



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.  
WASHINGTON, D.C. 20463

THIS IS THE END OF ROR # 2273

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blue routing cards, internal memoranda, references  
to internal policies, documents pertaining to conciliation.

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

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|-------------------------------------|---|--------------------------|--|
| <input type="checkbox"/>            | (1) Classified Information                                | <input type="checkbox"/> | (6) Personal privacy                             |
| <input checked="" type="checkbox"/> | (2) Internal rules and practices                          | <input type="checkbox"/> | (7) Investigatory files                          |
| <input checked="" type="checkbox"/> | (3) Exempted by other statute                             | <input type="checkbox"/> | (8) Banking information                          |
| <input type="checkbox"/>            | (4) Trade secrets and commercial or financial information | <input type="checkbox"/> | (9) Well information (geographic or geophysical) |
| <input checked="" type="checkbox"/> | (5) Internal Documents                                    |                          |  |

Signed Lawrence E. Tolley  
date October 31, 1986

*Tolley*  
*11/6/86*

REC 9-21-77

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of  
Illinois Marine Bank, N.A.

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)  
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Pre-MUR 167

(MUR 2273)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of October 23, 1986, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in Pre-MUR 167:

1. Open a MUR.
2. Find reason to believe that the Illinois Marine Bank, N. A. violated 2 U.S.C. § 441b, but take no further action in this matter.
3. Approve and send the Factual & Legal Analysis attached to the General Counsel's report dated October 2, 1986.
4. Approve and send the letter attached to the General Counsel's report dated October 2, 1986.
5. Close the file.

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

Attest:

10-23-86

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary of the Commission

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*plm*



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 28, 1986

**CERTIFIED MAIL-RETURN RECEIPT REQUESTED**

Allen F. McGuire,  
Senior Vice President and Controller  
Illinois Marine Bank, N. A.  
105 S. York ST  
Elmhurst, IL 60126

RE: MUR 2273

Dear Mr. McGuire:

On October 23 , 1986, the Commission found reason to believe that Illinois Marine Bank, N. A. ("the Bank") violated 2 U.S.C. §441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above-referenced MUR. However, after considering the circumstances of this matter, the Commission determined to take no further action and on October 23 , 1986, closed its file as it pertains to the Bank. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding is enclosed for your information.

The file will be made part of the public record within 30 days after this matter has been closed. Should you wish to submit any materials to appear on the public record, please do so within 10 days of your receipt of this letter.

The Commission reminds you that the making of contributions by national banks in connection with any election is prohibited by 2 U.S.C. § 441b(a). You should take immediate steps to insure that this activity does not occur in the future.

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

Sincerely,

*Joan D. Aikens*  
Joan D. Aikens  
Chairman

Enclosure  
General Counsel's Factual & Legal Analysis

85040520853

**SENSITIVE**

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

RECEIVED  
OFFICE OF THE FEC  
COMMISSION SECRETARY

FIRST GENERAL COUNSEL'S REPORT 86 OCT 3 9:30

DATE AND TIME OF TRANSMITTAL  
BY OGC TO THE COMMISSION:

PRE-MUR 167  
STAFF MEMBER:  
L. Tobey

SOURCE OF MUR: INTERNALLY GENERATED

RESPONDENT'S NAME: Illinois Marine Bank, N. A.

RELEVANT STATUTE: 2 U.S.C. § 441b(a)

INTERNAL REPORTS CHECKED: Advisory Opinions 1980-7, 1981-49, and 1981-61

FEDERAL AGENCIES CHECKED: Comptroller of the Currency

**GENERATION OF MATTER**

This matter arose as a sua sponte complaint submitted by Respondent Illinois Marine Bank, N. A.

**SUMMARY OF ALLEGATIONS**

The Illinois Marine Bank, N. A. reported that it made payments to organizations involved in state and local elections in violation of the prohibition against national banks making contributions in connection with any election. See 2 U.S.C. § 441b (a).

**FACTUAL & LEGAL ANALYSIS**

A. Facts

On August 12, 1986, this Office received a sua sponte complaint from Allen F. McGuire, Senior Vice President and

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Controller of Illinois Marine Bank, N. A. (hereinafter, "the Bank"). Mr. McGuire stated that during 1985 and 1986, the Bank made payments ranging from \$20 to \$140 to seven different "political organizations" for a total of \$520. Mr. McGuire further stated that "all of these organizations deal with state or local elections." Mr. McGuire further stated that except for \$20, all of these payments were for the purchase of advertising space or tickets to a golf outing. Finally, Mr. McGuire stated that the Bank had been reimbursed for the total of \$520 by its holding company.

B. Legal Analysis

The Federal Election Campaign Act of 1971, as amended (hereinafter, "the Act") provides that it is unlawful for any national bank to make a contribution or expenditure in connection with any election to any political office. 2 U.S.C. § 441b(a). Commission regulations specifically include state and local elections within this prohibition with respect to national banks. 11 C.F.R. 114.2 (a). For purposes of Part 114, a contribution includes any direct or indirect payment, distribution, loan, advance, deposit or gift of money, or any services, or anything of value. 11 C.F.R. 114.1 (a) (1).

Illinois Marine Bank, N. A. is a "national bank" as that term is used under the National Bank Act. See 12 U.S.C. § 21 et seq. It is registered as a national bank with the Office of the

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Comptroller of the Currency of the U. S. Department of the Treasury. It is therefore a national bank within the meaning of 2 U.S.C. § 441b (a). If it is true that the Bank made payments to political organizations as reported, and if it is true that these payments meet the definition of contribution under 11 C.F.R. 114.1 (a) (1), then the Bank has violated 2 U.S.C. § 441b (a) because the prohibition against national banks making contributions extends to "any" election, and is not limited to federal elections. Respondents have acknowledged that the Bank in fact made these payments. Therefore, this Office recommends that the Commission find reason to believe that Illinois Marine Bank, N. A. violated 2 U.S.C. § 441b (a).

Respondents have also acknowledged that the Bank's holding company (unnamed in the complaint) reimbursed the Bank for its payments. The Commission has previously considered the relationship between state-chartered corporations as holding companies and national banks or federally-chartered savings and loan associations. The Commission has held that a state-chartered holding company of a national bank may make contributions to state and local political candidates provided that the funds used by the parent holding company were not funds which resulted from the operation of the federally-chartered bank. Advisory Opinion 1981-61; see also Advisory Opinion 1981-49.

In the present matter, the Bank allegedly made payments to

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state or local political organizations and was later reimbursed by the holding company. Pursuant to Advisory Opinion 1981-61, it would have been permissible for the holding company to have made the contributions directly to the state or local political organizations, provided the funds used were not derived from the operations of the Bank.

In view of the small amount of the payments, the fact that the Bank's holding company could have permissibly made contributions to state and local political organizations, and the fact that the Bank came forward and reported the violation to the Commission sua sponte, this Office recommends that the Commission take no further action in this matter and close the file.

**RECOMMENDATIONS**

1. Open a MUR.
2. Find reason to believe that the Illinois Marine Bank, N. A. violated 2 U.S.C. § 441b(a), but take no further action in this matter.
3. Approve and send the attached Factual & Legal Analysis to Respondents.
4. Approve and send the attached letter to Respondents
5. Close the file.

Charles N. Steele  
General Counsel

10/6/80  
Date

BY: Lawrence M. Noble (PH)  
Lawrence M. Noble  
Deputy General Counsel

**Attachments**

- I. Proposed Factual & Legal Analysis (1)
- II. Proposed letter to Respondents (1)

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**FEDERAL ELECTION COMMISSION  
GENERAL COUNSEL'S FACTUAL & LEGAL ANALYSIS**

MUR  
STAFF MEMBER & TELEPHONE:  
Laurence E. Tobey  
(202) 376-8200

RESPONDENT: Illinois Marine Bank, N. A.

**SUMMARY OF ALLEGATIONS**

The Illinois Marine Bank, N. A. reported that it made payments to organizations involved in state and local elections in violation of the prohibition against national banks making contributions in connection with any election. See 2 U.S.C. § 441b (a).

**FACTUAL BASIS & LEGAL ANALYSIS**

A. Facts

On August 12, 1986, this Office received a sua sponte complaint from Allen F. McGuire, Senior Vice President and Controller of Illinois Marine Bank, N. A. (hereinafter, "the Bank"). Mr. McGuire stated that during 1985 and 1986, the Bank made payments ranging from \$20 to \$140 to seven different "political organizations" for a total of \$520. Mr. McGuire further stated that "all of these organizations deal with state or local elections." Mr. McGuire further stated that except for \$20, all of these payments were for the purchase of advertising space or tickets to a golf outing. Finally, Mr. McGuire stated that the Bank had been reimbursed for the total of \$520 by its holding company.

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B. Legal Analysis

The Federal Election Campaign Act of 1971, as amended (hereinafter, "the Act") provides that it is unlawful for any national bank to make a contribution or expenditure in connection with any election to any political office. 2 U.S.C. § 441b (a). Commission regulations specifically include state and local elections within this prohibition with respect to national banks. 11 C.F.R. 114.2 (a). For purposes of Part 114, a contribution includes any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value. 11 C.F.R. 114.1 (a) (1).

Illinois Marine Bank, N. A. is a "national association", and therefore is a national bank within the meaning of 2 U.S.C. § 441b (a). If it is true that the Bank made payments to political organizations as reported, and if it is true that these payments meet the definition of contribution contained in 11 C.F.R. 114.1 (a) (1), then the Bank has violated 2 U.S.C. § 441b (a) because the prohibition against national banks making contributions extends to "any" election, and is not limited to federal elections. Respondents have acknowledged that the Bank in fact made these payments. Therefore, this Office recommends that the Commission find reason to believe that Illinois Marine Bank, N. A., violated 2 U.S.C. § 441b (a).

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

**CERTIFIED MAIL-RETURN RECEIPT REQUESTED**

Allen F. McGuire,  
Senior Vice President and Controller  
Illinois Marine Bank, N. A.  
105 S. York ST  
Elmhurst, IL 60126

RE: MUR

Dear Mr. McGuire:

On \_\_\_\_\_, 1986, the Commission found reason to believe that Illinois Marine Bank, N. A. ("the Bank") violated 2 U.S.C. §441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above-referenced MUR. However, after considering the circumstances of this matter, the Commission determined to take no further action and on \_\_\_\_\_, 1986, closed its file as it pertains to the Bank. The General Counsel's Factual and Legal Analysis, which formed a basis for the Commission's finding is enclosed for your information.

The file will be made part of the public record within 30 days after this matter has been closed. Should you wish to submit any materials to appear on the public record, please do so within 10 days of your receipt of this letter.

The Commission reminds you that the making of contributions by national banks in connection with any election is prohibited by 2 U.S.C. § 441b(a). You should take immediate steps to insure that this activity does not occur in the future.

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

Sincerely,

Joan D. Aikens  
Chairman

Enclosure

General Counsel's Factual & Legal Analysis

86040520870

**SENSITIVE**



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

**MEMORANDUM TO:** THE COMMISSION  
**FROM:** MARJORIE W. EMMONS/ Darlene Small *ls*  
**DATE:** August 14, 1986  
**SUBJECT:** Pre-MUR 167 - COMPLAINT

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The attached has been circulated for your information.

Attachment



**SENSITIVE**

FEC  
Chc 1163

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-Pre-MUR 167

**Illinois Marine Bank**  
August 5, 1986

RECEIVED  
OFFICE OF THE FEC  
COMMISSION SECRETARY  
86 AUG 14 9:50

Mr Charles Steele, General Counsel  
Federal Election Commission  
999 East Street. N.W.  
Washington, D.C 20463

Dear Mr. Steele:

It has recently come to my attention that this bank has inadvertently violated the prohibition of national banks from making political contributions.

Throughout 1985 and 1986 this bank made payments ranging from \$20.00 to \$140.00 to seven different political organizations for a total of \$520.00. All of these organizations deal with state or local elections. Except for \$20.00, all these expenditures were for the purchase of advertising space or tickets to a golf outing. Because of the nature of the expenditures, they were viewed as routine advertising or public relations expenses and thus were paid with bank funds.

At the time the expenditures were made, we were not aware that Banking Circular #137 describes these payments as political contributions.

The Office of the Controller of the Currency is aware of this matter and will be advising you directly in the near future.

As of the date of this letter, the bank has been reimbursed by its holding company for the total amount of \$520.00. The holding company is empowered to make such payments.

I apologize for this oversight and assure you that no further payments of this sort will be made by the bank.

Please let me know if any further action is required or if you have any questions.

Sincerely,

Allen F. McGuire  
Senior Vice President/Controller

86 AUG 8 P 3: 38

cc: Controller of Currency

Illinois Marine Bank N.A., Elmhurst  
Main Office • Illinois Marine Bank Plaza • 105 South York Street • Elmhurst, Illinois 60126 • 312-834-2100  
Hamilton Lakes Office • 500 Park Boulevard • Concourse Suite 185 • Itasca, Illinois 60143  
North Elmhurst Office • 121 West Second Street • Elmhurst, Illinois 60126  
Villa Park Office • 401 North Ardmore • Villa Park, Illinois 60181

Subsidiary of Illinois Marine Bancorp, Inc

86040520872

*ALM*



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 18, 1986

Illinois Marine Bank  
Attn: Allen P. McGuire  
Senior Vice President and Comptroller  
105 S. York St.  
Elmhurst, IL 60126

Re: Pre-MUR 167

Dear Mr. McGuire:

This is to acknowledge receipt of your letter dated August 5, 1986, advising us of the possibility of a violation of the Federal Election Campaign Act of 1971, as amended, by the Illinois Marine Bank. We are currently reviewing the matter and will advise you of the Commission's determination.

If you have any questions, please call Laurence Tobey, the attorney assigned to this matter, at (202) 376-8200. Our file number for this matter is Pre-MUR 167.

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

Sincerely,

Charles N. Steele  
General Counsel

By: Lawrence N. Noble  
Deputy General Counsel

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RECEIVED AT THE FEC  
GOL 1163  
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**Illinois Marine Bank**  
August 5, 1986

Mr Charles Steele, General Counsel  
Federal Election Commission  
999 East Street. N.W.  
Washington, D.C 20463

Dear Mr. Steele:

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Throughout 1985 and 1986 this bank made payments ranging from \$20.00 to \$140.00 to seven different political organizations for a total of \$520.00. All of these organizations deal with state or local elections. Except for \$20.00, all these expenditures were for the purchase of advertising space or tickets to a golf outing. Because of the nature of the expenditures, they were viewed as routine advertising or public relations expenses and thus were paid with bank funds.

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Please let me know if any further action is required or if you have any questions.

Sincerely,

Allen F. McGuire  
Senior Vice President/Controller

cc: Controller of Currency

Illinois Marine Bank N.A., Elmhurst  
Main Office • Illinois Marine Bank Plaza • 105 South York Street • Elmhurst, Illinois 60126 • 312/834-2100  
Hamilton Lakes Office • 500 Park Boulevard • Concourse Suite 185 • Itasca, Illinois 60143  
North Elmhurst Office • 121 West Second Street • Elmhurst, Illinois 60126  
Villa Park Office • 401 North Ardmore • Villa Park, Illinois 60181

Subsidiary of Illinois Marine Bancorp. Inc.

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RECEIVED  
GENERAL COUNSEL



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2273

Date Filmed 11/14/86 Camera No. --- 2

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