



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2239<sup>E</sup>

DATE FILMED 7/29/87 CAMERA NO. 2

CAMERAMAN AS

8704052807

PUBLIC RECORD INDEX MUR 2239 (E)

1. Complaint, filed 11 Sept 86, by Louis Wm. Barnett.
2. Memo, 15 Sept 86, Marjorie W. Emmons/Darlene Small to the Commission, Subject: MUR 2239 - Complaint.
3. Ltr, 22 Sept 86, L.M. Noble (Deputy General Counsel, FEC) to Louis W. Barnett.
4. Ltr, 22 Sept 86, L.M. Noble to Donald C. Chapman (Treas, Friends of Steve Swendiman).
5. Ltr, 22 Sept 86, L.M. Noble to Shasta County (CA) Board of Supervisors
6. Ltr, 22 Sept 86, L.M. Noble to Stephen C. Swendiman and Suzanne Swendiman
7. Ltr, 9 Oct 86, D.C. Chapman to C.N. Steele w/encls.
8. Memo, 3 Dec 86, Reports Analysis Division to General Counsel, Subject: Proposed RFAI to Friends of Steve Swendiman.
9. Memo, 9 Jan 87, RAD to OGC, Subject: Proposed Informational Notice to Friends of Steve Swendiman.
10. First General Counsel's Report, 18 Feb 87.
11. Memo, 19 Feb 87, OGC to OCS, Subject: MUR 2239 - General Counsel's Report.
12. Certification of Commission action, dtd 24 Feb 87.
13. Memo, 24 Feb 87, OCS to OGC, Subject: Comment to MUR 2239, w/atch (Comment of Cmsr. Thomas).
14. Ltr, 3 March 87, L.M. Noble to Stephen C. Swendiman (No RTB).
15. Ltr, 3 March 87, L.M. Noble to Shasta County Board of Supervisors (No RTB).
16. Ltr, 3 March 87, Scott E. Thomas (Chairman, FEC) to Suzanne Swendiman, w/encl (Questions).
17. Ltr, 3 March 87, S.E. Thomas to D.C. Chapman
18. Ltr, 7 March 87, Suzanne Swendiman to FEC.
19. Ltr, 11 March 87, David R. Frank (Counsel, Shasta County) to FEC.

8704055:808

20. Ltr, 20 March 87, L.M. Noble to D.R. Frank.
21. Ltr, 30 March D.R. Frank to FEC.
22. General Counsel's Report, 8 April 87.
23. Memo, 9 April 87, OGC to OCS, Subject: MUR 2239 - General Counsel's Report.
24. Ltr, 10 April 87, L.M. Noble to Suzanne Swendiman w/atch (G.C. Brief).
25. Ltr, 10 April 87, L.M. Noble to D.C. Chapman, w/atch (G.C. Brief).
26. Memo, 10 April 87, L.M. Noble to Commission, Subject: MUR 2239 (G.C. Briefs).
27. Ltr, 30 April 87, D.C. Chapman to FEC.
28. General Counsel's Report, 20 May 87.
29. Memo, 20 May 87, OGC to OCS, Subject: MUR 2239 - G.C. Report.
30. Certification of Commission Action, dtd 3 June 87.
31. Closing ltrs, 8 June 87, L.M. Noble to: a) Suzanne Swendiman; b) D.C. Chapman; c) Shasta County Board of Supervisors; d) Stephen C, Swendiman; e) Louis W. Burnett.

NOTE: In preparing its file for the public record, OGC routinely removes those documents in which it perceivs little or no public interest, and those documents, or portions thereof, which are exempt from disclosure under the Freedom of Information Act.

87040552809

# National Foundation To Fight Political Corruption, Inc.

516 GALER PLACE • GLENDALE, CALIFORNIA 91206

11 SEP 11 1986  
FEDERAL ELECTION COMMISSION  
RECEIVED  
FEC ID# 117421

September 9, 1986

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

Dear Sir(s):

On behalf of both myself and the National Foundation to Fight Political Corruption, Inc., I am hereby filing a complaint against Steve Swendiman, Susanne Swendiman, and the Friends of Steve Swendiman Committee (FEC ID# 117421).

On or about 5/30/86, Suzanne Swendiman co-signed with Steve Swendiman a \$7,600 loan from the Bank of California in Redding, California. Since Suzanne Swendiman had already given the campaign committee (Friends of Steve Swendiman) a \$500 donation, the most that she could loan or guarantee on a loan was an additional \$500.

The Friends of Steve Swendiman report for the period 5/15/86 through 6/30/86 reflects Suzanne Swendiman as a co-signatory for the above loan with the notation "Amount Guaranteed Outstanding: \$7,600.00".

I have attached pages from the report filed by the Friends of Steve Swendiman Committee which will reflect the above transaction.

Note: Even if the above loan is retired on 9/30/86 as it is suppose to be, it will still mean that the whole amount - \$7,600 - was available to the campaign prior to the primary election on June 3, 1986. Steve Swendiman was opposed in that primary and might have lost the election if not for the improper loan.

I swear that the information contained in this complaint is true.

*Louis W. Barnett*  
Sincerely,  
*Louis W. Barnett*  
Louis W. Barnett  
Chairman

Encl: Swendiman Committee report

PS: Please also investigate Steve Swendiman's failure to report an in-kind contribution of phone calls from Shasta County (see enclosed newspaper articles).

870405810

370405811

(Individual)

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES } SS.

On SEPT 9, 1986 before me, PETER YOLLIN a Notary Public in and for said State,  
personally appeared LOUIS Wm BARNETT

\_\_\_\_\_, (known to me)  
(or proved to me on the basis of satisfactory evidence) to be the person \_\_\_\_\_ whose name HE subscribed to the  
within instrument and acknowledged that HE  
executed the same.

WITNESS my hand and official seal.

Signature \_\_\_\_\_



ALIGN AREA [ ] ALIGN AREA [ ]

1. Name of Committee (in Full)  
TRUSTEES OF STATE SUBSIDIZED

2. FEC Identification Number  
117431

3. Is this report on Agreement?  YES  NO

Address (Number and Street)  
1194 Alameda Ave.

City, State and Zip Code  
ROCKFORD, IL 61001

Check if address is different than previously reported

Office of the Secretary of State of the State of California  
Office of the Secretary of State of the State of California

RECEIVED  
AND FILED  
JUL 21 1986  
JUL 21 1986  
SECRETARY OF STATE

4. TYPE OF REPORT

April 15 Quarterly Report

July 15 Quarterly Report

October 15 Quarterly Report

January 31 Year End Report

July 31 Mid Year Report (Non-election Year Only)

Twelfth day report

Thirtieth day report following the General Election on \_\_\_\_\_ in the State of \_\_\_\_\_

Termination Report

This report contains activity for -  Primary Election  General Election  Special Election  Runoff Election

8704052812

SUMMARY		COLUMN A This Period	COLUMN B Calendar Year-to-Date
5. Covering Period	<u>5/15/86</u> through <u>6/30/86</u>		
6. Net Contributions (other than loans)			
(a) Total Contributions (other than loans) (From Line 11 (a))		<u>26603.01</u>	<u>63354.63</u>
(b) Total Contribution Refunds (from Line 20 (d))		-	-
(c) Net Contributions (other than loans) (subtract Line 6 (b) from 6 (a))		<u>26603.01</u>	<u>63354.63</u>
7. Net Operating Expenditures			
(a) Total Operating Expenditures (from Line 17)		<u>26666.96</u>	<u>61772.45</u>
(b) Total Offsets to Operating Expenditures (from Line 14)		-	-
(c) Net Operating Expenditures (Subtract Line 7 (b) from 7 (a))		<u>26666.96</u>	<u>61772.45</u>
8. Cash on Hand at Close of Reporting Period (from Line 27)		<u>11255.19</u>	
9. Debts and Obligations Owed TO The Committee (Itemize all on Schedule C or Schedule D)		-	
10. Debts and Obligations Owed BY The Committee (Itemize all on Schedule C or Schedule D)		<u>3467.62</u>	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

For further information, contact:  
Federal Election Commission  
Toll Free 800-424-9530  
Local 202-523-4068

Dennis C. Chapman  
Type or Print Name of Treasurer

Dennis C. Chapman  
SIGNATURE OF TREASURER

7/15/86  
Date

NOTE: Submission of false erroneous or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used.

FEC FORM 3 (3/80)

(1)

SCHEDULE A

ITEMIZED RECEIPTS

(Use separate schedule for each category of the Detailed Summary Page)

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committees.

Name of Committee (in Full)

Friends of Steve Swinman

ID # 11721

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
BRADLEY, SWANSON & JANK P.O. DRAWER 4437 REDDING, CA. 96099	JANK (PARTNER)	6/29/86	\$1,000.00
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation: ATTORNEY Aggregate Year-to-Date-\$ 1,000.00		
B. Full Name, Mailing Address and ZIP Code STEVEN JANK P.O. DRAWER 4437 REDDING, CA. 96099	Name of Employer: PARTNER (BRADLEY, SWANSON & JANK) Occupation: ATTORNEY	Date (month, day, year): 5/30/86	Amount of Each Receipt This Period: 100.00
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date-\$ 473.34		
C. Full Name, Mailing Address and ZIP Code SUZANNE SWINMAN 1194 ALMOND AVE. REDDING, CA. 96001	Name of Employer: SHASTA UNION HIGH SCHOOL DISTRICT Occupation: ADMINISTRATOR	Date (month, day, year): 6/8/86	Amount of Each Receipt This Period: 500.00
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date-\$ 500.00		
D. Full Name, Mailing Address and ZIP Code MICHAEL E. BOEGER 409 RANDOLPH ROAD GRIDLEY, CA. 95948	Name of Employer: SELF EMPLOYED Occupation: FARMER	Date (month, day, year): 5/3/86	Amount of Each Receipt This Period: 1,000.00
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date-\$ 1,000.00		
E. Full Name, Mailing Address and ZIP Code JUDITH M. AMES 1306 WILLIS ST. REDDING, CA. 96001	Name of Employer: Occupation: HOUSEWIFE	Date (month, day, year): 5/27/86	Amount of Each Receipt This Period: 250.00
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date-\$ 250.00		
F. Full Name, Mailing Address and ZIP Code S. J. PLANK, M.D. 46 SHASTA COUNTY COURT HOUSE REDDING, CA. 96001	Name of Employer: SHASTA COUNTY Occupation: DOCTOR/ADMINISTRATOR	Date (month, day, year): 5/27/86	Amount of Each Receipt This Period: 350.00
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date-\$ 350.00		
G. Full Name, Mailing Address and ZIP Code LARRY MACK 2727 CHARD CREEK RD. REDDING, CA. 96001	Name of Employer: SELF EMPLOYED Occupation: CONTRACTOR	Date (month, day, year): 5/19/86	Amount of Each Receipt This Period: 500.00
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date-\$ 570.00		
SUBTOTAL of Receipts This Page (optional) . . . . .			3,700.00
TOTAL This Period (last page this line number only) . . . . .			-

9704055813

Name of Committee (in Full)

FRIENDS OF STEVE SWEENEY

ID # 112421

A. Full Name, Mailing Address and ZIP Code of Loan Source

THE BANK OF CALIFORNIA  
P.O. Box 228  
REDDING, CA. 96099

Original Amount  
of Loan

\$7,600.00

Cumulative Payment  
To Date

-

Balance Outstanding at  
Close of This Period

\$7600.00

Election:  Primary  General  Other (specify):

Terms: Date Incurred 5/20/86

Date Due 2/20/88

Interest Rate PRIME RATE + 2% % (apr)

Secured

List All Endorsers or Guarantors (if any) to Item A

1. Full Name, Mailing Address and ZIP Code

STEVE SWEENEY  
1194 ALMOND AVE.  
REDDING, CA. 96001

Name of Employer

SHERIDA COUNTY

Occupation

COUNTY SUPERVISOR

Amount Guaranteed Outstanding:

\$7,600.00

2. Full Name, Mailing Address and ZIP Code

SUZANNE SWEENEY  
1194 ALMOND AVE.  
REDDING, CA. 96001

Name of Employer

SHERIDA COUNTY HHS

Occupation

ADMINISTRATOR

Amount Guaranteed Outstanding:

\$7,600.00

3. Full Name, Mailing Address and ZIP Code

Name of Employer

Occupation

Amount Guaranteed Outstanding:

\$

B. Full Name, Mailing Address and ZIP Code of Loan Source

Original Amount  
of Loan

Cumulative Payment  
To Date

Balance Outstanding at  
Close of This Period

Election:  Primary  General  Other (specify):

Terms: Date Incurred \_\_\_\_\_

Date Due \_\_\_\_\_

Interest Rate \_\_\_\_\_ % (apr)

Secured

List All Endorsers or Guarantors (if any) to Item B

1. Full Name, Mailing Address and ZIP Code

Name of Employer

Occupation

Amount Guaranteed Outstanding:

\$

2. Full Name, Mailing Address and ZIP Code

Name of Employer

Occupation

Amount Guaranteed Outstanding:

\$

3. Full Name, Mailing Address and ZIP Code

Name of Employer

Occupation

Amount Guaranteed Outstanding:

\$

SUBTOTALS This Period This Page (optional) . . . . .

TOTALS This Period (last page in this line only) . . . . .

7,600.00

Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.

4  
8  
5  
4  
7

(1)



**John McEnroe disqualified**  
Open officials don't tolerate tardiness

See Sports, C-1



**Fruit wants to be popular**  
Raisin production is not shriveling up

See D



Weekend

# Record Searchlight

Redding, California  
August 30, 1986  
Vol. 137, No. 145  
25 cents

## Sheriff probes supervisor conduct

By BILL MILLER

The Shasta County Board of Supervisors is being investigated by the Sheriff's Department for possibly misusing public funds and county administrative staff.

A major part of the Sheriff's Department investigation has to do with whether scores of campaign-related phone calls were made at county

expense by board Chairman Steve Swendiman, Sheriff Phil Eoff said.

Eoff said that for the past 11 days detectives have been digging into questions of possible malfeasance raised by Millville resident Flora Pearson, who recently led the fight that resulted in the supervisors dropping a proposal to give themselves a pay raise.

Eoff said Thursday the criminal investigation into the activities of the "entire board" has been deliberately kept "low key" in order to avoid casting suspicion on board members, or damaging reputations.

Swendiman, who strongly denied any wrongdoing, is the Democratic nominee in the 2nd Congressional District race against Republican As-

semblyman Wally Herger of Rio Oso. "I haven't done anything wrong, and I welcome the Grand Jury to investigate this matter," he said.

Why the case hasn't been referred to the 1986-87 Grand Jury is being openly questioned by county officials — and all five supervisors.

Swendiman and other supervisors also questioned the sheriff's motiva-

tion in launching the investigation during budget hearings.

"I don't feel threatened by it at all," Abe Hathaway said when informed of the investigation. "I don't think they'll find anything on any of us."

Mrs. Pearson, who said she spent a

See SHASTA, A-10

## County's budget



## Lawmakers near end

Continued from A-1

With examining supervisors' expense vouchers, telephone bills, mileage claims and various other receipts," said her research raises questions about the use of county telephones, vehicles and administrative assistants by Supervisors Swendiman, Hathaway and Pete Peters.

She claims to have unearthed little or no information regarding any misconduct by Supervisors Don Maddox and Bob Bosworth.

Eoff said Mrs. Pearson gave him stacks of county records and other materials during an Aug. 19 meeting.

Information supplied by Mrs. Pearson that figures in the investigation includes:

Telephone records that allegedly show Swendiman making 72 calls at county expense to his former campaign consulting firm, Paul Kinney Productions in Sacramento, during the period Dec. 31, 1985, through May 22, 1986. The cost was approximately \$184, according to the records.

During the same five-month period, numerous other calls were allegedly made by Swendiman to congressional campaign workers, contributors and newspapers in Northern California and Washington, D.C.

Those allegedly included the Democratic Congressional Central Committee and several Democratic congressmen who have endorsed Swendiman.

"I'm not using the courthouse as my campaign headquarters," Swendiman maintained. "There are times when people come into my office to talk about the campaign. That's a common topic of conversation when people come into my office. I'm running for Congress, for crying out loud."

Swendiman accused Eoff of using the investigation to pressure the board to take it easier on the Sheriff's Department dur-



Swendiman



Peters



Hathaway



Eoff

past president of the County Supervisors Association of California (CSAC).

While the firm also managed his primary election campaign, Swendiman said Kinney was until recently a CSAC consultant on workers' compensation issues.

Swendiman said he gets a "myriad" of phone messages at his courthouse office every day, some with only names and numbers listed. He returns all his calls, but said he has made a practice of determining as quickly as possible if any are related to his campaign.

If that's the case, Swendiman said he arranges to either have the person call him back or he'll make a second return call, billing it to his home phone.

Asked if all the calls to Kinney were strictly related to county or CSAC business, Swendiman replied, "I can't tell you that in every case I never talked with Paul Kinney about my campaign on the county's nickel."

Swendiman said he doesn't remember calling the Washington-based Democratic Congressional Campaign Committee and AFL-CIO at county expense, but attributed that to a "flurry of

calls" that came and went at the frantic onset of the campaign.

Although county officials said that it is unusual for a sheriff to investigate his governing board, Eoff shrugged that off.

"I don't find that unusual. I find it unusual that some sheriffs are sensitive to political pressures."

When the investigation is completed, the sheriff promised to make the findings public.

Mrs. Pearson said what triggered her investigation was a remark made by Bosworth at a regular board meeting inferring that she hadn't done her "homework" on the salary-hike issue.

"It all started with Bosworth's remark. That really ticked me off," she said.

"As a taxpayer, I'm questioning these expenses. If it's all innocent, so be it. But in my mind, I can't see that many (questionable) incidents being coincidental," she said.

"I know the board thinks it's a vendetta or a politically motivated thing. It's neither."

Mrs. Pearson claims that she and a supporter confirmed that Swendiman made scores of campaign-related calls by dial-

ing the numbers listed on the phone records and, in some cases, pretending to be college students eager to work on the Swendiman campaign.

In more than a half-dozen cases, Mrs. Pearson claims that people answering the phone told her they were involved in the Swendiman campaign and welcomed her support.

Mrs. Pearson said also questions the following:

Why Swendiman, since February, has used his own car for county business; and why, for the period Feb. 13 through June 6, he has billed the county for 5,840 miles at a reimbursement rate of 24 cents per mile.

Swendiman said he uses his own car to avoid conflicts with his campaign activities and racked up the big county-billed miles on numerous trips to Sacramento on supervisorial business.

Why Peters billed the county for spending the night of Feb. 14 at the Red Bluff Inn, about a 20-minute drive from his Anderson home.

Peters said he was attending a conference of the Northern California Supervisors Association, a group he chairs, and also was

present at the motel that night at a banquet where drinks were served.

With another association meeting scheduled the following morning, Peters said he decided it was "reasonable" to stay the night in Red Bluff.

Why Hathaway claimed an \$18 gas fillup for his official county vehicle in March, when he filed reports stating that he was away for several days in Washington on county business.

A credit card receipt shows Hathaway buying the gas at the Kwik Mart station in Burney on March 4, while he was also attending a legislative conference in the nation's capital from March 1-5.

Hathaway suspects the gas station forgot to adjust the purchase date, because he said his county car was parked at Redding Municipal Airport during his entire absence. He said he can prove that because the city issued him a ticket for parking in the wrong zone at the airport.

County Counsel Dave Frank said this type of case would normally go to a grand jury.

"Historically and traditionally, the jury has been the investigating body for this kind of alleged misconduct," he said. "It's clearly within the jury's jurisdiction."

David Eppley, Redding Judicial District marshal, argues that Eoff has a potential conflict of interest because supervisors have been in the process of adopting a budget that calls for major cuts in law enforcement expenditures.

"I'm not saying the sheriff doesn't have the authority to do this, technically he does," Eppley said, "but I think this case should go to the Grand Jury because there is a built-in, inherent conflict of interest."

The last two cases involving alleged improprieties by an elected county official involved former District Attorney Will

Hawes, who was investigated by the Grand Jury in 1980 and prosecuted by the state attorney general's office, and former Supervisor Bessie Sanders, whose potential conflict of interest over a proposed airport-area development was examined in 1979. Hawes was convicted and removed from office for being intoxicated on the job. His conviction later was reversed by state courts. Charges against Mrs. Sanders were dismissed.

County employees who have been questioned by sheriff's investigators regarding the case includes county Auditor Edward Davis, County Clerk Ann P. Clark, clerks assigned to the Board of Supervisors and former members of the Grand Jury.

As of Friday, none of the supervisors had been questioned directly.

Elaine Vandevent, supervising clerk of the board, said she was briefly questioned by sheriff's Lt. Tom Hodges and Detective Sgt. Rusty Brewer.

"All I was asked was, 'Did I have any knowledge about any orders for personal work related to any campaign or professional office,'" she said. "And all I said was, 'No.'"

Phyllis Caldwell, the board's administrative assistant, was questioned Wednesday.

She said she was asked whether she knew of any misuse of county funds, property and supplies; whether campaign literature and invitations had been mailed from the office; and whether telephones had been misused.

"As far as I can tell, 'No,'" she said she told the detectives.

Both Mrs. Caldwell and Ms. Vandevent are Swendiman supporters who said they have volunteered off-hours time to work on his congressional campaign.

"I've been very careful to do (campaign) stuff at home or on my lunch hour," Ms. Vandevent said.

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"The timing is very unusual. Frankly, when you're investigating a majority of the board, and you're doing it during budget time, there's a conflict," the supervisor said.

"I frankly think he (Eoff) was trying to intimidate the board during the budget process. This just smacks of being a political issue."

Said Eoff: "Mr. Swendiman has to realize that I'm the chief law enforcement officer in the county, and I've got duties to perform."

The sheriff acknowledged that he's an outspoken supporter of Swendiman's Republican opponent in the congressional race, but said he signed a Herger endorsement letter months before Mrs. Pearson contacted his office.

Eoff said detectives are looking into the activities of "the entire board" and said the investigation already has been expanded beyond the county.

Swendiman said he has sent Eoff and Mrs. Pearson letters advising them to take the matter to the Grand Jury. Swendiman has met with Mrs. Pearson to discuss concerns she raised.

"This seems to be something for the Grand Jury, not the Sheriff's Department," said Peters, adding that he told Eoff several days ago that the timing of the investigation is "suspicious."

"I question why three board members are being focused on, on issues that don't appear to have any substance."

Asked why his department and not the Grand Jury or the state attorney general's office is handling the case, the sheriff said: "We're obligated, when a citizen comes in with a complaint, to investigate. We're an investigating agency."

Eoff said he is convinced that his agency is best-equipped to mount an aggressive investigation that would get to the bottom of things quickly and not "drag this out."

Eoff also noted that Mrs. Pearson told him that she had no confidence in the Grand Jury and wanted his office to handle the case.

Jury foreman John Elledge of Redding said he wasn't aware of the investigation and had no intention of discussing the matter with the sheriff.

Swendiman, meanwhile, defended the vast majority of his calls to Paul Kinney Productions as being related to his role as an officer and immediate

### Man convicted of parent abuse

DALLAS (AP) — A man convicted by a jury of failing to take care of his mother has been sentenced to 99 years in prison.

The conviction of Ray Edwin Billingslea, 50, was the first in the state under a child-abuse statute that was modified in 1981 to include the elderly, prosecutors said.

# FIN CLE ALL CLEAR



SAVE ON QUALITY  
Ladies • Girls • Infants • Toddlers

# TAKE AN 5

SATURDAY, SUNDAY,  
LABOR DAY MONDAY

HURRY IN  
FOR BEST SELECTION!

REGULAR DEPT. STORE PRICE	ORIGINAL ROSS PRICE	ROSS CLEARANCE PRICE
\$35 <sup>00</sup>	\$19 <sup>00</sup>	\$19 <sup>00</sup>

ALL CLEARANCE ITEMS WILL BE RE CASH REGISTER.

REDDING C  
STORE HOURS: Mon-Sat 9:30 AM-9:30 PM  
ROSS welcomes your



"We are not asking for anything that is not environmentally sound. We are asking that the Forest Service meet the timber production goals which it established six years ago under the Resource Planning Act. If that unless we carry through and express our views in writing or telephone calls, our needs will not be considered."

"Ora's testimony at the Redding hearing was strongly in our favor," Cooper said. "Perhaps we won that battle but we could lose the 'war' if we don't follow through with phone

calls and letters," he pointed out.

He said that management plans for other forests in California have drawn thousands of letters from people living hundreds of miles from the forests. Those letters consistently seek a reduced timber harvest and have no concern for, nor interest in, the communities near the forest, he said.

"It would be a shame to see all our local testimony overwhelmed by a well-organized post card campaign from the Bay Area. We are asking everyone to telephone or send a

letter or post card to the Lassen National Forest Supervisor, 55 South Sacramento Street, Susanville, CA 96150 expressing support for the RPA alternative, which will maintain the current harvest levels and meet all environmental requirements. Anything less is a disservice to the local citizens and fails to comply with the requirements that social and economic impacts on the local community be considered," Cooper concluded.

The deadline for comments is September 8.

Mountain Echo welcomes letters from readers, but reserves the right to edit and/or reject potentially libelous material. All letters must be signed, although the writer's identity will be withheld upon request.

is with technical, legal punctuation marks, blame, hyper-heated editorial commentary.

the "Big City Rule" of anything in business is what I call the id and Butter violation of the en Rule. How can bread and on the table justify failing to stand what the other fellow want if we both walked a mile other person's shoes?

ilt, please stop being so defensive. We like you because you have guts than any ten people on side of Redding. And damnit, readers understand what it to say it like you see it in to-world of pussy-footed-middle-road editors.

when you see you are wrong, first to express it front page--

### Sick And Tired

Dear Editor:

I'm really getting sick and tired of Governor George Deukmejian. The state requires us, the young people, to attend school. How in the hell can we attend school if old Georgie decides to cut our transportation funds? In other words, how are we supposed to get to school? What is the arrogant governor going to do with the money he takes away from us? Use it for his own purposes? No one ever knows. They might say it goes to a certain place, but how can we be sure? I think we're all getting screwed!! What was one of the ideas of the lottery? It was supposed to be split between California schools. Oh yeh! So, where is it going? To George? This is the problem with people who think they own the state

### I'm Shocked

Editor:

Frankly I'm shocked! This is with reference to a recent news report that UC has scrapped a plan to test bacteria that were genetically altered to battle frost. This test was to be conducted in Modoc County on a potato patch at a university research station near the town of Tulelake.

Do you know what "genetically altered" means? That means that a new, untested form of cellular life has been created.

I'm tired of bureaucrats giving the country regions the rip [RIP?]. Let's sit up and take notice. Why can't this test be done safely, say on a ratt or old ship off the coastline of Oregon? No one knows whether or not these oddball bacteria are "pure altered."

(continued from page 1)

for payment to the district for accepting student teachers.

The proposed district policy for students received its first hearing.

The board approved payment of \$250 for speaker Dan Clark, who will also address students in the Fall River school district.

Ray Robinson was approved as a student teacher and staff develop-

ment days for Big Valley Primary were okayed.

Board members also voted to establish a separate budget account for lottery funds so there will be an exact accounting of how the funds are spent.

The lottery committee, chosen earlier in the year, will meet soon to discuss ideas submitted by various teachers.

## Sheriff's Department Investigating Supervisors

(continued from page 1)

calling her. He also pointed out that all members of the board have been heavily lobbied by organized labor over the Cottonwood power projects and it could have been concerning that.

Swendiman says he has tried to separate his personal life from his duties to the board. He says he even turned in his county car when he announced his candidacy (for Congress) to try and avoid possible charges of misuse.

He says some of his expenses are picked up by CSAC. Specifically, mileage and lodging expenses are reimbursed when he is on CSAC business.

Both Hathaway and Swendiman agree that they call their homes each night when they are away on business. They say the practice is per-

fectly acceptable. They say they don't recall any 21-minute calls, but that it is possible because they have to get all of their messages from their wives.

"That's my office," Hathaway says.

Regarding Pearson's charge that he signed for gas in the county car in Burney March 4 while he was in Washington, D.C., Hathaway says it's impossible.

"I don't know. That would be tough to do," Hathaway says, confirming that on March 4 he was meeting with Senator Wilson's staff on county business in Washington.

He also says he uses the county pumps in Redding every chance he gets, but they are open only from 8 till 5 and he isn't in Redding much of the week.



P O BOX 224, FALL RIVER MILLS, CA 96028  
(916) 336-6262

Editor-Publisher: Walt Caldwell

Community Editor: Jeanne Ruyle Office Manager: Kira Brazo Advertising Manager: Cathy Allford	Fall River Advertising: Cecile Pfadt Circulation Manager: Kira Brazo Copywriter: Ruth Day
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Other California Locations: \$13.00

Adjudged as a legal newspaper for the County of Shasta on November 8, 1982, by Superior Court Decree #74122.

# Mountain Echo

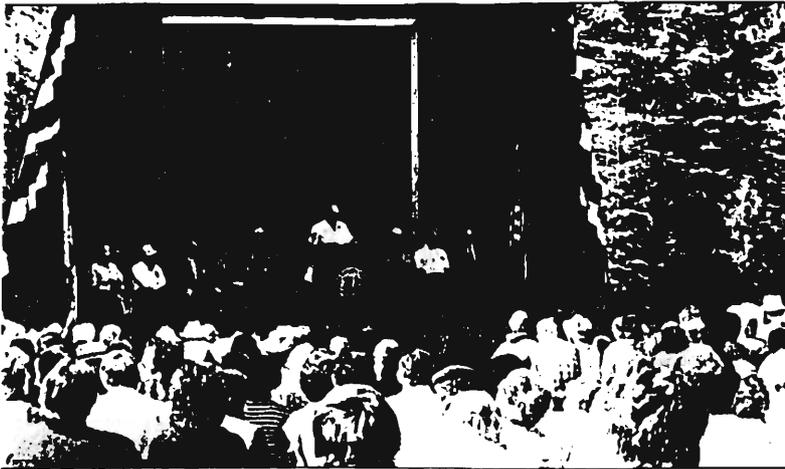
Burney, Fall River Valley, Big Valley

25c



VOL. 10, NO. 3  
TUESDAY, AUGUST 24, 1988

## The Inter-Mountain Fair Guide Inside



nal Park Ranger, discussed the 3. He and 10 other speakers told how Lassen Park was and how it is during a two-hour birthday ceremony Saturday celebrating the park's first 70 years.

Photo by Walt Caldwell

## Ask For Money

That would have given the Fall River chamber \$6538 and the Burney chamber \$9341. McArthur pointed out that her chamber wanted \$16,826 for a number of projects, including the economic promotion of the valley and to launch a wild rice festival next year. Caldwell pointed out the Burney chamber was asking for \$21,250 plus \$6000 for a special project to produce a videotape of the area to be sent to the California Film Commission, where the tape could be reviewed by producers of movies and commercials looking for locations. Hoodenpile explained how the chamber had acquired and refurbished a booth from the Lions Club to use as a tourist information center. The only other chamber to ask for

additional funds was the Shasta Dam Area Chamber of Central Valley. Jim Sains of that organization asked for an additional \$10,000 to put in an 800 telephone line and the necessary support to mail literature on all of Shasta County from his office. Piorek's recommendation for the Shasta Dam Chamber was for \$18,641. Piorek's other recommendations included \$11,200 for the Anderson chamber, \$5000 for Cottonwood, \$21,549 for Shasta Cascade Wonderland Association, \$742 for the Shasta Lake Resort Owners, \$7500 for the Shasta County Economic Development Corporation, \$25,692 for the Shasta County Library system, and \$13,400 for administrative costs.

## oves Home Study Plan

Under the Home Study Program, the curriculum is taught at home by the parent. The Home Study Supervisor, provided by the district, is responsible for gathering materials and advising the parent. The parent is responsible for the child's academic progress. If the parent wishes to use materials other than those provided by the district, the parent must locate and purchase the materials at his/her own expense after establishing with the Home Study Supervisor that the alternative ma-

terials will meet the curricular objectives of the Big Valley Joint Unified School District. Guidelines for the home study student's participation in extracurricular activities are delineated. Other old business included approval of (1) the 1986-87 SIP Program, (2) final approval of the 1986-87 budget, and (3) approval of the district administration policy. In new business, the board approved a contract with Chico State (continued on page 2)

## Hears Financing Alternatives

Lassen County were taxed equally, it would amount to only \$32 per parcel. Another way to go for senior citizens and farmers, who are on limited income at this time, would make them exempt from the taxes, but if they wished to use the facilities in the future, they would then be required to pay at the door whatever the fee turns out to be. The advantage of this approach is that some

could use the facilities in the future by paying the charge, estimated now to be perhaps \$250, but none of this is settled yet. There will be more meetings on the subject and Mr. Kearn will return to talk with people again. The next scheduled meeting concerning the swimming pool will be at the high school on September 11.

## Sheriff's Department Investigating Supervisors

by WALT CALDWELL  
REDDING—Shasta County Supervisor Bob Bosworth made Flora Pearson of Millville mad when he told her she hadn't done her homework, according to Pearson.

She says she did her homework. Then she tried to address the board during its open time last Tuesday (August 19). When she was refused permission to ask the board questions, she took her "homework" directly to Shasta County Sheriff Phil Eoff.

"All I want to do is ask them some questions and they apparently don't want to answer me," Pearson says.

Among the many questions Pearson wants answered is why the board's telephone bill allegedly contains 72 calls totalling 8 hours and 16 minutes that were placed between December 31, 1985, and May 22, 1986, to places such as Paul Kenny Productions in Sacramento (listed on campaign documents filed by Steve Swendiman as a campaign consultant in his current bid for Congress); the AFL-CIO in Washington, D.C.; the Democratic Congressional Campaign Committee in Washington, D.C.; and the Political Report Line in Washington, D.C.

Pearson says she also wants to know why a number of calls were placed to Supervisor Hathaway's residence and Supervisor Swendiman's residence, some as long as 21 minutes.

She says she also wants to ask how Supervisor Hathaway signed for gasoline for a county car in Burney on March 4, in the amount of \$18.80, when he was in Washington, D.C., on county business March 2-5.

Pearson says she also wants to know why Supervisors Hathaway and Bosworth charge a large percentage of their gasoline at private stations rather than using the county pumps at the Burney substation and county gas station in Redding.

She says she also has a number of questions regarding various reports the supervisors are required to fill out, which she claims are not complete.

Sheriff Phil Eoff says Pearson turned over a number of documents to him August 19 regarding the board of supervisors. He says he has assigned investigators to look into the situation.

Board President Steve Swendiman says the board has nothing to hide.

He says when the board's staff takes a call, they take the name and number. He (Swendiman) generally doesn't know what the call is about, if it is for him, but he answers all his calls.

He says if he finds out the call is not county business, he excuses himself, hangs up, and calls back using his personal phone credit card so the county doesn't get billed.

Regarding calls to the Paul Kenny Firm, Swendiman says that that firm is under contract to the California Supervisors Association (CSAC). In fact, according to Swendiman, that is how he (Swendiman) first found out about the firm. He says he has worked with that company for five years on the Workers Compensation Reform Act for CSAC.

Swendiman says he has no recollection of

unless it was regarding a call from Marta David of the union's political action group. He doesn't remember (continues on page 2)



## Fish Finder

by STEVE VAUGHN

Massachusetts Lake Special regulations apply. Evening fly fishing with Caddis patterns is best.

Beams Lake: Browns and talabor 8 to 14 inches. Bait: Mealworm night crawler. Lures: Rooster Tail Mepps, Kastmaster. Fishes: Leech: A.P. Black Nymphs, A.P. Old Nymphs, Midges.

Conant Area: Browns 8 to 10 inches. Bait: Mealworms, big crawlers, crickets. Lures: Kastmaster, Panther Martins, Rooster Tail Fishes: Cahill, Yellow Sally, Mcquito.

## Water Board Plans Newsletter

by AGNES BARTLETT

BIEBER—The board of Lassen County Water District #1 met Aug 19 with all members present.

Reports on completed work given. Priorities were established what will be done next.

A report on new ordinances presented and discussed. Some were approved as submitted, others required minor changes.

A newsletter will go out with monthly bills. Board member K Shouse will put the newsletter together to keep district residents formed as to what is going on.

The board meets the second Tuesday and meetings are open to the public.

Steve Jackson, new manager of maintenance mechanic, has been extremely busy doing work by him in front of Big Valley High School. He has taken out 320 feet of old wire control cable that was damaged by school buses going over it. He had to work by hand because the district's backhoe is very old and needed parts haven't been replaced because the district has been unable to find them. In its present condition the backhoe is not in good enough shape to rip out the paving.

Another advantage of working hand is there will be less damage and less material will be needed put the street back together again. Jackson will make the repair using 12-wire with conduit, which will take the stress and solve the problem. He hopes to finish it

87040552819



**SENSITIVE**



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM TO: THE COMMISSION  
FROM: MARJORIE W. EMMONS/ Darlene Small *DS*  
DATE: September 15, 1986  
SUBJECT: MUR 2239 - Complaint

The attached has been circulated for your  
information.

87040552820

Attachment

2

87040652821

Attachment(s) 1  
to MEMO, dtd 15 SEPT 86  
have been removed from this  
position in Public Record File.  
See Index Item(s) 1

*plm*



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 22, 1986

Louis W. Barnett, Chairman  
National Foundation To Fight Political Corruption  
516 Galer Place  
Glendale, CA 91206

Dear Mr. Barnett:

This letter will acknowledge receipt of a complaint filed by you which we received on September 12, 1986, alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by Mr. Stephen C. Swendiman and Suzanne Swendiman, the Shasta County Board of Supervisors, and Friends of Steve Swendiman and Mr. Donald C. Chapman as treasurer. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to this office. We suggest that this information be sworn to in the same manner as the original complaint. For your information, we have attached a brief description of the Commission's procedures for handling complaints. We have numbered this matter under review MUR 2239. Please refer to this number in all future correspondence. If you have any questions, please contact Retha Dixon at (202) 376-3110.

Sincerely,

Charles N. Steele  
General Counsel

*Lawrence M. Noble* (Signature)

By: Lawrence M. Noble  
Deputy General Counsel

Enclosure

87040352822

*perm*



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 22, 1986

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Donald C. Chapman, Treasurer  
Friends Of Steve Swendiman  
1805 Market Street  
Redding, CA 96001

Re: MUR 2239

Dear Mr. Chapman:

The Federal Election Commission received a complaint which alleges that Friends Of Steve Swendiman and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2239. Please refer to this number in all future correspondence.

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

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

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

9704052823

If you have any questions, please contact Laurence Tobey, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele  
General Counsel

*Laurence M. Noble*  
By: Lawrence M. Noble  
Deputy General Counsel *(LJ)*

Enclosures  
Complaint  
Procedures  
Designation of Counsel Statement

87040552824

*plm*



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 22, 1986

CERTIFIED MAIL- RETURN RECEIPT REQUESTED  
Shasta County Board Of Supervisors  
PO Box 880  
Redding, CA 96099

Re: MUR 2239

Gentlemen:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2239. Please refer to this number in all future correspondence.

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

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

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

87040552825

If you have any questions, please contact Laurence Tobey, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele  
General Counsel

*Laurence M. Noble* (LMA)  
By: Laurence M. Noble  
Deputy General Counsel

Enclosures  
Complaint  
Procedures  
Designation of Counsel Statement

87040552825

*perm*



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 22, 1986

CERTIFIED MAIL- RETURN RECEIPT REQUESTED  
Stephen C. Swendiman and Suzanne Swendiman  
1194 Almond Street  
Redding, CA 96001

Re: MUR 2239

Dear Mr. and Mrs. Swendiman:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2239. Please refer to this number in all future correspondence.

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

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

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

8704052827

If you have any questions, please contact Laurence Tobey, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele  
General Counsel

*Lawrence M. Noble* (LMA)  
By: Lawrence M. Noble  
Deputy General Counsel

Enclosures  
Complaint  
Procedures  
Designation of Counsel Statement

8704052828

RECEIVED AT THE FEC  
ACC#1740  
86 OCT 14 P 3: 20  
13

FRIENDS OF STEVE SWENDIMAN  
1194 ALKIND AVENUE  
REDDING, CA 96001

October 9, 1986

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

Re: MUR 2239

Dear Mr. Steele:

Your letter regarding the complaint by the "National Foundation to Fight Political Corruption, Inc." was received on September 26, 1986. At this time, it is our preference that the matter not be made public although, as you may know, the above referenced "Foundation" conveyed the material which was obtained from your office to a number of newspapers, radio, and TV stations.

It is not our intention to be represented by Counsel in this matter as the facts are straightforward, and the transactions in question fairly simple. We will not forward copies of the FEC forms to which I may refer since they are already in your files and were included with the complaint.

Transaction #1 - (Period May 15, 1986 through June 30, 1986):

On May 27, 1986, Steve and Suzanne Swendiman applied to The Bank of California for a \$10,000.00 personal, unsecured line of credit which is known as a "Signature Line". Credit was granted on May 28, 1986. As of May 27, 1986 they had a combined net worth of \$88,800.00, which in itself, indicates that either Steve or Suzanne had adequate assets to repay the loan.

87040552829

86 OCT 15 P 3: 55

RECEIVED  
GENERAL COUNSEL

Mr. Charles N. Steele  
Page 2  
October 9, 1986

On May 28 they took an advance of \$7,600.00 against their line of credit and loaned it to "Friends of Steve Swendiman", by writing a check on their newly-opened joint "Signature Line" account. The check was signed by Suzanne Swendiman because Steve was in Colusa, Yuba City, and Marysville that day, although either party could have signed it. A note payable to Steve Swendiman was created in the amount of \$7,600.00 and dated May 30, 1986; it carried a rate of Prime plus 2% and was due September 30, 1986.

The loan to the Committee was repaid in full on August 26, 1986 by the Committee. The repayment check of \$7,541.67 was made payable to Suzanne and Steve Swendiman. The amount was less than \$7,600.00 because several earlier installments had been paid. (The Bank's line of credit was repaid on August 27, 1986.)

As shown on FEC Form 3, cash on hand at the end of the reporting period (June 30, 1986) was \$11,255.19; without the loan in question, the balance would have been a positive \$3,655.19.

Transaction #2 (Period May 15, 1986 through June 30, 1986):

As reported on Schedule A, Suzanne Swendiman made a \$500.00 contribution to "Friends of Steve Swendiman" on June 8, 1986.

Allegation in P.S.:

Since your letter refers to the "complaint" and its P.S., replete with "press clippings", I have enclosed two press clippings from the local newspaper which indicate that the politically motivated allegations of improper use of Shasta County funds were deemed not valid by The Shasta County District Attorney.

3704052830

Mr. Charles N. Steele  
Page three  
October 9, 1986

I hope that the foregoing explanation, together with a number of enclosures, adequately answers the questions which were posed in your letter of September 22, 1986.

Sincerely,



Donald C. Chapman, Treasurer  
Friends of Steve Swendiman

DCC/ekf

Enclosures:

- (1) Check to "Friends of Steve Swendiman" from Steve and Suzanne Swendiman, dated 5/28/86, for \$7,600.00
- (2) Check to Steve and Suzanne Swendiman from "Friends of Steve Swendiman", dated 8/26/86, for \$7,541.67
- (3) Back of above check
- (4) Promissory note to Steve Swendiman in the amount of \$7,600.00 from "Friends of Steve Swendiman"
- (5) Record Searchlight article ~~10/4/86~~ 10/3/86 ONE
- (6) Record Searchlight article 10/6/86

I declare, under penalty of perjury, that the foregoing statements are true and correct.

Executed in Redding, California this 9th day  
of October, 1986.



Donald C. Chapman

97040552831

DEPOSIT TICKET

NOTICE: MODERN MONEY SERVICES, INC. IS THE BANK'S DEPOSIT TICKET SERVICE PROVIDER. THE DELAY IN THE DEPOSIT TICKET IS NOT THE BANK'S RESPONSIBILITY.

ADDRESS

DATE 5/28/86 DOLLARS

CURRENCY

COIN

CHECKS

50 915 7,600.00  
 11-8075 15.00  
 11-32 2.50

**BANKCAL** THE BANK OF CALIFORNIA  
 Redding Office  
 1805 Market Street  
 Redding, California 96001

FRIENDS OF STEVE SWENDIMAN  
 DONALD C. CHAPMAN-TREASURER

TOTAL DEPOSIT 7640 00

TOTAL 7640

⑆121109152⑆ 0870033252⑈ 41

8704052832

NAME John Tom Qualitate

ACCOUNT NO. \_\_\_\_\_ DATE 5/28/1986 80-015/1211

PAY TO THE ORDER OF Friends of Swendiman \$ 7,600.00

Seven thousand six hundred & <sup>xx</sup> 00/100 DOLLARS

**BANKCAL** THE BANK OF CALIFORNIA  
 Redding Office  
 1805 Market Street  
 Redding, California 96001

MEMO \_\_\_\_\_ Shanna D. Swendiman

⑆121109152⑆ ⑈7870000255⑈

FRIENDS OF STEVE SWENDIMAN  
DONALD C. CHAPMAN-TREASURER  
1194 ALMOND AVE. PH. 916-246-9938  
REDDING, CA 96001

180

*3/26* 1986

90-915  
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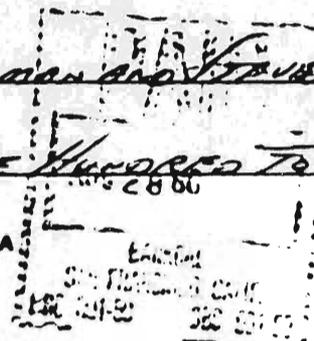
PAY TO THE  
ORDER OF

*Suzanne Swendiman and Steve Swendiman*

\$ *7,541.67*

*SEVEN THOUSAND FIVE HUNDRED FORTY ONE AND 67/100* DOLLARS

**BANKCAL** THE BANK OF CALIFORNIA  
Redding Office  
1805 Market Street  
Redding, California 96001



⑈000180⑈ ⑆121109152⑆ 087⑈033252⑈

⑆0000754167⑆

DELUXE CHECK PRINTERS

87040652835

For deposit only  
to acct # 219

0319 3907

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CREDITED TO THE ACCOUNT OF  
WITHIN MAINTENANCE PAYEE

LOCAL OF EMPLOYEE'S HOME GUARANTEED  
SACRAMENTO AREA CENTER

WELLS FARGO BANK, N.A.  
SACRAMENTO, CALIF.

11-24

815

P.E.G. P.I.S.

16-2810 P.S.D.

SACRAM

WELLS

AG '86 27  
PROCESSED  
LS FARGO BANK  
FRANCISCO, CA  
PAY AM' BANK

87040552834

ORIGINAL

\$ 7,600.00

MAY 30, 1986

ON SEPTEMBER 30, 1986

~~after date~~, for value received,

"FRIENDS OF STEVE SWENDIMAN" (COMMITTEE) promise to pay to

STEVE SWENDIMAN, or order,

at REDDING, CALIFORNIA

the sum of SEVEN THOUSAND SIX HUNDRED AND <sup>NO</sup>/<sub>100</sub> dollars,

in lawful money of the United States of America, with interest thereon from date until paid, at the rate of

PRIME RATE +

PLUS 2% per cent per ANNUA, said interest payable MONTHLY

in like lawful money, and if said interest is not paid as it becomes due it shall be added to the principal and become a part thereof, and thereafter bear interest at the same rate. And in case said interest, or any part thereof, is not paid within 30 days after the same becomes due, then the whole of said principal sum shall forthwith become due and payable at the election of the holder of this note, without notice. This note is secured by a - UNSECURED - bearing even date herewith.

This document is only a general form which may be proper for use in simple transactions and in no way acts, or is intended to act, as a substitute for the advice of an attorney. The printer does not make any warranty, either express or implied, as to the legal validity of any provision or the suitability of these forms in any specific transaction.

Cowdery's Form No. 1076 - PROMISSORY NOTE - (Rev. 9/83)

*Donald M. Chapman,*  
Treasurer  
Friends of Steve Swendiman

\* - BANK OF CALIFORNIA

*Paid in full 8/26/86*

87040518

# Supervisors cleared by district attorney

*Rec'd Search light 10/13/86*

BY LEA BROOKS

Shasta County District Attorney Steve Carlton confirmed this morning that a Sheriff's Department investigation turned up no evidence of wrongdoing by supervisors.

Carlton's announcement corroborated earlier reports by supervisors Pete Peters and Abe Hathaway that Sheriff Phil Eoff told them separately this week that a probe into the board's use of public funds and administrative staff found nothing.

The investigation involved Peters and Hathaway as well as supervisors Steve Swendiman and Bob Bosworth, Carlton said in a press release.

The fifth board member, Don Maddox, apparently was not investigated.

"Allegations that supervisors Peters and Swendiman used county funds for personal business were disproven by the investigation," Carlton said in the release.

"The investigation not only showed that Swendiman and Peters did not misuse public funds, but it showed that they both took steps to avoid public funds from inadvertently being used for personal business."

Allegations that Hathaway misused his gasoline credit card was disproved, Carlton said. The allegation was that the credit card was used locally on a date Hathaway was in Washington, D.C.

"The investigation . . . proved that the discrepancy was the result of an error by the gas vendor," the release says.

"This concludes our evaluation of the investigation," Carlton said this morning after releasing the statement. He declined to comment further.

Flora Pearson of Millville, a fre-

quent board critic who initiated the investigation, said this morning that she is displeased with the outcome.

"It looks like I'll either have to file a writ of mandate with my attorney or send my files on to the state attorney general," she said.

"We're talking about integrity and honesty here. I think the public has the right to expect that their tax money will be spent honestly and fairly."

Eoff launched the investigation in August after Mrs. Pearson presented him with county records she claimed raised questions about the use of public funds by Swendiman, Hathaway and Peters.

Mrs. Pearson, an outspoken supporter of the Sheriff's Department, spearheaded a successful referendum drive this summer after supervisors increased their salaries by 9.5 percent at the recommendation of the county Grand Jury.

Supervisors, who haven't had a salary increase for two years, repealed the pay raise instead of placing the issue on the Nov. 4 ballot because of the cost.

Mrs. Pearson said her investigation was triggered by a comment made by Bosworth at a board meeting implying that she hasn't done her "homework" on the salary-increase issue.

Eoff, who has denied charges that the investigation was politically motivated and would have been more appropriately handled by the Grand Jury, could not be reached for comment.

The sheriff is a strong supporter of Republican Assemblyman Wally Herger of Rio Oso, who is facing Swendiman in the 2nd District congressional race that will be decided next month.

8 7 0 4 0 5 5 2 8 3 5



Editorial

*Record and Herald 10/1/86*

## Supervisors emerged from probe unscathed

It's finally official: The muck that Flora Pearson thought she'd uncovered on some Shasta County supervisors has turned out to be much ado about very little.

In the aftermath of the affair, two conclusions stand out:

— Sheriff Phil Eoff bungled his department's so-called investigation from start to finish.

— Supervisor Bob Bosworth's comment that Mrs. Pearson didn't do her homework very well in opposing supervisor salary hikes — a remark that angered the Millville resident and prompted her to pore over county records looking for some scalps — has turned out to be true once again.

District Attorney Steve Carlton officially put allegations of malfeasance in office to rest Friday, saying not only did supervisors not misuse public funds, but "took steps to avoid public funds from inadvertently being used for personal business."

Eoff's first mistake, of course, was in having his investigators look into the allegations rather than referring the matter to the Grand Jury, where it belonged. Instead, Eoff in August dispatched two detectives from his understaffed office to take up where the sleuth from Millville had left off.

Eoff's involvement gave the appearance of being politically motivated because he's a backer of Republican Wally Harger, whose Democratic opponent in the Nov. 4 election for a congressional seat just happens to be Supervisor Steve Swendiman, the primary target in the Pearson probe.

Eoff said in late August that his agency was best-equipped to mount an aggressive inquiry that would get to the bottom of things quickly and not "drag this out."

Detectives apparently completed the probe by Sept. 18, yet it wasn't until Wednesday, the first day of October, that an investigative report was submitted to the district attorney's office.

As word began to leak out last week that board members were cleared of any wrongdoing, frustrated Supervisor Abe Hathaway reflected on the

snail's pace with which Eoff and the agency he directs disclosed the findings.

"I never expected them to find anything, but that's no longer the point," Hathaway said. "It's the waiting. For two weeks I've been walking around wondering what people were thinking. You feel it's over but there's no report."

Mrs. Pearson's primary allegation against Supervisor Pete Peters was over his billing the county for spending the night of Feb. 14 at a Red Bluff motel while attending a supervisors association conference. Besides hardly being the stuff of which scandals are made, it now turns out that Mrs. Pearson's research project was lacking.

She reported in August that she'd turned up little or no information regarding any misconduct by Supervisors Don Maddox and Bosworth. Now it turns out that Bosworth, attending the same convention Peters attended, billed the county for the same lodging expense. Bosworth, however, was not investigated, while Peters was.

Not that Bosworth escaped Mrs. Pearson's wrath. She attacked him, it was revealed last week, for claiming he was a full-time supervisor when, by her interpretation, his conflict-of-interest statement indicates otherwise. What law that was supposed to have violated, no one — other than perhaps Mrs. Pearson — is quite clear on at that point.

Interestingly enough, Maddox, who is Eoff's biggest — if not only — ally on the Board of Supervisors, was the lone board member not to be investigated.

Mrs. Pearson, of course, did not get the results she was looking for and is now dissatisfied.

She said she may file a writ with an attorney or forward her files to the state attorney general's office seeking further investigation. Her witch hunt may continue.

While it took longer than it should have, Shasta County supervisors have emerged from the investigation with their honesty and integrity intact. The same cannot be said for everyone.

8 7 0 4 0 5 5 2 8 3 7



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 3, 1986

MEMORANDUM

TO: CHARLES STEELE  
GENERAL COUNSEL

ATTENTION: LAURENCE TOBEY

FROM: OSCELYN A. ANDERSON *oaa*  
COMPLIANCE CLERK  
COMPLIANCE BRANCH, REPORTS ANALYSIS DIVISION

SUBJECT: MUR 2239

Please review the attached Requests for Additional Information which are to be sent to the Friends of Steve Swendiman for the October Quarterly and 12 Day Pre-General Reports. If no response or an inadequate response is received, Second Notices will be sent.

Any comments which you may have must be forwarded to RAD in writing by 12:00 noon on Friday, December 5, 1986.

If comments are not received in writing by the above date and time, the RFAI notices will be sent.

If you have any questions, please contact Oscelyn A. Anderson at 376-2490. Thank you.

COMMENTS:

Attachment

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Donald C. Chapman, Treasurer  
Friends of Steve Swendiman  
1194 Almond Street  
Redding, CA 96001

Identification Number: C00206003

Reference: 12 Day Pre-General Report (10/1/86-10/15/86)

Dear Mr. Chapman:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Column B figures for the Summary and Detailed Summary Pages should equal the sum of the Column B figures of your previous report and the Column A figures of this report. Please amend your report to correct the Column B discrepancies for Line(s) 7(c) and any subsequent report(s) which may be affected by this correction. Note that Column B should reflect the year-to-date totals for calendar year 1986 only.

-Debt payments for this period (Schedule D) are greater than the payments itemized on Schedule B. Each expenditure to a person which in the aggregate is greater than \$200 for the year must be reported on Schedule B. "Person" includes an individual, partnership, corporation, association, or public or private organization, other than an agency of the United States Government. Please explain the discrepancies in the payments made to Ben Franklin Printing. (11 CFR 104.3(b)(4)(i)(A) and 100.10)

An amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,

*Robin Kelly*

Robin Kelly  
Reports Analyst  
Reports Analysis Division

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87040522839



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Donald C. Chapman, Treasurer  
Friends of Steve Swendiman  
1194 Almond Street  
Redding, CA 96001

Identification Number: C00206003

Reference: October Quarterly Report (7/1/86-9/30/86)

Dear Mr. Chapman:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-On Schedule D of your report you have failed to include certain information. Commission Regulations require the full name and mailing address of each creditor, the outstanding balance at the beginning and ending of the reporting period, the amount incurred during the period, the payment made during the period, and the nature or purpose of each debt. Additionally, all debts must be reported continuously until extinguished or settled. Please amend your report to include the outstanding balance at the beginning of the period, the amount incurred during the period and the payment made during the period. (11 CFR 104.11)

An amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,

Robin Kelly  
Reports Analyst  
Reports Analysis Division

8704052840



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 9, 1987

MEMORANDUM

TO: CHARLES N. STEELE  
GENERAL COUNSEL

ATTENTION: LAURENCE TOBEY

FROM: OSCELYN A. ANDERSON *OA*  
COMPLIANCE CLERK  
COMPLIANCE BRANCH, REPORTS ANALYSIS DIVISION

SUBJECT: MUR 2239

Please review the attached Informational Notice which is to be sent to Friends of Steve Swendiman for the 30 Day Post-General Report. Any comments which you may have must be forwarded to RAD in writing by 4:00 p.m. on Tuesday, January 13, 1987.

If comments are not received in writing by the above date and time, the Informational notice will be sent.

If you have any questions, please contact Oscelyn A. Anderson at 376-2490. Thank you.

COMMENTS:

Attachment

9

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FEDERAL ELECTION COMMISSION  
999 E Street, N.W.  
Washington, D.C. 20463

**SENSITIVE**

FIRST GENERAL COUNSEL'S REPORT<sup>1/</sup>

DATE AND TIME OF TRANSMITTAL  
BY OGC TO THE COMMISSION:

---

MUR #2239  
DATE COMPLAINT RECEIVED  
BY OGC: September 11, 1986  
DATE OF NOTIFICATION TO  
RESPONDENT: September 22, 1986  
STAFF MEMBER: L. Tobey

COMPLAINANT'S NAME: Louis William Barnett, Chairman  
National Foundation to Fight  
Political Corruption, Inc.

RESPONDENTS' NAMES: Friends of Steve Swendiman, and  
Donald C. Chapman, as treasurer  
Suzanne Swendiman  
Stephen C. Swendiman  
Shasta County (California)  
Board of Supervisors

RELEVANT STATUTE 2 U.S.C. § 434(b)  
2 U.S.C. § 441a(a) (1) (A)  
2 U.S.C. § 441a(f)

INTERNAL REPORTS  
CHECKED: 1986 committee reports

FEDERAL AGENCIES  
CHECKED: None

**SUMMARY OF ALLEGATIONS**

Complainant Louis William Barnett alleges that Stephen C. Swendiman (a candidate for the U.S. House of Representatives from the 2nd District of California) and Suzanne Swendiman co-signed for a bank loan of \$7,600 to the Friends of Steve Swendiman committee (hereinafter, "the Committee"). Complainant alleges that this resulted in an excessive contribution by Suzanne

<sup>1/</sup> The Commission considered this matter on December 9, 1986, and voted to refer it back to the Office of General Counsel for redrafting based on the discussion at the meeting.

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RECEIVED  
FEB 19 1986



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-5

Donald C. Chapman, Treasurer  
Friends of Steve Swendiman  
1194 Almond Street  
Redding, CA 96001

Identification Number: C00206003

Reference: 30 Day Post-General Report (10/16/86-11/24/86)

Dear Mr. Chapman:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Debt payments for this period (Schedule D) are greater than the payments itemized on Schedule B. Each expenditure to a person which in the aggregate is greater than \$200 for the year must be reported on Schedule B. "Person" includes an individual, partnership, corporation, association, or public or private organization, other than an agency of the United States Government. Please explain the discrepancies in the payments made to Mary Lucille Kaems. (11 CFR 104.3(b)(4)(i)(A) and 100.10)

Any amendment or clarification should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,

Robin Kelly  
Reports Analyst  
Reports Analysis Division

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Swendiman because she had earlier given a \$500 contribution to the Committee. Complainant also alleges that Steve Swendiman failed to report in-kind contributions (in the form of free telephone calls) allegedly provided to the Swendiman campaign by the Shasta County (California) Board of Supervisors.

**FACTUAL AND LEGAL ANALYSIS**

**A. Excessive Contribution Issue**

The Federal Election Campaign Act of 1971, as amended (hereinafter, "the Act") provides that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which exceed \$1,000. 2 U.S.C. § 441a(a)(1)(A).

The Act provides that a loan may be a contribution. 2 U.S.C. § 431(8)(A). Commission regulations provide that a loan which exceeds the contribution limits of 2 U.S.C. § 441a is unlawful whether or not it is repaid. 11 C.F.R. § 100.7(a)(1)(i)(A). A loan is a contribution at the time it is made and is a contribution to the extent that it remains unpaid. The aggregate amount loaned to a candidate or committee by a contributor, when added to other contributions from that individual to that candidate or committee, shall not exceed the contribution limitations set forth at 11 C.F.R. Part 110. 11 C.F.R. § 100.7(a)(1)(i)(B).

However, Commission regulations also provide that a candidate may obtain a loan on which his or her spouse's

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signature is required when jointly owned assets are used as collateral or security<sup>2/</sup> for the loan. The spouse shall not be considered a contributor to the candidate's campaign if the value of the candidate's share of the property used as collateral equals or exceeds the amount of the loan which is used for the candidate's campaign. 11 C.F.R. § 100.7(a)(1)(i)(D).

On October 14, 1986, this Office received a response filed by the Friends of Steve Swendiman committee and Donald C. Chapman, as treasurer. Attachment I. The Committee stated that on May 27, 1986, Steve Swendiman and Suzanne Swendiman applied to the Bank of California for a \$10,000 personal unsecured line of credit (known as a "Signature Line") which was granted on May 28, 1986. The Committee stated that as of May 27, 1986, Steve Swendiman and Suzanne Swendiman had a combined net worth of \$88,800. The Committee further stated that on May 28, 1986, Steve Swendiman and Suzanne Swendiman took an advance of \$7,600 against their line of credit, and loaned it to the Committee by writing a check to the Committee on the newly-opened joint "Signature Line" account. The Committee gave a note to Steve Swendiman dated May 30, 1986 for \$7,600 at a rate of Bank of

2/ Although the text of the regulation speaks of collateral or security for the loan, thus implying the need for a formal security agreement, the Explanation & Justification speaks of "property used as collateral or as a basis for the loan," 48 FR 19020 (Apr. 27, 1983). This suggests that the benefit of the regulation could be obtained in cases such as the present one where the transaction was not secured by a formal security agreement.

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California Prime rate plus 2 per cent, which was due on September 30, 1986. The Committee's 1986 July Quarterly Report designated the loan as a contribution for the primary.

The Committee stated that it repaid the loan in full to Steve Swendiman on August 26, 1986, and that Steve Swendiman and Suzanne Swendiman repaid the bank's line of credit on August 27, 1986. The Committee also stated that Suzanne Swendiman had made a \$500 contribution to the Committee on June 8, 1986, as alleged by Complainant. The Committee's 1986 July Quarterly Report shows a contribution of \$500 by Suzanne Swendiman on June 8, 1986, which was also designated for the primary.

The facts suggest that this transaction may have been permissible under 11 C.F.R. § 100.7(a)(1)(i)(D), in which case, there would have been no contribution by Suzanne Swendiman.<sup>3/</sup> However, before that conclusion can be accepted, several outstanding factual issues must be resolved.

First, there is a threshold requirement under 11 C.F.R. § 100.7(a)(1)(i)(D) that the parties be married. The Committee's response failed to state whether Stephen C. Swendiman and Suzanne Swendiman are in fact married. It is also possible that they are

<sup>3/</sup> Complainant has made no allegation that Stephen Swendiman (the candidate) has made excessive contributions in this matter. Commission regulations permit candidates to make unlimited expenditures from personal funds. 11 C.F.R. § 110.10(a). The borrower has legal and rightful title to the proceeds of a loan, and therefore the funds are "personal" within the meaning of 11 C.F.R. § 110.10(a).

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related in some other way, e.g., brother-sister or parent-child.

The regulation applies only to persons who are married. See

11 C.F.R. § 100.7(a)(1)(i)(D). It was intended to:

carve out a narrow area to allow for the use of property in which the candidate's spouse has an interest or to allow for spousal signature on a loan without violating the contribution limits.

Explanation and Justification of Regulations Concerning a Candidate's Use of Property in which Spouse has an Interest, 48

FR 19019 (Apr. 27, 1983). In view of the narrow focus of the regulation on married couples, this Office proposes to send a written question on this issue to Suzanne Swendiman.

A second factual issue is whether the assets considered by the bank in granting the line of credit were the joint property of Stephen C. Swendiman and Suzanne Swendiman. Jointly owned assets are a requirement of 11 C.F.R. § 100.7(a)(1)(i)(D).<sup>4/</sup>

To resolve this issue, this Office proposes to send a written question to Suzanne Swendiman.

A third factual matter is the value of such jointly-owned property. If the value of the candidate's share of the joint

4/ In MUR 1890 - In the Matter of Edythe Harrison for U.S. Senate Committee, et al., a closed enforcement case, the Commission held that a loan by a spouse to a candidate's committee which was secured by property held by only one spouse constituted an excessive contribution, but a loan which was secured by property owned jointly by both was permissible under 11 C.F.R § 100.7(a)(1)(i)(D).

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property used as collateral equals or exceeds the amount of the loan which is used for the campaign, then the transaction may be permissible under 11 C.F.R. § 100.7(a)(1)(i)(D). The Committee has stated that the value was \$88,800. However, this should be verified by the person who owns the property. To resolve this issue, this Office proposes to send a written question to Suzanne Swendiman.

A fourth factual issue is whether the spouse's signature was required by the bank for the loan. 11 C.F.R. § 100.7(a)(1)(i)(D) applies in situations where a spouse's signature is required on a loan as a result of local property law. See Explanation and Justification, 48 FR 1019, supra. To resolve this issue, this Office proposes to send a written question to Suzanne Swendiman.

Provided that Respondent Suzanne Swendiman can show that the transaction in question met the requirements of 11 C.F.R. § 100.7(a)(1)(i)(D), then there would be no contribution within the meaning of the Act, and no excessive contribution in violation of 2 U.S.C. § 441a(a)(1)(A). However, in view of the unresolved factual issues, this Office recommends that the Commission find reason to believe that Suzanne Swendiman violated 2 U.S.C. § 441a(a)(1)(A), and that the Commission authorize the attached questions, to be answered in writing under oath.

Accordingly, this Office recommends that the Commission find reason to believe that the Friends of Steve Swendiman, and

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Donald C. Chapman, as treasurer, violated 2 U.S.C. § 441a(f) by knowingly accepting excessive contributions.

In view of the fact that 11 C.F.R. § 110.10(a) permits candidates for Federal office to make unlimited expenditures from personal funds, this Office recommends that the Commission find no reason to believe that Stephen C. Swendiman violated 2 U.S.C. § 441a.

B. Unreported In-kind Contribution Issue

The Act provides that the term "contribution" includes any gift, subscription, loan, advance or deposit of money or anything of value. 2 U.S.C. § 431(8)(A). The term "anything of value" includes all in-kind contributions. 11 C.F.R. 100.7(a)(1)(iii). The provision of any goods or services without charge or at a charge which is less than the usual or normal charge for such goods or services is a contribution. Id. Thus, provision of telephone service at no cost could be an in-kind contribution.

Steve Swendiman is Chairman of the Board of Supervisors of Shasta County, California. Complainant has submitted two newspaper articles which stated that the Shasta County Sheriff was investigating allegations that Swendiman charged telephone calls for his Congressional campaign to the Shasta County Board of Supervisors.<sup>5/</sup> The newspaper articles alleged that 72 calls totalling 8 hours and 16 minutes were made to the following

5/ No opinion is expressed as to whether, under local law, Swendiman could permissibly charge calls to the Board of Supervisors because this is a matter outside the Commission's jurisdiction.

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entities: a campaign consultant who worked for Swendiman's congressional campaign; the AFL-CIO in Washington, D.C., the Democratic Congressional Campaign Committee in Washington, D.C.; and the "Political Report Line" in Washington, D.C. The cost of these calls was alleged to be \$184.

The Committee stated in its response that the Shasta County District Attorney has determined that these allegations are unfounded. Newspaper articles (from the same newspaper which Complainant used as the sole documentation and explanation of his allegations on this issue) confirm that the investigation has been closed and no charges have been filed against Swendiman.

The Act provides that a political committee must report the total amount of all contributions from persons other than political committees. 2 U.S.C. § 434(b)(2). A political committee must also report the identification of persons (other than political committees) which make contributions greater than \$200 within the calendar year. 2 U.S.C. § 434(b)(3)(A). The alleged value of the telephone calls was \$184. Therefore, the Committee would not have been under any duty to itemize the alleged calls if they were made.

In addition, the Committee disputes that the calls were made, and has submitted a newspaper article which states that an investigation by the local district attorney found that no such telephone charges were in fact made. Because it appears that no such calls were charged to the Board of Supervisors, then it

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follows that the Committee was under no duty to report them. Therefore, this Office recommends that the Commission find no reason to believe that the Board of Supervisors of Shasta County, California has violated 2 U.S.C. § 441a.

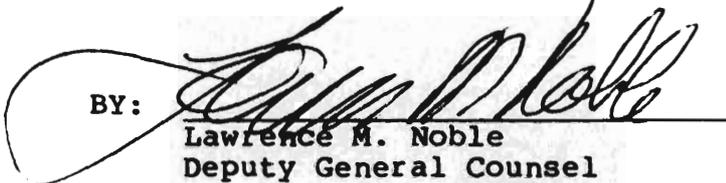
Accordingly, this Office recommends that the Commission find no reason to believe that the Friends of Steve Swendiman and Donald C. Chapman, as treasurer violated 2 U.S.C. § 434(b) by failing to report in-kind contributions.

**RECOMMENDATIONS**

1. Find reason to believe that Suzanne Swendiman violated 2 U.S.C. § 441a(a) (1) (A).
2. Find reason to believe that the Friends of Steve Swendiman and Donald C. Chapman, as treasurer, violated 2 U.S.C. § 441a(f).
3. Find no reason to believe that Stephen C. Swendiman violated 2 U.S.C. § 441a.
4. Find no reason to believe that the Shasta County Board of Supervisors violated 2 U.S.C. § 441a
5. Find no reason to believe that the Friends of Steve Swendiman, and Donald C. Chapman, as treasurer, violated 2 U.S.C. § 434(b).
6. Approve and send the attached Questions to Suzanne Swendiman.
7. Approve and the attached letters.

Charles N. Steele  
General Counsel

BY:

  
Lawrence M. Noble  
Deputy General Counsel

Date

2/18/87

**Attachments**

- I. Committee response
- II. Proposed questions (1)
- III. Proposed letters (4)

87040652851



FEDERAL ELECTION COMMISSION  
 WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary  
 FROM: Office of General Counsel *CMH*  
 DATE: February 19, 1987  
 SUBJECT: MUR 2239 - General Counsel's Report

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

CIRCULATIONS		DISTRIBUTION	
48 Hour Tally Vote	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
Sensitive	<input checked="" type="checkbox"/>	Audit Matters	<input type="checkbox"/>
Non-Sensitive	<input type="checkbox"/>	Litigation	<input type="checkbox"/>
24 Hour No Objection	<input type="checkbox"/>	Closed MUR Letters	<input type="checkbox"/>
Sensitive	<input type="checkbox"/>	Status Sheets	<input type="checkbox"/>
Non-Sensitive	<input type="checkbox"/>	Advisory Opinions	<input type="checkbox"/>
Information	<input type="checkbox"/>	Other (see distribution below)	<input type="checkbox"/>
Sensitive	<input type="checkbox"/>		
Non-Sensitive	<input type="checkbox"/>		
Other	<input type="checkbox"/>		

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Attachment(s) I, II, III

to 1st BC Rpt

have been removed from this  
position in Public Record File.

See Index Item(s) 7, 16

87040552853

-BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Friends of Steve Swendiman, and ) MUR 2239  
Donald C. Chapman, as treasurer )  
Suzanne Swendiman )  
Stephen C. Swendiman )  
Shasta County (California) )  
Board of Supervisors )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on February 24, 1987, the Commission decided by a vote of 6-0 to take the following actions in MUR 2239:

1. Find reason to believe that Suzanne Swendiman violated 2 U.S.C. § 441a(a)(1)(A).
2. Find reason to believe that the Friends of Steve Swendiman and Donald C. Chapman, as treasurer, violated 2 U.S.C. § 441a(f).
3. Find no reason to believe that Stephen C. Swendiman violated 2 U.S.C. § 441a.
4. Find no reason to believe that the Shasta County Board of Supervisors violated 2 U.S.C. § 441a.
5. Find no reason to believe that the Friends of Steve Swendiman, and Donald C. Chapman, as treasurer, violated 2 U.S.C. § 434(b).

(continued)

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6. Approve and send the Questions to Suzanne Swendiman, as recommended in the General Counsel's Report signed February 18, 1987.
7. Approve the letters, as recommended in the General Counsel's Report signed February 18, 1987.

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

Attest:

2-24-87

Date

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

Received in the Office of Commission Secretary:	Thurs.,	2-19-87,	9:34
Circulated on 48 hour tally basis:	Thurs.,	2-19-87,	4:00
Deadline for vote:	Mon.,	2-23-87,	4:00
Deadline Extended 24 hour			

8704052855



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE  
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/ JOSHUA MCFADDEN *JM*

DATE: FEBRUARY 24, 1987

SUBJECT: COMMENT TO MUR 2239 - GENERAL COUNSEL'S REPORT  
SIGNED FEBRUARY 18, 1987

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

87040652850

Attachment:  
copy of vote sheet

BALLOT

SENSITIVE



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DATE & TIME TRANSMITTED: THURSDAY, FEBRUARY 19, 1987 4:00

COMMISSIONER: AIKENS, ELLIOTT, JOSEFIK, McDONALD, McGARRY, THOMAS

RETURN TO COMMISSION SECRETARY BY MONDAY, FEBRUARY 23, 1987 4:00

SUBJECT: MUR 2239 - General Counsel's Report  
Signed February 18, 1987

94:114  
162824  
All: 46

8704035:837

- I approve the recommendation
- I object to the recommendation

COMMENTS: In the letter to Stephen Savandeman the "CC" should list

Donald C Chapman.

DATE: 2/24/87

SIGNATURE [Signature]

A DEFINITE VOTE IS REQUIRED. ALL BALLOTS MUST BE SIGNED AND DATED.  
PLEASE RETURN ONLY THE BALLOT TO THE COMMISSION SECRETARY.  
PLEASE RETURN BALLOT NO LATER THAN DATE AND TIME SHOWN ABOVE.



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

March 3, 1987

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Stephen C. Swendiman  
1194 Almond Avenue  
Redding, CA 96001

RE: MUR 2239  
Swendiman, Stephen C.

Dear Mr. Swendiman:

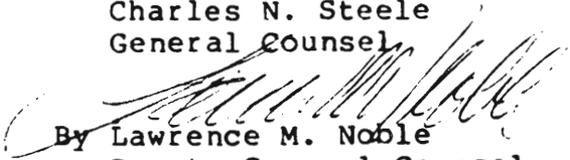
On September 22, 1986, the Commission notified you of a complaint alleging violations of the Federal Election Campaign Act of 1971, as amended.

The Commission, on February 24, 1987, determined that on the basis of the information in the complaint, and information provided by your committee, Friends of Steve Swendiman, that there is no reason to believe that you have personally violated 2 U.S.C. § 441a. Accordingly, the Commission has closed its file in this matter as it pertains to you.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele  
General Counsel

  
By Lawrence M. Noble  
Deputy General Counsel

cc: Friends of Steve Swendiman  
Donald C. Chapman, Treasurer  
1194 Almond Ave  
Redding, CA 96001

8704055:853



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

March 3, 1987

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**  
Shasta County Board of Supervisors  
Post Office Box 880  
Redding, CA 96099

RE: MUR 2239  
Shasta County Board of  
Supervisors

Ladies and Gentlemen:

On September 22, 1986, the Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on February 24, 1987, determined that on the basis of the information in the complaint, and information supplied by the respondents, there is no reason to believe that the Shasta County Board of Supervisors has violated 2 U.S.C. § 441a. Accordingly, the Commission has closed its file in this matter as it pertains to you. This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele  
General Counsel

*Lawrence M. Noble*  
By: Lawrence M. Noble  
Deputy General Counsel

87040652859



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 3, 1987

*plm*

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Suzanne Swendiman  
1194 Almond Ave  
Redding, CA 96001

RE: MUR 2239  
Swendiman, Suzanne

Dear Ms. Swendiman:

The Federal Election Commission notified you on September 22, 1986, of a complaint alleging violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint, the Commission, on February 24, 1987, determined that there is reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Act. Specifically, it appears that you made excessive contributions to the Friends of Steve Swendiman Committee as follows.

According to information provided by the Committee, on May 27, 1986, you and Steve Swendiman applied to the Bank of California for a \$10,000 personal unsecured line of credit (known as a "Signature Line") which was granted on May 28, 1986. The Committee stated that on May 28, 1986, you and Steve Swendiman took an advance of \$7,600 against the line of credit, and loaned it to the Committee by writing a check to the Committee on the newly-opened joint "Signature Line" account. According to reports filed with the Commission, the loan was designated for the primary election. The Committee also stated that on June 8, 1986, you gave a \$500 contribution to the Committee. Reports on file with the Commission confirm this, and show that this contribution was also designated for the primary.

With respect to the loan given by you and Steve Swendiman, for this transaction to be permissible under Commission regulations, it must meet the requirements of 11 C.F.R. § 100.7(a)(1)(i)(D) of the Code of Federal Regulations. This section contemplates a loan by a candidate and spouse which is secured by their jointly-held assets as collateral and where the spouse's signature is required for the loan.

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Suzanne Swendiman  
Page 2

As of this date, we have received no written response from you in connection with this matter. Please submit answers to the enclosed questions within fifteen days of your receipt of this letter. Statements should be submitted under oath.

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

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

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

If you have any questions, please contact Laurence E. Tobey, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Scott E. Thomas  
Chairman

Enclosures  
Procedures  
Questions

87040552861

**QUESTIONS**

TO: Suzanne Swendiman  
1194 Almond Avenue  
Redding, CA 96001

RE: MUR 2239

**INSTRUCTIONS**

In answering these questions, furnish all documents and other information, however obtained, including hearsay, that are in the possession of, known by, or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

If you cannot answer the following questions in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Answers are to be submitted under oath.

1. Please state whether you were married to Stephen C. Swendiman during May 1986. If you were not married to him, please state whether you were related to him in any other way (e.g., brother-sister, parent-child, etc).
2. The Friends of Steve Swendiman committee and Donald C. Chapman, as treasurer, have stated to the Commission that on May 27, 1986, you and Stephen C. Swendiman applied to the Bank of California for a \$10,000 personal unsecured line of credit known as a "Signature Line." The committee further states that on May 28, this credit was granted.
  - a. To your knowledge, are these statements true?
  - b. If they are not true, please explain in what way they are not true.
3. The Friends of Steve Swendiman committee and Donald C. Chapman, as treasurer, have stated that at the time you applied for the loan described in question 2, you and Stephen C. Swendiman had a "combined net worth of \$88,800."
  - a. To your knowledge, is this statement true?

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*plm*



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

March 3, 1987

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Donald C. Chapman, Treasurer  
Friends of Steve Swendiman  
1194 Almond Ave  
Redding, CA 96001

RE: MUR 2239  
Friends of Steve  
Swendiman, and Donald C.  
Chapman, as treasurer

Dear Mr. Chapman:

The Federal Election Commission notified the Friends of Steve Swendiman committee and you, as treasurer, ("the Committee") on September 22, 1986, of a complaint alleging violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on February 24, 1987, determined that there is reason to believe that the Committee, and you, as treasurer, violated 2 U.S.C. § 441a(f), a provision of the Act. Specifically, it appears that the Committee, and you, as treasurer, knowingly accepted a contribution from Suzanne Swendiman which exceeded the limitations for contributions to candidates or their authorized committees set forth in 2 U.S.C. § 441a(a)(1)(A). Acceptance of an excessive contribution would constitute a violation of 2 U.S.C. § 441a(f) by the Committee and you, as treasurer.

On the same date, however, the Commission found that there is no reason to believe that the Committee, and you, as treasurer, violated 2 U.S.C. § 434(b)(3)(A) by failing to report alleged in-kind contributions, as the complainant had alleged.

You may submit any factual or legal materials that you believe are relevant to the Commission's analysis of this matter. Please file any such response within fifteen days of your receipt of this notification.

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Donald C. Chapman  
Page 2

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

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

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

If you have any questions, please contact Laurence E. Tobey, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Scott E. Thomas  
Chairman

Enclosures  
Procedures

cc: Stephen C. Swendiman  
1194 Almond Ave  
Redding, CA 96001

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QC#2891

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Scott E. Thomas, Chairman  
Federal Election Commission  
Washington, D.C. 20463

March 7, 1987

MAR 16 10 26  
AID. 26

RE: MUR 2239  
Swendiman, Suzanne.

Dear Mr. Thomas:

Please accept my apologies for failing to respond to your inquiry of September 22, 1986. I have no record of receiving the correspondence, and suspect that it was misplaced during the hectic period just prior to the end of my husband's campaign for Congress. I am enclosing responses to your questions, and am happy to provide whatever information is necessary to dispense with this matter in a timely manner.

I do not believe that I violated 2 U.S.C. Sec. 441a (a) (B) (A). I believe that my answers to your questions will show that 11 F.R. Sec. 100.7(a)(1)(i)(D) has been met.

The following answers are submitted under oath.

1. I was married to Stephen C. Swendiman on December 31, 1979. I was married to Stephen C. Swendiman during May, 1986. I am still married to Stephen C. Swendiman.
2. To my knowledge, the statement that I and Stephen C. Swendiman applied to the Bank of California for a \$10,000 personal line of credit know as a "Signature Line" is true. To my knowledge, that line of credit was granted by the Bank of California on May 28, 1986.
3. (a) To my knowledge, the statement that Stephen C. Swendiman and I had a combined net worth of \$88,800.00 at the time we applied for a line of credit is true. I base this judgment on the fact that we were required to submit a statement of assets and liabilities to the Bank of California at the time of application for the line of credit to show what available collateral we had against which the bank could take action if we failed to repay the line of credit.
  - (b) The statement is true.
  - (c) The figure \$88,800.00 represents property which was owned jointly by Stephen C. Swendiman and me in May of 1986.
  - (d) The figure is accurate to the best of my knowledge.
4. There is no mention of a loan in Question 1 of your letter. I will assume that you are asking about the line of credit in Question 2 of your letter. The Bank of California required me to sign the application for the line of credit because I was the spouse of Stephen C. Swendiman, and because the line of credit was

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RECEIVED  
GENERAL COUNSEL  
MAR 16 1987

a joint account.

Further explanation is appropriate relative to why I was required to sign on the application. My husband and I have a second mortgage with Bank of California, and were required at that time to jointly sign the debt instrument. We therefore did not question whether a joint signature was required on the line of credit. We intended to keep the line of credit for purposes other than the campaign, and wanted the flexibility of either of us signing on the account. We still maintain the line of credit and are in good standing with the Bank of California. Attached is a copy of the application for the line of credit, with the required financial information and signature lines.

I hope these responses are satisfactory and resolve the concerns of your commission. I would like to bring this issue to quick resolve, and I am happy to speak with anyone from the FEC relative to this matter. I have taken the liberty of enclosing the responses of Donald C. Chapman, Treasurer of Friends of Steve Swendiman to a similar inquiry made by Robin Kelly of your reports division. Since Donald did not hear back from Ms. Kelly, we assumed the matter had been settled. Please let me know if you need additional information.

I will look forward to hearing from you. By separate letter, I am requesting pre-probable cause conciliation.

Respectfully yours,



Suzanne Swendiman  
1194 Almond Avenue  
Redding, California 96001  
(916) 246-9938 (home)  
(916) 222-6601 (work)

attachments: FEC letter from Kelly to Chapman  
Chapman response to Kelly letter  
Application for Signature Line

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07 MAR 1981



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

SEP 23 1986

Donald C. Chapman, Treasurer  
Friends of Steve Swendiman  
1194 Almond Street  
Redding, CA 96001

Identification Number: C00206003

Reference: July Quarterly Report (5/15/86-6/30/86)

Dear Mr. Chapman:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedules A and C of your report (pertinent portion attached) disclose contributions which appear to exceed the limits set forth in the Act. An individual or a political committee other than a multicandidate committee may not make contributions to a candidate for Federal office in excess of \$1,000 per election. If you have received a contribution which exceeds the limits, the Commission recommends that you refund to the donor the amount in excess of \$1,000. The Commission should be notified in writing if a refund is necessary. In addition, any refund should appear on Line 20 of the Detailed Summary Page and Schedule B of your next report. (2 U.S.C. §§441a(a) and (f))

The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office.

If the contributions in question were incompletely or incorrectly reported, you may wish to submit documentation for the public record. Please amend your report with the clarifying information.

Although the Commission may take further legal steps concerning the acceptance of excessive contributions, prompt action by you to refund the excessive amounts will be taken into consideration.

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An amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,

*Robin Kelly*

Robin Kelly  
Reports Analyst  
Reports Analysis Division

87040552868

FRIENDS OF STEVE SWENDIMAN  
1194 ALMOND AVENUE  
REDDING, CA 96001

October 9, 1986

Mrs. Robin Kelly, Reports Analyst  
Reports Analysis Division  
Federal Election Commission  
999 E. Street, N.W.  
Washington, D.C. 20463

Identification Number: C00206003  
Reference: July Quarterly Report (5/15/86-6/30/86)

Dear Mrs. Kelly:

Thank you for your letter regarding the Commission's preliminary review of the July Quarterly Report.

Transaction #1 - (Period May 15, 1986 through June 30, 1986):

On May 27, 1986, Steve and Suzanne Swendiman applied to The Bank of California for a \$10,000.00 personal, unsecured line of credit which is known as a "Signature Line". Credit was granted on May 28, 1986. As of May 27, 1986 they had a combined net worth of \$88,800.00, which in itself, indicates that either Steve or Suzanne had adequate assets to repay the loan.

On May 28 they took an advance of \$7,600.00 against their line of credit and loaned it to "Friends of Steve Swendiman", by writing a check on their newly-opened joint "Signature Line" account. The check was signed by Suzanne Swendiman because Steve was in Colusa, Yuba City, and Marysville that day, although either party could have signed it. A note payable to Steve Swendiman was created in the amount of \$7,600.00 and dated May 30, 1986; it carried a rate of Prime plus 2% and was due September 30, 1986.

The loan to the Committee was repaid in full on August 26, 1986 by the Committee. The repayment check of \$7,541.67 was made payable to Suzanne and Steve Swendiman. The amount was less than \$7,600.00 because several earlier installments had been paid. (The Bank's line of credit was repaid on August 27, 1986.)

8704052859

Mrs. Robin Kelly  
Page 2  
October 9, 1986

Transaction #2 (Period May 15, 1986 through June 30, 1986):

As reported on Schedule A, Suzanne Swendiman made a \$500.00 contribution to "Friends of Steve Swendiman" on June 8, 1986.

After you have reviewed this letter, please let me know if you want us to refile.

Sincerely,

Donald C. Chapman, Treasurer  
Friends of Steve Swendiman

DCC/ekf

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Attachment ~~(Application for Signature Line Loan)~~  
to 3-7-87 letter from Suzanne Swendiman  
~~have been~~ removed from this  
position in Public Record File.  
See ~~Index Item(s)~~ 5 U.S.C. §§ 552(f)(6) and (7)(c).

ACC# 2899

RECEIVED AT THE FEC

# OFFICE OF COUNTY COUNSEL

COUNTY OF SHASTA

1558 West Street  
Redding, California 96001  
(916) 225-5711

92 MAR 16 10:33

ASSISTANT COUNTY COUNSEL  
KAREN KEATING JAHR  
DEPUTY COUNTY COUNSEL  
SUSAN CRESTO BALL  
BRUCE R. JOHNSTONE

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OFFICE OF THE  
COUNTY COUNSEL  
MAR 16 ALL: 41

March 11, 1987

Mr. Lawrence M. Noble  
Deputy General Counsel  
Federal Election Commission  
Washington D.C. 20463

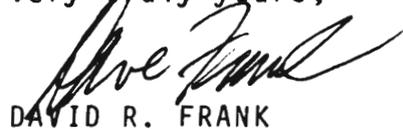
Re: MUR 2239

Dear Mr. Noble:

Your letter of March 3, 1987 to the Shasta County Board of Supervisors regarding the above matter has been referred to me. The Board Clerk has no knowledge of the Commission's letter of September 22, 1986 regarding this matter. Hence, the Board is mystified as to the significance of your March 3, 1987 letter. Please send a copy of the Commission's September 22, 1986 letter to me at the address above.

Thank you for your consideration in this matter.

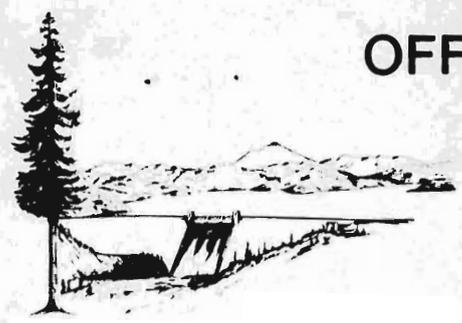
Very truly yours,



DAVID R. FRANK

DRF:ss

4764052872



plm



FEDERAL ELECTION COMMISSION  
WASHINGTON D.C. 20463

March 20, 1987

David R. Frank, Esquire  
Office of County Counsel  
County of Shasta  
1558 West ST  
Redding, CA 96001

RE: MUR 2239  
Shasta County Board of  
Supervisors

Dear Mr. Frank:

This acknowledges receipt of your letter of March 11, 1987, which was received on March 16, 1987. You stated that you have not received prior correspondence from the Commission, referring specifically to a letter dated September 22, 1986. That letter notified the Shasta County Board of Supervisors of a complaint which the Commission had received which mentioned the Shasta County Board of Supervisors as a potential respondent in connection with an alleged violation of the Federal Election Campaign Act of 1971, as amended ("the Act").

Enclosed please find a copy of the Commission's September 22, 1986 letter with attachments, including the complaint. As you were advised in the Commission's March 3, 1987 letter, the Commission determined that there is no reason to believe that the Shasta County Board of Supervisors violated 2 U.S.C. § 441a. You were further advised that the file in this matter has been closed as it pertains to the Shasta County Board of Supervisors, but that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed.

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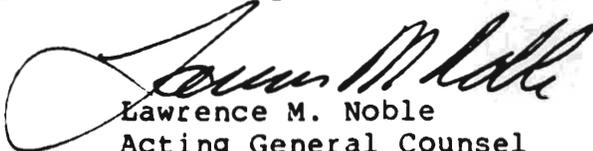
David R. Frank, Esquire

Page Two

This Office regrets that you did not receive the prior correspondence, and we apologize for any inconvenience this may have caused.

If you have any questions, please contact Laurence E. Tobey, the attorney assigned to this matter, at (202) 376-8200.

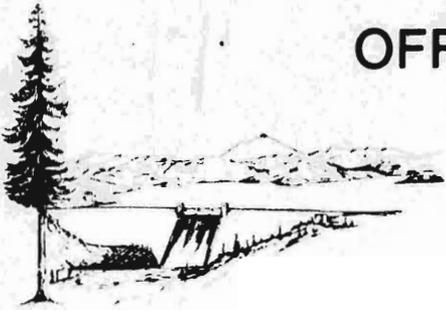
Sincerely,

  
Lawrence M. Noble  
Acting General Counsel

Enclosures

Copy of Commission's letter  
dated September 22, 1986  
with attachments

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# OFFICE OF COUNTY COUNSEL

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COC # 3050

37 APR 6 49:48

COUNTY OF SHASTA

1558 West Street  
Redding, California 96001  
(916) 225-5711

COUNTY COUNSEL  
DAVID R. FRANK

ASSISTANT COUNTY COUNSEL  
KAREN KEATING JAHR

DEPUTY COUNTY COUNSEL  
SUSAN CRESTO BALL  
BRUCE R. JOHNSTONE

March 30, 1987

Mr. Lawrence M. Noble  
Acting General Counsel  
Federal Election Commission  
Washington, D.C. 20463

Re: MUR 2239 - Shasta County Board of Supervisors

Dear Mr. Noble:

Thank you for your letter of March 20, 1987 regarding the above matter. I was aware of the complaint filed against former supervisor Stephen C. Swendiman regarding his campaign for a seat in the House of Representatives. The documentation attached to the copy of the complaint forwarded by you to me shows that the complaint runs against Mr. Swendiman personally, as opposed to the Board of Supervisors as the governing body of Shasta County. (Perhaps I somehow misread the complaint.)

In any event, my letter of March 11, 1987 to you was triggered by my lack of knowledge of any complaint against the Board of Supervisors, as opposed to former Supervisor Swendiman. (Incidentally, the "probe" of the supervisors referenced in the photocopies of newspaper clippings attached to the complaint turned out to be much smoke with no fire. I have enclosed photocopies of local newspaper articles covering this non-event for the Commission's files.)

Thank you for your time and consideration of this matter.

Very truly yours,

DAVID R. FRANK  
County Counsel

DRF:ss  
Enclosures

87 APR 6 12:16

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OFFICE OF THE  
GENERAL COUNSEL

37040552875

# Two supervisors pleased cloud lifted

Two Shasta County supervisors said they are looking forward to returning to county business without allegations of wrongdoing hanging over their heads.

"The public is tired of this and I know the supervisors are tired of it," Supervisor Pete Peters said.

"I'm just glad it's over," Supervisor Abe Hathaway said.

Shasta County District Attorney Steve Carlton said Friday that Peters, Hathaway and fellow Supervisor Steve Swend-

man have been cleared of allegations they misused public funds following an investigation conducted by the Shasta County Sheriff's Department.

Sheriff Phil Eoff launched the probe in August after Millville resident Flora Pearson, a frequent board critic, presented him with county records she said raised questions about the use of public funds.

The probe focused on a Red Bluff motel bill submitted by Peters, 72 phone calls made by Swendman to a Sacramento po-

litical consultant who is also a County Supervisors Association of California consultant, and use of Hathaway's county credit card.

Carlton said Supervisor Bob Bosworth also was investigated because Mrs. Pearson felt his statement at a board meeting that he was a full-time supervisor was in conflict with a conflict-of-interest statement he wrote.

"That's not a criminal violation," Carlton said.

Both Peters and Hathaway agreed the allegations against them necessitated an investigation.

"The amount of the charges were small, but as public officials we should be held accountable for our actions," Hathaway said.

"Whether it's for one dollar or a considerable sum, it makes no difference," Peters said.

However, both men said the probe should have been handled by the Shasta County Grand Jury rather than the sheriff's

office.

"She (Mrs. Pearson) said she had no faith in the Grand Jury, but I sure wish they had handled the investigation," Hathaway said. "It's been hard with the sheriff handling it."

Peters said the difficulty with the sheriff's investigation was the resulting publicity.

"When public officials are investigated by the Grand Jury it's handled discreetly," Peters said. "If they are wrongfully accused they are not publicly smeared because they (grand jurors) investigate on a confidential basis."

Peters added the "apparent insignificance of the charges and apparent lack of supporting evidence" should have prompted a Grand Jury investigation rather than the sheriff's probe.

Mrs. Pearson said Friday she is displeased with the outcome. She said she may file a writ of mandate with an attorney or forward her files to the state attorney general's office for further investigation.

## Expert: Some Nazis went Down Under

SYDNEY, Australia (AP) — A government-appointed Nazi hunter said Friday he has no doubt that war criminals settled in Australia after World War II but that he could not say how many or if any are still alive.

The investigator, Andrew Menzies, made the remark two days after the Los Angeles-based Simon Wiesenthal Center handed over to Foreign Minister Bill Hayden a list of 40 alleged Nazis thought to be living in Australia.

"Statistically and otherwise there are bound to be some. The question is how many," Menzies said in a telephone interview.

Prime Minister Bob Hawke ordered the War Criminals Review Board to be set up in June following allegations in Parliament of a Nazi migration to Australia in the post-war years.

The job of Menzies, who is to issue a report of his findings in

allow or assist the entry of suspected or known war criminals.

Two legislators, citing documents obtained under Australia's Freedom of Information Act, have alleged that Britain asked Australia to go easy on war criminals in 1948.

On Wednesday in New York, the Simon Wiesenthal Center gave a list of 40 suspected war criminals to the Australian foreign minister and said 150 to 175 other names would be turned over in a month. Menzies has said he will compare the lists with immigration records.

The center said many of the former Nazis it claims are living in Australia worked as police chiefs, officers of the Gestapo secret police, prison wardens or concentration camp guards.

The list was not made public but it is understood to contain names, emigration details and

Ehm

be said at noon Charles A. Ehm, 73, of St. Joseph Catholic

dding. Russell Terra will

ll be at Redding

led Thursday at his 25, 13, in Brook-

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rvived by wife ghters Betsy Ehm- acific Grove and Nestor of Cotati; of Watsonville and Francisco; broth- f Roccio and Wilmington, Del.; Lucas of Wilming- seven grandchil-

Redding Chapel is agements.

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5, 1901, in Chort-

**BINGO BINGO BINGO**

Welcome back to ...

**SONS OF ITALY**

**SUNDAY BINGO**

Doors Open 4:15:30 A.M. GAMES START 1 P.M.

Redding, California  
October 2, 1998  
Vol. 137, No. 173  
25 cents



# Record

## Searchlight

### Supervisor confirms probe over Shasta board cleared of spending charges

By LEA BROOKS

A second Shasta County supervisor said Wednesday that a Sheriff's Department investigation has cleared the Board of Supervisors of any wrongdoing.

Supervisor Pete Peters Wednesday night confirmed an earlier report by Supervisor Abe Hathaway that Sheriff Phil Eoff told them separately Tuesday that a probe into the board's use of public funds and administrative staff turned up nothing.

Supervisor Steve Swendiman said he also met with the sheriff Tuesday to discuss several issues, including the investigation.

"I don't recall him telling me what the outcome (of the investigation) was," Swendiman said. "He didn't imply one way or the other."

Swendiman said he would reserve further comments until a report about the investigation is released.

Despite repeated attempts, Eoff could not be reached for comment.

District Attorney Steve Carlton said the report was submitted to him Wednesday afternoon by sheriff's Detective Sgt. Rusty Brewer.

Carlton said he doesn't know what the report says because, "I haven't read it yet . . . and I haven't talked about this investigation at all with the Sheriff's Department."

He said he would try to read the report today and may prepare a press release as early as Friday.

Eoff launched the investigation in August after Millville resident Flora Pearson, a frequent board critic, presented him with county records she said raised questions about the use of public funds by Swendiman, Hathaway and Peters.

Although the probe was completed Sept. 18, the Sheriff's Department has been tight-lipped about the outcome.

Peters and Hathaway said the wait has been frustrating.

"I never expected them to find anything but that's no longer the point," Hathaway said. "It's the waiting. For two weeks I've been walking

See SUPERVISORS, A-10

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# Supervisors

Continued from A-1  
around wondering what people were thinking."

Peters said: "Any time you're accused of committing a crime, it has to trouble you. For so long, we didn't even know what the subject (of the investigation) was. I kept wondering what could I have done wrong."

"I'm very happy nothing of any consequence on any supervisor was found. Supervisors try to conduct themselves in proper fashion with respect to the public trust.

"Frankly, I'm disappointed this kind of thing has to take place."

Part of the investigation focused on Peters' bill for spending the night of Feb. 14 at the Red Bluff Inn, about a 20-minute drive from his Anderson home.

Peters said he was attending a conference of the Northern California Supervisors Association, a group he chairs, and also was present at a banquet where drinks were served. There also was a major rainstorm

that night.

Peters said he decided to spend the night in Red Bluff because there was another association meeting scheduled the following morning.

Supervisor Bob Bosworth said today that he also spent that night at the Red Bluff Inn, which is an 80-mile round trip from his Cottonwood-area ranch.

As a member of the association's board of directors, Bosworth said it was his responsibility to attend the meeting scheduled the following morning.

Bosworth said he was never contacted by the Sheriff's Department about spending the night in Red Bluff and doesn't know why Peters was investigated and not him.

Supervisor Don Maddox said he was never contacted by the Sheriff's Department about the investigation.

Eoff has rejected charges by supervisors and county officials that the investigation was politically motivated and would have been more appro-

priately handled by the 1986-87 Grand Jury.

Eoff is a supporter of Republican Assemblyman Wally Herger of Rio Oso, who is facing Swendiman in the 2nd District congressional race that will be decided next month.

A major part of the investigation involved 72 telephone calls made to Sacramento political consultant Paul Kinney at county expense by Swendiman between Dec. 31, 1985, and May 22, 1986.

Kinney managed Swendiman's primary election campaign, but also served as a consultant for the County Supervisors Association of California on workers' compensation issues during the same period. Swendiman is past president of CSAC.

The investigation of Hathaway involved an \$18 gas bill for his official county vehicle in March when he filed reports stating he was away in Washington, D.C., on county business.

Mrs. Pearson could not be reached for comment.



## Editorial

# Supervisors emerged from probe unscathed

It's finally official: The muck that Flora Pearson thought she'd uncovered on some Shasta County supervisors has turned out to be much ado about very little.

In the aftermath of the affair, two conclusions stand out: — Sheriff Phil Eoff bungled his department's so-called investigation from start to finish.

— Supervisor Bob Bosworth's comment that Mrs. Pearson didn't do her homework very well in opposing supervisor salary hikes — a remark that angered the Millville resident and prompted her to pore over county records looking for some scalps — has turned out to be true once again.

District Attorney Steve Carlton officially put allegations of malfeasance in office to rest Friday, saying not only did supervisors not misuse public funds, but "took steps to avoid public funds from inadvertently being used for personal business."

Eoff's first mistake, of course, was in having his investigators look into the allegations rather than referring the matter to the Grand Jury, where it belonged. Instead, Eoff in August dispatched two detectives from his understaffed office to take up where the sleuth from Millville had left off.

Eoff's involvement gave the appearance of being politically motivated because he's a backer of Republican Wally Herger, whose Democratic opponent in the Nov. 4 election for a congressional seat just happens to be Supervisor Steve Swendman, the primary target in the Pearson probe.

Eoff said in late August that his agency was best-equipped to mount an aggressive inquiry that would get to the bottom of things quickly and not "drag this out."

Detectives apparently completed the probe by Sept. 18, yet it wasn't until Wednesday, the first day of October, that an investigative report was submitted to the district attorney's office.

As word began to leak out last week that board members were cleared of any wrongdoing, frustrated Supervisor Abe Hathaway reflected on the snail's pace with which Eoff and the agency he directs disclosed the findings.

"I never expected them to find anything, but that's no longer the point," Hathaway said. "It's the waiting. For two weeks I've been walking around wondering what people were thinking. You feel it's over but there's no report."

Mrs. Pearson's primary allegation against Supervisor Pete Peters was over his billing the county for spending the night of Feb. 14 at a Red Bluff motel while attending a supervisors association conference. Besides hardly being the stuff of which scandals are made, it now turns out that Mrs. Pearson's research project was lacking.

She reported in August that she'd turned up little or no information regarding any misconduct by Supervisors Don Maddox and Bosworth. Now it turns out that Bosworth, attending the same convention Peters attended, billed the county for the same lodging expense. Bosworth, however, was not investigated, while Peters was.

Not that Bosworth escaped Mrs. Pearson's wrath. She attacked him, it was revealed last week, for claiming he was a full-time supervisor when, by her interpretation, his conflict-of-interest statement indicates otherwise. What law that was supposed to have violated, no one — other than perhaps Mrs. Pearson — is quite clear on at that point

Interestingly enough, Maddox, who is Eoff's biggest — I not only — ally on the Board of Supervisors, was the lone board member not to be investigated.

Mrs. Pearson, of course, did not get the results she was looking for and is now dissatisfied.

She said she may file a writ with an attorney or forward her files to the state attorney general's office seeking further investigation. Her witch hunt may continue.

While it took longer than should have, Shasta County supervisors have emerged from the investigation with the honesty and integrity intact. The same cannot be said for everyone.

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## Supervisor: Board cleared in probe

**DEA BROOKS**  
The Shasta County Board of Supervisors has been cleared of any wrongdoing, Supervisor Abe Hathaway said today.

Hathaway said that Sheriff Phil Eoff told him and Supervisor Steve Swendiman Tuesday that a Sheriff's Department criminal investigation into the board's use of public funds

and administrative staff turned up nothing.

Hathaway said Eoff told them a report about the investigation would be released today or Thursday.

Despite repeated attempts, Eoff could not be reached for comment.

Eoff launched the investigation in August after Millville resident Flora Pearson — a frequent critic of the

board — presented him with county records she claimed raised questions about the use of public funds by Swendiman, Hathaway and Supervisor Pete Peters.

Although the probe was completed Sept. 18, the Sheriff's Department has been tight-lipped about the outcome.

Hathaway said the wait has been frustrating.

"I never expected them to find anything but that's no longer the point," he said. "It's the waiting. For two weeks I've been walking around wondering what people were thinking.

"You feel it's (investigation) over but there's no report. Either you file charges or you're innocent."

Hathaway declined to comment specifically about the investigation until

he sees the report.

Eoff has rejected complaints by supervisors and county officials that the investigation was politically motivated and would have been more appropriately handled by the 1986-87 Grand Jury.

Eoff is a strong supporter of Repub-

See PROBE, A-12

### Probe

Continued from A-1

lican Assemblyman Wally Herger of Rio Oso, who is facing Swendiman in the 2nd District congressional race that will be decided Nov. 4.

A major part of the investigation involved 72 telephone calls made to Sacramento political consultant Paul Kinney at county expense by Swendiman between Dec. 31, 1985, and May 22, 1986.

Kinney managed Swendiman's primary election campaign, but also served as a consultant for the County Supervisors Association of California on workers' compensation issues during the same period. Swendiman is past president of CSAC.

Hathaway said Eoff also met with

Peters but doesn't know whether they discussed the investigation. Peters could not be reached for comment.

Supervisor Don Maddox said he has kept himself at "arm's length from the investigation" because he wasn't involved but is "delighted" and "relieved" all charges have been cleared.

"I never anticipated otherwise," he said.

Supervisor Bob Bosworth said the sheriff has not discussed the investigation with him and that he was not interviewed by detectives.

"I'm sure my record is spotless as far as travel expenses are concerned," he said.

Mrs. Pearson could not be reached for comment.

BEFORE THE FEDERAL ELECTION COMMISSION

**SENSITIVE**

In the Matter of	)	
	)	
Friends of Steve Swendiman	)	MUR 2239
and Donald C. Chapman, as	)	
treasurer, <u>et al.</u>	)	

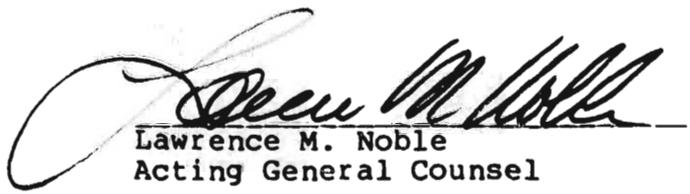
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COMMUNICATIONS SECTION  
FEDERAL ELECTION COMMISSION

**GENERAL COUNSEL'S REPORT**

The Office of the General Counsel is prepared to close the investigation in this matter as to the Friends of Steve Swendiman, and Donald C. Chapman, as treasurer, and Suzanne Swendiman, based on the assessment of the information presently available.

4/8/87  
Date

  
Lawrence M. Noble  
Acting General Counsel

8704055881



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary  
FROM: Office of General Counsel *Cot*  
DATE: April 9, 1987  
SUBJECT: MUR 2239 - General Counsel's Report

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

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

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 10, 1987

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Suzanne Swendiman  
1194 Almond Avenue  
Redding, CA 96001

RE: MUR 2239  
Suzanne Swendiman

Dear Ms. Swendiman:

Based on a complaint filed with the Federal Election Commission on September 11, 1986, and information supplied by the Friends of Steve Swendiman Committee, and Donald C. Chapman, as treasurer, the Commission, on February 24, 1987, found that there was reason to believe you violated 2 U.S.C. § 441a(a)(1)(A), and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred. In view of this recommendation, the Office of General Counsel will make no recommendation concerning your request for pre-probable cause conciliation at this time.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days. All requests for extension of time must be submitted in writing five days prior to the due date. Further, good cause must be shown.

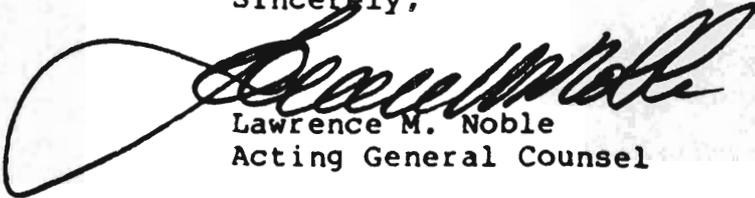
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Suzanne Swendiman  
Page Two

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Laurence E. Tobey, the attorney assigned to handle this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble  
Acting General Counsel

Enclosure  
Brief

87040652884

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Suzanne Swendiman ) MUR 2239  
 )

GENERAL COUNSEL'S BRIEF

1. STATEMENT OF THE CASE

This matter arose on a complaint from Louis William Barnett (hereinafter, "Complainant"). Complainant alleged that reports filed with the Commission by the Friends of Steve Swendiman Committee and Donald C. Chapman, as treasurer (hereinafter, "the Swendiman Committee") showed that Suzanne Swendiman made excessive contributions to the Swendiman Committee.

Specifically, Complainant alleged that Suzanne Swendiman and Steve Swendiman (the candidate) obtained a line of credit from the Bank of California in the amount of \$10,000, and then made a loan of \$7,600 from that line of credit to the Swendiman Committee. In addition, the Swendiman Committee reported that Suzanne Swendiman had also made a \$500 contribution. Complainant alleged that Suzanne Swendiman's share of the loan, when combined with her contribution, exceeded the applicable contribution limit of \$1,000 per election.

In addition, Complainant alleged that the Swendiman Committee failed to report in-kind contributions from the Shasta County (California) Board of Supervisors. Steve Swendiman was the Chairman of the Board of Supervisors at the time he ran for Congress. Complainant alleged that the Shasta County Board of

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Supervisors had paid for telephone calls by Swendiman in connection with his campaign.

On October 15, 1986, this Office received a response from the Swendiman Committee. The Swendiman Committee stated that Steve Swendiman and Suzanne Swendiman had applied for the line of credit as alleged, and made the reported loan of \$7,600, which the Committee repaid as agreed.

The facts stated in the response suggested that the transaction might have been permissible under 11 C.F.R. § 100.7(a)(1)(i)(D), which provides that where a spouse of a candidate is required to sign a loan instrument when jointly-held assets are used as collateral for a loan to the candidate's campaign, there is no contribution by the spouse, provided that the candidate's share of the jointly-held assets equals or exceeds the amount of the loan which is used for the candidate's campaign.

However, the response failed to establish several crucial facts. The response neglected to state whether Steve Swendiman and Suzanne Swendiman were married (as opposed to being related in some other way). The response also did not make clear whether the line of credit was secured by jointly-held assets or whether Suzanne Swendiman's signature was required for the line of credit application.

On February 24, 1987, the Commission found reason to believe that Suzanne Swendiman violated 2 U.S.C. § 441a(a)(1)(A). The

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Commission approved written questions for Suzanne Swendiman, to be answered in writing and under oath. At the same time, the Commission found reason to believe that the Friends of Steve Swendiman committee, and Donald C. Chapman, as treasurer, violated 2 U.S.C. § 441a(f) by knowingly accepting excessive contributions from Suzanne Swendiman. However, the Commission found no reason to believe that the Shasta County Board of Supervisors made excessive contributions to the Swendiman Committee, or that the Swendiman Committee had failed to report contributions from the Shasta County Board of Supervisors.

On March 16, 1987, this Office received Suzanne Swendiman's answers to the questions. Her responses establish that the transaction did in fact meet the requirements of 11 C.F.R. § 100.7(a)(1)(i)(D).

II. ANALYSIS

The Federal Election Campaign Act of 1971, as amended (hereinafter, "the Act") provides that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which exceed \$1,000. 2 U.S.C. § 441a(a)(1)(A).

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The Act provides that a loan may be a contribution. 2 U.S.C. § 431(8)(A). Commission regulations provide that a loan which exceeds the contribution limits of 2 U.S.C. § 441a is unlawful whether or not it is repaid. 11 C.F.R. § 100.7(a)(1)(i)(A). The aggregate amount loaned to a candidate or committee by a contributor, when added to other contributions from that individual to that candidate or committee, shall not exceed the contribution limitations set forth at 11 C.F.R. Part 110. 11 C.F.R. § 100.7(a)(1)(i)(B).

However, Commission regulations also provide that a candidate may obtain a loan on which his or her spouse's signature is required when jointly owned assets are used as collateral or security for the loan. The spouse shall not be considered a contributor to the candidate's campaign if the value of the candidate's share of the property used as collateral equals or exceeds the amount of the loan which is used for the candidate's campaign. 11 C.F.R. § 100.7(a)(1)(i)(D).

The responses submitted by the Swendiman Committee (on October 14, 1986) and by Suzanne Swendiman (on March 16, 1987), establish that the transactions were permissible under 11 C.F.R. § 100.7(a)(1)(i)(D) and that Suzanne Swendiman did not exceed the contribution limitation.

Suzanne Swendiman stated under oath that she was in fact married to Stephen C. Swendiman at the time of the transactions. She also stated that the Bank of California required her to sign

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the line of credit application because she was the wife of Stephen C. Swendiman. A copy of the line of credit application was submitted showing the signature of both spouses.

Suzanne Swendiman further stated that she and her husband were required to submit a statement of assets and liabilities to the bank to show what available property they had against which the bank could take action if they failed to repay the line of credit.<sup>2/</sup> Suzanne Swendiman also confirmed under oath that the value of the jointly-owned property was \$88,800 at the time of the transaction.<sup>3/</sup>

Suzanne Swendiman's responses make clear that the transaction did in fact meet the requirements of 11 C.F.R. § 100.7(a)(1)(i)(D). The parties involved were a candidate

<sup>2/</sup> Although the text of the regulation speaks of collateral or security for the loan, thus implying the need for a formal security agreement, the Explanation & Justification of the regulation speaks of "property used as collateral or as the basis for the loan," 48 FR 19020 (Apr. 27, 1983). This suggests that the benefit of the regulation could be obtained in cases such as the present one where the transaction was not secured by a formal security agreement.

<sup>3/</sup> California is a "community property" state. Under community property theory, each spouse has a right to one half of the property acquired during marriage. Under this theory, Stephen C. Swendiman's share of the property would be \$44,400, which exceeds the value of the loan the committee of \$7,600. Therefore, this requirement of 11 C.F.R. § 100.7(a)(1)(i)(D) is met.

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(Stephen C. Swendiman) and spouse (Suzanne Swendiman); the line of credit application required the signatures of both spouses; jointly-owned assets were the basis of the loan; and the value of the candidate's share of the property (\$44,400) exceeded the amount of the loan which was made to the candidate's campaign (\$7,600). Therefore, the loan to the Swendiman Committee did not constitute a contribution by Suzanne Swendiman. Because Suzanne Swendiman's only contribution was \$500, she was within the permissible limit of \$1,000 per election.

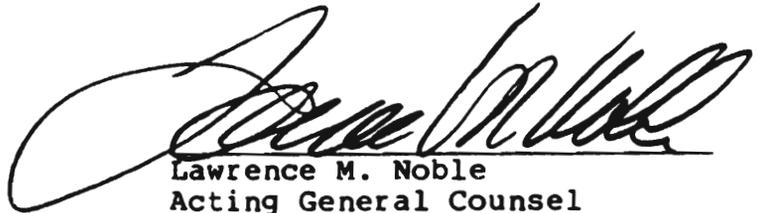
Therefore, this Office recommends that the Commission find no probable cause to believe that Suzanne Swendiman violated 2 U.S.C. § 441a(a)(1)(A).

**III. RECOMMENDATION**

1. Find no probable cause to believe that Suzanne Swendiman violated 2 U.S.C. § 441a(a)(1)(A).

Date

4/9/87

  
 Lawrence M. Noble  
 Acting General Counsel

3704052890



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 10, 1987

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Donald C. Chapman, Treasurer  
Friends of Steve Swendiman  
1194 Almond Avenue  
Redding, CA 96001

RE: MUR 2239  
Friends of Steve Swendiman,  
and Donald C. Chapman, as  
treasurer

Dear Mr. Chapman:

Based on a complaint filed with the Federal Election Commission on September 11, 1986, and information supplied by you, the Commission, on February 24, 1987, found that there was reason to believe that the Friends of Steve Swendiman Committee ("the Committee") and you, as treasurer, violated 2 U.S.C. § 441a(f), and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred. In view of this recommendation, the Office of General Counsel will make no recommendation concerning your request for pre-probable cause conciliation at this time.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

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Friends of Steve Swendiman Committee  
Page Two

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days. All requests for extension of time must be submitted in writing five days prior to the due date. Further, good cause must be shown.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Laurence E. Tobey, the attorney assigned to handle this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble  
Acting General Counsel

Enclosure  
Brief

87040552892

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Friends of Steve Swendiman, ) MUR 2239  
and Donald C. Chapman, )  
as treasurer )  
 )

GENERAL COUNSEL'S BRIEF

1. STATEMENT OF THE CASE

This matter arose on a complaint from Louis William Barnett (hereinafter, "Complainant"). Complainant alleged that reports filed with the Commission by the Friends of Steve Swendiman Committee and Donald C. Chapman, as treasurer (hereinafter, "the Swendiman Committee") showed that Suzanne Swendiman made excessive contributions to the Swendiman Committee, and that the Swendiman Committee accepted these excessive contributions.

Specifically, Complainant alleged that Suzanne Swendiman and Steve Swendiman (the candidate) obtained a line of credit from the Bank of California in the amount of \$10,000, and then made a loan of \$7,600 from that line of credit to the Swendiman Committee. In addition, the Swendiman Committee reported that Suzanne Swendiman had also made a \$500 contribution. Complainant alleged that Suzanne Swendiman's share of the loan, when combined with her contribution, exceeded the applicable contribution limit of \$1,000 per election.

In addition, Complainant alleged that the Swendiman Committee failed to report in-kind contributions from the Shasta County (California) Board of Supervisors. Steve Swendiman was the Chairman of the Board of Supervisors at the time he ran for Congress. Complainant alleged that the Shasta County Board of

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Supervisors had paid for telephone calls by Swendiman in connection with his campaign.

On October 15, 1986, this Office received a response from the Swendiman Committee. The Swendiman Committee stated that Steve Swendiman and Suzanne Swendiman had applied for the line of credit as alleged, and made the reported loan of \$7,600, which the Committee repaid as agreed.

The facts stated in the response suggested that the transaction might have been permissible under 11 C.F.R. § 100.7(a)(1)(i)(D), which provides that where a spouse of a candidate signs a loan instrument for a loan in which jointly-held assets are used as collateral for a loan to the candidate's campaign, there is no contribution by the spouse, provided that the candidate's share of the jointly-held assets equals or exceeds the amount of the loan which is used for the candidate's campaign.

However, the response failed to establish several crucial facts. The response neglected to state whether Steve Swendiman and Suzanne Swendiman were married (as opposed to being related in some other way). The response also did not make clear whether the line of credit was secured by jointly-held assets or whether Suzanne Swendiman's signature was required for the line of credit application.

On February 24, 1987, the Commission found reason to believe that Suzanne Swendiman violated 2 U.S.C. § 441a(a)(1)(A). The

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Commission approved written questions for Suzanne Swendiman, to be answered in writing and under oath. At the same time, the Commission found reason to believe that the Friends of Steve Swendiman committee, and Donald C. Chapman, as treasurer, violated 2 U.S.C. § 441a(f) by knowingly accepting excessive contributions from Suzanne Swendiman. However, the Commission found no reason to believe that the Shasta County Board of Supervisors made excessive contributions to the Swendiman Committee, or that the Swendiman Committee had failed to report contributions from the Shasta County Board of Supervisors.

On March 16, 1987, this Office received Suzanne Swendiman's answers to the questions. Her responses establish that the transaction did in fact meet the requirements of 11 C.F.R. § 100.7(a)(1)(i)(D).<sup>1/</sup>

**II. ANALYSIS**

The Federal Election Campaign Act of 1971, as amended (hereinafter, "the Act") provides that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which exceed \$1,000. 2 U.S.C. § 441a(a)(1)(A).

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The Act further provides that no candidate or political committee shall knowingly accept a contribution which violates 2 U.S.C. § 441a.

The Act also provides that a loan may be a contribution. 2 U.S.C. § 431(8)(A). Commission regulations provide that a loan which exceeds the contribution limits of 2 U.S.C. § 441a is unlawful whether or not it is repaid. 11 C.F.R.

§ 100.7(a)(1)(i)(A). The aggregate amount loaned to a candidate or committee by a contributor, when added to other contributions from that individual to that candidate or committee, shall not exceed the contribution limitations set forth at 11 C.F.R. Part 110. 11 C.F.R. § 100.7(a)(1)(i)(B).

However, Commission regulations also provide that a candidate may obtain a loan on which his or her spouse's signature is required when jointly owned assets are used as collateral or security for the loan. The spouse shall not be considered a contributor to the candidate's campaign if the value of the candidate's share of the property used as collateral equals or exceeds the amount of the loan which is used for the candidate's campaign. 11 C.F.R. § 100.7(a)(1)(i)(D).

The responses submitted by the Swendiman Committee (on October 14, 1986) and by Suzanne Swendiman (on March 16, 1987), establish that the transactions were permissible under 11 C.F.R. § 100.7(a)(1)(i)(D), that Suzanne Swendiman did not exceed the contribution limitation, and that the Swendiman Committee did not accept excessive contributions.

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Suzanne Swendiman stated under oath that she was in fact married to Stephen C. Swendiman at the time of the transactions. She also stated that the Bank of California required her to sign the line of credit application because she was the wife of Stephen C. Swendiman. A copy of the line of credit application was submitted showing the signature of both spouses.

Suzanne Swendiman further stated that she and her husband were required to submit a statement of assets and liabilities to the bank to show what available property they had against which the bank could take action if they failed to repay the line of credit.<sup>2/</sup> Suzanne Swendiman also confirmed under oath that the value of the jointly-owned property was \$88,800 at the time of the transaction.<sup>3/</sup>

2/ Although the text of the regulation speaks of collateral or security for the loan, thus implying the need for a formal security agreement, the Explanation & Justification of the regulation speaks of "property used as collateral or as the basis for the loan," 48 FR 19020 (Apr. 27, 1983). This suggests that the benefit of the regulation could be obtained in cases such as the present one where the transaction was not secured by a formal security agreement.

3/ California is a "community property" state. Under community property theory, each spouse has a right to one half of the property acquired during marriage. Under this theory, Stephen C. Swendiman's share of the property would be \$44,400, which exceeds the value of the loan the committee of \$7,600. Therefore, this requirement of 11 C.F.R. § 100.7(a)(1)(i)(D) is met.

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Suzanne Swendiman's responses make clear that the transaction did in fact meet the requirements of 11 C.F.R. § 100.7(a)(1)(i)(D). The parties involved were a candidate (Stephen C. Swendiman) and spouse (Suzanne Swendiman); the line of credit application required the signatures of both spouses; jointly-owned assets were the basis of the loan; and the value of the candidate's share of the property (\$44,400) exceeded the amount of the loan which was made to the candidate's campaign (\$7,600). Therefore, the loan to the Swendiman Committee did not constitute a contribution by Suzanne Swendiman. Because Suzanne Swendiman's only contribution was \$500, she was within the permissible limit of \$1,000 per election.

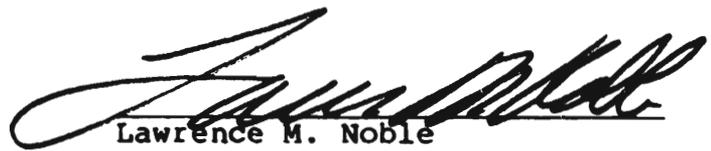
Therefore, this Office recommends that the Commission find no probable cause to believe that Suzanne Swendiman violated 2 U.S.C. § 441a(a)(1)(A). Accordingly, this Office recommends that the Commission find no probable cause to believe that the Friends of Steve Swendiman and Donald C. Chapman, as treasurer, violated 2 U.S.C. § 441a(f).

**III. RECOMMENDATION**

1. Find no probable cause to believe that the Friends of Steve Swendiman and Donald C. Chapman, as treasurer, violated 2 U.S.C. § 441a(f).

Date

4/9/87



Lawrence M. Noble  
Acting General Counsel

3704052898

**SENSITIVE**



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

April 10, 1987

97 APR 10 12:24

COMMUNICATIONS SECTION

MEMORANDUM

TO: The Commission  
FROM: Lawrence M. Noble  
Acting General Counsel  
SUBJECT: MUR #2239

Attached for the Commission's review are briefs stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. Copies of these briefs and letters notifying the respondents of the General Counsel's intent to recommend to the Commission a finding of no probable cause to believe were mailed on April 10, 1987. Following receipt of the respondents' replies to this notice, this Office will make a further report to the Commission.

Attachments

- 1-Brief
- 2-Letter to respondent

8704052899

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**SWENDIMAN**  
*Congress*

April 30, 1987

87 MAY 5 P 2: 42

RECEIVED  
OFFICE OF THE  
GENERAL COUNSEL

Mr. Tom Whitehead  
General Counsel  
Federal Election Commission  
Washington, D.C. 20463

Re: MUR 2239 - Friends of Steve Swendiman and  
Donald C. Chapman, as Treasurer

Dear Mr. Whitehead:

On April 20 I received a letter from the General Counsel's office, dated April 10, 1987. I have reviewed the General Counsel's brief and agree with the recommendation to the Commission that it find no probable cause to believe that a violation occurred. Consequently, I will not file a brief on behalf of Friends of Steve Swendiman or myself as Treasurer.

Sincerely,

*Donald C. Chapman*

Donald C. Chapman  
Treasurer

87040652900



BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE  
EXECUTIVE SESSION  
JUN 02 1987

In the Matter of )  
 )  
Friends of Steve Swendiman, and ) MUR 2239  
Donald C. Chapman, as treasurer; )  
and Suzanne Swendiman )  
 )

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GENERAL COUNSEL'S REPORT

I. BACKGROUND

On April 10, 1987, a brief was mailed to the Friends of Steve Swendiman ("the Committee") and Donald C. Chapman, as treasurer; and on April 17, 1987, a corrected brief (containing the signature of the Acting General Counsel which had inadvertently been left out of the original brief) was sent to Suzanne Swendiman. The brief to the Committee advised that this Office was recommending that the Commission find no probable cause that the Committee, and its treasurer, violated 2 U.S.C. § 441a(f) while the brief to Suzanne Swendiman advised her that this Office was recommending that there was no probable cause to believe that she violated 2 U.S.C. § 441a(a)(1)(A). Ms. Swendiman has not responded to the brief, but Mr. Chapman by letter of April 20, 1987, stated that he agreed with the recommendation.

II. LEGAL ANALYSIS

See the briefs of General Counsel of April 10, 1987 and April 17, 1987. Because there has been no reply brief from either party, but a letter of agreement has been received from the Committee, this Office is recommending that the Commission find no probable cause to believe that Suzanne Swendiman violated 2 U.S.C. § 441a(a)(1)(A) and no probable cause to believe that the Committee violated 2 U.S.C. § 441a(f).

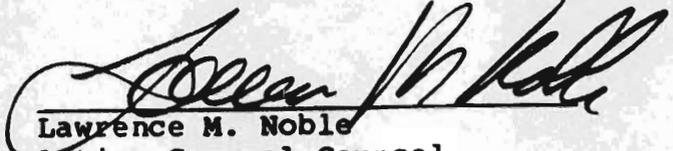
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**III. RECOMMENDATIONS**

1. Find no probable cause to believe that Suzanne Swendiman violated 2 U.S.C. § 441a(a)(1)(A);
2. Find no probable cause to believe that Friends of Steve Swendiman and Donald C. Chapman, as treasurer violated 2 U.S.C. § 441a(f).
3. Approve and send the attached letters.
4. Close the file.

Date

5/20/87

  
Lawrence M. Noble  
Acting General Counsel

**Attachments**

1. Letter from Donald C. Chapman
2. Letters to respondents (4)
3. Letter to complainant

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Attachment(s) 1, 2, 3  
to G.C. Report (5/20/87)  
have been removed from this  
position in Public Record File.  
See Index Item(s) 27,



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary  
 FROM: Office of General Counsel *Cox*  
 DATE: May 20, 1987  
 SUBJECT: MUR 2239 - General Counsel's Report

The attached is submitted as an Agenda document  
 for the Commission Meeting of Tuesday, June 2, 1987.

Open Session \_\_\_\_\_  
 Closed Session XX

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

Sensitive - circulate on  
blue paper

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Friends of Steve Swendiman, and ) MUR 2239  
Donald C. Chapman, as treasurer; )  
and Suzanne Swendiman )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of June 2, 1987, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2239:

1. Find no probable cause to believe that Suzanne Swendiman violated 2 U.S.C. § 441a(a) (1) (A).
2. Find no probable cause to believe that Friends of Steve Swendiman and Donald C. Chapman, as treasurer, violated 2 U.S.C. § 441a(f).
3. Approve and send the letters attached to the General Counsel's report dated May 20, 1987.
4. Close the file.

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

Attest:

June 3, 1987  
Date

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

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

*Talm*

June 8, 1987

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Suzanne Swendiman  
1194 Almond Avenue  
Redding, CA 96001

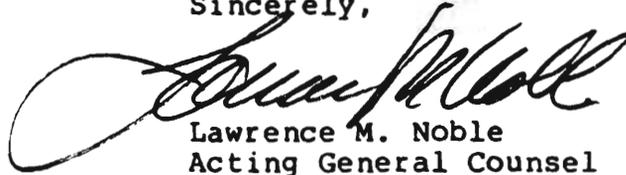
RE: MUR 2239  
Suzanne Swendiman

Dear Ms. Swendiman:

This is to advise you that on June 2, 1987, the Federal Election Commission found that there is no probable cause to believe that you violated 2 U.S.C. § 441a(a)(1)(A). Accordingly the file in this matter has been closed. This matter will become part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within 10 days. Such materials should be sent to the Office of General Counsel.

If you have any questions, contact Thomas J. Whitehead at (202) 376-8200.

Sincerely,

  
Lawrence M. Noble  
Acting General Counsel

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 8, 1987

*mm*

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Donald C. Chapman, Treasurer  
Friends of Steve Swendiman  
1194 Almond Avenue  
Redding, CA 96001

RE: MUR 2239  
Friends of Steve Swendiman  
and Donald C. Chapman, as  
treasurer

Dear Mr. Chapman:

This is to advise you that on June 2, 1987, the Federal Election Commission found that there is no probable cause to believe that the Committee and you, as treasurer, violated 2 U.S.C. § 441a(f). Accordingly the file in this matter has been closed. This matter will become part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within 10 days. Such materials should be sent to the Office of General Counsel.

If you have any questions, contact Thomas J. Whitehead at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
Acting General Counsel

cc: Steve C. Swendiman  
1194 Almond Avenue  
Redding, CA 96001

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

*File*

June 8, 1987

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**  
Shasta County Board of Supervisors  
Post Office Box 880  
Redding, CA 96099

RE: MUR 2239  
Swendiman, Stephen C.

Dear Sir/Madame:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Thomas J. Whitehead, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

*Lawrence M. Noble*  
Lawrence M. Noble  
Acting General Counsel

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

*Plan*

June 8, 1987

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Stephen C. Swendiman  
1194 Almond Avenue  
Redding, CA 96001

RE: MUR 2239  
Swendiman, Stephen C.

Dear Mr. Swendiman:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Thomas J. Whitehead, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
Acting General Counsel

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 8, 1987

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Louis William Barnett, Chairman  
National Foundation to  
Fight Political Corruption  
516 Galer Place  
Glendale, California 91206

RE: MUR 2239

Dear :

This is in reference to the complaint you filed with the Federal Election Commission on September 12, 1986, concerning Steve Swendiman, Suzanne Swendiman and The Friends of Steve Swendiman.

Based on your complaint, on February 24, 1987, the Commission found that there was reason to believe that Suzanne Swendiman violated 2 U.S.C. § 441a(a)(1)(A); that the Friends of Steve Swendiman Committee and Donald C. Chapman, as treasurer, violated 2 U.S.C. § 441a(f), provisions of the Federal Election Campaign Act of 1971, as amended; and instituted an investigation of this matter. After an investigation was conducted and the General Counsel's briefs were considered, the Commission, on 1987, found that there was no probable cause to believe that either respondent violated the Act. Accordingly, the file in this matter was closed on .

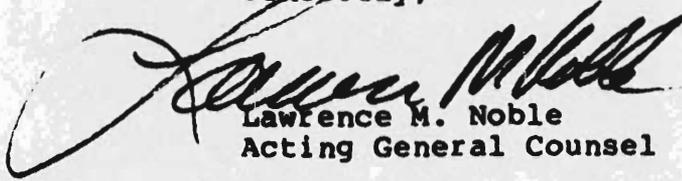
This matter will become part of the public record within 30 days. The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

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If you have any questions, please contact Thomas J. Whitehead, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble  
Acting General Counsel

Enclosure  
Final General Counsel's Report

87040552911



FEDERAL ELECTION COMMISSION  
WASHINGTON D.C. 20463

THIS IS THE BEGINNING OF MUR # 2239<sup>E</sup>  
DATE FILMED 7/29/87 CAMERA NO. 2  
CAMERAMAN A.S.

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