

Enclosed herewith find a copy of my letter to you dated April 10, 1976.

It would be appreciated if you would respond to that letter at your earliest convenience.

Very truly yours,

JOHN D. LYNCH, Treasurer
NOEL FOR U. S. SENATE

JDL:brr

Enclosure

*Draft opinion circulated to Comm. on 7-29-76.

7 9 0 4 0 1 3 5 3 2 5

April 10, 1976

Federal Election Commission
1325K Street N.W.
Washington, D. C. 20463

Gentlemen:

Enclosed find "Report of Receipts and Expenditures for a Candidate or Committee Supporting a Candidate for Nomination or Election to Federal Office as required by the Federal Election Campaign Act.

Incorporated into this report is an Addendum relative to the contributions received at a fund raiser held December 4, 1975, prior to the time Governor Philip W. Noel announced his candidacy for federal office. Said contributions ($53,060.58 - net) were received from individuals and deposited with the Citizens Bank in an account, separate and distinct from the bank account established at the time of the candidate's announcement. Therefore, these contributions have not been comingled with contributions received since the candidate made his announcement for federal office.

I have disclosed these contributions in this manner until I determine if these funds are available for use in a federal election campaign.

I, therefore, am herein requesting an advisory opinion from the Federal Election Commission as to the propriety of the use of said funds in a federal election campaign.

Please advise.

Thank you for your attention to my request.

Very truly yours,

JOHN D. LYNCH, Treasurer
NOEL FOR U. S. SENATE

cc: Honorable Francis R. Valeo
Secretary of the Senate

GOULDING

August 3, 1976

Mr. David Speigel
c/o The Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Dear Mr. Speigel:

This is in further reference to my letter of July 31 re: the violations of the "Noel for Senate Committee S-2150." I am sending to you further evidence of the blatant disregard of Federal laws by the Noel for Senate committee by virtue of Governor Noel and his campaign treasurer's published remarks of August 3, 1976 in the Providence Journal. This matter is so serious and such a willful disregard of the law and the Federal Election Commission that it demands a full field investigation.

By public admission the treasurer states that $13,000 of unaccounted monies (sec. 433) believed to be corporate and illegal labor contributions (sec. 610) were used ("advanced toward the cost") for the purpose of raising a total of $52,000 of Governor Noel's campaign funds. Governor Noel's treasurer said the $13,000 is "gone" (sec. 432) during the process of a dual fund raiser with another candidate. Also he said there "was no obligation to file a report or register a committee" until Noel announced (sec. 433). This as you know is clearly false and illegal. The facts here are clear, Governor Noel's campaign has both raised and expended thousands of dollars by their public admission without reporting or filing. To this day the Federal Election Commission does not know the source or legality of the original $13,000.

Please advise me what steps you plan to undertake in this regard.

Sincerely,

Paul E. Goulding

Paul E. Goulding

Subscribed and sworn to before me in Providence this day of 3 AUG 1976.

Leo L. Swartz

Notary Public

LEO L. SWARTZ
NOTARY PUBLIC
MY COMMISSION EXPIRES 6/30/81

enclosures
PG/bdp

Box 427, P.O. Annex, Providence, Rhode Island/Phone 751-1976

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.

7 9 0 4 0 1 3 5 3 2 7

The Providence Journal, Tuesday, August 3, 1976

Noel slams Goulding's accusations as 'false'

Primary opponent accuses governor of creating slush fund, laundering money in statement

By JOHN P. HACKETT
Journal-Bulletin Political Writer

PROVIDENCE — Governor Noel yesterday described as "absolutely false" complaints of money-raising violations in his Senate campaign filed yesterday with the Federal Elections Commission by his Democratic primary opponent, Paul E. Goulding.

Goulding charged Noel forces with having raised $52,000 last year without abiding by a federal requirement that a campaign committee be registered within 10 days of receiving contributions.

He also said $13,000 of the cash from a "semi-secret" fund-raiser March 4, 1975, contained corporate and union donations forbidden to candidates for federal office. Attempts were made to "launder" this through a joint-fund-raiser Dec. 4, 1975, with Lt. Gov. J. Joseph Garrahy, Goulding said. Garrahy supporters denied the charge.

Noel and his campaign treasurer, John D. Lynch, said the $52,000 accumulated in 1975 prior to Noel's senatorial race decision last Spring, has been kept strictly segregated pending clearance on its use. Such approval was sought last April from the FEC, Lynch said.

"We have not used a penny of it," the governor said. Lynch concurred. Noel accused Goulding, former administrative aide to Sen. Claiborne Pell, of "using deceitful tactics in trying to gain publicity." The governor said "there has been no violation and for him to say there has is a blatant distortion."

Noel said, "I think it is a disgrace, the way he is conducting himself."

A spokeswoman for Garrahy's gubernatorial campaign said, "We categorically deny laundering any money and we would not be a part of it." She said the December fund-raiser was handled by the Noel group and that Garrahy netted $38,950 from it.

Goulding, who asked the FEC to "launch a full field investigation," claimed there had been commingling of the March, 1975, Noel funds with the December returns because the Noel committee realized the earlier money was "tainted" by corporate-union links. He said this mixing violated federal law, although the pooling was not illegal under state law governing Garrahy's race.

Lynch acknowledged that the $13,000 was "advanced toward the cost" of the December fund-raiser. Noel was not a Senate candidate at that time, so there was nothing wrong with that, Lynch said. The governor then reclaimed $13,000 before splitting the remainder with Garrahy that gave them each $38,950, the treasurer said.

The resultant nearly $52,000 for Noel can all be used in his senatorial campaign, once the FEC approval is gained, Lynch insisted. The earlier $13,000 "is gone," he said. "I can account for what I have now, and that is what the law requires.... I understand the law and I have complied with every aspect of it."

He said there "was no obligation to file a report or register a committee" until Noel announced. That was done and the previous fund-raising reported to the FEC on April 10, 1976, Lynch said. The FEC replied April 16 it would be back to him "as soon as a substantive response is appropriate," Lynch said. "I have called there 25 times since and they still don't respond," he said.

Lynch maintained Goulding should have known all this. "He should have been a little more honest about it," he said.

"It is a disgusting display of inability on his part, because he did not seek out the facts," Noel said.

Goulding took a different view in his own statement on the matter.

"Slush funds, laundered money and special interest contributions were supposed to have ended with Watergate," he said. "Noel, through his semi-secret fund raiser and laundered money, has misled and deceived the public on the sources of his financial support."

A lot of people who think Paul Gaudiosi is the [illegible]
for the U.S. Senate. Jim [illegible]

Box 427, P.O. Annex, Providence, Rhode Island 02901

RECEIVED
FEDERAL ELECTION
COMMISSION

76 AUG 6 AM 11:00

Mr. David Speigel
c/o The Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

REGISTERED

72531

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 211 (76)
Philip W. Noel	)	

CONSENT AGREEMENT

This matter having been initiated by the Federal Election Commission (hereinafter Commission) pursuant to a notarized complaint and after preliminary inquiry, the Commission found reason to believe that Philip W. Noel (hereinafter respondent) committed violations of 2 U.S.C. §§432, 434 and 18 U.S.C. §610 (presently 2 U.S.C. §441b). Respondent, having had a reasonable opportunity to respond and demonstrate that no action should be taken, voluntarily enters into this agreement pursuant to 2 U.S.C. §437d(a)(10).

I. STATEMENT OF PERTINENT FACTS:

A. On March 4, 1975, respondent was the Governor of the State of Rhode Island having been elected in November of 1972 and in November of 1974.

B. On March 4, 1975, respondent held a fundraiser which raised approximately $13,000 for political purposes; that respondent was not a candidate for Federal office at that time.

C. The $13,000 from the March 4, 1975 fundraiser represented contributions from corporations and labor organizations.

D. That respondent and Lt. Governor Garrahy held a joint-fund-raiser in December 1975.

7 9 0 4 0 1 3 5 3 3 0

E. Respondent transferred the $13,000 from the March 4, 1975 fundraiser on or before December 4, 1975 to be included in the total proceeds of the joint fundraiser held in December of 1975 for the respondent and the Lt. Governor.

F. The division of the net proceeds from this fundraiser provided for respondent to receive one-half of the funds plus $13,000.

G. Respondent was a candidate for the office of Senator of the United States from Rhode Island in the primary election held on September 14, 1976.

H. That respondent's principal campaign committee, Noel for Senator, disclosed on its April 10, 1976 report of receipts and expenditures cash on hand as of January 1, 1976 in the amount of $52,066.58, which amount represented the total amount received by respondent from the joint fundraiser held in December 1975.

I. The $52,066.58 disclosed by Noel for Senator was retained in a separate account and not comingled with the funds being used to finance respondent's Senate campaign until after the primary election; that $13,000 of the $52,066.58 remains in the escrow account.

II. NOW, THEREFORE, RESPONDENT AGREES:

A. That the FEC has jurisdiction over respondent and the subject matter of this proceeding.

7 9 0 4 0 1 3 5 3 3 1

B. To amend the Noel for Senator April 10, 1976 report of receipts and expenditures and all subsequent reports filed to exclude the $13,000 originally received from a March 4, 1975 fundraiser.

C. Not to use or authorize anyone else to use the $13,000 identified in Part I above in connection with his 1976 election or any subsequent Federal election in which he is a candidate.

D. To maintain and retain documents and records, including but not limited to bank deposits slips, cancelled checks, contributor lists, receipted bills, memos and correspondence, with respect to the matters herein for a period of three years from the effective date of this agreement.

E. To submit bank or other records evidencing the existence of the $13,000 in a separate escrow account and the subsequent distribution of said amount from the escrow account.

III. GENERAL CONDITIONS

A. Pursuant to §437g(a)(6)(C), the Commission shall make available to the public the results of this compliance action, including the consent agreement herein entered into between the Commission and respondent.

B. The respondent agrees that the Commission, on the request of anyone filing a complaint under §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review, compliance with this agreement. As part of such review, the Commission may require production of all relevant evidence pursuant to its powers under §437d.

7 9 0 4 0 1 3 5 3 3 2

C. It is further agreed that this consent agreement is entered into in accordance with 2 U.S.C. §437d(a)(10) and that this Agreement shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this agreement. However, if the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the U.S. District Court for the District of Columbia.

D. It is agreed that the respondent shall have no more than 30 days from the date this agreement becomes effective according to paragraph III-E to comply with and implement the requirements contained in this Agreement.

E. It is mutually agreed that this agreement shall become effective on the date the Commission approves the entire agreement, which shall be evidenced by the execution of same by the General Counsel.

FEDERAL ELECTION COMMISSION

DATE: _____ By: _____
William C. Oldaker
General Counsel
1325 K Street, N.W.
Washington, D.C. 20463

DATE: _____ By: _____
Philip W. Noel
Respondent
21 Kirby Avenue
Warwick, Rhode Island

CO#365

GOULDING

A lot of people are [illegible] for the U.S. Senate, [illegible]

RECEIVED FEDERAL ELECTION COMMISSION 6 2

MUR 211

FEC CORRESPONDENCE
CONTROL # 76-1341

July 31, 1976

Mr. David Speigel
c/o The Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Dear Mr. Speigel:

This is a formal complaint filed in accordance with section 437 g. of the Federal Election Campaign Act. I cite the following violations of the Noel for Senator Committee S-2150;

1. On March 4, 1975, Noel raised $13,000 at a "semi-secret" fund-raiser. The money was collected before Noel had announced what political office he was seeking and long before his senatorial campaign committee had registered with the FEC. This "slush fund" activity violates sec. 433 of the Federal Election Campaign Act of 1971 as amended in 1974. The section states a committee must be registered "within 10 days" after receiving contributions. Noel's Committee registered February 16, 1976, nearly one year after the "semi-secret" fundraiser.

2. The Noel Committee, realizing the $13,000 was tainted attempted to cover-up this money by "laundering" it through Lt. Governor J. Joseph Garrahy's campaign committee. In effect, the $13,000 was "transferred" to Garrahy's committee which, in turn, gave Noel's committee a "clean" $13,000.

This cleaning operation stemmed from a December 4. 1975 joint fund-raiser in which Garrahy and Noel received $77,900 which they split.

Again, this mixing, or co-mingling of funds ---through a dual fund-raiser and the "laundering process" --- violates sec. 432 of the FEC. law. This section states "all funds of a political committee shall be segregated from and may not be co-mingled with any personal funds of officers, members or associates of such committee".

The pooling of funds is not illegal under state law, which applies to Mr. Garrahy's gubernatorial campaign.

Box 427, P.O. Annex, Providence, Rhode Island/Phone 751-1976

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.

7904013533 4

GOULDING

A lot of people who think Paul Goulding is the best man for the U.S. Senate. James F. Twaddell, Chairman

At the "semi-secret" fund raiser cited earlier, John D. Lynch, Noel Campaign Treasurer, has already admitted to a news reporter as evidenced in the enclosed articles taken from the Providence Journal and the Evening Bulletin, that "some" of the $13,000 was corporate and union contributions. Donations from banks, corporations, and unions are forbidden by section 610 of the federal campaign law. The law states in part:

"It is unlawful for any national bank, or any corporation organized by authority of any law of Congress to make a contribution or expenditure in connection with any election to any political office". The same section also prohibits such labor organization contributions.

I want the FEC to launch a full field investigation into this matter, and I want the FEC to take all necessary steps to insure equity and fair play in our electoral process.

Sincerely,

Paul E. Goulding

Paul E. Goulding

Subscribed and sworn to before me in Providence this day of July 29 1976

William B. Cooley, Sr.

Notary Public

enclosures:

PG/mt

Box 427, P.O. Annex, Providence, Rhode Island/Phone 751-1976

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.

7904015535

March 7, 1975

Noel dinner contributors secret 'till Oct. '76?

Garrahy effort netted $119,000; donors listed

By CHARLES BAKST
Journal-Bulletin Staff Writer

PROVIDENCE — Lt. Gov. J. Joseph Garrahy's gubernatorial campaign grossed $126,140 and netted $118,912 from the $100-a-ticket fundraising reception it held March 19, according to data released yesterday.

In addition to the overall figures, William G. Dugan Jr., campaign coordinator, released a roster of those who contributed more than $200 to the event, held at the Cranston Hilton. Amounts higher than $200 must be reported, according to state campaign finance law.

In its documentation the Garrahy campaign exceeded minimum reporting requirements of the law, which does not require such filings until 30 days before an election.

In fact, Dugan said he understood the campaign would have never been required to report the names, because the event took place before Garrahy officially becomes a candidate (that is, files a declaration), in June. All that would be necessary, Dugan maintained, would be to include the receipts in the beginning cash balance entry on the unit's first report.

William T. Horan, chief auditor of the campaign contributions and expenditures division of the state Board of Elections, said Dugan was correct. Horan indicated the board had so ruled after Garrahy asked for an interpretation.

Dugan, the state's chief of public buildings, said the campaign plans to spend $275,000 to $300,000.

Elsewhere on the political finance scene, a new report of the national presidential campaign of Sen. Henry M. Jackson included the names of 11 Rhode Island contributors.

A Noel-for-Senator report filed under federal law had indicated that the Noel campaign netted $52,066 from a Dec. 4 joint fundraiser, whose proceeds were to be split 50-50 between Noel and Garrahy. This was the same event from which the Garrahy campaign received $38,950.

John D. Lynch, Noel treasurer, explained yesterday that in effect, Noel and Garrahy each came out of the fundraiser $38,950 ahead.

What happened, Lynch said, was this: A "Philip Noel 1975" account had some $13,000 in it, apparently from a controversial March 4, 1975, "semi-secret" fundraiser.

Lynch said some of this was from corporate and union contributions, which may be used in Rhode Island state campaigns but not in federal campaigns. So he transferred the $13,000 into an account set up to receive the Garrahy share of the Dec. 4 joint affair. This Garrahy account then received another $26,000 or so from the Dec. 4 event, bringing it up to the $38,950 level.

Into a new Noel account, Lynch deposited the governor's $38,950 share, plus $13,000 or so more from the joint affair to make up for the "Philip Noel 1975" money that had been given to Garrahy. Thus, all of the $52,066 the Noel-for-Senator report listed actually did come from the joint fundraiser.

Contributions of $500 to the Garrahy campaign came from: Leonard R. Abrams of Providence, president of Arden Jewelry Manufacturing; Joseph F. Esposito of Barrington, president of Esposito Jewelry; James Forte of Cumberland, construction contractor; Melvin S. Frank of Providence and H. Alan Frank of Providence, presidents, respectively, of Union Trimbag Co. Inc. and Union Paper Co. Inc.; Roland Ferland of Pawtucket, a former member of the state Democratic executive committee; James Gilbert of Woonsocket, an auto agency dealer; Sheldon Gerber of Providence, president of Gerbers Inc.

Also, Thomas C. Haxton Jr. of Warwick, president of Haxton Brothers Inc.; Harold Leavitt of Providence, president of Leavitt-Cason Co.; Isabelle Leeds of New York City, former Rhode Island Democratic national committeewoman; Kent Cruise & Associates, architects; Maiorca Associates, architects; United Sanitation Inc.; David F. Sweeney of East Greenwich, lawyer in Warwick; Washington County Deputy Sheriff Association; Carmine A. Rao of Providence, state mental health advocate; Irwin B. Hamin of Providence, president of McGrath-Hamin Inc.; Howard S. Weiss of Providence, secretary and treasurer of National Office Supply.

Contributions of $400 came from: John Coyne, Glocester Democratic chairman; H.W. Cooke Co.; Donald Dwares of Providence; C&K Electric; Levy, Goodman, Simonoff & Gorin, lawyers; Rhode Island Democratic Women's Club; Weiermann Engineering Co.; Wayne Distributors; Fenton Keyes of Warwick, architect; Robert Riesman of Providence, vice-chairman of the Rhode Island Jackson presidential campaign; Manuel Silverman of Providence, Northeast Refining salesman.

Contributions of $300 came from A. Austin Ferland of Pawtucket, executive vice-president of Ferland Corp; James Loope, Providence attorney; Pawtucket Mayor Dennis Lynch; Edmund Maiuro Jr. of Providence, president of International Supply Co.; Teamster Joint Council 10; Edwin Jaffe of Providence, Fall River manufacturer.

Contributions of $250 came from Abbott Dressler of Cranston, secretary of Cotax Packing Co.; Sidney Dressler of Barrington, president of Cotax Inc.; Leonard Granoff of Providence, vice-president of American Tourister Luggage; Sol Kotler of Providence, president of American Luggage Works Inc.

The Jackson report showed these donations from Rhode Islanders: Mrs. AMax Alperin of Providence, $250; Bernice C. Bazar of Providence, $275; Mrs. Bernice C. Bazar of Providence, $275; Alan G. Hassenfeld of Providence, $150; Stephen D. Hassenfeld of Providence, $500; John T. Hayward of Newport, $225; Ernest Nathan of Providence, $200; William E. Reeves of Providence, $200; Mrs. William E. Reeves of Providence, $200; Joseph W. Ress of Providence, $400; Mrs. Joseph Tisher of Pawtucket, $200.

A separate report showed that the American Express Officers Committee for Responsible Government (Washington, D.C.) contributed $1,51

NCH & COLEMAN
ATTORNEYS AT LAW
602 TOLLGATE ROAD
WARWICK, R. I. 02886

William C. Oldaker, General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

MAY 21, 1976

Noel's cocktail party seen netting $50,000

VN Providence ★★★★★ Thursday, June 24, 1976 B

'Very successful event' but Noel has no estimate

By M. CHARLES BAKST
Journal-Bulletin Staff Writer

PROVIDENCE — Governor Noel reported today that his U.S. Senate drive had a "very successful fund-raiser" Tuesday night at the home of John D. Lynch, a campaign treasurer. But neither Noel nor Lynch had an estimate of how much was raised.

There was no public announcement the event was to be held. Lynch said he saw no reason for one: "It wasn't open to the general public, he said.

Noel and Lynch said 75 to 100 attended. Lynch said there was no specific donation required. Some persons gave nothing, some contributed $100 and no one donated more than $500. He said he did not know what the average contribution was.

Lynch maintained it was not a fund-raiser. "It was a social gathering of people who had expressed a desire to make contributions to the campaign," he said. He said those who came had supported Noel's past campaigns.

Among those on hand were some labor leaders. Neither Noel nor Lynch would identify them.

Names of contributors of more than $100 will have to be reported, under federal law.

On another matter, Noel confirmed that he has asked Robert J. Rahill, state transportation director, to consider taking a leave of absence to assume an active leadership role in his campaign. "If he says yes, we'll decide what that role will be," the governor said.

One of Noel's leading rivals for the Senate nomination, state Sen. John P. Hawkins was endorsed this week by the executive council of the Rhode Island Federation of Teachers. Noel said of that move today, "It's obvious they are upset because of cuts that I made in the budget and recommendations that I made to conserve state dollars."

Hawkins, he noted, always has been close to public employe unions.

Box 427, P.O. Annex, Providence, Rhode Island 02901

RETURN RECEIPT
REQUESTED

Mr. David Speigel
c/o The Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

REGISTERED
NO. 1893

LCC 963

LYNCH & COLEMAN
ATTORNEYS AT LAW
608 TOLLGATE ROAD
WARWICK, R. I. 02886
739-9500

JOHN D. LYNCH
MICHAEL D. COLEMAN

July 18, 1977

IN REPLY PLEASE
REFER TO FILE NO. _____

William C. Oldaker, General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

RE: Philip W. Noel
MUR 211 (76)

Dear Mr. Oldaker:

Enclosed herewith find a Consent Decree regarding the above matter.

It would be appreciated if you would have this Consent Decree executed and return a copy to me at your earliest convenience. Thanking you for your anticipated cooperation in this matter, I am

Very truly yours,

LYNCH & COLEMAN

John D. Lynch

JDL:brr
Enclosure

7 9 0 4 0 1 3 5 5 3 4 1

RECEIVED
FEDERAL ELECTION
COMMISSION
'77 JUL 21 PM 3:10

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 211 (76)
Philip W. Noel	)	

772193

CONSENT AGREEMENT

This matter having been initiated by the Federal Election Commission (hereinafter Commission) pursuant to a notarized complaint and after preliminary inquiry, the Commission found reason to investigate the allegation that Philip W. Noel (hereinafter respondent) committed violations of 2 U.S.C. ##432, 434 and 18 U.S.C. #610 (presently 2 U.S.C. #441b). Respondent, having had a reasonable opportunity to respond and demonstrate that no action should be taken, voluntarily enters into this agreement pursuant to 2 U.S.C. #437d(a)(10).

I. STATEMENT OF PERTINENT FACTS:

A. On March 14, 1975, respondent was the Governor of the State of Rhode Island having been elected in November of 1972 and in November of 1974.

B. On March 4, 1975, respondent held a fundraiser which raised approximately $13,000 for political purposes; that respondent was not and had not announced his candidacy for Federal office at that time.

C. The $13,000 from the March 4, 1975 fundraiser represented contributions from corporations and labor organizations.

D. That respondent and Lt. Governor Garrahy held a joint-fundraiser in December 1975.

E. Respondent transferred the $13,000 from the March 4, 1975

7 9 0 4 0 1 3 5 3 4 2

fundraiser on or before December 4, 1975 to be included in the total proceeds of the joint fundraiser held in December of 1975 for the respondent and the Lt. Governor.

F. The division of the net proceeds from this fundraiser provided for respondent to receive one-half of the funds plus $13,000.

G. Respondent was a candidate for the office of Senator of the United States from Rhode Island in the primary election held on September 14, 1976.

H. That respondent's principal campaign committee, Noel for Senator, disclosed on its April 10, 1976 report of receipts and expenditures cash on hand as of January 1, 1976 in the amount of $52,066.58, which amount represented the total amount received by respondent from the joint fundraiser held in December 1975.

I. The $52,066.58 disclosed by Noel for Senator has been retained in a separate account and has not been comingled with the funds being used to finance respondent's Senate campaign.

II. NOW, THEREFORE, RESPONDENT AGREES:

1. That the FEC has jurisdiction over respondent and the subject matter of this proceeding.

2. To amend the Noel for Senator April 10, 1976 report of receipts and expenditures and all subsequent reports filed to exclude the $13,000 originally received from a March 4, 1975 fundraiser.

3. Not to use or authorize anyone else to use the $13,000 identified in Part I above in connection with his 1976 election or any subsequent Federal election in which he is a candidate.

7 9 0 4 0 1 3 5 3 4 3

4. To maintain and retain documents and records, including but not limited to bank deposits slips, cancelled checks, contributor lists, receipted bills, memos and correspondence, with respect to the matters herein for a period of three years from the effective date of this agreement.

III. GENERAL CONDITIONS

A. Pursuant to #437g(a)(6)(C), the Commission shall make available to the public the results of this compliance action, including the consent agreement herein entered into between the Commission and respondent.

B. The respondent agrees that the Commission, on the request of anyone filing a complaint under #437g(a)(1) concerning the matters at issue herein, or on its own motion, may review, compliance with this agreement. As part of such review, the Commission may require production of all relevant evidence pursuant to its powers under #437d.

C. It is further agreed that this consent agreement is entered into in accordance with 2 U.S.C. #437d(a)(10) and that this Agreement shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this agreement. However, if the Commission believes that this agreement, or any requirement thereof has been violated, it may institute a civil action for relief in the U. S. District Court for the District of Columbia.

D. Compliance with this Agreement by the respondent shall constitute a finding that respondent did not violate #2 U.S.C. ##432, 434 and 18 U.S.C. #610 (presently 2 U.S.C.#441b).

7 9 0 4 0 1 3 5 3 4 4

E. It is agreed that the respondent shall have no more than 30 days from the date this agreement becomes effective according to paragraph E, to comply with and implement the requirements contained in this Agreement.

F. It is mutually agreed that this agreement shall become effective on the date the Commission approves the entire agreement, which shall be evidenced by the execution of same by the General Counsel.

FEDERAL ELECTION COMMISSION

DATE: _____ by: _____

General Counsel
1325 K Street, N.W.
Washington, D.C. 20463

DATE: July 5, 1977 by: Philip W. Noel

Philip W. Noel
Respondent
21 Kirby Avenue
Warwick, Rhode Island

7 9 0 4 0 1 3 5 3 4 5

May 21, 1976

Noel's cocktail party seen netting $50,000

By TRACY BRETON
Journal-Bulletin Staff Writer

WARWICK — An estimated 600 to 800 persons paid $100 each last night to attend the first fund-raising event for Governor Noel's campaign for the U.S. Senate.

Names of the contributors and the amount of money raised at the two-hour cocktail party at the Windjammer Restaurant at Rocky Point were not immediately available.

However, John D. Lynch, treasurer of the Noel for Senate campaign, said that all contributors would be listed in the next required campaign spending report, due July 16. Lynch estimated that last night's affair would "net about $50,000."

The campaign treasurer said that he planned to have a "family-type fund-raising affair" for Noel's campaign early this summer. Tickets to that cost $10, Lynch said.

Those attending the cocktail party last night included many lawyers, politicians, union leaders and friends of the governor. Besides the strong Democratic contingent that attended, Lynch said "about 50 Republicans" who had previously aligned themselves with former Governor John H. Chafee and Herbert DeSimone were present.

Guests included Warwick Mayor Eugene J. McCaffrey Jr., who is seeking a campaign for the Democratic endorsement for Congressman Edward P. Beard's seat; State Police Supt. Walter Stone; State Public Utility Director William Harsch; [illegible] Warden of the Adult Correctional Institutions; Mr. and Mrs. Milton [illegible]; Joseph R. DiPippo, president of the R.I. State Employees' Association Council 22; [illegible] Rylak, secretary-treasurer of the R.I. Teamsters Union, and Mary Hackett, head of the State Department of Employment Security.

Particularly prominent at the affair were several lawyers who have been mentioned as candidates for four new judgeships which may be created by the General Assembly. A bill creating the judgeships was reported out of the House Judiciary Committee Tuesday but still has to be considered on the House floor and in the Senate.

The party was considered a private affair and reporters were not permitted to mingle with the guests.

The reported candidates for the [illegible] judgeships include Rep. Raymond J. Crowley, D-East Providence; Sen. Pat Nero, D-Cranston, and J. Joseph Nugent, a former Democratic attorney general.

WN Providence ★★★★★ Thursday, June 24, 1976 IB

'Very successful event' but Noel has no estimate

By M. CHARLES BAKST
Journal-Bulletin Staff Writer

PROVIDENCE — Governor Noel reported today that his U.S. Senate drive had a "very successful fund-raiser" Tuesday night at the home of John D. Lynch, a campaign treasurer. But neither Noel nor Lynch had an estimate of how much was raised.

There was no public announcement the event was to be held. Lynch said he saw no reason for one: "It wasn't open to the general public, he said.

Noel and Lynch said 75 to 100 attended. Lynch said there was no specific donation required. Some persons gave nothing, some contributed $100 and no one donated more than $500. He said he did not know what the average contribution was.

Lynch maintained it was not a fund-raiser. "It was a social gathering of people who had expesssed a desire to make contributions to the campaign," he said. He said those who came had supported Noel's past campaigns.

Among those on hand were some labor leaders. Neither Noel nor Lynch would identify them.

Names of contributors of more than $100 will have to be reported, under federal law.

On another matter, Noel confirmed that he has asked Robert J. Rahill, state transportation director, to consider taking a leave of absence to assume an active leadership role in his campaign. "If he says yes, we'll decide what that role will be," the governor said.

One of Noel's leading rivals for the Senate nomination, state Sen. John P. Hawkins was endorsed this week by the executive council of the Rhode Island Federation of Teachers. Noel said of that move today, "It's obvious they are upset because of cuts that I made in the budget and recommendations that I made to conserve state dollars."

Hawkins, he noted, always has been close to public employe unions.

7 9 0 4 0 1 3 5 3 4 6

Garrahy effort netted $119,000; donors listed

By CHARLES BAKST
Journal-Bulletin Staff Writer

PROVIDENCE — Lt. Gov. J. Joseph Garrahy's gubernatorial campaign grossed $126,140 and netted $118,912 from the $100-a-ticket fundraising reception it held March 19, according to data released yesterday.

In addition to the overall figures, William G. Dugan Jr., campaign coordinator, released a roster of those who contributed more than $200 to the event, held at the Cranston Hilton. Amounts higher than $200 must be reported, according to state campaign finance law.

In its documentation the Garrahy campaign exceeded minimum reporting requirements of the law, which does not require such filings until 30 days before an election.

In fact, Dugan said he understood the campaign would have never been required to report the names, because the event took place before Garrahy officially becomes a candidate (that is, files a declaration), in June. All that would be necessary, Dugan maintained, would be to include the receipts in the beginning cash balance entry on the unit's first report.

William T. Horan, chief auditor of the campaign contributions and expenditures division of the state Board of Elections, said Dugan was correct. Horan indicated the board had so ruled after Garrahy asked for an interpretation.

Dugan, the state's chief of public buildings, said the campaign plans to spend $275,000 to $300,000.

Elsewhere on the political finance scene, a new report of the national presidential campaign of Sen. Henry M. Jackson included the names of 11 Rhode Island contributors.

A Noel-for-Senator report filed under federal law had indicated that the Noel campaign netted $52,066 from a Dec. 4 joint fundraiser, whose proceeds were to be split 50-50 between Noel and Garrahy. This was the same event from which the Garrahy campaign received $38,950.

John D. Lynch, Noel treasurer, explained yesterday that in effect, Noel and Garrahy each came out of the fundraiser $38,950 ahead.

What happened, Lynch said, was this: A "Philip Noel 1975" account had some $13,000 in it, apparently from a controversial March 4, 1975, "semi-secret" fundraiser.

Lynch said some of this was from corporate and union contributions, which may be used in Rhode Island state campaigns but not in federal campaigns. So he transferred the $13,000 into an account set up to receive the Garrahy share of the Dec. 4 joint affair. This Garrahy account then received another $26,000 or so from the Dec. 4 event, bringing it up to the $38,950 level.

Into a new Noel account, Lynch deposited the governor's $38,950 share, plus $13,000 or so more from the joint affair to make up for the "Philip Noel 1975" money that had been given to Garrahy. Thus, all of the $52,066 the Noel-for-Senator report listed actually did come from the joint fundraiser.

Contributions of $300 to the Garrahy campaign came from: Leonard R. Abrams of Providence, president of Arden Jewelry Manufacturing; Joseph F. Esposito of Barrington, president of Esposito Jewelry; James Forte of Cumberland, construction contractor; Melvin S. Frank of Providence and H. Alan Frank of Providence, presidents, respectively, of Union Transbag Co. Inc. and Union Paper Co. Inc.; Roland Ferland of Pawtucket, a former member of the state Democratic executive committee; James Gilbert of Woonsocket, an auto agency dealer; Sheldon Gerber of Providence, president of Gerbers Inc.

Also, Thomas C. Haxton Jr. of Warwick, president of Haxton Brothers Inc.; Harold Leavitt of Providence, president of Leavitt-Colson Co.; Isabelle Leeds of New York City, former Rhode Island Democratic national committeewoman; Kent Cruise & Associates, architects; Mallozzi Associates, architects; United Sanitation Inc.; David F. Sweeney of East Greenwich, lawyer in Warwick; Washington County Deputy Sheriff Association; Carmine A. Rao of Providence, state mental health advocate; Irwin B. Hamin of Providence, president of McGrath-Hamin Inc.; Howard S. Weiss of Providence, secretary and treasurer of National Office Supply.

Contributions of $400 came from: John Covne, Glocester Democratic chairman; H.W. Cooke Co.; Donald Dwares of Providence; C&K Electric; Levy, Goodman, Semonoff & Gorin, lawyers; Rhode Island Democratic Women's Club; Waterman Engineering Co.; Wayne Distributors; Fenton Keyes of Warwick, architect; Robert Riesman of Providence, vice-chairman of the Rhode Island Jackson presidential campaign; Mandel Sherman of Providence, Noblemet Refining salesman.

Contributions of $250 came from A. Austin Ferland of Pawtucket, executive vice-president of Ferland Cars; James Lodge, Providence attorney; Pawtucket Mayor Dennis Lynch; Edmund Mauro Jr. of Providence, president of International Supply Co.; Teamster Joint Council 10; Edwin Jaffe of Providence, Fall River manufacturer.

Contributions of $250 came from Abbott Dressler of Cranston, secretary of Colfax Packing Co.; Sidney Dressler of Barrington, president of Colfax Inc.; Leonard Granoff of Providence, vice-president of American Tourister Luggage; Sol Koffler of Providence, president of American Luggage Works Inc.

The Jackson report showed these donations from Rhode Islanders: Mrs. AMax Alperin of Providence, $250; Bernice C. Bazar of Providence, $275; Mrs. Bernice C. Bazar of Providence, $275; Alan G. Hassenfeld of Providence, $150; Stephen D. Hassenfeld of Providence, $500; John T. Hayward of Newport, $325; Ernest Nathan of Providence, $200; William E. Reeves of Providence, $200; Mrs. William E. Reeves of Providence, $200; Joseph W. Ress of Providence, $400; Mrs. Joseph Thaler of Pawtucket, $200.

A separate report showed that the American Express Officers Committee for Responsible Government (Washington) gave Rep. Fernand J. St Germain's campaign $100.

7 9 0 4 0 1 3 5 3 4 7

COMMUNICATIONS CONTROL RECORD	DATE RECEIVED 4/14/76	

FROM Lynch, John D.
602 Tollgate Rd.
Warwick, RI 02886

SUBJECT
AOR

AOR 1976-16
T/C # 595

RFRD	GC			
DATE	4/14			

DATE REPLY DUE	DATE REPLY SENT	PREPARE REPLY FOR SIGNATURE OF

4 - RECORD COPY NO CARBON PAPER REQUIRED GSA FORM 43 (REV. 4-75)

7904013634 8

AOR 1976-16

16 APR 1976

John D. Lynch, Treasurer
Noel for U.S. Senate
882 Tollgate Road
Warwick, Rhode Island 02886

Dear Mr. Lynch:

I wish to acknowledge receipt of your letter of April 10, 1976, requesting the views of the Federal Election Commission concerning provisions of the Federal Election Campaign Act of 1971, as amended. The inquiry is under consideration and we will be back in contact with you in the near future.

As you may know, the Supreme Court's decision of January 30, 1976, in the case of Buckley v. Valeo, et al. sharply curtailed the Commission's powers to respond to opinion requests. Legislation to restore these powers is under active consideration, but until statutory amendments are enacted it is doubtful that an opinion responding to your inquiry can be released.

Please be assured that I will be back in contact with you as soon as a substantive response is appropriate.

Sincerely yours,

Signed: John G. Murphy, Jr.

John G. Murphy, Jr.
General Counsel

ek:4-15-76
cc: Docket Section (I/C # 595)
JGM
Atty assigned

Attachment sent to Valeo

7904013534 9

LYNCH, WALSH & COBLEIGH
ATTORNEYS AT LAW
602 TOLLGATE ROAD
WARWICK, R. I. 02886
739-8500

JOHN D. LYNCH
JOSEPH W. WALSH
GERARD P. COBLEIGH
MICHAEL A. HIGGINS
JOHN C. REVENS, JR.
GUERINO D. DELLA GROTTA

RECEIVED
FEDERAL ELECTION
COMMISSION
76 APR 14 P2:21

April 10, 1976

IN REPLY PLEASE
REFER TO FILE NO. _____

I/C # 595

Federal Election Commission
1325K Street N.W.
Washington, D. C. 20463

Gentlemen:

Enclosed find "Report of Receipts and Expenditures for a Candidate or Committee Supporting a Candidate for Nomination or Election to Federal Office as required by the Federal Election Campaign Act.

Incorporated into this report is an Addendum relative to the contributions received at a fund raiser held December 4, 1975, prior to the time Governor Philip W. Noel announced his candidacy for federal office. Said contributions ($52,066.58 - net) were received from individuals and deposited with the Citizens Bank in an account, separate and distinct from the bank account established at the time of the candidate's announcement. Therefore, these contributions have not been comingled with contributions received since the candidate made his announcement for federal office.

I have disclosed these contributions in this manner until I determine if these funds are available for use in a federal election campaign.

I, therefore, am herein requesting an advisory opinion from the Federal Election Commission as to the propriety of the use of said funds in a federal election campaign.

Please advise.

Thank you for your attention to my request.

Very truly yours,

JOHN D. LYNCH, Treasurer
NOEL FOR U. S. SENATE

cc: Honorable Francis R. Valeo
Secretary of the Senate

ATTACHMENT MISSING-WILL BE FORTHCOMING 2/5
7 6 0 4 0 1 3 3 3 5 0

LYNCH, WALSH & COBLEIGH
ATTORNEYS AT LAW
602 TOLLGATE ROAD
WARWICK, R. I. 02886

76 APR 14 P12:16

Federal Election Commission

1325K Street N. W.

Washington, D.C. 20463

ADVISORY OPINION REQUEST

FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 211

Date Filmed 11/24/79 Camera No. --- 2

Cameraman J.A.Q.

79040435352

FEDERAL ELECTION COMMISSION

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

THE FOLLOWING MATERIAL IS BEING ADDED TO THE

PUBLIC FILE OF CLOSED MUR 211.

7/25/79

7 9 0 4 0 1 1 3 3 7 3

FEDERAL ELECTION COMMISSION

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

July 13, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Paul E. Goulding
c/o Senate Committee on Rules
and Administration
Russell Senate Office Building
Washington, D.C. 20510

Re: MUR 211

Dear Mr. Goulding:

Please be advised that pursuant to 2 U.S.C. §437g (a)(5)(A), the Federal Election Commission entered into a conciliation agreement with Respondent Philip W. Noel, and voted to close the file on the above-captioned matter pending receipt of a civil penalty. The civil penalty was received May 25, 1979, and the matter made part of the public record on June 26, 1979.

Pursuant to Commission policy, we have enclosed a copy of the Commission's certification and conciliation agreement for your information as this matter was generated pursuant to your complaint filed with the Commission in 1976. We apologize for the delay of this notification.

Sincerely,

William C. Oldaker
General COunsel

Enclosure

211 SCALL

PS Form 3811 Apr. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3
Add your address in the "RETURN TO" space on reverse

1. The following service is requested (check one).
- ☐ Show to whom and date delivered ____¢
- ☑ Show to whom, date, and address of delivery ____¢
- ☐ RESTRICTED DELIVERY
  Show to whom and date delivered ____¢
- ☐ RESTRICTED DELIVERY
  Show to whom, date, and address of delivery $____
  (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
GOV. PHILIP NOEL
COFFEY, McGOVERN, NOEL & NOVOGROSKI
15 WESTMINSTER ST.
PROVIDENCE, RI 02903

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943946	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
T. Presott

4. DATE OF DELIVERY
FEB 12 1979

POSTMARK
PROVIDENCE R.I. FEB 12 1979 USPO

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆GPO 1977-0-249-595

MUR 211(76) Johnson

PS Form 3811 Apr. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3
Add your address in the "RETURN TO" space on reverse

1. The following service is requested (check one).
- ☐ Show to whom and date delivered ____¢
- ☑ Show to whom, date, and address of delivery ____¢
- ☐ RESTRICTED DELIVERY
  Show to whom and date delivered ____¢
- ☐ RESTRICTED DELIVERY
  Show to whom, date, and address of delivery $____
  (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Gov. Philip Noel
15 Westminster St.
Providence, RI 02903

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943417	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
T. Presott

4. DATE OF DELIVERY
APR 24 1979

POSTMARK
APR 24 1979

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

STRIKE BANNER

☆GPO 1977-0-249-595

7 9 0 4 0 1 0 5 7 7

FEDERAL ELECTION COMMISSION

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

END OF ADDITIONAL MATERIAL FOR CLOSED MUR 211.

7 9 0 4 0 1 1 5 5 7 3