FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2539

DATE FILMED 9/12/89 CAMERA NO. 4

CAMERAMAN AS

9040765701

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: March 16, 1987

ANALYST: Thomas White

I. COMMITTEE: Almquist for Congress
(C00209643)
Sidney Tanner, Treasurer
408 Oliveta Place
La Canada, CA 91011

II. RELEVANT STATUTE: 2 U.S.C. §441a(f)

III. BACKGROUND:

Receipt of Apparent Excessive Contributions

Almquist for Congress's (the "Committee") 12 Day Pre-General Report showed receipt of $1,500 in excessive contributions on October 1, 1986, designated for the general election from Kent and Marion Hackman (Attachment 2). The Committee was sent a Request for Additional Information ("RFAI") on November 10, 1986 for receipt of apparent excessive contributions (Attachment 3). The RFAI noted the excessive contributions and advised the Committee to refund the excessive amount.

The Committee responded to the RFAI on November 21, 1986. The response showed the excessive contributions redesignated as primary and general election contributions (Attachment 4). A Second Notice was sent to the Committee on December 4, 1986, telling the Committee that the contributions could not be redesignated as primary contributions because they were received after the date of the primary and the Committee showed no primary debts (Attachment 5). The Committee responded to the Second Notice on December 22, 1986, by showing the excessive amounts as contributions from the Hackman's sons, Dwight and Kirk Hackman. The response noted that the Committee's fundraiser advised the Committee that "each contributor could give $2,000 per election year at any time" (Attachment 6). A Reports Analysis Division analyst called Mr. Almquist on March 10, 1987, and told him the contributions from the Hackmans could not be made in the name of their sons unless it was their sons' own money. Mr. Almquist said he would send a letter to the Commission that addressed these contributions (Attachment 14). To date, the Committee has not refunded the excessive amounts.

The Committee's 30 Day Post-General Report showed receipt of a $20,000 loan on October 16, 1986, designated for the general election, from the candidate's parents, Carl and Peggy Almquist (Attachment 7). The Committee was sent an RFAI on December 16, 1986, for receipt of an apparent excessive contribution (Attachment 8). The RFAI noted the excessive contribution and advised the Committee to refund the excessive amount.

The candidate, John Almquist, called the analyst on December 29, 1986, to ask why there was a problem with the loan (Attachment 9). Mr. Almquist said he was advised that family members were not under the same contribution limits as other individuals. The analyst informed him that only the candidate could contribute to the Committee without limit. Mr. Almquist said he wanted to correct the problem by signing over his car, a piece of property, and a lien on a personal injury suit to his parents to repay the loan. The analyst sent Mr. Almquist a copy of Advisory Opinion 1984-60 to use as a guide.

The Committee filed an amended 30 Day Post-General Report on January 6, 1987, that stated the candidate assumed the $20,000 loan and had signed over his "car, a two-half acre plot in Arizona, and a lein[sic] on a personal injury suit that had been filed two and a half years ago" (Attachment 10). The amended report also included a Schedule A that disclosed a $20,000 loan from the candidate on December 29, 1986 (Attachment 11); a Schedule C that disclosed the repayment of the loan from Carl and Peggy Almquist (Attachment 12); and a Schedule B that disclosed a loan repayment of $20,000 to Carl and Peggy Almquist on December 29, 1986 (Attachment 13).

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

FEDERAL ELECTION COMMISSION
1985-1986
CANDIDATE INDEX OF SUPPORTING DOCUMENTS - (E)

DATE 10MAR87

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/	PARTY	RECEIPTS PRIMARY	RECEIPTS GENERAL	DISBURSEMENTS PRIMARY	DISBURSEMENTS GENERAL	COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
							TYPE OF FILER		
ALMQUIST, JOHN W	HOUSE 30	REPUBLICAN PARTY			CALIFORNIA		1986 ELECTION	ID# H6CA30094	
1. STATEMENT OF CANDIDATE									
1986 STATEMENT OF CANDIDATE							4AUG86	1	86HSE/311/3500
2. PRINCIPAL CAMPAIGN COMMITTEE									
ALMQUIST FOR CONGRESS							ID #C00209643 HOUSE		
1986 STATEMENT OF ORGANIZATION							24JUL86	1	86HSE/311/3501
JULY QUARTERLY				7,683		2,273	21APR86 - 9AUG86	9	86HSE/313/1760
JULY QUARTERLY				7,653		2,273	1JAN86 - 9AUG86	8	86HSE/319/0655
REQUEST FOR ADDITIONAL INFORMATION							21APR86 - 9AUG86	2	86FEC/430/0897
REQUEST FOR ADDITIONAL INFORMATION 2ND							21APR86 - 9AUG86	3	86FEC/432/3884
OCTOBER QUARTERLY				9,833		9,486	1JAN86 -30SEP86	6	86HSE/318/3894
OCTOBER QUARTERLY	- AMENDMENT			-		-	1JAN86 -30SEP86	1	86HSE/328/0536
PRE-GENERAL				15,396		16,778	10CT86 -15OCT86	8	86HSE/319/3142
PRE-GENERAL	- AMENDMENT			15,396		16,778	10CT86 -15OCT86	7	86HSE/323/5054
PRE-GENERAL	- AMENDMENT			-		-	10CT86 -15OCT86	1	86HSE/328/0535
PRE-GENERAL	- AMENDMENT			-		-	10CT86 -15OCT86	2	86HSE/328/1433
PRE-GENERAL	- AMENDMENT			15,396		16,778	10CT86 -15OCT86	10	86HSE/328/2635
REQUEST FOR ADDITIONAL INFORMATION							10CT86 -15OCT86	3	86FEC/444/0491
REQUEST FOR ADDITIONAL INFORMATION 2ND							10CT86 -15OCT86	2	86FEC/448/1330
POST-GENERAL				37,274		42,418	16OCT86 -20NOV86	17	86HSE/326/4435
POST-GENERAL	- AMENDMENT			-			-16OCT86 -24NOV86	18	87HSE/328/3536
POST-GENERAL	- AMENDMENT			-			-16OCT86 -24NOV86	1	87HSE/328/3535
REQUEST FOR ADDITIONAL INFORMATION							16OCT86 -24NOV86	3	86FEC/451/2815
REQUEST FOR ADDITIONAL INFORMATION 2ND							16OCT86 -24NOV86	1	87FEC/453/1757
YEAR-END	- TERMINATED			400		0	24NOV86 - 1JAN87	3	87HSE/328/3554
YEAR-END	- AMENDMENT			-			-24NOV86 - 1JAN87	2	87HSE/329/4230
TOTAL			0	70,556	0	70,955		108	TOTAL PAGES

3. AUTHORIZED COMMITTEES
4. JOINT FUNDRAISING COMMITTEES AUTHORIZED BY THE CAMPAIGN

All reports have been reviewed.
Ending cash balance as reported as of January 1, 1987,is -368.
Ending cash balance as calculated by the Reports Analysis Division analyst as of January 1, 1987, is 1303.60.
The Committee's reports disclose $0 in debts as of January 1,1987; however, the correct amount of debts owed by the Committee as calculated by the Reports Analysis Division analyst is $21,500.
There are no debts owed to the Committee as of January 1, 1987.

Attachment 1

Attachment 2
1986 12 Day Pre-General Report

SCHEDULE A **ITEMIZED RECEIPTS**

(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 committee.

Name of Committee (In Full): ALMQUIST FOR CONGRESS

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Aggregate Year-to-Date $	Date (month, day, year)	Amount of Each Receipt this Period
A. KENT HACKMAN 42 WOODLYN LANE ARCADIA, CA 91010 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Occupation: [illegible]	[illegible]	2,000
B. MARION HACKMAN 42 WOODLYN LANE ARCADIA, CA 91010 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Occupation: [illegible]	[illegible]	1,500
C. ALBERT CHEN 311 E VALLEY #110 SAN GABRIEL, CA 91776 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Name of Employer: [illegible] Occupation: [illegible] Aggregate Year-to-Date $ [illegible]	10-1-86	1,000
D. AMERICAN FUTURE PAC 1200 18TH ST N.W. WASHINGTON D.C. 20036 Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer: PAC Occupation: Aggregate Year-to-Date $	[illegible]	1,000
E. SANTA FE INTERNATIONAL PAC [illegible] S FREMONT AVE ALHAMBRA, CA 91802 Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer: PAC Occupation: Aggregate Year-to-Date $	[illegible]	500
F. ALLEN CHEN 311 E VALLEY #110 SAN GABRIEL, CA 91776 Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer: [illegible] Occupation: [illegible] Aggregate Year-to-Date $ 1,000	10-1-86	1,000
G. ALBERT CHEN 311 E VALLEY #110 SAN GABRIEL Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Name of Employer: [illegible] Occupation: [illegible] Aggregate Year-to-Date $ [illegible]	10-1-86	1,000

SUBTOTAL of Receipts This Page (optional) 8,000

TOTAL This Period (last page this line number only)

3 5 0 1 3 1 1 3 1 4 4

FEDERAL ELECTION COMMISSION RQ-2
WASHINGTON, D.C. 20463

NOV 10 1986

Sidney E. Tanner, Treasurer
Almquist for Congress
11022 1/2 McGirk Avenue
El Monte, CA 91731

Identification Number: C00209643

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

Dear Mr. Tanner:

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:

-Schedule A of your report (pertinent portion attached) discloses 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.

-Please provide a total on Line 10 of the Summary Page to accurately reflect all outstanding debts and obligations owed by your committee.

86034419471

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,

Thomas R White

Thomas R. White
Reports Analyst
Reports Analysis Division

3 6 0 3 4 4 1 0 4 7 9 2

Attachment 4
1986 Amendme[illegible] Day Pre-General Report

KDULE A **ITEMIZED RECEIPTS**

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

FOR LINE NUMBER

Information copied from such Reports and 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 committee.

NAME OF COMMITTEE (in Full)

ALMQUIST FOR CONGRESS

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
A. KENT HACKMAN 45 WOODLYN LANE BRADBURY CA 91010 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Name of Employer: ALMQUIST FRIENDS 2240 BUENA VISTA LA VERNE, CA 91750 Occupation: PRESIDENT Aggregate Year-to-Date > $ 1,000	10-1-86	1,000
B. MARION HACKMAN 45 WOODLYN LANE BRADBURY, CA 91010 Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Name of Employer: HOUSEWIFE Occupation: Aggregate Year-to-Date > $ 1,000	10-1-86	1,000
C. KENT HACKMAN 45 WOODLYN LANE BRADBURY, CA. 91010 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Name of Employer: [illegible] 2240 BUENA VISTA [illegible], CA Occupation: PRESIDENT Aggregate Year-to-Date > $ 2,000	10-1-86	1,000
D. MARION HACKMAN 45 WOODLYN LANE BRADBURY CA. 91010 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Name of Employer: HOUSEWIFE Occupation: Aggregate Year-to-Date > $ 1,500	10-1-86	500
E. ALBERT CHEN 311 E. VALLEY #110 SAN GABRIEL, CA. Receipt For: ☒ Primary ☐ General ☐ Other (specify):	Name of Employer: CNC CONSTRUCTION 311 E. VALLEY SAN GABRIEL, CA. Occupation: PARTNER Aggregate Year-to-Date > $ 1,000	10-1-86	1,000
F. AMERICAN FUTURE PAC 1200 18th N.W. WASHINGTON, D.C. 20036 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Name of Employer: PAC Occupation: Aggregate Year-to-Date > $	10-1-86	1,000
G. SANTA FE INTERNATIONAL PAC 100 S. FREMONT AVE. ALHAMBRA, CA. 91802 Receipt For: ☐ Primary ☒ General ☐ Other (specify):	Name of Employer: P.A.C. Occupation: Aggregate Year-to-Date > $	10-1-86	500

SUBTOTAL of Receipts This Page (optional) ..... > 6,000

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-3

December 4, 1986

Sidney E. Tanner, Treasurer
Almquist for Congress
11022 1/2 McGirk Avenue
El Monte, CA 91731

Identification Number: C00209643

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

Dear Mr. Tanner:

On November 10, 1986 you were notified that a review of the above-referenced report(s) raised questions as to specific contributions and/or expenditures, and the reporting of certain information required by the Federal Election Campaign Act.

Your November 21, 1986 response is incomplete because you have not provided all the requested information. For this response to be considered adequate, the following information is still required.

-It appears that you have carried forward the figure from Line 23 of the Detailed Summary Page to Lines 8 and 10 of the Summary Page. Line 8 should equal Line 27 ($4,374.88). Line 10 should equal the total of all debts and obligations owed by your committee. Your report includes no Schedule C or D to disclose any such obligations. Please further amend your report to provide the correct totals on Lines 8 and 10, and provide Schedules C and/or D if necessary.

-On Schedule A supporting Line 11(a), you have redesignated several contributions from the general to the primary election. All of these redesignated contributions were received after the date of the primary. Commission regulations state that contributions made after the primary may be designated for the primary only if your committee has net debts outstanding from the primary (11 CFR 110.1 (a)(2)(i)). Your committee discloses no debts associated with the primary election; therefore, it appears these contributions are not allowable.

The Commission recommends that you refund to the donor(s) the amount in excess of the $1,000 election limitation. The Commission should be notified in

writing if a refund is necessary. The refund should be disclosed on Schedule B of your next report.

Although the Commission may take further legal steps regarding this matter, your prompt action will be taken into consideration.

If this information is not received by the Commission within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact Thomas White on our toll-free number (800) 424-9530 or our local number (202) 376-2480.

Sincerely,

John D. Gibson

John D. Gibson
Assistant Staff Director
Reports Analysis Division

8 6 0 3 4 4 9 1 3 3 1

CERTIFIED MAIL

DEC 22 1986

John William Almquist, Jr. M.D.
400 Oceana Place
La Canada, California 91011
(818) 790-0097

12-18-86

121452

RECEIVED
OFFICE OF RECORDS & REPORTS
1986 DEC 29 AM 10 08
OFFICE OF THE CLERK
U.S. HOUSE OF REPRESENTATIVES

Dear F.E.C.,

I have talked over your request with the Hackman's. have offered to make arrangements to pay back the $1,500 over a period of time. The Hackman - prefer to resubmit their $1,500 in contributions through their sons. Is this O.K.? To date, my campaign manager has spent all the funds.

My fund-raiser, Mark Wilson, was the one who told me that each contributor can give $2,000 per election year at any time. Since he is, supposedly, a professional, has worked on numerous campaigns, and belongs to associations of fund-raisers, I relied on his advice. I apologize for relying on his advice and hope that this has not inconvenienced you.

Thank you for pointing out the error. Please keep in touch with me through the address above.

Thank you.

Sincerely,

John W. Almquist

A 5 0 1 3 2 8 2 5 3 5

1986 Amendment, 12 Day Pre-General Report

SCHEDULE A **ITEMIZED RECEIPTS**

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

PAGE 1 OF 3

FOR LINE NUMBER

Any information copied from such Reports and 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 committee.

NAME OF COMMITTEE (In Full)
ALMQUIST FOR CONGRESS

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
A. KENT HACKMAN, 45 WOODLYN LANE, BRADBURY, CA. 91010 — Receipt For: [ ] Primary [X] General [ ] Other (specify):	Name of Employer: SOUTHWEST PRODUCE, 2240 BUENA VISTA, IRWINDALE, CA. 91706 — Occupation: PRESIDENT — Aggregate Year-to-Date > $ 1,000	10-1-86	1,000
B. MARKIN HACKMAN, 45 WOODLYN LANE, BRADBURY, CA. 91010 — Receipt For: [ ] Primary [X] General [ ] Other (specify):	Name of Employer: HOMEMAKER — Occupation: — Aggregate Year-to-Date > $ 1,000	10-1-86	1,000
C. DWIGHT HACKMAN, 45 WOODLYN LANE, BRADBURY, CA. 91010 — Receipt For: [ ] Primary [X] General [ ] Other (specify):	Name of Employer: STUDENT — Occupation: — Aggregate Year-to-Date > $ 1,000	12-18-86	1,000
D. KIRK HACKMAN, 45 WOODLYN LANE, BRADBURY, CA. 91010 — Receipt For: [ ] Primary [X] General [ ] Other (specify):	Name of Employer: STUDENT — Occupation: — Aggregate Year-to-Date > $ 500	12-18-86	500
E. ALBERT CHEN, 311 E. VALLEY #110, SAN GABRIEL, CA. — Receipt For: [ ] Primary [X] General [ ] Other (specify):	Name of Employer: CNC CONSTRUCTION, 311 E. VALLEY, SAN GABRIEL, CA. — Occupation: PARTNER — Aggregate Year-to-Date > $ 1,000	10-1-86	1,000
F. AMERICAN FUTURE PAC, 1200 18th N.W., WASHINGTON D.C. 20036 — Receipt For: [ ] Primary [X] General [ ] Other (specify)	Name of Employer: PAC — Occupation: — Aggregate Year-to-Date > $	10-1-86	1,000
G. SANTA FE INTERNATIONAL PAC, 100 S. FREMONT AVE, ALHAMBRA — Receipt For: [ ] Primary [X] General [ ] Other (specify)	Name of Employer: PAC — Occupation: — Aggregate Year-to-Date > $	10-1-86	500

SUBTOTAL of Receipts This Page (optional) > $ 6,000

TOTAL This Period (last page this line number only) > $

A 5 7 1 3 2 8 2 6 3 9 7

Attachment 7
1980 30 Day Post-General Report

SCHEDULE
(Period 19__)

LOANS

Name of Committee (In Full)
ALMQUIST FOR CONGRESS

A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payments To Date	Balance Outstanding at Close of This Period
CARL ALMQUIST + MICHAEL ALMQUIST 408 OLIVIA DR. SAN CLEMENTE, CA. 92672 Type: Bank ☐ Other (specify):	20,000	0	20,000
Terms: Date Incurred 12-1-80 Date Due 10-31-81 Interest Rate 12 (Year)			☐ Secured

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

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 $		

B. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payments To Date	Balance Outstanding at Close of This Period
LUCILLE McCALL 609 NOVELO Rd. ALHAMBRA Type: Bank ☐ Other (specify):	880.00	880.00	-0-
Terms: Date Incurred 10/27/80 Date Due 10-16-81 Interest Rate 10 (Year)			X Secured

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

1. Full Name, Mailing Address and ZIP Code LOUISE LEHN 11022 ½ McHERK EL MONTE, CA.	Name of Employer Occupation RETIRED 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)	20,000
TOTALS This Period (last page in this line only)	

Carry outstanding balance only to Line 7, FEC 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.

TW

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

DEC 16 1986

Sidney E. Tanner, Treasurer
Almquist for Congress
408 Oliveta Place
La Canada, CA 91011

Identification Number: C00209643

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

Dear Mr. Tanner:

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:

-Schedule C of your report (pertinent portion attached) discloses 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.

-The 30 Day Post-General Report should have coverage dates from 10/16/86 through 11/24/86. Your report only discloses activity through 11/20/86. Please amend your report to include the activity from 11/21/86 through 11/24/86.

-Columns A and B, Line 7(a) of the Summary Page should equal Columns A and B, Line 17 of the Detailed Summary Page.

-For future reports, please be advised that contributions from individuals and political committees should be itemized on separate Schedules A. Additionally, the total amount of these contributions should be reported on Line 11(a), 11(b) and Line 11(c) of the Detailed Summary Page, respectively.

-Line 16 Column A of the Detailed Summary Page should equal Line 24 of the Detailed Summary Page.

-Please provide a Schedule B to support the amount reported on Line 19(a), Column A of the Detailed Summary Page. Each loan repayment made by the committee must be itemized on a supporting Schedule B, regardless of the amount of the repayment. (11 CFR 104.3(b)(4)(iii) and (iv))

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,

Thomas R White

Thomas R. White
Reports Analyst
Reports Analysis Division

Attachment 9

MEMORANDUM FOR FILES: TELECON

SUBJECT: 30 Day Post-General Report RFAI

FROM: John Almquist, Candidate

TO: Thomas R. White, Reports Analyst

NAME OF COMMITTEE: Almquist for Congress -CA C00209643

DATE: December 29, 1986

Mr. Almquist called in reference to the $20,000 loan from his parents that was questioned as an apparent excessive contribution on the 30 Day Post-General Report. He stated that he had been advised that family members were not under the same contribution limitations as other individuals. Mr. White informed him that only the candidate may contribute, without limit, to the committee.

Mr. Almquist said he was interested in correcting the problem. He said he had a car, a piece of property and a pending personal injury suit that he wanted to sign over to his parents in order to pay back the excess amount of the loan. He stated that there was no money left in the campaign and he saw no prospect for future contributions being received. He could think of no other way he would be able to repay the excess amount.

Mr. White informed Mr. Almquist that it was necessary to refund the excessive amount of the loan. In regards to signing over his personal property to his parents in the form of a refund, Mr. White sent Mr. Almquist a copy of Advisory Opinion 1984-60 and told him to use that as a guide. Mr. Almquist was advised to call Mr. White if he had any questions after reading the Advisory Opinion.

Attachment 1b, 1986 Amendment
30 Day Post-General Report

JAN 2- 1987
CERTIFIED MAIL

808 Olivota Place
La Canada, California 91011
December 29, 1986

RECEIVED
87 JAN -6 PM 12 29

12/14/86

Mr. Thomas White
Reports Analyst
Reports Analysis Division
Federal Election Commission
Clerk of the House of Representatives
1036 Longworth House Office Building
Washington D.C. 20515

Dear Mr. White,

Again I apologize about the loan from my parents. My fund-raiser, Mark Wilson, who has worked in the business for years said this is how it was done. My campaign manager Louise Leigh said this is how it was done. My opponent in the primary told me this is how it was done, and he retained Hoffenblum, one of the largest political consultants in California. They told me that contributions and loans from immediate family does not come under the limit. I now understand that it does.

I am assuming the entire $20,000 loan. I am signing over my car, a two-half acre plot in Arizona, and a lein on a personal injury suit that had been filed two and a half years ago. This will cover the amount in question. I will read the opinion you are sending to make sure that what I am doing is in conformity with what you want.

I am sorry about the mistake. At 28, and just out of school, I was a bit naive. Running for Congress and being surrounded by people who are not looking out for your best int rest is something I don't want to go through again. If this is unsatisfactory, please tell me and we'll work something else out. I just want to finalize the whole thing as soon as possible so I can get on with my life.

Sincerely,

John W. Almquist

90020643

Attachment 1 1986 Amendment
30 Day Post-General Report

NAME OF COMMITTEE (In Full)

ALMQUIST FOR CONGRESS

A. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
JOHN ALMQUIST 408 OLIGTA PL. LA CANADA, CA.	PETER ALMQUIST 408 OLIGTA PL. LA CANADA, CA 91011 LAW CLERK / CANDIDATE	02/27/86	20,000
Receipt For: ☐ Primary ☒ General ☐ Other (specify)	Aggregate Year-to-Date > $ 24,000		
B. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Aggregate Year-to-Date > $		
C. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Aggregate Year-to-Date > $		
D. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Aggregate Year-to-Date > $		
E. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Aggregate Year-to-Date > $		
F. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Aggregate Year-to-Date > $		
G. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Aggregate Year-to-Date > $		

SUBTOTAL of Receipts This Page (optional) ..... > 20,000

TOTAL This Period (last page this line number only) ..... > 35,000

ALMQUIST FOR CONGRESS

A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payments To Date	Balance Outstanding at Close of This Period
CARL ALMQUIST + HELEN ALMQUIST 408 OLIVETA DR. LA CANADA, CA. 91011	29,000	29,000	-0-

Terms: Date Incurred 10-16-86 Date Due 10-16-86 Interest Rate 10 Secured

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

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding
JOHN ALMQUIST 408 OLIVETA DR. LA CANADA, CA. 91011	POLLY ALMQUIST LAW CLERK $ 0
Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding $
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 Payments To Date	Balance Outstanding at Close of This Period
LUCILLE PICCA 609 NOVELO Rd. ALHAMBRA	880.00	880.00	-0-

Terms: Date Incurred 11/20/86 Date Due 10-16-87 Interest Rate 10 Secured

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

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding
LOUISE LEINI 11023 McHIRK EL MONTE, CA.	RETIRED
Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding $
Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation / Amount Guaranteed Outstanding $

SUBTOTALS This Period This Page (optional) ..... -0-

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

Attachment 13 1986 Amendment
30 Day Post- General Report

Name of Committee (In Full)

ALMANZA FOR CONGRESS

Full Name, Mailing Address and ZIP Code	Purpose of Disbursement / Disbursement for: Primary / General / Other (specify)	Date (Month, Day, Year)	Amount of Each Disbursement This Period
LOUISE LEKH 4028 DEL PAK AVE. EL MONTE, CA.	EDWARD-LOUISE LEKH	11/14/86	3,000
Full Name, Mailing Address and ZIP Code: THANK-YOU LOANERS	Purpose of Disbursement: TO VOLUNTEERS	11/19/86	52 72/100
Full Name, Mailing Address and ZIP Code: ROBERT MACIAS 5524 LAFAYETTE ROSEMEAD, CA. 91770	Purpose of Disbursement: RETURN-CHECK REFUNDING	11/19/86	120 00
Full Name, Mailing Address and ZIP Code: CARLA PEACH ALMANZA 408 OLIVETTA PL. LA CANADA, CA. 91011	Purpose of Disbursement: REPAY LOAN	11/24/86	29 000
Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (Month, Day, Year)	Amount of Each Disbursement This Period
Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (Month, Day, Year)	Amount of Each Disbursement This Period
Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (Month, Day, Year)	Amount of Each Disbursement This Period
Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (Month, Day, Year)	Amount of Each Disbursement This Period
Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (Month, Day, Year)	Amount of Each Disbursement This Period

Sub-Total of Disbursements This Page (Optional) $3,172 72/100

TOTAL This Period (last page this line number only) $60,739 43/100

Attachment 14

MEMORANDUM FOR FILES: TELECON

SUBJECT: Excessive contributions from two individuals in the name of their children

FROM: Thomas White, Reports Analyst

TO: John Almquist, Candidate

NAME OF COMMITTEE: Almquist for Congress - CA (C00209643)

DATE: March 10, 1987

The analyst called Mr. Almquist to tell him that the contributions from Kent and Marion Hackman could not be made in the name of their children unless it was actually the childrens' money. He was told that until the contributions were refunded or the source of the contributions were clarified the contributions would be considered excessive. Mr. Almquist stated that he would send in a letter that took care of the excessive contributions.

EXECUTIVE SESSION
OCT 06 1987
SENSITIVE

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

87 SEP 24 AM 8:52

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

FIRST GENERAL COUNSEL'S REPORT

RAD Ref. 87L-08
STAFF MEMBER: Jonathan Levin

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

RESPONDENTS: Almquist for Congress
Sidney Tanner, as treasurer

Kent Hackman

Marion Hackman

Carl Almquist

Peggy Almquist

RELEVANT STATUTORY
AND REGULATORY SECTIONS:
2 U.S.C. § 431(8)(A)(i)
2 U.S.C. § 441a(a)(1)(A)
2 U.S.C. § 441a(f)
2 U.S.C. § 441f
11 U.S.C. § 110.1(a)(2)(i)
[presently 11 C.F.R.
§ 110.1(b)(3)(i)]
11 C.F.R. § 104.8(d)
11 C.F.R. § 110.1(k)(2)

INTERNAL REPORTS CHECKED: Public Records

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

Almquist for Congress ("the Committee") was referred by the Reports Analysis Division ("RAD") to the Office of the General Counsel for the apparent acceptance of excessive contributions from Kent and Marion Hackman and the apparent acceptance of an excessive loan from Carl and Peggy Almquist, the candidate's parents.

II. FACTUAL AND LEGAL ANALYSIS

A. The Contributions of Kent and Marion Hackman

The 1986 12 Day Pre-General Report of the Committee disclosed the receipt of a $2,000 contribution from Kent Hackman and a $1,500 contribution from Marion Hackman on October 1, 1986. In response to a Request for Additional Information (RFAI) sent by RAD on November 10, 1986, noting the possible receipt of excessive contributions, the Committee sent an amended report on November 21, 1986, showing the excessive contributions redesignated as primary and general election contributions, i.e., a $1,000 contribution for the primary and a $1,000 contribution for the general election from Kent Hackman and a $1,000 contribution for the primary and a $500 contribution for the general election from Marion Hackman.

On December 10, 1986, RAD sent another RFAI informing the Committee that 11 C.F.R. § 110.1(a)(2)(i) prohibits the redesignation of the contributions as primary contributions because they were received after the primary and the Committee had no primary debts. The Committee responded by designating all of the contributions for the general election but showing the excessive amounts as contributions from the Hackman's two sons, Dwight and Kirk.

On March 10, 1987, a Reports Analyst called the candidate and informed him that contributions from Mr. and Mrs. Hackman could not be made in the name of their sons unless the funds were those of the sons. The candidate stated that he would send a

letter addressing those contributions. On March 17, 1987, RAD sent an RFAI stating the need to refund the excessive contributions and reiterating that the Hackmans may not contribute money in the names of their sons. Two weeks later, the candidate sent a letter stating that the Hackmans had "been repaid through tax-law services [he] rendered in excess of the $1,000 owed because of Dwight Hackman's contribution."

Section 441a(a)(1)(A) of Title 2 prohibits a person from making contributions to any candidate and his authorized committees with respect to a federal election which, in the aggregate, exceed $1,000. Section 441a(f) prohibits the knowing acceptance of any contribution exceeding the limitations of 2 U.S.C. § 441a. The contributions of Kent Hackman and Marion Hackman as reported on the original 12 Day Pre-General Report appear to exceed the limitation of 2 U.S.C. § 441a(a)(1)(A). Section 110.1(a)(2)(i) of the Commission Regulations [recodified at 11 C.F.R. § 110.1(b)(3)(i)] stated that a contribution made after a primary could be designated for the primary only to the extent that the contribution does not exceed net outstanding debts from the primary. Since there were no outstanding primary debts, the contributions could not be redesignated for the primary. In addition, according to the provisions of 11 C.F.R. § 110.1, only the contributor, not the recipient committee, may

redesignate. Furthermore, because 2 U.S.C. § 441f prohibits the making and knowing acceptance of contributions in the name of another, the contributions could not be redesignated as being from the Hackman children if the funds were not those of the children.

Based on the foregoing analysis, this Office recommends that the Commission find reason to believe that Kent Hackman and Marion Hackman each violated 2 U.S.C. § 441a(a)(1)(A) and that the Committee and Mr. Tanner, as treasurer, violated 2 U.S.C. § 441a(f) in connection with the contributions from the Hackmans.

The candidate has stated that he has made a return of the apparently excessive amount contributed by Kent Hackman by rendering over $1,000 in "tax law services." This may be considered a return of Mr. Hackman's excessive contribution if viewed as an in-kind contribution by the candidate to the Committee and a return of that amount to Mr. Hackman.[1/] In order to analyze this asserted return as a mitigating factor, however, it is necessary to determine the actual value of the services. This Office, therefore, recommends that the Commission approve a request for responses to interrogatories and the production of documents to be addressed to the Hackmans and to the candidate. This request would inquire as to the hours worked, the type of

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1/ This return has not been reported because the Committee has not filed a 1987 Mid-Year Report.

services provided, the billing rate, and which contributors received the services, and would request a copy of any appropriate documentation.

B. The Loan from Carl and Peggy Almquist

The Committee's 1986 30 Day Post-General Report disclosed the receipt of a $20,000 loan on October 16, 1986, from the candidate's parents, Carl and Peggy Almquist. On December 16, 1986, RAD sent an RFAI to the Committee advising it to refund the loan.

During a phone conversation with a RAD analyst on December 29, 1986, the candidate stated that he wished to correct the problem by signing over his car, a piece of property, and a lien on a personal injury suit to his parents in order to repay the loan. The analyst sent a copy of AO 1984-60 to the candidate. This opinion refers to situations in which a candidate wishes to pay off campaign debts with funds obtained from the sale of his property to family members. In the opinion, the Commission stated that no contribution results when a candidate sells property that he or she owned prior to candidacy at the usual and normal market price regardless of whether the purchaser is a family member.[2/]

2/ The opinion is applicable with respect to the need to determine the fair market value of the assets used by the candidate to repay his parents, but, otherwise, is not directly applicable. This matter involves a candidate's use of what may be his own property, i.e., signing assets over to his parents. That opinion involves a candidate's sale of his property and the concern that a purchase might result in a contribution by the purchaser.

On January 6, 1987, the Committee filed an amended 30 Day Post-General Report with a cover letter from the candidate stating that he was "assuming the entire $20,000 loan" and that he was "signing over [his] car, a two-half acre [sic] plot in Arizona, and a lein [sic] on a personal injury suit that had been filed two and a half years ago." The report included a Schedule A disclosing a $20,000 loan from the candidate on December 29, 1986, and Schedules B and C disclosing a $20,000 loan repayment to the candidate's parents on the same date.

According to 2 U.S.C. § 431(8)(A)(i), a loan is a contribution. Therefore, the limitations of 2 U.S.C. § 441a(a)(1)(A) and 441a(f) are implicated. Although it is not clear yet as to how much should be attributed to Carl Almquist and how much should be attributed to Peggy Almquist, it appears, from the size of the loan, that a contribution in excess of $1,000 may be attributed to each parent.[3/] This Office, therefore, recommends that the Commission find reason to believe that Carl Almquist and Peggy Almquist each violated 2 U.S.C.

3/ Under 11 C.F.R. § 104.8(d), which was in effect at the time of the loan, a contribution that represents contributions by more than one person shall indicate on the written instrument or an accompanying written statement signed by all contributors the amount to be attributed to each contributor. Under 11 C.F.R. § 110.1(k)(2), which was promulgated after the loan was made, if a joint contribution does not indicate the amount attributable to each contributor, the contribution shall be attributed equally to each contributor. Under the application of either of these regulatory sections, however, the appropriate sources for determining the proper attribution for this joint contribution are the contribution instruments themselves, not the entry in the Committee's reports. Therefore, this Office is not assuming a $10,000 contribution from each parent.

§ 441a(a)(1)(A) and that the Committee violated 2 U.S.C. § 441a(f) in connection with the loan from the Almquists.

The candidate has referred to his efforts to have the $20,000 loan repaid to his parents by signing over assets to them. This attempt to return the contribution does not negate the allegation that a violation occurred but may be a mitigating circumstance. In order to analyze these transactions as a mitigating circumstance, however, this Office needs to inquire as to the types of transactions in which the assets were signed over, the value of the assets signed over, whether the candidate was the sole owner of the assets (to determine whether $20,000 of value to the candidate himself was signed over), and any property rights retained by the candidate (to determine whether these were bona fide transactions). In addition, this Office needs to obtain documents pertaining to the transactions in which assets were signed over. Therefore, this Office recommends the approval of a request for responses to interrogatories and the production of documents to Carl and Peggy Almquist and the approval of further interrogatories and requests to accompany the aforementioned proposed request to be sent to the candidate.

III. RECOMMENDATIONS

1. Find reason to believe that Kent Hackman violated 2 U.S.C. § 441a(a)(1)(A).

2. Find reason to believe that Marion Hackman violated 2 U.S.C. § 441a(a)(1)(A).

3. Find reason to believe that Carl Almquist violated 2 U.S.C. § 441a(a)(1)(A).

4. Find reason to believe that Peggy Almquist violated 2 U.S.C. § 441a(a)(1)(A).

5. Find reason to believe that Almquist for Congress and Sidney Tanner, as treasurer, violated 2 U.S.C. § 441a(f).

6. Approve the attached letters, factual and legal analyses, and questions.

9/23/87
Date

Lawrence M. Noble
Acting General Counsel

Attachments
1. Referral from RAD
2. Letter and factual and legal analysis to be sent to the Committee
3. Letter, factual and legal analyses, and interrogatories to be sent to Kent and Marion Hackman
4. Letter, factual and legal analyses, and interrogatories to be sent to Carl and Peggy Almquist
5. Letter and interrogatories to be sent to the candidate

9 0 4 0 7 6 1 7 2 9

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
ACTING GENERAL COUNSEL

FROM: MARJORIE W. EMMONS /SUSAN GREENLEE S.G

DATE: SEPTEMBER 28, 1987

SUBJECT: OBJECTION TO RAD Ref. 87L-08: First General Counsel Report signed Sept. 23, 1987

The above-captioned document was circulated to the Commission on Thursday, September 24, 1987 at 4:00 P.M.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens _____

Commissioner Elliott _____

Commissioner Josefiak _____

Commissioner McDonald ___X___

Commissioner McGarry _____

Commissioner Thomas _____

This matter will be placed on the Executive Session agenda for October 6, 1987.

Please notify us who will represent your Division before the Commission on this matter.

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
87 OCT -1 PM 2:44

October 1, 1987

MEMORANDUM

TO: Marjorie W. Emmons
Commission Secretary

FROM: Danny L. McDonald
Commissioner

RE: Withdrawal of objection in RAD Referral 87L-08

Please withdraw my objection in RAD Referral 87L-08 and cast my vote in the affirmative.

2 2 0 4 0 7 9 7 3 1

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	RAD Ref. 87L-08 (MUR 2539)
Almquist for Congress	)	
Sidney Tanner, as treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 1, 1987, the Commission decided by a vote of 5-0 to take the following actions in RAD Ref. 87L-08:

1. Find reason to believe that Kent Hackman violated 2 U.S.C. § 441a(a)(1)(A).

2. Find reason to believe that Marion Hackman violated 2 U.S.C. § 441a(a)(1)(A).

3. Find reason to believe that Carl Almquist violated 2 U.S.C. § 441a(a)(1)(A).

4. Find reason to believe that Peggy Almquist violated 2 U.S.C. § 441a(a)(1)(A).

5. Find reason to believe that Almquist for Congress and Sidney Tanner, as treasurer, violated 2 U.S.C. § 441a(f).

(continued)

6. Approve the letters, factual and legal analyses, and questions, as recommended in the First General Counsel's report signed September 23, 1987.

Commissioners Elliott, Josefiak, McDonald, McGarry, and and Thomas voted affirmatively for the decision; Commissioner Aikens did not cast a vote.

Attest:

10-1-87
Date

Mary W. Dove for
Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary:	Thurs.,	9-24-87,	8:52
Circulated on 48 hour tally basis:	Thurs.,	9-24-87,	4:00
Deadline for vote:	Mon.,	9-28-87,	4:00

Objection was place on agenda for 10/6/87
Objection withdrawn 10/1/87

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

8 October 1987

John Almquist
408 Oliveta Place
La Canada, CA 91011

RE: MUR 2539

Dear Mr. Almquist:

On October 1, 1987, the Federal Election Commission found that there is reason to believe that your principal campaign committee, Almquist for Congress, and Sidney Tanner, as treasurer, violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the acceptance of apparently excessive contributions from Kent and Marion Hackman and Carl and Peggy Almquist. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is being sent to Mr. Tanner.

As part of an investigation in this matter, the Commission has enclosed Interrogatories and a Request for the Production of Documents. All statements and responses should be submitted under oath. The Commission does not consider you a respondent in this matter, but rather a witness only.

Because this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

If you have any questions, please contact Maura White Callaway, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Interrogatories and Request for Production of Documents

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

16 October 1987

Carl and Peggy Almquist
408 Oliveta Place
La Canada, CA 91011

RE: MUR 2539
Carl Almquist
Peggy Almquist

Dear Mr. and Mrs. Almquist:

On October 1, 1987, the Federal Election Commission found that there is reason to believe that each of you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analyses, which formed a basis for the Commission's findings, are attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office, along with answers to the enclosed questions, within 15 days of your receipt of this letter. Statements should be submitted under oath.

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

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the 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 the 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, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondents.

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 the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Maura White Callaway, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Scott E. Thomas
Chairman

Enclosures
Factual and Legal Analyses
Interrogatories and Request for Production of Documents
Procedures
Designation of Counsel Form

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

16 October 1987

Kent and Marion Hackman
45 Woodlyn Lane
Bradbury, CA 91010

RE: MUR 2539
Kent Hackman
Marion Hackman

Dear Mr. and Mrs. Hackman:

On October 1, 1987, the Federal Election Commission found that there is reason to believe that each of you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analyses, which formed a basis for the Commission's finding, are attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office, along with answers to the enclosed questions, within 15 days of your receipt of this letter. Statements should be submitted under oath.

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Maura White Callaway, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Scott E. Thomas
Chairman

Enclosures
Factual and Legal Analyses
Interrogatories and Request for Production of Documents
Procedures
Designation of Counsel Form

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

16 October 1987

Sidney Tanner, Treasurer
Almquist for Congress
408 Oliveta Place
La Canada, CA 91011

RE: MUR 2539
Almquist for Congress
Sidney Tanner, as
treasurer

Dear Mr. Tanner:

On October 1, 1987, the Federal Election Commission found that there is reason to believe that Almquist for Congress ("the Committee") and you, as treasurer, violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office, within 15 days of your receipt of this letter. Statements should be submitted under oath.

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

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the 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 the 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, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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Sincerely,

Scott E. Thomas
Chairman

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form

2 2 0 4 0 7 6 1 7 4 0

JOHN ALMQUIST
4538 NIPOMO
LAKEWOOD CA 90713 27AM

Western Union Mailgram

4-0102528300 10/27/87 ICS IPMRNCZ CSP WHSB
2134212891 MGMB TDRN LAKEWOOD CA 64 10-27 1144A EST

GCC#4647
MUR2539

MAURA WHITE CALLAWAY, OFFICE OF GENERAL
COUNSEL, FEDERAL ELECTION COMMISSION
999 E ST NORTHWEST ROOM 659
WASHINGTON DC 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 OCT 28 AM 10:06

DEAR MRS CALLAWAY:

AS PER OUR PHONE CONVERSATION I ONLY RECEIVED THE INTERROGATORIES ON OCTOBER 24TH SINCE I HAVE MOVED TO LAKEWOOD WITH MY WIFE, I WILL NEED A 20 DAY EXTENSION IN ORDER TO GATHER THE MATERIAL THAT YOU ARE ASKING FOR.
JOHN ALMQUIST

11:41 EST

MGMCOMP

5241 (R 7/82)

TO REPLY BY MAILGRAM MESSAGE, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

CARL AND PEGGY ALMQUIST
408 OLIVETA PL
LA CANADA CA 91011 27AM

Western Union Mailgram

GCC#4646

4-0076535300 10/27/87 ICS IPMMTZZ CSP WHSB
8187904607 MGMS TDMT LA CANADA CA 86 10-27 1053A EST

MAURA WHITE CALLAYA
OFFICE OF GENERAL COUNSEL
FEDERAL ELECTION COMMISSION
999 E ST NORTHWEST ROOM 659
WASHINGTON DC 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 OCT 28 AM 10:06

DEAR MS CALLAYA

IN THE MATTER OF MUR2539, CARL AND PEGGY ALMQUIST 408 OLIVETA PLACE LA CANADA CALIFORNIA 91011, IN THE MATTER OF INTERROGATORIES, MAY WE HAVE AN EXTENSION OF 20 DAYS TO ANSWER AS WE DID NOT RECEIVE THE LETTER UNTIL FRIDAY OCTOBER 23. WE NEED TO SEEK LEGAL OR OTHER ADVICE. PLEASE RESPOND.

SINCERELY
CARL AND PEGGY ALMQUIST
408 OLIVETA PL
LA CANADA CA 91011

10:51 EST

MGMCOMP

5241 (R 7/82)

TO REPLY BY MAILGRAM MESSAGE, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

PEGGY ALMQUIST
465 EAST UNION ST SUITE 102
PASADENA CA 91101 27AM

Western Union Mailgram

GCC# 4647

4-018721S300 10/27/87 ICS IPMRNCZ CSP WHSB
8187925825 MGMB TDRN PASADENA CA 60 10-27 0208P EST

MAURA WHITE CALLAWAY, OFFICE OF GENERAL
COUNCTL FEDERAL ELECTION COMMISSION
RM 659, 999 E ST NORTH WEST
WASHINGTON DC 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 OCT 28 AM 10: 06

DEAR MS CALLAWAY
IN RE: SIDNEY TANNER, MUR: 2539

IN REFERENCE TO THE INTERROGATORIES I WILL NEED 20 DAYS EXTENSION IN THIS MATTER IN ORDER TO HAVE LEGAL ADVICE. IS THIS A CRIMINAL OR CIVIL MATTER? PLEASE CONFIRM.
SID TANNER

14:05 EST

MGMCOMP

8 0 4 0 3 6 0 7 0 4

5241 (R 7/82)

TO REPLY BY MAILGRAM MESSAGE, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

MUR # 4666

SIDNEY E. TANNER
CERTIFIED PUBLIC ACCOUNTANT
434 WEST COLORADO, SUITE 101
GLENDALE, CALIF. 91204

(818) 241-2124

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT
87 OCT 27 PM 4:06

October 24, 1987

Federal Election Commission
Washington, D C 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 OCT 28 PM 4:11

Gentlemen,

I received your letter today from the candidate John Alquist. At this time I am neither denying nor admitting these charges as I am not in a position to do so without obtaining stored records by the candidate. He advised me that he would answer the charges.

I had two Hospital stays in 1986 which invalidated most of my effectiveness in controlling fund raising. I was paid nothing for my services. I was in the Hospital July 25, 1986 for a Resection, and was unable to do anything substantial for a month. Then I learned of a Prostate Problem and had many tests and was finally operated on November 3, 1986. I was in the Hospital until November 9th. I was required to lay flat at home for 10 days and was unable to perform any substantial work for another 30 days. I am submitting documents to verify this information.

9 3 0 9 0 7 6 1 7 4 4

I would appreciate it if you would advise me as to what possible penalties I face. I do not intend to ever be a free or paid committee ~~chairman~~ again. I can't afford the financial or mental strain.

Sincerely
Sidney E Tanner

0 0 0 0 2 0 7 6 3 7 4 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

16 October 1987

Sidney Tanner, Treasurer
Almquist for Congress
408 Oliveta Place
La Canada, CA 91011

RE: MUR 2539
Almquist for Congress
Sidney Tanner, as
treasurer

Dear Mr. Tanner:

On October 1, 1987, the Federal Election Commission found that there is reason to believe that Almquist for Congress ("the Committee") and you, as treasurer, violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office, within 15 days of your receipt of this letter. Statements should be submitted under oath.

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

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the 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 the 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, the Commission will not entertain requests for pre-probable cause conciliation 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 the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Maura White Callaway, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Scott E. Thomas
Chairman

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form

TYPE OF BILL	DATE OF BILL	DATE OF PREV BILL
FINAL	11/11/86	

Verdugo Hills Hospital

1812 Verdugo Boulevard
P.O. Box 1431
Glendale, CA 91209
(818) 790-7100

PAGE NO
5

HOSP NO
331

PATIENT NAME	PATIENT NUMBER	SEX	AGE	ADMISSION DATE	DISCHARGE DATE	DAYS
TANNER, SIDNEY E	864254-8	M	61	11/03/86	11/09/86	6

GUARANTOR NAME AND ADDRESS	COB	INSURANCE COMPANY NAME	GROUP NUMBER	POLICY NUMBER
TANNER, SIDNEY E 1411 HILLSIDE DR GLENDALE CA 91208	1701	BLUE CROSS	528	363255
		VALVO, CARLTON F		

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT.

AMOUNT OF PAYMENT	$

DATE OF SERVICE	DESCRIPTION OF HOSPITAL SERVICES	SERVICE CODE	TOTAL CHARGES	EST COVERAGE INS CO NO 1	EST COVERAGE INS CO NO 2	EST COVERAGE INS CO NO 3	PATIENT AMOUNT
	SUMMARY OF CHARGES						
	3080 SEMI PRIVATE 3080		1980.00				
	4110 ECG 4110		60.50				
	4140 RADIOLOGY 4140		92.00				
	4060 LAB CLINICAL 4060		515.90				
	4170 PHARMACY 4170		1247.91				
	4050 CENTRAL SERV 4050		511.00				
	4171 TAKE HOME RX 4171		11.00				
	4020 SURGERY/RCVY 4020		679.05				
	4040 ANESTHESIA 4040		26.50				
	4070 LAB PATH 4070		51.00				
	SUB TOTAL OF CHARGES		5174.86				
	TOTALS		5174.86				

IN-PATIENT BILLING
DIRECT LINE 818-952-2218
9:00 A.M. TO 4:00 P.M.

ALL EMERGENCY ROOM PHYSICIANS, RADIOLOGISTS CARDIOLOGISTS AND PATHOLOGISTS BILL SEPARATELY FOR THEIR PROFESSIONAL SERVICES

HOSPITAL HOLDS ASSIGNMENT FOR THIS CLAIM

PATIENT NUMBER	PLEASE REFER TO PATIENT NUMBER ON ALL INQUIRIES AND CORRESPONDENCE
864254-8	

ADDITIONAL PATIENT BILLING MAY BE NECESSARY FOR ANY CHARGES NOT POSTED WHEN THIS BILL WAS PREPARED OR IF INSURANCE CARRIERS DO NOT PAY ANY PART OF THE AMOUNTS SHOWN UNDER ESTIMATED INSURANCE COVERAGE

0001833

Blue Cross
of California

P.O. Box 70000
Van Nuys, California 91470

TANNER, S E
1411 HILLSIDE DR
GLENDALE, CA 91208

Dear Member:

When payment of your claim goes directly to a hospital, or when you authorize us to pay the provider of care directly, we provide you with this record of how your claim has been handled.

Also, if your coverage states that certain benefits are payable only after a deductible has been satisfied, we want you to have a record of the expenses which have been applied toward these deductibles.

We hope this information is helpful and meets with your understanding of your Blue Cross coverage.

EXPLANATION OF BENEFITS (EOB)

FOR ASSISTANCE CALL OR WRITE THE OFFICE NEAREST YOU.
FOR ADDITIONAL INFORMATION SEE REVERSE SIDE.

ISSUE DATE	SERVICE YEAR	REFERENCE NO	CERTIFICATE NO	PROVIDER(S) OF SERVICE
08-13-86	1986	86216-60-5105	528-36-3255	VERDUGO HILLS HOSP
PATIENT NAME			GROUP NO	
TANNER, SIDNEY E			1083EC	

STATEMENT OF CHARGES				BENEFITS PAID				SUBSCRIBER'S RESPONSIBILITY				
								MAJOR MEDICAL		NON-ELIGIBLE		
TYPE OF SERVICE	DATES	DAYS	BILLED CHARGES	BASIC PLAN	CODE	MAJOR MEDICAL PLAN	TOTAL PAID	APPLD. TO DEDUCT	PORTION YOU PAY	CHARGES	CODE	TOTAL NOT PAID
BILLED CHARGES	07-25		2,067.35									
MAJOR MEDICAL						1474.10	1,474.10					
								593.25				593.25
						1474.10		593.25				

TOTAL BILLED CHARGES ▶ 2,067.35 TOTAL OF BENEFITS PAID ▶ 1,474.10 TOTAL SUBSCRIBER'S RESPONSIBILITY ▶ 593.25

THIS AMOUNT IS NOT PAYABLE TO BLUE CROSS

EXPLANATION OF CODES AND NOTES:
MEMBER DEDUCTIBLE YEAR TO DATE $ 1000.00 FAMILY DEDUCTIBLE YEAR TO DATE $ 0.00
DEDUCTIBLES SATISFIED YEAR TO DATE 0
THIS MEMBER'S MAJOR MEDICAL DEDUCTIBLE IS NOW SATISFIED FOR THIS YEAR.
BENEFIT PAYMENT WAS MADE DIRECTLY TO VERDUGO HILLS HOSP

We suggest that you retain this copy for your income tax records.

plm

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

03 November 1987

Carl and Peggy Almquist
408 Oliveta Place
La Canada, CA 91011

RE: MUR 2539
Carl Almquist
Peggy Almquist

Dear Mr. and Mrs. Almquist:

This is in response to your mailgram dated October 27, 1987, which we received on October 28, 1987, requesting an extension of 20 days to respond to the Commission's interrogatories and request for documents. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on November 27, 1987.

If you have any questions, please contact Maura White Callaway, the staff member assigned to this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

03 November 1987

Sidney Tanner, Treasurer
Almquist for Congress
408 Oliveta Place
La Canada, CA 91011

RE: MUR 2539
Almquist for Congress;
Sidney Tanner, as treasurer

Dear Mr. Tanner:

This is in response to your mailgram dated October 27, 1987, which we received on October 28, 1987, requesting an extension of 20 days to respond to the Commission's reason to believe finding in the above-captioned matter. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on November 27, 1987.

In response to your inquiry as to whether this matter involves a civil or criminal violation, please be advised that the Commission's reason to believe finding against the Almquist for Congress Committee and you, as treasurer, reflects a civil violation of law.

If you have any questions, please contact Maura White Callaway, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

return

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

03 November 1987

John Almquist
4538 Nipomo
Lakewood, CA 90713

RE: MUR 2539

Dear Mr. Almquist:

This is in response to your mailgram dated October 27, 1987, which we received on October 28, 1987, requesting an extension of 20 days to respond to the Commission's interrogatories and request for documents. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on November 30, 1987.

If you have any questions, please contact Maura White Callaway, the staff member assigned to this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

2 0 0 7 0 6 7 5 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Sidney Tanner, Treasurer
Almquist for Congress
408 Oliveta Place
La Canada, CA 91011

RE: MUR 2539
Almquist for Congress;
Sidney Tanner, as treasurer

Dear Mr. Tanner:

This is in response to your mailgram dated October 27, 1987, which we received on October 28, 1987, requesting an extension of 20 days to respond to the Commission's reason to believe finding in the above-captioned matter. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on November 27, 1987.

In response to your inquiry as to whether this matter involves a civil or criminal violation, please be advised that the Commission's reason to believe finding against the Almquist for Congress Committee and you, as treasurer, reflects a civil violation of law.

If you have any questions, please contact Maura White Callaway, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

COM#4764
RECEIVED
FEDERAL ELECTION COMMISSION
MOR 2539
87 NOV 16 AM 8:53

DECLARATION OF JOHN WILLIAM ALMQUIST

I, JOHN WILLIAM ALMQUIST, am informed and believe that the following statements are true and correct.

1. I ran for Congress in 1986 in the 30th District against MATTHEW MARTINEZ.

2. I had no background in federal election laws; I depend for advice on those persons who were alleged to be experienced politically and were not. Sid Tanner was an accountant who worked for me free, just as a friend, he did not know the election law.

3. KENT HACKMAN, owner of SOUTHWEST PRODUCTS, 2440 Buena Vista, Irwindale, California, does not know the election laws. He owns a manufacturing firm and believed in my tax and trade policies.

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 NOV 16 AM 11:49

4. MARK WILSON, P.O.BOX 139, Glendale, California 91209 (or 1502 Maple #C, Glendale, California 91205), was an experienced political consultant from Washington D.C. and a fund-raiser.

4. By Mid-October, 1986, due to money shortages, my campaign was bankrupt. MARK WILSON had raised money from KENT HACKMAN prior to this. As a consequence, I decided to go see KENT HACKMAN, and my mail consultant, MORRIS FOX of FOX COMMUNICATIONS, 1741 W. Torrance Boulevard, Torrance, California, also went. I was going to try and get the names of twenty people who could give $1,000 each for a proposed mailer that we hoped to send out through MORRIS FOX of FOX COMMUNICATIONS. MR. FOX and MR. HACKMAN and I held a conversation. I left the room for a period. MR. HACKMAN came out alone and accompanied me to another office. ~~MR. HACKMAN~~

9 9 0 4 0 7 6 3 7 5 4

MR. HACKMAN gave me a $20,000 note to sign, on which I was personally liable; said note was to be paid off in money or services at 8% a year interest. I have since paid off the note in services. (see attachment A). The transaction occured so quickly that I did not have tim e to seek a second opinion. I declare that I never saw the check, which was paid to MR. FOX, I assume. I received no copy of the loan which is in the possession of KENT HACKMAN.

5. At that point, I believed that a loan was not a contribution. I did not know the election laws. I discussed having the note co-signed by either or both of my parents, CARL AND PEGGY ALMQUIST. CARL ALMQUIST also called around to see if he could get a $20,000 loan to pay off Mr. Hackman but was unable to. When the time arrived for me to report to the F.E.C. I felt obligated to report that the Mailer did go out on my behalf.

6. Several issues came up. The campaign was over. MR. HACKMAN'S business depends on government (defense) contracts. N.C. Martinez has a reputation of retaliating against people in his district who back Republicans. This happened most recently in the Montebello City Mayor's race where Martinez put his full backing against the mayor of Montebello because he supported me in 1986. I did not want Hackman to lose his defense contracts and his company over one small election. Martinez as a Congressman could dry up Hackman's defense contracts. In addition MARK WILSON, our fundraiser was being paid $2,000 a month and a 20% commission on all contributions received plus a rental car. We did not want to argue with him

9 9 0 4 0 7 6 3 7 5 5

on the issue of whether a loan constitued a contribution on which he was owed a commission. I was tired of fighting with him. We did not owe him a commission on loans but he could make life very difficult if you didn't. At this point it was thought that putting the "loan" in my parents name would solve our problems.

7. MARK WILSON stated that under the F.E.C. law each person could give $2,000 per election, no matter when given, and can attribute $1,000 to the Primary and $1,000 to the general election no matter when given. I relied on his advice, assuming that he knew the law based on his professional experience.

8. By the time the F.E.C. asked me about the loan, the elction was over. I never received a penny for my work; I just walked door to door trying to win. I had to work off that loan to HACKMAN, which anyone would resent having to do it alone, I did not want anymore harassing midnight calls from Mark Wilson and although I did resent having to work off the loan I did not want HACKMAN to lose his business because of Martinez trying up defence contracts to it. When your letters came I wanted the nightmare to end of a tough, underfunded, constant in-fighting campaign. I sent those letters to you on asset-transfer to my parents as a way to finish everything. I now know it was wrong. I should have gone into the campaign knowing the F.E.C. law, and worried less about HACKMAN losing his business, and WILSON harassing me every night. Everyone else walked away from the campaign. I was an indentured servant to

3 3 0 4 0 7 6 3 7 5 6

HACKMAN until I paid off the loan, which I did. All the "informed" people of the Party gave me no help. After that election year I had no money to show for my time and the burden of working off the loan. After I worked off HACKMAN'S loan, he fired me.

9. The people who had worked on my campaign from the local Republican Party were backing another candidate for 1988 and just were using my campaign as a base for 1988.

10. I was 27 years old when I won the Primary; I was 28 years old when I lost the General Election. I have worked for causes all my life; I was too busy walking precincts to worry about election laws as much as I should have--apparently few people are conversant with them. I fought for job creation, unions, saving certain social programs, particularly social security, (which got me into a little trouble with the party) and a strong defense. I assumed my campaign people were doing their jobs.

11. I was very depressed after the campaign was over and I had lost. I was thinking of going into therapy. I had no one to advise me and I did the best that I could. Whatever I did, I did without intent to harm, but only to help. It was never my intention to break any laws, let alone election laws.

12. I did the best that I could, and at this point I would like to have you consider PRE-PROBABLE CAUSE CONCILIATION for me.

I declare under penalty of perjury, and under the laws of the State of CALIFORNIA that the above is true and

8 9 0 4 0 7 6 5 7 5 7

correct, and that which I do not know of my own knowledge, I declare upon information and belief to be true.

Executed on 11-12-87 at Long Beach, California

John William Almquist

JOHN WILLIAM ALMQUIST

STATE of CALIFORNIA)
COUNTY OF LOS ANGELES)

On this 12th day of NOVEMBER in the year 1987, before me, the undersigned, a notary Public in and for said State personally appeared JOHN WILLIAM ALMQUIST

_____ personally known to me;
XX proved to me on satisfactory evidence to be the person whose name is subscribed to within the instrument, and acknowledged to me that he executed it.

WITNESS my hand and official Seal.

Angela Bybee

NOTARY PUBLIC IN AND FOR SAID STATE
ANGELA T. BYBEE

OFFICIAL SEAL
ANGELA T. BYBEE
Notary Public California
Principal Office in
Los Angeles County
My Comm. Exp. May 15, 1990

8 9 0 0 4 0 7 6 3 7 5 8

HACKMAN REPAYMENT OF LOAN

SOUTHWEST PRODUCTS CO.
P.O. BOX 1028 MONROVIA, CA. 91016

Pay Statement

Co. Code	Department	File No.	Clock No./ID.	Name	Pay Period	Pay Date
6EY	005	1831		ALMQUIST, JOHN W	ENDING 030687	030987

Hours/Units	Rate	Earnings	Type	Deduction	Type	Deduction	Type
	69231	59712 REG		23077 LOAN			

	Gross	Fed. With. Tax	Social Security	State With. Tax	City With. Tax	Sui/Dis	Net Pay
This Pay	59712	8967	4269	3129		717	19563
YTD	336636	62043	24069	19941		4541	

SOUTHWEST PRODUCTS CO.

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

DATE	DESCRIPTION	AMOUNT	DISCOUNT %	DISCOUNT AMOUNT	OTHER DEDUCTIONS FOR	OTHER DEDUCTIONS AMOUNT	NET AMOUNT
2-13-87	W/E 2-06-87	692.31			692.31		
	FICA	49.50		49.50			
	FIT	132.69		50.00			
	SDI	8.31		8.31			
	DUE CO	230.77		100.00			
	SII	42.03		15.00			
	NET PAY	229.01		223.81	223.81		
		229.01			396.50		
		458.02					

458.02

vi. Follow-up letters and phone calls to the Congressmen at the Convention and to the members of the California Republican Congressional Delegation who were not present.
Charge: $3,000

vii. Cash payments to primary lender out of paycheck:
236 Feb. Week 1
236 Feb. Week 2
236 Feb. Week 3
236 Feb. Week 4
236 Feb. Week 5
Charge: 1,180

vii. Total Repayment to Date:

$21,680----Loan repaid and Dwight Hackman reimbursed, In -Full

viiii. Services rendered to Hackman's company, a defense contracting and spherical bearing manufacturer, SouthWest Products, Irwindale, California

8 9 0 4 0 7 6 5 7 6 0

Repayment to primary lender [illegible]

i. Representative before department of defense Defense Logistics Agency, Defense Contract Administrative Services to lobby for more lenient delivery schedules for primary lender's defense contracting business. He was trying to avoid penalties which we did.

Charge: $1,000

ii. Same (January)
Charge: $1,000

iii. Tax Advice for acquisition of a competing firm, the tax implications of a merger under Internal Revenue Code Section 338 and the options of securities, a combination of securities and bonds or a limited partnership to buy the targeted company.
Charge: $1,000

iv. Preparation of a legal memo to sue a competing Japanese firm under Anti-Trust laws for dumping their products on the American market for less than their cost. Also listed remedies under the General Agreement on Trade and Tariffs. (60 hours x $150 an hour) Charge $9,000, (Memo Enclosed)

v. Representation before the Defense Logistics Agency (February) Charge: $500

vi. Lobbying Congressmen and U.S. Senator Wilson for trade sanctions and legislation intended to protect primary lender's spherical bearing industry from Japanese competition. (Occured at Republican Convention-Sacramento late February)
Charge: $5,000

MEMO

TO: ALL

FROM: JOHN ALMQUIST

RE: NIPPON BEARING-DUMPING CASE

INTRODUCTION

This is a tough area of the law where most of the useful statutes can only be invoked by the President under the General Agreement on Trade and Tariffs, GATT. The remedies under GATT are sufficient, but the present administration has not seen fit to enforce them. By and large, private parties can sue under a number of statutes that have their roots and are generally based on Antitrust litigation. The U.S. Supreme Court is split on the issue. In March of this year, Zenith had their Antitrust suit against Japanese manufacturers of consumer electronic equipment heard. The court, in a close decision found against Zenith. In the 5 to 4 decision, Chief Justice Burger sided with the majority. Now that Burger is retired perhaps Scallia would have given Zenith a 5 to 4 majority needed to win their case. In the Zenith decision, Powell, for the majority, refused to acknowledge that "dumping" exists because he feels that every company wants to make a profit and market share and destruction of the competition are not in his vocabulary. Justices Rehnquist, O'conner, Burger, C.J., and Marshall joined in the majority. In the dissent, Justice White argued that these Japanese firms are trying to drive American companies out of business by underpricing them in the U.S., even at a loss, and making up for it by charging higher prices in Japan. In a scathing dissent, Justice White accused the majority of ignoring the obvious facts of the case that clearly showed that "dumping" was going on. Justice White was joined by Justice Brennan, Stevens, and Blackmun in his Dissent. The Solicitor General, on behalf of the President, submitted a brief and argued on behalf of the Japanese firms, which also may have had a bearing on the 5-to-4 decision being decided against Zenith.

DISCUSSION

Under Title 15 of the U.S. Code section 72 the law states:

> It shall be unlawful for any person importing or assisting in importing any articles from any foreign country into the United States, commonly and systematically to import, sell or cause to be imported or sold such articles within the United States at a price substantially less than the actual market value or wholesale price of such articles, at the time of exportation to the United States, in the principal markets of the country of their production, or of other foreign countries to which they are commonly exported, after adding to such market value or wholesale price, freight duty, and other charges and expenses necessarily incident to the importation and sale thereof in the United States: Provided, that such act or acts be done with the intent of destroying or injuring an industry in the United States, or of restrain-

ing or monopolizing any part of trade and commerce in such articles in the United States.

Any person who violates or combines or conspires with any other person to violate this section is guilty of a misdemeanor, and, on conviction thereof, shall be punished by a fine not exceeding $5,000, or imprisonment not exceeding one year, or both, in the discretion of the court.

Any person injured in his business or property by reason of any violation of, or combination or conspiracy to violate, this section, may sue therefor in the district court of the United States for the district in which the defendant resides or is found or has an agent, without respect to the amount in controversy, and shall recover threefold the damages sustained, and the cost of the suit, including a reasonable attorney's fee.

Further, Title 15 U.S.C.A. section 13 states:

(a) It shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities of like grade and quality, where either or any of the purchases involved in such discrimination are in commerce, where such commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, and where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them. . .

(b) Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price or services or facilities furnished, the burden of rebutting the prima-facie case thus made by showing justification shall be upon the person charged with a violation or this section. . .

Based on these statutes the massive Zenith and NUE case versus the large Japanese consumer electronic industry began. In U.S. District Court for Eastern Pennsylvania the court was critical of Zenith's contentions and considered a Summary Judgment motion by the Japanese firms to dismiss the complaint.

In that case, the court held that the product must be of like make and quality and sold for a different price in the manufacturing country compared with the U.S. price. The remedy is treble damages. The District Court was strict about the products being of like grade and quality. After that hurdle the Burden of Proof under the 1916 Anti-Dumping law mandates that the price at which imported articles are sold within the U.S. be compared with the "actual market value or

wholesale price of such articles in a foreign country, after certain expenses are added to the foreign value. The District Court was very strict about the products being exactly alike; this was the reason that Zenith lost in the U.S. District Court. The District court held that Customs Courts have held such to mean "identical".

In Zenith Radio Corp. v. Matsushita Electric (1980) 494 F. Supp. 1190, 1198 the court stated:

> "Customs Courts have held such to mean 1., the word "such" means identical, 2. when applying an appraisement statute which includes that phrase, an appraiser should look first to sales of identical merchandise, and should only look to sales of similar merchandise if identical merchandise is not sold in the relevant market; and 3. whether or not merchandise is "similar" within the meaning of customs appraisement statutes, is to be determined by the application of several criteria, including commercial interchangeability of the putatively "similar" articles.

Since the parts, the televisions, were not interchangeable due to a different voltage in the current in Japan and due to the television stations in Japan using a different part of the F.M. band to broadcast their television stations, it was not interchangeable with U.S.-made television sets or Japanese sets made for the U.S. market. Therefore, the court held that since they were not interchangeable, they could not be compared in price.

The court also held:

> "These other arguments concern the interpretation of two other key phrases in the statute: the Predatory Intent Clause, and the language making the statutory prohibition applicable to "any person importing or assisting in importing . . . for example, some defendants have argued that in order to show predatory intent, plaintiff must show that each defendant sold its products at a price below its marginal cost . . . or that the defendant has a sizable share of the market . . . with a single exception, we need not, hence we do not reach any of these arguments.
>
> P. 1200-1201.

Further,

> "We reject the contention of defendants, Mitsubishi corp., and Mitsubishi International Corp. that plaintiffs cannot establish predatory intent with respect to defendants whose market share in sales of consumer Electronic Products in the United States is small. The 1916 AntiDumping Act, unlike, e.g. section 2 of the Sherman Act, does not require Plaintiffs to show that any defendants' predatory intent was accompanied by a dangerous probability of success. Thus, the plaintiff is entitled to attempt to establish a defendants' predatory intent by inference, even if the defendants' small market share makes it unlikely that it will succeed in injuring American Industry." (P.1201 footnote 12)

Therefore, predatory intent can be established by the same products sold in two markets at different prices with the circumstantial intent of driving the competition into bankruptcy.

"The term 'dumping' has been defined as price discrimination between purchasers in different national markets. . . . The act is violated if the price in the United States is 'substantially less' than the foreign 'actual market value or wholesale price', after freight, duty, and incidental espenses are added thereto, and if the proscribed price discrimination is undertaken with the intent of injuring domestic industry."

p. 1213

". . . the 1916 act must be construed in light of its incorporation of the appraisement provisions of the Tariff Act of 1913 and of its purpose of extending to importers 'the same unfair competition law' applicable to domestic commerce under the Clayton Act."

P. 1226

As to the need for like grade and quality,

"The Tariff act standard was stated by the court of Customs Appeals as follows:

> If goods are made of approximately the same materials, are commonly interchangeable, are adapted to substantially the same uses, and are so used, ordinarily, they are similar."

P. 1227

"Appraising officers may not only take into consideration sales of the very merchandise imported but sales of similar merchandise." U.S. v. Johnson 9 Ct. Cust. App. at 270 T.D. 38215 (1919)

1229

". . . The 1916 Antidumping Act was intended to subject importers to the same price discrimination law which applied to domestic commerce."

P. 1231

"But a cheaper grade of material and made by less expert workmen, were not of the same grade and quality sufficient to invoke section 2 of the Clayton Act."

P. 1232

For twenty pages the court sets forth the requirements for like grade and quality. The product of the foreign industry

must not only be of the same grade and quality as the american competitor but the foreign product must be exactly the same as the one the foreign company sells in its own market, otherwise a price comparison cannot be made to prove dumping. In our situation, Nippon must not only sell bearings of the same dimensions and types as ours and use the same quality of metal but also must sell the exact same type of bearing in Japan for a different price, otherwise, dumping cannot be proved.

"While the damage calculation may be a complex one, as is often true in antitrust cases, the complexity here is not of the type which Illinois Brick and Mid-West Paper warned against. Zenith does not seek to trace the passing of an overcharge or undercharge through its distribution chain. Instead, it seeks to show that its profits would have been greater 'but for' the alleged violations."

P. 1254

"Trial and Appellate courts alike must . . . observe the practical limits of the burden of proof which may be demanded of a treble damage plaintiff who seeks recovery for injuries from a partial or total exclusion from a market; damage issues in these cases are rarely susceptible of the kind of concrete, detailed proof of injury which is available in other contexts. The court has repeatedly held that in the absence of more precise proof, the factfinder may 'conclude' as a matter of just and reasonable inference from the proof of defendants' wrongful acts and their tendency to injure plaintiffs' business, and from the evidence of the decline in prices, profits, and values, not shown to be attributable to other causes, that defendants' wrongful acts ' had caused damage tothe plaintiffs.' Bigelow v. R.K.O. Pictures Inc., supra, 327 U.S. 251, 264, 66 S.Ct. 574, 579, 90 L.Ed. 652

P. 1254

"Therefore, in antitrust cases like the one presently before us, the measure of damages is 'based upon the amount of injury suffered as the plaintiff rather than the benefits derived by the defendants."

P. 1256

This is the proof of damages that we need.

The Japanese brought up a Treaty of 1953, the court held:

"The 1953 Treaty of Friendship with Japan did not impliedly repeal the Antidumping Act of 1916 as it applied to Japanese products and antidumping claim could be maintained."

P. 1257

The U.S. District Court granted Summary Judgment against Zenith for 3 reasons. The first reason was that the televisions sold in Japan versus the ones sold in the United States were not similar because of electronic differences to account for the different voltage and different frequency in the two markets, secondly the U.S.D.C. hold that most of the evidence the Zenith wanted to present was inadmissible, thirdly, because Zenith could not introduce the evidence to sho that price fixing was going on, the U.S.D.C. dismissed the case.

The U.S. Court of Appeals reversed finding that the televisions were similar enough to be compared for price differentiation for dumping, the evidence excluded was wrongfully excluded, and therefore with this new evidence it could be inferred that dumping was going on and the U.S.D.C. was reversed as to the Summary Judgment it granted in favor of the Japanese firms.

Zenith v. Mitsushita (1983) 723 F. 2d. 238

Again the claims were that NUE National Union Electric Corp. (Emerson) and Zenith were pushed out of the T.V. receiver market by defendants illegal acts and Zenith's losses in this industry were incurred by unlawful activities of the defendant

2. 2 pricing structures-one for defendant in Japan-high and one for defendant in U.S. - low.

Unlike our case, Zenith and Emerson had several Japanese competitors so Zenith and Emerson had to show concert of action among all these Japanese firms. That is something we will not have to do since Nippon Bearing is the only competitor.

> "While expressing doubt that even in the aggregate the defendants' American market share was sufficient to support a monopolozation claim, the court held that the aggregate share theory required proof of concert of action . . . No admissible evidence from which concert of action could be found."

P. 256

> "The Antidumping act of 1921, 19 U.S.C. section 160-173 (1976) provided for the imposition of dumping duties on imported products under certain circumstances. The legislation was aimed at sales of foreign merchandise at less than fair value which injured or prevented the establishment of an american industry by the importation of such merchandise into the United States. The statutory remedy was the imposition of a special dumping duty. 19 U.S.C. 161 (1976). Before a special duty could be imposed, both aspects of the statute-sales at less than fair value and injury to an actual or potential american industry were to be satisfied.

P. 266

> We therefore conclude that the district court erred in holding that the injury finding is irrelevant."

P. 271

". . . since we have concluded that those findings are admissible under Rule 803 (8)(c) and relevant, the finding of dumping is admissible and relevant as well."

P. 271

On page 281 the Court of Appeals stated that the price differences between Japan and the U.S. should have been taken into account since the models were similar enough and did not have to be exactly the same. On pages 308 and 309 the court held that evidence of price fixing is admissible. As the court stated:

"A fact finder could reasonably infer that these conditions created an incentive to find a market for excess capacity. We have also noted that Japanese and American television standards are compatible. Thus, among the developed countries likely to be a market for excess capacity of the Japanese manufacturers, the United States was the market with the greatest potential. . . .It would permit a fact finder to infer a motive to sell at prices low enough to eliminate competition in the United States market by american firms. . . . A fact finder could find, from the evidence of price stabilization in Japan, that the Japanese manufacturers, if they acted in concert, had the ability to carry out a predatory export raid on the american market sustained by home market profits."

P. 310

"First, there is evidence from which a fact-finder might conclude that the minimum prices agreed upon were in fact dumping prices. . . . The collusive establishment of dumping prices could support an inference of collective predatory intention to harm american competitors.

There is expert opinion evidence that export sales generally were at prices which provided losses, often as high as twenty-five percent on sales. Long term sales below cost are circumstantial evidence from which one can draw an inference of international predatory pricing.

We hold that a finding of a conspiracy to sell at artificially high prices in Japan while at the same time selling at artificially low prices in the U.S. would support liability to N.U.E. and Zenith under section 4 of the Clayton Act assuming they could show that they were in fact damaged."

P. 311

Rebates were used by the defendants to conceal dumping and price suppression.

Further,

"If any of the products that defendants imported or sold in the United States are sufficiently comparable under the 1916 act to products sold in Japan, we must then determine whether evidence in this summary judgment record creates a genuine issue of fact as to whether defendants 'commonly and systematically' sold or agreed to sell CEPs in the United States at prices that were 'substantially lower than the prices ~~to~~ at which comparable products

were sold in Japan. Finally, we must determine whether evidence in this summary judgment record creates a genuine issuex of fact as to whether defendants acted with specific predatory intent."

P. 323

In referring to the 1957 treaty between Japan and the United States the court held:

"As the SEC concedes, the treaty does not restrict the rights of the united states to regulate imports."

P. 323

Further,

The first element necessary to a finding of dumping under the 1916 act is proof that a price differential exists between two comparable products, one of which is imported or sold in the United States and the other which is sold in the exporting country."

P.324

"The district court correctly held that the 1916 act does not require a comparison only between identical products. . . . Any law relating to the appraisement of imported merchandise shall be construed to be the actual market value or wholesale price of such, or similar merchandise comparable in value therewith, as defined in this act."

P. 325

The plaintiffs, Zenith won the Court of Appeals decision. The Japanese appealed to the Supreme Court. 106 S. Ct. 1348 (1986) Powell, in a close decision refused to believe predatory pricing exists.

Other remedies, filing a complaint with the International Trade Commission, and Commerce Department. The remedies exist, but, you rely on the goodwill of the department and leanings of the administration to enforce it.

QCC 4818

SIDNEY E. TANNER
CERTIFIED PUBLIC ACCOUNTANT
434 WEST COLORADO, SUITE 101
GLENDALE, CALIF. 91204
(818) 241-2124

RECEIVED
FEDERAL ELECTION COMMISSION
87 NOV 23 AM 9:36

November 19, 1987

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 NOV 23 PM 12:45

Lawrence M. Noble, General Council
Federal Election Commission
Washington, D.C. 20463

Re: Mur 2539
Almquist for Congress,
Sidney Tanner as Treasurer

Dear Mr. Noble:

I really didn't need an extension until November 27, 1987 as I answered your letter as soon as I received your allegations in October 1987. I will again state my only possible answer to your letter. I was in the hospital in July with a minor operation, then in September 1986 I was told that I must have a more serious operation. I was in the hospital from November 3, 1986 to November 9, 1986. Upon leaving the hospital I was advised to stay in bed for ten days and not work for approximately 45 days.

I was not much help for Mr. Almquist as I was not available to discuss things nor to do the proper accounting. As I recall Mr. Almquist was forced to do much of the accounting, and after my second operation he took possession of all accounts and records.

I have no recollection as to your allegations, so I presume that Mr. Almquist answered them to your satisfaction.

Sincerely,

Sidney E. Tanner

Sidney E. Tanner

SET/dt
encls.

0 7 4 7 9 5 1 1 1 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

03 November 1987

Sidney Tanner, Treasurer
Almquist for Congress
408 Oliveta Place
La Canada, CA 91011

RE: MUR 2539
Almquist for Congress;
Sidney Tanner, as treasurer

Dear Mr. Tanner:

This is in response to your mailgram dated October 27, 1987, which we received on October 28, 1987, requesting an extension of 20 days to respond to the Commission's reason to believe finding in the above-captioned matter. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on November 27, 1987.

In response to your inquiry as to whether this matter involves a civil or criminal violation, please be advised that the Commission's reason to believe finding against the Almquist for Congress Committee and you, as treasurer, reflects a civil violation of law.

If you have any questions, please contact Maura White Callaway, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

03 November 1987

Sidney Tanner, Treasurer
Almquist for Congress
408 Oliveta Place
La Canada, CA 91011

RE: MUR 2539
Almquist for Congress;
Sidney Tanner, as treasurer

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Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

TYPE OF BILL	DATE OF BILL	DATE OF PREV BILL
FINAL	11/86	

Verdugo Hills Hospital

1812 Verdugo Boulevard
P.O. Box 1431
Glendale, CA 91209
(818) 790-7100

PAGE NO
5

HOSP NO
221

PATIENT NAME	PATIENT NUMBER	SEX	AGE	ADMISSION DATE	DISCHARGE DATE	DAYS
TANNER, SIDNEY E	[illegible]	M	63	11/03/86	11/09/86	6

GUARANTOR NAME AND ADDRESS	COB	INSURANCE COMPANY NAME	GROUP NUMBER	POLICY NUMBER
TANNER, SIDNEY E 1411 HILLSIDE DR GLENDALE CA 91208	1	701 BLUE CROSS	52	363255
		VAN DU, CARLTON T		

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT.

AMOUNT OF PAYMENT	$

DATE OF SERVICE	DESCRIPTION OF HOSPITAL SERVICES	SERVICE CODE	TOTAL CHARGES	EST. COVERAGE INS CO NO 1	EST. COVERAGE INS CO NO 2	EST. COVERAGE INS CO NO 3	PATIENT AMOUNT
	SUMMARY OF CHARGES						
	3080 SEMI PRIVATE 3080		1980.00				
	4110 ECG 4110		40.50				
	4140 RADIOLOGY 4140		92.00				
	4060 LAB CLINICAL 4060		515.90				
	4170 PHARMACY 4170		1247.91				
	4050 CENTRAL SERV 4050		511.00				
	4171 TAKE HOME RX 4171		11.00				
	4070 SURGERY-THEAT 4070		679.05				
	4030 ANESTHESIA 4030		24.00				
	4070 LAB PATH 4070		51.00				
	TOTAL OF CHARGES		5174.86				
	TOTALS		5174.86				

IN-PATIENT BILLING
DIRECT LINE 818-952-2218
9:00 A.M. TO 4:00 P.M.

ALL EMERGENCY ROOM PHYSICIANS, RADIOLOGISTS CARDIOLOGISTS AND PATHOLOGISTS BILL SEPARATELY FOR THEIR PROFESSIONAL SERVICES

HOSPITAL HOLDS ASSIGNMENT FOR THIS CLAIM

TAX EXEMPTION	PLEASE REFER TO PATIENT NUMBER ON ALL INQUIRIES AND CORRESPONDENCE
[illegible]	

ADDITIONAL CHARGE PATIENT MAY BE NECESSARY FOR ANY SERVICES NOT INCLUDED ABOVE. THIS BILL HAS BEEN PAID OR IF INSURANCE CARRIERS DO NOT PAY ANY PART OF THE AMOUNTS SHOWN UNDER ESTIMATED INSURANCE COVERAGE

TYPE OF BILL	DATE OF BILL	DATE OF PREV BILL
FINAL	11-13-86	

Verdugo Hills Hospital

1812 Verdugo Boulevard
P.O. Box 1431
Glendale, CA 91209
(818) 790-7100

PAGE NO
5

HOSP NO
331

PATIENT NAME	PATIENT NUMBER	SEX	AGE	ADMISSION DATE	DISCHARGE DATE	DAYS
FARNER, SIDNEY E	[illegible] B	M	63	11/03/86	11/08/86	6

GUARANTOR NAME AND ADDRESS	COB	INSURANCE COMPANY NAME	GROUP NUMBER	POLICY NUMBER
FARNER, SIDNEY E 1411 HILLSIDE DR GLENDALE CO 91208	1 701	BLUE CROSS	52[illegible]	36 3255
		VALVO, CARLTON T		

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT.

AMOUNT OF PAYMENT	$

DATE OF SERVICE		DESCRIPTION OF HOSPITAL SERVICES	SERVICE CODE	TOTAL CHARGES	EST. COVERAGE INS. CO. NO. 1	EST. COVERAGE INS. CO. NO. 2	EST. COVERAGE INS. CO. NO. 3	PATIENT AMOUNT
SUMMARY OF CHARGES								
	3080	SEMI PRIVATE 3080		1586.00				
	4110	ECG 4110		60.50				
	4140	PATHOLOGY 4140		[illegible]				
	4060	LAB CLINICAL 4060		315.90				
	4170	PHARMACY 4170		1247.91				
	3050	CENTRAL STER 3050		511.00				
	4171	TOTL HOME RX 4171		11.00				
	[illegible]	SURGERY/ROOM [illegible]		679.05				
	[illegible]	ANESTHESIA [illegible]		24.50				
	[illegible]	LAB PATH [illegible]		51.00				
		TOTAL OF CHARGES		[illegible]				
		TOTALS		[illegible]				

IN-PATIENT BILLING
DIRECT LINE 818-952-2218
9:00 A.M. TO 4:00 P.M.

ALL EMERGENCY ROOM PHYSICIANS, RADIOLOGISTS CARDIOLOGISTS AND PATHOLOGISTS BILL SEPARATELY FOR THEIR PROFESSIONAL SERVICES

HOSPITAL HOLDS ASSIGNMENT FOR THIS CLAIM

ADMITTING DIAGNOSIS	PLEASE REFER TO BASIC NUMBER ON ALL INQUIRIES AND CORRESPONDENCE
[illegible]	

ADDITIONAL INFORMATION MAY BE NECESSARY FOR PAYMENT. UNLESS THE PHYSICIAN SIGNS THIS BILL AND INDICATES IN IT INSURANCE CARRIERS DO NOT PAY ANY PART OF THE AMOUNTS SHOWN UNDER ESTIMATED INSURANCE COVERAGE

GCC#4839

PEGGY ALMQUIST
CARL ALMQUIST
408 Oliveta Place
La CAnada, CA 91101
(818) 790 4607

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

87 NOV 24 PM 3:23

November 28, 1987

Lawrence M. Noble
General Counsel
FEDERAL ELECTION COMMISSION
Washington, D.C. 20463

ATTN: Lois G. Lerner, Associate General Counsel
RE: MUR 2539, CARL ALMQUIST, PEGGY ALMQUIST

Dear Ms. Lois G. Lerner:

We are enclosing our answers to your interrogatories and request for documents.

PIease see the enclosed Declaration of JOhn Almquist to explain the alleged violations of the Election Code.

Both of us wish to have you consider us for pre-probable cause concilliation. All of us wish to settle this matter and all of the involved people admit being stupid in how this election was handled and wish to do whatever we have to do to settle this. We are all shocked and sick over what the election led to. No one meant to violate any laws.

May we hear from you soon on this matter as to how it will be handled?

Sincerely,

Peggy Almquist
PEGGY ALMQUIST

CARL ALMQUIST
Carl Almquist

Enc.

PEGGY ALMQUIST
CARL ALMQUIST
408 Oliveta Place
La Canada, California 91101
(818) 792 4607

Respondents in Pro Per

BEFORE THE FEDERAL ELECTION COMMISSION

WASHINGTON D. C. 20463

In the Matter of: PEGGY ALMQUIST and CARL ALMQUIST, Respondents.	MUR 2539 RESPONSES TO INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS.

We, PEGGY ALMQUIST and CARL ALMQUIST, respond to Interrogatories and Request for Production of Documents served on us by the FEDERAL ELECTION COMMISSION, as follows:

Interrogatory NO. 1. State the source of the loan to Almquist for Congress (e.g., joint checking or savings account, account of either spouse). State the rights of each spouse in the account (e.g. whether each spouse is a joint tenant, the drawing rights of each spouse).

RESPONSE: No loan was made; it had been discussed.

Interrogatory No. 2. State the percentage of the loan to be attributed to each spouse.

RESPONSE: Loan never consumated; hence no allocation.

Interrogatory 3. State the details of the transactions referred to above. (asset transfers by John Almquist for $20,000

loan)

a. A description of the property conveyed :

b. The date on which the transaction occurred;

c. The instruments used to convey the property to you.

d. John Almquist's rights in the property prior to the transaction;

e. The value of the property conveyed;

f. The property right obtained by you;

g. the share of property obtained by each of you;

h. the property rights retained by John Almquist

i. The rights of persons, other than John Almquist, in the property after the transactions; and j. the rights of persons, other than you, in the property after the transaction.

RESPONSE: a. None was conveyed.

b. None occurred.

c. No conveyance.

d. Owner of said assets. Personal Injury case subject to liens of physicians and attorney.

e. None conveyed.

f. None.

g. None

h. Property rights remained in John Almquist, except for liens of physicians and attorney on personal injury case.

j. There was no transaction

Interrogatory No. 4 State whether interests in any of the properties referred to in question 3 have been conveyed to John Almquist subsequent to the conveyance of the properties to you. If so,state the details of suchtransactions in accordance with the criteria of interrogatory 3.

RESPONSE: No interests conveyed.

8 9 0 4 0 7 6 3 7 7 7

REQUEST FOR DOCUMENTS:

There are no documents in our possession pertaining to the $20,000 loan as none was made by us. The idea had only been discussed.

DATED: Nov. 22, 1987

Peggy Almquist
PEGGY ALMQUIST, IN Pro Per

Carl Almquist
CARL ALMQUIST in Pro Per

VERIFICATION

We are the respondents in this action. WE have read the above responses to Interrogatories and request for Production of Documents and know the contents thereof. The responses are true of our own knowledge, except the matters that are stated on our information and belief, and as to those matters we believe them to be true.

We declare under penalty of perjury under the laws of the State of California that the above is true and correct and that this declaration was exectued on Nov. 22 1987 at La Canada, California

Peggy Almquist
PEGGY ALMQUIST

Carl Almquist
CARL ALMQUIST

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS

On this 22nd of November, in the year 1987, before me, the undersigned, a Notary Public in and for said State personally appeared PEGGY ALMQUIST and CARL ALMQUIST

X personally known to me; ~~or proved to me on satisfactory evidence~~ to be the person whose names are subscribed to the within instrument, and acknowledged to me that they executed it.

WITNESS My hand and official Seal.

NOTARY PUBLIC IN AND FOR SAID STATE

OFFICIAL SEAL
RAWN M BUNT
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires OCT 8, 1990

DECLARATION OF JOHN WILLIAM ALMQUIST

I, JOHN WILLIAM ALMQUIST, am informed and believe that the following statements are true and correct.

1. I ran for Congress in 1986 in the 30th District against MATTHEW MARTINEZ.

2. I had no background in federal election laws; I depend for advice on those persons who were alleged to be experienced politically and were not. Sid Tanner was an accountant who worked for me free, just as a friend, he did not know the election law.

3. KENT HACKMAN, owner of SOUTHWEST PRODUCTS, 2440 Buena Vista, Irwindale, California, does not know the election laws. He owns a manufacturing firm and believed in my tax and trade policies.

4. MARK WILSON, P.O.BOX 139, Glendale, California 91209 (or 1502 Maple #C, Glendale, California 91205), was an experienced political consultant from Washington D.C. and a fund-raiser.

4. By Mid-October, 1986, due to money shortages, my campaign was bankrupt. MARK WILSON had raised money from KENT HACKMAN prior to this. As a consequence, I decided to go see KENT HACKMAN, and my mail consultant, MORRIS FOX of FOX COMMUNICATIONS, 1741 W. Torrance Boulevard, Torrance, California, also went. I was going to try and get the names of twenty people who could give $1,000 each for a proposed mailer that we hoped to send out through MORRIS FOX of FOX COMMUNICATIONS. MR. FOX and MR. HACKMAN and I held a conversation. I left the room for a period. MR. HACKMAN came out alone and accompanied me to another office.

MR. HACKMAN gave me a $20,000 note to sign, on which I was personally liable; said note was to be paid off in money or services at 8% a year interest. I have since paid off the note in services. (see attachment A). The transaction occured so quickly that I did not have tim e to seek a second opinion. I declare that I never saw the check, which was paid to MR. FOX, I assume. I received no copy of the loan which is in the possession of KENT HACKMAN.

5. At that point, I believed that a loan was not a contribution. I did not know the election laws. I discussed having the note co-signed by either or both of my parents, CARL AND PEGGY ALMQUIST. CARL ALMQUIST also called around to see if he could get a $20,000 loan to pay off Mr. Hackman but was unable to. When the time arrived for me to report to the F.E.C. I felt obligated to report that the Mailer did go out on my behalf.

6. Several issues came up. The campaign was over. MR. HACKMAN'S business depends on government (defense) contracts. M.C. Martinez has a reputation of retaliating against people in his district who back Republicans. This happened most recently in the Montebello City Mayor's race where Martinez put his full backing against the mayor of Montebello because he supported me in 1986. I did not want Hackman to lose his defense contracts and his company over one small election. Martinez as a Congressman could dry up Hackman's defense contracts. In addition MARK WILSON, our fundraiser was being paid $2,000 a month and a 20% commission on all contributions received plus a rental car. We did not want to argue with him

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on the issue of whether a loan constituted a contribution on which he was owed a commission. I was tired of fighting with him. We did not owe him a commission on loans but he could make life very difficult if you didn't. At this point it was thought that putting the "loan" in my parents name would solve our problems.

7. MARK WILSON stated that under the F.E.C. law each person could give $2,000 per election, no matter when given, and can attribute $1,000 to the Primary and $1,000 to the general election no matter when given. I relied on his advice, assuming that he knew the law based on his professional experience.

8. By the time the F.E.C. asked me about the loan, the election was over. I never received a penny for my work; I just walked door to door trying to win. I had to work off that loan to HACKMAN, which anyone would resent having to do it alone, I did not want anymore harassing midnight calls from Mark Wilson and although I did resent having to work off the loan I did not want HACKMAN to lose his business because of Martinez drying up defense contracts to it. When your letters came I wanted the nightmare to end of a tough, underfunded, constant in-fighting campaign. I sent those letters to you on asset-transfer to my parents as a way to finish everything. I now know it was wrong. I should have gone into the campaign knowing the F.E.C. law, and worried less about HACKMAN losing his business, and WILSON harassing me every night. Everyone else walked away from the campaign. I was an indentured servant to

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HACKMAN until I paid off the loan, which I did. All the "informed" people of the Party gave me no help. After that election year I had no money to show for my time and the burden of working off the loan. After I worked off HACKMAN'S loan, he fired me.

9. The people who had worked on my campaign from the local Republican Party were backing another candidate for 1988 and just were using my campaign as a base for 1988.

10. I was 27 years old when I won the Primary; I was 28 years old when I lost the General Election. I have worked for causes all my life; I was too busy walking precincts to worry about election laws as much as I should have--apparently few people are conversant with them. I fought for job creation, unions, saving certain social programs, particularly social security, (which got me into a little trouble with the party) and a strong defense. I assumed my campaign people were doing their jobs.

11. I was very depressed after the campaign was over and I had lost. I was thinking of going into therapy. I had no one to advise me and I did the best that I could. Whatever I did, I did without intent to harm, but only to help. It was never my intention to break any laws, let alone election laws.

12. I did the best that I could, and at this point I would like to have you consider PRE-PROBABLE CAUSE CONCILIATION for me.

I declare under penalty of perjury, and under the laws of the State of CALIFORNIA that the above is true and

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correct, and that which I do not know of my own knowledge, I declare upon information and belief to be true.

Executed on 11-12-87 at Long Beach, California

John William Almquist

JOHN WILLIAM ALMQUIST

STATE of CALIFORNIA)
COUNTY OF LOS ANGELES)

On this 12th day of NOVEMBER in the year 1987, before me, the undersigned, a notary Public in and for said State personally appeared JOHN WILLIAM ALMQUIST

_____ personally known to me;
XX proved to me on satisfactory evidence to be the person whose name is subscribed to within the instrument, and acknowledged to me that he executed it.

WITNESS my hand and Official Seal.

Angela T. Bybee

NOTARY PUBLIC IN AND FOR SAID STATE
ANGELA T. BYBEE

OFFICIAL SEAL
ANGELA T. BYBEE
Notary Public California
Principal Office in
Los Angeles County
My Comm Exp May 15, 1990

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HACKMAN REPAYMENT

SOUTHWEST PRODUCTS CO.
P.O. BOX 1028 MONROVIA, CA. 91016

Pay Statement

Code	Department	File No.	Clock No./ID	Name	Pay Period	Pay Date
GEY	005	1831		ALMQUIST, JOHN W	ENDING 030687	030987

Hours/Units	Rate	Earnings	Type	Deduction	Type	Deduction	Type
	69231	59712	REG	23077	LOAN		

Gross	Fed. With. Tax	Social Security	State With. Tax	City With. Tax	Sui/Dis	Net Pay
59712 336636	8967 62063	4269 24069	3129 19941		717 4061	19553

SOUTHWEST PRODUCTS CO.

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

DATE	DESCRIPTION	AMOUNT	DISCOUNT %	DISCOUNT AMOUNT	OTHER DEDUCTIONS FOR	OTHER DEDUCTIONS AMOUNT	NET AMOUNT
-13-87	W/E 2-06-87	692.31			(22.31)		
	FICA	49.50		49.50			
	FIT	132.69		50.00			
	SDI	8.31		8.31			
	DUE CO	230.77		100.00			
	SIT	42.03		15.00			
	NET PAY	229.01		22.31	22.31		
		229.01			398.50		
		458.02					

Repayment to primary lender

i. Representative before department of defense Defense Logistics Agency, Defense Contract Administrative Services to lobby for more lenient delivery schedules for primary lender's defense contracting business. He was trying to avoid penalties which we did.

Charge: $1,000

ii. Same (January)
Charge: $1,000

iii. Tax Advice for acquisition of a competing firm, the tax implications of a merger under Internal Revenue Code Section 338 and the options of securities, a combination of securities and bonds or a limited partnership to buy the targeted company.
Charge: $1,000

iv. Preparation of a legal memo to sue a competing Japanese firm under Anti-Trust laws for dumping their products on the American market for less than their cost. Also listed remedies under the General Agreement on Trade and Tariffs. (60 hours x $150 an hour) Charge $9,000, (Memo Enclosed)

v. Representation before the Defense Logistics Agency (February) Charge: $500

vi. Lobbying Congressmen and U.S. Senator Wilson for trade sanctions and legislation intended to protect primary lender's spherical bearing industry from Japanese competition. (Occured at Republican Convention-Sacramento late February)
Charge: $5,000

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vi. Follow-up letters and phone calls to the Congressmen at the Convention and to the members of the California Republican Congressional Delegation who were not present. Charge: $3,000

vii. Cash payments to primary lender out of paycheck:
236 Feb. Week 1
236 Feb. Week 2
236 Feb. Week 3
236 Feb. Week 4
236 Feb. Week 5
Charge: 1,180

vii. Total Repayment to Date:

$21,680----Loan repaid and Dwight Hackman reimbursed, In -Full

viiii. Services rendered to Hackman's company, a defense contracting and spherical bearing manufacturer, SouthWest Products, Irwindale, California

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MEMO

TO: ALL

FROM: JOHN ALMQUIST

RE: NIPPON BEARING-DUMPING CASE

INTRODUCTION

This is a tough area of the law where most of the useful statutes can only be invoked by the President under the General Agreement on Trade and Tariffs, GATT. The remedies under GATT are sufficient, but the present administration has not seen fit to enforce them. By and large, private parties can sue under a number of statutes that have their roots and are generally based on Antitrust litigation. The U.S. Supreme Court is split on the issue. In March of this year, Zenith had their Antitrust suit against Japanese manufacturers of consumer electronic equipment heard. The court, in a close decision found against Zenith. In the 5 to 4 decision, Chief Justice Burger sided with the majority. Now that Burger is retired perhaps Scallia would have given Zenith a 5 to 4 majority needed to win their case. In the Zenith decision, Powell, for the majority, refused to acknowledge that "dumping" exists because he feels that every company wants to make a profit and market share and destruction of the competition are not in his vocabulary. Justices Rehnquist, O'conner, Burger, C.J., and Marshall joined in the majority. In the dissent, Justice White argued that these Japanese firms are trying to drive American companies out of business by underpricing them in the U.S., even at a loss, and making up for it by charging higher prices in Japan. In a scathing dissent, Justice White accused the majority of ignoring the obvious facts of the case that clearly showed that "dumping" was going on. Justice White was joined by Justice Brennan, Stevens, and Blackmun in his Dissent. The Solicitor General, on behalf of the President, submitted a brief and argued on behalf of the Japanese firms, which also may have had a bearing on the 5-to-4 decision being decided against Zenith.

DISCUSSION

Under Title 15 of the U.S. Code section 72 the law states:

> It shall be unlawful for any person importing or assisting in importing any articles from any foreign country into the United States, commonly and systematically to import, sell or cause to be imported or sold such articles within the United States at a price substantially less than the actual market value or wholesale price of such articles, at the time of exportation to the United States, in the principal markets of the country of their production, or of other foreign countries to which they are commonly exported, after adding to such market value or wholesale price, freight duty, and other charges and expenses necessarily incident to the importation and sale thereof in the United States: Provided, that such act or acts be done with the intent of destroying or injuring an industry in the United States, or of restrain-

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ing or monopolizing any part of trade and commerce in such articles in the United States.

Any person who violates or combines or conspires with any other person to violate this section is guilty of a misdemeanor, and, on conviction thereof, shall be punished by a fine not exceeding $5,000, or imprisonment not exceeding one year, or both, in the discretion of the court.

Any person injured in his business or property by reason of any violation of, or combination or conspiracy to violate, this section, may sue therefor in the district court of the United States for the district in which the defendant resides or is found or has an agent, without respect to the amount in controversy, and shall recover threefold the damages sustained, and the cost of the suit, including a reasonable attorney's fee.

Further, Title 15 U.S.C.A. section 13 states:

(a) It shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities of like grade and quality, where either or any of the purchases involved in such discrimination are in commerce, where such commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, and where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them. . .

(b) Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price or services or facilities furnished, the burden of rebutting the prima-facie case thus made by showing justification shall be upon the person charged with a violation or this section. . .

Based on these statutes the massive Zenith and NUE case versus the large Japanese consumer electronic industry began. In U.S. District Court for Eastern Pennsylvania the court was critical of Zenith's contentions and considered a Summary Judgment motion by the Japanese firms to dismiss the complaint.

In that case, the court held that the product must be of like make and quality and sold for a different price in the manufacturing country compared with the U.S. price. The remedy is treble damages. The District Court was strict about the products being of like grade and quality. After that hurdle the Burden of Proof under the 1916 Anti-Dumping law mandates that the price at which imported articles are sold within the U.S. be compared with the "actual market value or

wholesale price of such articles in a foreign country, after certain expenses are added to the foreign value. The District Court was very strict about the products being exactly alike; this was the reason that Zenith lost in the U.S. District Court. The District court held that Customs Courts have held such to mean "identical":

In Zenith Radio Corp. v. Matsushita Electric (1980) 494 F. Supp. 1190, 1198 the court stated:

> "Customs Courts have held such to mean 1., the word "such" means identical, 2. when applying an appraisement statute which includes that phrase, an appraiser should look first to sales of identical merchandise, and should only look to sales of similar merchandise if identical merchandise is not sold in the relevant market; and 3. whether or not merchandise is "similar" within the meaning of customs appraisement statutes, is to be determined by the application of several criteria, including commercial interchangeability of the putatively "similar" articles.

Since the parts, the televisions, were not interchangeable due to a different voltage in the current in Japan and due to the television stations in Japan using a different part of the F.M. band to broadcast their television stations, it was not interchangeable with U.S.-made television sets or Japanese sets made for the U.S. market. Therefore, the court held that since they were not interchangeable, they could not be compared in price.

The court also held:

> "These other arguments concern the interpretation of two other key phrases in the statute: the Predatory Intent Clause, and the language making the statutory prohibition applicable to "any person importing or assisting in importing . . . for example, some defendants have argued that in order to show predatory intent, plaintiff must show that each defendant sold its products at a price below its marginal cost . . . or that the defendant has a sizable share of the market . . . with a single exception, we need not, hence we do not reach any of these arguments.

P. 1200-1201.

Further,

> "We reject the contention of defendants, Mitsubishi corp., and Mitsubishi International Corp. that plaintiffs cannot establish predatory intent with respect to defendants whose market share in sales of consumer Electronic Products in the United States is small. The 1916 AntiDumping Act, unlike, e.g. section 2 of the Sherman Act, does not require Plaintiffs to show that any defendants' predatory intent was accompanied by a dangerous probability of success. Thus, the plaintiff is entitled to attempt to establish a defendants' predatory intent by inference, even if the defendants' small market share makes it unlikely that it will succeed in injuring American Industry." (P.1201 footnote 12)

Therefore, predatory intent can be established by the same products sold in two markets at different prices with the circumstantial intent of driving the competition into bankruptcy.

"The term 'dumping' has been defined as price discrimination between purchasers in different national markets. . . . The act is violated if the price in the United States is 'substantially less' than the foreign 'actual market value or wholesale price', after freight, duty, and incidental expenses are added thereto, and if the proscribed price discrimination is undertaken with the intent of injuring domestic industry."

p. 1213

". . . the 1916 act must be construed in light of its incorporation of the appraisement provisions of the Tariff Act of 1913 and of its purpose of extending to importers 'the same unfair competition law' applicable to domestic commerce under the Clayton Act."

P. 1226

As to the need for like grade and quality,

"The Tariff act standard was stated by the court of Customs Appeals as follows:

> If goods are made of approximately the same materials, are commonly interchangeable, are adapted to substantially the same uses, and are so used, ordinarily, they are similar."

P. 1227

"Appraising officers may not only take into consideration sales of the very merchandise imported but sales of similar merchandise." U.S. v. Johnson 9 Ct. Cust. App. at 270 T.D. 38215 (1919)

1229

". . . The 1916 Antidumping Act was intended to subject importers to the same price discrimination law which applied to domestic commerce."

P. 1231

"But a cheaper grade of material and made by less expert workmen, were not of the same grade and quality sufficient to invoke section 2 of the Clayton Act."

P. 1232

For twenty pages the court sets forth the requirements for like grade and quality. The product of the foreign industry

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must not only be of the same grade and quality as the american competitor but the foreign product must be exactly the same as the one the foreign company sells in its own market, otherwise a price comparison cannot be made to prove dumping. In our situation, Nippon must not only sell bearings of the same dimensions and types as ours and use the same quality of metal but also must sell the exact same type of bearing in Japan for a different price, otherwise, dumping cannot be proved.

"While the damage calculation may be a complex one, as is often true in antitrust cases, the complexity here is not of the type which Illinois Brick and Mid-West Paper warned against. Zenith does not seek to trace the passing of an overcharge or undercharge through its distribution chain. Instead, it seeks to show that its profits would have been greater 'but for' the alleged violations."

P. 1254

"Trial and Appellate courts alike must . . . observe the practical limits of the burden of proof which may be demanded of a treble damage plaintiff who seeks recovery for injuries from a partial or total exclusion from a market; damage issues in these cases are rarely susceptible of the kind of concrete, detailed proof of injury which is available in other contexts. The court has repeatedly held that in the absence of more precise proof, the factfinder may 'conclude' as a matter of just and reasonable inference from the proof of defendants' wrongful acts and their tendency to injure plaintiffs' business, and from the evidence of the decline in prices, profits, and values, not shown to be attributable to other causes, that defendants' wrongful acts ' had caused damage tothe plaintiffs.' Bigelow v. R.K.O. Pictures Inc., supra, 327 U.S. 251, 264, 66 S.Ct. 574, 579, 90 L.Ed. 652

P. 1254

"Therefore, in antitrust cases like the one presently before us, the measure of damages is 'based upon the amount of injury suffered as the plaintiff rather than the benefits derived by the defendants."

P. 1256

This is the proof of damages that we need.

The Japanese brought up a Treaty of 1953, the court held:

"The 1953 Treaty of Friendship with Japan did not impliedly repeal the Antidumping Act of 1916 as it applied to Japanese products and antidumping claim could be maintained."

P. 1257

The U.S. District Court granted Summary Judgment against Zenith for 3 reasons. The first reason was that the televisions sold in Japan versus the ones sold in the United States were not similar because of electronic differences to account for the different voltage and different frequency in the two markets, secondly the U.S.D.C. hold that most of the evidence the Zenith wanted to present was inadmissible, thirdly, because Zenith could not introduce the evidence to sho that price fixing was going on, the U.S.D.C. dismissed the case.

The U.S. Court of Appeals reversed finding that the televisions were similar enough to be compared for price differentiation for dumping, the evidence excluded was wrongfully excluded, and therefore with this new evidence it could be inferred that dumping was going on and the U.S.D.C. was reversed as to the Summary Judgment it granted in favor of the Japanese firms.

<u>Zenith v. Mitsushita</u> (1983) 723 F. 2d. 238

Again the claims were that NUE National Union Electric Corp. (Emerson) and Zenith were pushed out of the T.V. receiver market by defendants illegal acts and Zenith's losses in this industry were incurred by unlawful activities of the defendant

2. 2 pricing structures-one for defendant in Japan-high and one for defendant in U.S. - low.

Unlike our case, Zenith and Emerson had several Japanese competitors so Zenith and Emerson had to show concert of action among all these Japanese firms. That is something we will not have to do since Nippon Bearing is the only competitor.

> "While expressing doubt that even in the aggregate the defendants' American market share was sufficient to support a monopolozation claim, the court held that the aggregate share theory required proof of concert of action . . . No <u>admissible</u> evidence from which concert of action could be found."

P. 256

> "The Antidumping act of 1921, 19 U.S.C. section 160-173 (1976) provided for the imposition of dumping duties on i imported products under certain circumstances. The legislation was aimed at sales of foreign merchandise at less than fair value which injured or prevented the establishment of an american industry by the importation of such merchandise into the United States. The statutory remedy was the imposition of a special dumping duty. 19 U.S.C. 161 (1976). Before a special duty could be imposed, both aspects of the statute-sales at less than fair value and injury to an actual or potential american industry were to be satisfied.

P. 266

> We therefore conclude that the district court erred in holding that the injury finding is irrelevant."
>
> P. 271

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". . . since we have concluded that those findings are admissible under Rule 803 (8)(c) and relevant, the finding of dumping is admissible and relevant as well."

P. 271

On page 281 the Court of Appeals stated that the price differences between Japan and the U.S. should have been taken into account since the models were similar enough and did not have to be exactly the same. On pages 308 and 309 the court held that evidence of price fixing is admissible. As the court stated:

"A fact finder could reasonably infer that these conditions created an incentive to find a market for excess capacity. We have also noted that Japanese and American television standards are compatible. Thus, among the developed countries likely to be a market for excess capacity of the Japanese manufacturers, the United States was the market with the greatest potential. . . .It would permit a fact finder to infer a motive to sell at prices low enough to eliminate competition in the United States market by american firms. . . . A fact finder could find, from the evidence of price stabilization in Japan, that the Japanese manufacturers, if they acted in concert, had the ability to carry out a predatory export raid on the american market sustained by home market profits."

P. 310

"First, there is evidence from which a fact-finder might conclude that the minimum prices agreed upon were in fact dumping prices. . . . The collusive establishment of dumping prices could support an inference of collective predatory intention to harm american competitors.

There is expert opinion evidence that export sales generally were at prices which provided losses, often as high as twenty-five percent on sales. Long term sales below cost are circumstantial evidence from which one can draw an inference of international predatory pricing.

We hold that a finding of a conspiracy to sell at artificially high prices in Japan while at the same time selling at artificially low prices in the U.S. would support liability to N.U.E. and Zenith under section 4 of the Clayton Act assuming they could show that they were in fact damaged."

P. 311

Rebates were used by the defendants to conceal dumping and price suppression.

Further,

"If any of the products that defendants imported or sold in the United States are sufficiently comparable under the 1916 act to products sold in Japan, we must then determine whether evidence in this summary judgment record creates a genuine issue of fact as to whether defendants 'commonly and systematically' sold or agreed to sell CRTs in the United States at prices that were 'substantially lower than the prices at which comparable products

were sold in Japan. Finally, we must determine whether evidence in this summary judgment record creates a genuine issuex of fact as to whether defendants acted with specific predatory intent."

P. 323

In referring to the 1957 treaty between Japan and the United States the court held:

"As the SEC concedes, the treaty does not restrict the rights of the united states to regulate imports."

P. 323

Further,

The first element necessary to a finding of dumping under the 1916 act is proof that a price differential exists between two comparable products, one of which is imported or sold in the United States and the other which is sold in the exporting country."

P.324

"The district court correctly held that the 1916 act does not require a comparison only between identical products. . . . Any law relating to the appraisement of imported merchandise shall be construed to be the actual market value or wholesale price of such, or similar merchandise comparable in value therewith, as defined in this act."

P. 325

The plaintiffs, Zenith won the Court of Appeals decision. The Japanese appealed to the Supreme Court. 106 S. Ct. 1348 (1986) Powell, in a close decision refused to believe predatory pricing exists.

Other remedies, filing a complaint with the International Trade Commission, and Commerce Department. The remedies exist, but, you rely on the goodwill of the department and leanings of the administration to enforce it.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Almquist for Congress; Sidney Tanner, as treasurer; Carl Almquist; Peggy Almquist; Marion Hackman; Kent Hackman	)	MUR 2539

SENSITIVE
EXECUTIVE SESSION
MAR 01 1988

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On October 1, 1987, the Commission found reason to believe Almquist for Congress ("Committee") and Sidney Tanner, as treasurer, violated 2 U.S.C. § 441a(f) by accepting excessive contributions from Kent Hackman and Marion Hackman, and an excessive loan from the candidate's parents, Carl and Peggy Almquist. The Commission also found reason to believe Kent Hackman, Marion Hackman, Carl Almquist, and Peggy Almquist violated 2 U.S.C. § 441a(a)(1)(A) by making the above excessive contributions and loans. Notification of the Commission's finding was mailed to the respondents on October 16, 1987, along with requests for information and documents from Kent and Marion Hackman and Carl and Peggy Almquist. Also, on October 16, 1987, a letter was mailed to the candidate, John Almquist, requesting information and the production of certain documents.

On October 27, 1987, a letter was received from Sidney Tanner, the treasurer of the Committee, stating that the candidate, John Almquist, "would answer the charges." (Attachment 1.) On October 28, 1987, mailgrams were received from Sidney Tanner, John Almquist, and Carl and Peggy Almquist requesting extensions of 20 days to respond to the Commission's

findings and requests for information. By letters dated November 3, 1987, the respondents were notified that the requested extensions had been granted.

II. FACTUAL AND LEGAL ANALYSIS

(A) The Facts

The Commission's reason to believe findings in this matter were based upon information reported to the Commission on the Committee's reports and provided by the candidate, John Almquist, in response to requests for additional information ("RFAI"). Specifically, the Commission found reason to believe the Committee and Sidney Tanner, as treasurer, violated 2 U.S.C. § 441a(f) by accepting an excessive $20,000 loan from Carl and Peggy Almquist, and by accepting excessive general election contributions of $1,000 and $500, respectively, from Kent and Marion Hackman.1/

As to the above $20,000 loan from Carl and Peggy Almquist, the Committee's 1986 Post-General Report disclosed the receipt of such on October 16, 1986. On December 16, 1986, the Reports

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1/ After reporting the receipt of the excessive contributions from the Hackmans on October 1, 1986, and receiving an RFAI, the Committee sent in an amended report disclosing the excessive portions as primary election contributions. Then, after being sent an RFAI stating that the contributions could not be redesignated as primary contributions because they were received after the primary and the Committee had no primary debt, the Committee redesignated all of the contributions as for the general election, and showed the excessive amounts as contributions from the Hackman's sons, Dwight and Kirk. An RFAI was subsequently sent to the Committee and thereafter the candidate sent a letter stating that the Hackmans had "been repaid through tax-law services [he] rendered in excess of the $1,000 owed because of Dwight Hackman's contributions."

Analysis Division sent an RFAI to the Committee advising it to refund the contribution. On January 6, 1987, the Committee filed an amended report with a cover letter from the candidate stating that he was "assuming the entire $20,000 loan," and that he was "signing over [his] car, a two-half acre plot in Arizona, and a lein [sic] on a personal injury suit." The amendment included a Schedule A disclosing a $20,000 loan from John Almquist on December 29, 1986, and Schedules B and C disclosing a $20,000 loan repayment to Carl and Peggy Almquist on the same date.

On November 16, 1987, John Almquist submitted his response to the interrogatories issued by the Commission with respect to the above transactions (Attachment 2). His response explains that by mid-October 1986 his campaign was "bankrupt" so he went to see Kent Hackman, owner of Southwest Products, and brought along his mail consultant, Morris Fox of Fox Communications. According to the response, the purpose of the visit was "to try to get the names of twenty people who could give $1,000 each for a proposed mailer" that he hoped to send out through Fox Communications. John Almquist asserts in his response that after he met with Messrs. Hackman and Fox, he left the room, and then Mr. Hackman subsequently accompanied him to another office where he was given a $20,000 note to sign "on which I was personally liable; said note was to be paid off in money or services at 8% a year interest." According to the response, John Almquist never saw the check which he assumes was paid to Mr. Fox, he did not

receive a copy of the loan, and he has since paid off the note in services. Documentation of the repayment was included with the response.2/

John Almquist's response continues on to assert that at the time of the loan he was not aware that it constituted a contribution and "discussed having the note co-signed by either or both of [his] parents." His response also maintains that his father "called around to see if he could get a $20,000 loan to pay off Mr. Hackman but was unable to," and that "[w]hen the time arrived for me to report to the F.E.C. I felt obligated to report that the mailer did go out on my behalf."3/ As to the fact that the Committee's reports disclosed that the $20,000 loan was from his parents, the response explains that it was done for two reasons. First, because John Almquist did not want Kent Hackman to lose his defense contracts as a result of his support of a Republican candidate, and second, to alleviate problems associated with his fundraising agent's commission on contributions. John Almquist concludes his response by acknowledging that "it was wrong" to have responded to the RFAI's by providing erroneous information, and requests that

2/ The response included two pay statements from Southwest Products Co., one showing a $230.77 deduction for a "loan" and the other a $230.77 deduction for funds "Due Co." Mr. Almquist also listed his charges for various legal services rendered as well as cash payments deducted from several paychecks for a total of $21,680.

3/ The Committee's Post-General Election Report disclosed a disbursement of $20,000 to Fox Communications on October 16, 1986, for a mailer.

the Commission settle this matter through conciliation prior to a finding of probable cause to believe.

On November 24, 1987, a response was submitted on behalf of Carl and Peggy Almquist (Attachment 3). At the outset, the response requests that the Commission settle this matter through conciliation prior to a finding of probable cause to believe and asserts that "[n]o one meant to violate any laws." In response to the interrogatories issued by the Commission, the Almquists' response states that they did not make a loan to the Committee, although "it had been discussed," and asserts that no property of John Almquist was conveyed to them. The response also noted that "[t]here are no documents in our possession pertaining to the $20,000 loan as none was made by us."

On November 23, 1987, the Committee's treasurer submitted a letter stating that he was in the hospital for an operation in July 1986 and then in early November 1986 (Attachment 4). He asserts that upon leaving the hospital on November 9, 1986, he was advised not to work for 45 days, and that he "was not much help for Mr. Almquist as [he] was not available to discuss things nor to do the proper accounting." It is the treasurer's recollection that John Almquist "was forced to do much of the accounting, and after my second operation, he took possession of all accounts and records."

(B) The applicable law

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for a corporation to make a contribution or expenditure in connection

with a federal election, and it is unlawful for any candidate, political committee or other person knowingly to accept or receive any contribution prohibited by this section.

For purposes of Section 441b, the term "contribution or expenditure" includes any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value to any candidate, campaign committee, or political party or organization in connection with any election for federal office. 2 U.S.C. § 441b(b)(2).

As set forth at 2 U.S.C. § 441c(a) it is unlawful for any person (1) who enters into a contract with the United States or any department or agency thereof either for the rendition of personal services or furnishing any material, supplies or equipment to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress, at any time between the commencement of negotiations for and the later of (A) the completion of performance under; or (B) the termination of negotiations for, such contract or furnishing of material, supplies, equipment, land, or buildings, directly or indirectly to make any contribution of money or other things of value, or to promise expressly or impliedly to make such contribution to any political party, committee, or candidate for public office or to any person for any political purpose or

use; or (2) knowingly to solicit any such contribution from any such person during any such period. See also 11 C.F.R. § 115.2.

Pursuant to 2 U.S.C. § 434(b)(3)(E) each report filed shall disclose the identification of each person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and the date and amount of value of such loan. In addition, 2 U.S.C. § 434(b)(5)(D) requires a political committee to disclose on each report filed the name and address of each person who receives a loan repayment from the reporting committee during the reporting period, together with the date and amount of such loan repayment.

Each report filed under 2 U.S.C. § 434(b) is required to disclose the identification of each person who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of $200 within the calendar year, or in any lesser amount if the reporting committee should so elect, together with the date and amount of any such contribution. 2 U.S.C. § 434(b)(3)(A).

Under 2 U.S.C. § 434(a)(1) each treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions of this subsection.

Each treasurer of a political committee, and any other person required to file any report on statement under these

regulations and under the Act, shall be personally responsible for the timely and complete filing of the report or statement and for the accuracy of any information or statement contained in it. 11 C.F.R. § 104.14(d).

(C) Application of the law to the facts

The facts established as a result of this investigation indicate that Carl and Peggy Almquist did not make a $20,000 loan to the Committee, but rather that the source of the $20,000 loan was Southwest Products Co. and/or Kent Hackman personally. Although John Almquist insists that he never saw the $20,000 check issued to Fox Communications presumably by, or under the authority of, Kent Hackman, the subsequent deduction of monies by Southwest Products Co. from John Almquist's paychecks suggests that the monies loaned were those of Southwest Products Co. Thus, it appears that Southwest Products Co., a corporation and a government contractor,[4/] made a $20,000 loan/contribution to the Committee when it paid for a mailer on the Committee's behalf, and that John Almquist accepted such contribution as an agent of the Committee. In addition, it appears that Morris Fox solicited a contribution from a government contractor during his meeting with Kent Hackman, in violation of 2 U.S.C. § 441c. It is,

4/ According to the Federal Procurement Data Center, Southwest Products Co. was a federal contractor during 1987, and presumably was one in 1986.

therefore, the recommendation of this Office that the Commission find reason to believe that: Southwest Products Co. violated 2 U.S.C. § 441b(a) and § 441c by making a contribution to the Committee; Kent Hackman, President of Southwest Products Co., violated 2 U.S.C. § 441b(a) by consenting to such corporate contribution; and, that Morris Fox violated 2 U.S.C. § 441c. It is also recommended that the Commission find reason to believe John Almquist, and the Committee and John Almquist, acting as treasurer, violated 2 U.S.C. § 441b(a) by accepting a contribution from Southwest Products Co., and violated 2 U.S.C. § 441c by soliciting a contribution from Southwest Products Co. See infra for a discussion pertaining to John Almquist acting as treasurer.

This Office notes that Sidney Tanner, the Committee's treasurer of record, has asserted that he played little or no part in the Committee's accounting due to illness. Although he signed the report (Post-General Election) on which the $20,000 loan from Carl and Peggy Almquist was originally reported, as well as the amended report showing the repayment of $20,000 to Carl and Peggy Almquist and the receipt of $20,000 from John Almquist purportedly related to the transfer of his assets to his parents, such reports were filed on December 4, 1986, and January 2, 1987, respectively, during which period John Almquist apparently did the accounting and "took possession of all accounts and records." Thus, the record suggests that John

Almquist was acting as treasurer of the Committee subsequent to Sidney Tanner's hospitalization in July 1986. As to the fact that none of the above transactions between the candidate and his parents in fact occurred, the evidence obtained thus far indicates that the Committee's reports contained the inaccurate information in an apparent attempt to conceal the true facts. It is, therefore, the recommendation of this Office that the Commission find reason to believe the Committee and John Almquist, acting as treasurer, knowingly and willfully violated 2 U.S.C. § 434(b) by reporting inaccurate information to the Commission.

In light of the information developed in the course of this investigation, and the need to obtain additional information from Southwest Products Co. pertaining to the loan, it is the recommendation of this Office that the Commission decline at this time to enter into conciliation with Carl Almquist, Peggy Almquist, the Committee, and its treasurer, prior to a finding of probable cause to believe. It is also recommended that the Commission approve the issuance of the attached Order to Submit Written Answers to Morris Fox, and the attached Subpoena to Produce Documents and Order to Submit Written Answers to Southwest Products Co. and Kent Hackman.

A second issue involved herein concerns the excessive general election contributions accepted by the Committee from Kent Hackman and Marion Hackman. See page 2 supra. At the time

of the reason to believe findings, the Commission approved the issuance of interrogatories to the Hackmans pertaining to the repayment of the excessive portions of their contributions through "tax law services" rendered by John Almquist. To date, the Hackmans have not responded to either the Commission's findings or the interrogatories. Consequently, it is the recommendation of this Office that the Commission approve the issuance to the Hackmans of the attached Subpoenas to Produce Documents and Orders to Submit Written Answers.

III. RECOMMENDATIONS

1. Find reason to believe Southwest Products Co. and Kent Hackman, President, violated 2 U.S.C. § 441b(a).

2. Find reason to believe Southwest Products Co. violated 2 U.S.C. § 441c.

3. Find reason to believe Morris Fox violated 2 U.S.C. § 441c.

4. Find reason to believe John Almquist, Almquist for Congress, and John Almquist, acting as treasurer, violated 2 U.S.C. § 441b(a) and § 441c.

5. Find reason to believe Almquist for Congress and John Almquist, acting as treasurer, knowingly and willfully violated 2 U.S.C. § 434(b).

6. Decline at this time to enter into conciliation with Carl Almquist, Peggy Almquist, Almquist for Congress, and its treasurer, prior to a finding of probable cause to believe.

7. Approve the attached letters, Factual and Legal Analyses, orders, and subpoenas.

2/12/88
Date

Lawrence M. Noble
General Counsel

Attachments
1. Sidney Tanner's response
2. John Almquist's response
3. Carl and Peggy Almquist's response
4. Sidney's Tanner's second response
5. Proposed letters, analyses, orders, and subpoenas

Staff Assigned: Maura White Callaway

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN

DATE: FEBRUARY 22, 1988

SUBJECT: OBJECTION TO MUR 2539 - General Counsel's Report Signed February 17, 1988

The above-captioned document was circulated to the Commission on Thursday, February 18, 1988 at 4:00 P.M.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens	
Commissioner Elliott	
Commissioner Josefiak	X
Commissioner McDonald	
Commissioner McGarry	
Commissioner Thomas	

This matter will be placed on the Executive Session agenda for March 1, 1988.

Please notify us who will represent your Division before the Commission on this matter.

9 0 0 4 0 7 0 3 2 7

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Almquist for Congress; Sidney	)	
Tanner, as treasurer; Carl	)	MUR 2539
Almquist; Peggy Almquist;	)	
Marion Hackman; Ken Hackman	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of March 1, 1988, do hereby certify that the Commission took the following actions in MUR 2539:

1. Decided by a vote of 6-0 to

   a) Find reason to believe Southwest Products Co. and Kent Hackman, President, violated 2 U.S.C. § 441b(a).

   b) Find reason to believe Southwest Products Co. violated 2 U.S.C. § 441c.

   c) Find reason to believe John Almquist, Almquist for Congress, and John Almquist, acting as treasurer, violated 2 U.S.C. § 441b(a) and § 441c.

   d) Find reason to believe Almquist for Congress and John Almquist, acting as treasurer, knowingly and willfully violated 2 U.S.C. § 434(b).

(continued)

e) Decline at this time to enter into conciliation with Carl Almquist, Peggy Almquist, Almquist for Congress, and its treasurer, prior to a finding of probable cause to believe.

2. Decided by a vote of 6-0 to take no action at this time with regard to a finding of reason to believe that Morris Fox violated 2 U.S.C. § 441c, except to ask him to reply to written questions.

3. Decided by a vote of 6-0 to direct the General Counsel to send appropriate letters, Factual and Legal Analyses, orders, and subpoenas, pursuant to the above-noted decisions.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for each of the decisions.

Attest:

3/2/88
Date

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

3 3 1 4 0 7 6 4 3 0 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 10, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Morris Fox
Fox Communications Group
1741 W. Torrance Blvd.
Torrance, CA 90501

RE: MUR 2539

Dear Mr. Fox:

The Federal Election Commission has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, United States Code. The Commission has issued the attached order which requires you to provide certain information in connection with an investigation it is conducting. The Commission does not consider you a respondent in this matter, but rather a witness only.

Because this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order. However, you are required to submit the information under oath within 15 days of your receipt of this order.

If you have any questions, please direct them to Susan Beard, the attorney handling this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Order

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
	)	MUR 2539
	)	
	)	

ORDER TO SUBMIT WRITTEN ANSWERS

TO: Morris Fox
Fox Communications Group
1741 W. Torrance Blvd.
Torrance, CA 90501

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within 15 days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 10th day of March, 1988.

Thomas J. Josefiak, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions (1 page)

Attachment to Order to: Morris Fox

1. With respect to a meeting that occurred at the offices of Southwest Products Co. between you, Kent Hackman, and John Almquist in October 1986, and/or specifically on October 16, 1986:

a. state what was said at the meeting by all parties, including what you said at the meeting;

b. describe the events that occurred at the meeting, including the exchange of any funds, or written or oral agreements reached;

c. state whether at that meeting or at any other time you suggested to Kent Hackman that he and/or Southwest Products Co. make a loan to John Almquist and/or Almquist for Congress.

d. state whether at that meeting or at any other time you suggested to Kent Hackman that he and/or Southwest Products Co. pay Fox Communications for the costs of a mailer or any other services on behalf of John Almquist and/or Almquist for Congress.

2. State whether you, or any of your agents, accepted $20,000 or any other amount of money from Kent Hackman and/or Southwest Products Co. on behalf of John Almquist and/or Almquist for Congress. If the answer is yes, state the date the money was received, the amount of the money, and the use to which you put the funds.

3. If the answer to question 1d is yes, state whether you were aware that Southwest Products Co. was a government contractor.

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

March 10, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John Almquist, acting as treasurer
Almquist for Congress
408 Oliveta Place
La Canada, California 91011

RE: MUR 2539
Almquist for Congress;
John Almquist, acting as
treasurer

Dear Mr. Almquist:

By letter dated October 16, 1987, Sidney Tanner was notified that the Federal Election Commission found reason to believe Almquist for Congress ("Committee") and he, as treasurer, violated 2 U.S.C. § 441a(f). On November 16, 1987, you submitted a response to the Commission's finding on the Committee's behalf.

This is to notify you that on March 1, 1988, the Commission found that there is reason to believe the Committee and you, acting as treasurer, violated 2 U.S.C. §§ 441b(a) and 441c, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Commission also found reason to believe that the Committee and you, acting as treasurer, knowingly and willfully violated 2 U.S.C. § 434(b). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the Committee. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials within 15 days of your receipt of this letter. Statements should be submitted under oath.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order. If you intend to be represented by counsel, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel and authorizing such counsel to receive any notifications or other communications from the Commission.

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

With respect to the request you submitted on behalf of the Committee to enter into conciliation prior to findings of probable cause to believe, please be advised that the Commission has reviewed the request and determined to decline at this time to enter into conciliation because additional information is necessary. At such time when the investigation in this matter has been completed, the Commission will reconsider your request to enter into conciliation prior to a finding of probable cause to believe.

Request 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 the General Counsel ordinarily will not 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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Thomas J. Josefiak
Chairman

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form

plm

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

March 10, 1988

John Almquist
4538 Nipomo
Lakewood, CA 90713

RE: MUR 2539
John Almquist

Dear Mr. Almquist:

On March 1, 1988, the Federal Election Commission found that there is reason to believe you violated 2 U.S.C. §§ 441b(a) and 441c, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

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

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the 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 the 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 the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel and authorizing such counsel to receive any notifications or other communications from the Commission.

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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Thomas J. Josefiak
Chairman

Enclosure
Factual and Legal Analysis
Procedures
Designation of Counsel Form

plus

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 10, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Kent Hackman, President
Southwest Products Company
P. O. Box 1028
Monrovia, California 91016

RE: MUR 2539
Kent Hackman; Southwest
Products Co.

Dear Mr. Hackman:

On March 1, 1988, the Federal Election Commission found that there is reason to believe you and Southwest Products Co. violated 2 U.S.C. § 441b(a), and that Southwest Products Co. violated 2 U.S.C. § 441c, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's findings, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and Southwest Products Co. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials along with your response to the enclosed Subpoena to Produce Documents and Order to Submit Written Answers. All responses to the order and subpoena must be submitted within 15 days of your receipt of this letter. Statements should be submitted under oath.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order and subpoena. If you intend to be represented by counsel, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel and authorizing such counsel to receive any notifications or other communications from the Commission.

In the absence of any additional information which demonstrates that no further action should be taken against you and Southwest Products Co., the Commission may find probable

cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the 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 the 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 the General Counsel ordinarily will not 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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Thomas J. Josefiak
Chairman

Enclosures
Order and Subpoena
Factual and Legal Analysis
Procedures
Designation of Counsel Form

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
) MUR 2539
)
)

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Kent Hackman, President
Southwest Products Co.
P.O. Box 1028
Monrovia, California 91016

Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce the documents requested on the attachment to this Subpoena. Legible copies which, where applicable, show both sides of the documents, may be substituted for originals.

Such answers must be submitted under oath and must be forwarded to the Commission along with the requested documents within 15 days of your receipt of this Order and Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 7th day of March, 1988.

Thomas J. Josefiak, Chairman
Federal Election Commission

ATTEST:

for Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions and Document Request

Attachment to Subpoena and Order to: Kent Hackman and Southwest Products Co.

1. State whether you and/or Southwest Products Co. made a $20,000 loan to John Almquist and/or Almquist for Congress. If the answer is yes, state:

a. the date of the loan;
b. the purpose of the loan;
c. identify all person(s) or entities that made the loan in whole or part;
d. whether you consented to the loan.

2. State whether you and/or Southwest Products Co. made a payment of $20,000 to Fox Communications in October 1986. If the answer is yes, state:

a. whether the payment was on behalf of John Almquist and/or Almquist for Congress;
b. the purpose of the payment;
c. whether you consented to the payment.

3. State whether John Almquist repaid you and/or Southwest Products Co. $20,000 with respect to the above loan. If the answer is yes, describe all services provided, including dates and fees charged per service, by John Almquist in repayment.

4. Provide copies of all documents pertaining to the loan to John Almquist and/or Almquist for Congress, the payment to Fox Communications, and the repayment of the loan by John Almquist.

5. With respect to a meeting that occurred at your office between you, Morris Fox, and John Almquist, in October 1986, and/or specifically on October 16, 1986, state what was said at the meeting while John Almquist was present, and then after John Almquist stepped out of the room. In addition, state whether Morris Fox suggested that you loan John Almquist and/or Almquist for Congress any funds, or that you give Morris Fox any funds on behalf of John Almquist and/or Almquist for Congress.

6. State whether you held any contracts with the United States Government at any time during 1986. If the answer is yes, state the dates that such contracts were in effect and/or being negotiated.

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

March 10, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Marion Hackman
45 Woodlyn Lane
Bradbury, CA 91010

RE: MUR 2539
Marion Hackman

Dear Mrs. Hackman:

On October 16, 1987, you were notified that the Federal Election Commission had found reason to believe you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended. At that time you were requested to provide certain documents and answers to questions, but failed to do so.

Pursuant to its investigation of this matter, the Commission has issued the attached subpoena and order requiring you to provide information, which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, U.S. Code.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this subpoena and order. It is required that you submit all answers to questions under oath and that you do so within 15 days of your receipt of this subpoena and order.

If you have any questions, please direct them to Susan Beard, the attorney handling this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Subpoena and Order

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
) MUR 2539
)
)

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Marion Hackman
45 Woodlyn Lane
Bradberry, CA 91010

Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce the documents requested on the attachment to this Subpoena. Legible copies which, where applicable, show both sides of the documents, may be substituted for originals.

Such answers must be submitted under oath and must be forwarded to the Commission along with the requested documents within 15 days of your receipt of this Order and Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 9th, day of March, 1988.

Thomas J. Josefiak, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions and Document Request (1 page)

Attachment to Subpoena and Order to: Marion Hackman

In correspondence sent to the Federal Election Commission, John Almquist stated that he has repaid part of your apparent excessive contribution by rendering "tax law services." The following questions pertain to these services.

1. a. Describe the services provided by John Almquist. In describing these services, state for whom the services were provided (i.e., Kent Hackman, Marion Hackman, or both), the dates on which the services were provided, and the nature of the services (e.g., legal advice, tax return preparation).

   b. State the total value of the services provided.

   c. State the basis for determining the value of the services provided. Your answer should include such information as the number of hours of services provided and the billing rate (e.g., hourly rate).

2. Provide copies of all documents in your possession pertaining to the provision of tax law services. These documents should include, but not be limited to, invoices and correspondence.

plm

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

March 10, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Kent Hackman
45 Woodlyn Lane
Bradbury, CA 91010

RE: MUR 2539
Kent Hackman

Dear Mr. Hackman:

On October 16, 1987, you were notified that the Federal Election Commission had found reason to believe you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended. At that time you were requested to provide certain documents and answers to questions, but failed to do so.

Pursuant to its investigation of this matter, the Commission has issued the attached subpoena and order requiring you to provide information, which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, U.S. Code.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this subpoena and order. It is required that you submit all answers to questions under oath and that you do so within 15 days of your receipt of this subpoena and order.

If you have any questions, please direct them to Susan Beard, the attorney handling this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Subpoena and Order

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
) MUR 2539
)
)

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Kent Hackman
45 Woodlyn Lane
Bradberry, CA 91010

Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce the documents requested on the attachment to this Subpoena. Legible copies which, where applicable, show both sides of the documents, may be substituted for originals.

Such answers must be submitted under oath and must be forwarded to the Commission along with the requested documents within 15 days of your receipt of this Order and Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 7th, day of March, 1988.

Thomas J. Josefiak, Chairman
Federal Election Commission

ATTEST:

for Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions and Document Request (1 page)

Attachment to Subpoena and Order to: Kent Hackman

In correspondence sent to the Federal Election Commission, John Almquist stated that he has repaid part of your apparent excessive contribution by rendering "tax law services." The following questions pertain to these services.

1. a. Describe the services provided by John Almquist. In describing these services, state for whom the services were provided (i.e., Kent Hackman, Marion Hackman, or both), the dates on which the services were provided, and the nature of the services (e.g., legal advice, tax return preparation).

   b. State the total value of the services provided.

   c. State the basis for determining the value of the services provided. Your answer should include such information as the number of hours of services provided and the billing rate (e.g., hourly rate).

2. Provide copies of all documents in your possession pertaining to the provision of tax law services. These documents should include, but not be limited to, invoices and correspondence.

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

88 MAR 21 PM 12:53

CCC# 8832

4538 Nipomo Ave.
Lakewood, California 90713
March 15, 1988

OFFICE OF GENERAL COUNSEL
MR. GEORGE RISHEL or SUSAN BEARD
FEDERAL ELECTION COMMISSION
Room 659
999 E. Street, N.W.
Washington, D. C. 20463

MUR 2539

RECEIVED
FEDERAL ELECTION COMMISSION
88 MAR 21 PM 3:16

Dear General Counsel,

I wish to pursue pre-probable cause conciliation. As a 26 year old I entered a congressional campaign in a poor district. My time was spent primarily walking precincts in high crime areas. I tried to make this world a little better place to live in. I was used by alot of people and was given alot of bad advice but in the rush of the campaign everyone who is on your side sounds right.

I wish I had not pursued the mailer and I wish I had not signed that note. I tell you the truth when I tell you that I was not entirely sure what Mr. Hackman was doing, I don't think that he did either. All I knew was that the mailer was going out and that I had to repay Kent Hackman, an individual in money or services.

Mr. Hackman is a multi-millionare, so I sincerely do believe that the loan came from him personally. His company is in financial trouble and he has been putting in his personal funds to keep it afloat, at least when I was working there. So, I don't think that the money could have come from anywhere but his personal account.

Mr. Hackman, an individual, made me a loan in the regular course of loaning, I signed the note and paid it back, that's really all that happened.

I believe in the F.E.C. and its intentions to keep candidates from corruption and I support the F.E.C.. But all of those involved in my campaign had no intention to break any laws. We were not a well educated, well groomed group, We did not have the professional advice of targeted campaigns. If I ever run again I will phone you before every transaction. But I do believe in your work and laws and I look forward to hearing from you and resolving this matter.

Thank You,

John W. Almquist

John W. Almquist

DECLARATION OF JOHN ALMQUIST

1. As to violation 2 U.S.C. § 441b(a), I have no evidence that I received a loan from a corporation. I have been led to believe that I have a personal note with Kent Hackman, an individual. I never saw the check. Kent Hackman hurried me into an office where the note was still being typed up and I was asked to sign it quickly so Mr. Hackman could get back to work and I could get back to precinct walking. Kent Hackman kept the note.

2. As to the part of my salary taken out to repay the loan, I believe that was a garnishment by an individual not repayment to a corporation.

3. As to violation number 2, 2 U.S.C. § 441c(a) I got a loan from Kent Hackman personally not Southwest Products, to my knowledge. I did not go to Kent Hackman seeking to solicit money from a corporation with government contracts. What I did do was to ask Kent Hackman as an individual whether he and nineteen other people could give me $1,000 each for my mailer. Instead, Kent Hackman had me hastily sign a note, he went back to his business within minutes and I was back out walking precincts within a few minutes. This occured in the last three weeks of the campaign, I had alot on my mind. The mailer wasn't crucial, but it did help. Walking precincts and keeping my volunteers in the precincts was my primary preoccupation.

This I declare under penalty of perjury this 15th day of March, 1988.

John W. Almquist

John W. Almquist

GCC#9997
- MUR 2539

4538 Nipomo Ave.
Lakewood, CA. 90713
March 25, 1988

Mr. Thomas J. Josefiak and Susan Beard
Office of General Counsel
Federal Election Commission
Room 659
999 E Street N.W.
Washington D. C. 20463

Dear General Counsel,

Two weeks ago I received from you a different set of facts and allegations at my home address in Lakewood, California. Apparently, a second set of facts with new allegations was sent to me at my parents address in La Canada, California. As I do not get everything sent to the La Canada address I would prefer that everything be sent to the Lakewood address above where my wife, I and our kids reside.

I still wish to seek pre-probable cause conciliation. Much of the statement is a repeat of the one I sent last week.

Thank you, I hope to hear from you further on the matter.

Sincerely,

John W. Almquist

P.S. We will not be getting an attorney as we do not have the money. I think that all candidates should be forced to go through a course with the F.E.C. before they start their campaign. I was put on the ballot by the Republican minority leader of the California Assembly, Nolan, to get my state central committee votes. Neither he nor the party has helped me. I feel a deep obligation to all the volunteers who worked in my campaign, an inexperienced group, working in the dark, with the best of intentions.

RECEIVED
FEDERAL ELECTION COMMISSION
88 APR -6 PM 3:41

Second Declaration by John Almquist

1. The loan was between Kent Hackman, an individual and John Almquist, an individual. The committee was never involved in this transaction.

2. My parents tried to get a loan to pay off the Hackman loan had we been successful then the report would have been correct with an outstanding balance of $20,000 owing Carl and Peggy Almquist by myself, an individual. I would not have had to spend monthes paying Hackman back by working it off.

3. I never saw the check.

4. I did not intend to conceal anything. I reported the loan, even though the loan was between myself and Hackman as individuals and the committee was never involved in the transaction, was not a part of the transaction, and only peripherally benefitted by it. In spite of the fact that the committee was not involved I still reported the loan, which was a personal private loan between two individuals that I in essence donated to the campaign.

5. My parents were trying to get another loan to pay off Hackman thus I put them in the report supposing that they would be successful. It took too long and was ultimately unsuccessful so I worked off the loan with Hackman instead. The only way that I could work off the loan was to work for Hackman's wholly owned company Southwest Products, the company in turn garnished my wages on behalf of Kent Hackman. If my parents had gotten the loan the report would have been correct.

6. The time spent on preparing the reports was minimal. There was no time during the campaign to research the law and we did not have the luxury of having an attorney or high-priced consultant, we were a poor, low-budget campaign.

7. As to the excessive contributions by Hackman, I believe it was $2,000 over, I worked it off. Mark Wilson my fundraiser, who claimed to know F.E.C. law, told me that these contributions were in compliance with the law.

8. I went to Kent Hackman to ask him to help me find 19 individuals to give $1,000 each. We talked, I left the room. Hackman and Morris Fox continued to talk. Mr. Hackman and I went to another room where I signed a note still being typed up between Kent Hackman and myself, as individuals. None of us knew the law. I did not go there with the intent of becoming personally liable on a $20,000 loan, I went there to get 19 people who could give $1,000 each.

This I declare under penalty of perjury this 25th day of March, 1988.

John W. Almquist

John W. Almquist

HAND DELIVERED

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

CCC#8918

88 APR -7 AM 10: 20

SOUTHWEST PRODUCTS CO.

Date: April 6, 1988

To: SUSAN BEARD, ATTORNEY AT LAW (202) 376-8200

FEDERAL ELECTION COMMISSION
999 "E" STREET, NORTHWEST
WASHINGTON, D.C. 20463

From: WILLIAM R. Mc KAY
GENERAL COUNSEL, SOUTHWEST PRODUCTS CO.

Subject: MUR 2539

RECEIVED
88 APR -7 AM 11: 23
FEDERAL ELECTION COMMISSION

Enclosed please find: Responses to Discovery Requests, including documents

( ) For your files	( ) Please return to me
( ) For your information	( ) Please telephone me
(X) In accordance with your request by letter dated March 10, 1988	( ) Please read and advise me how to reply
( ) Please sign	( ) Please acknowledge receipt
( ) Please read	( ) Please record
( ) Please comment	( )

Please note that Southwest Products Co. is interested in discussing pre-probable cause conciliation with your department.

Sincerely,

William R. Mc Kay
General Counsel, Southwest Products Co.

CORPORATE HEADQUARTERS
2240 BUENA VISTA • IRWINDALE, CA

Mailing Address: P.O. Box 1028 Monrovia, CA 91016-1028 818 • 358-0181 213 • 681-9616 800 • 826-0729
Telex: 182562 FAX: 818-303-6141

Southwest Products Co responses to
discovery requests
Re:MUR 2539

1. Yes, to John Almquist personally, in the amount of $20,466.52
   a) October 20, 1987
   b) To pay for a mailer that Mr. Almquist was to send out.
   c) Southwest Products Co., a California corporation.
   d) Yes, as a personal loan to Mr. Almquist.

2. Yes, two payments to Fox Communications in the amounts of $9,530.00 and $10,936.52
   a) It was on behalf of John Almquist personally.
   b) It was a loan to Mr. Almquist.
   c) Yes, with the contingent understanding that it was a loan to Mr. Almquist, personally.

3. Mr. Almquist partially repaid the loan through payroll deductions. As an employee Mr. Almquist assisted in the collection of accounts receivable and tried to find outside vendors to do processing. Mr. Almquist was paid at the rate of $17.31 per hour. He was employed from February 2,1987 to March 19,1987.

4. See enclosed promissory note & partial repayment notations and copies of checks

5. To the best of my recollection Mr. Fox said nothing during the meeting. Mr. Almquist stated that he needed about $20,000 to send out a campaign mailer. I stated that it was a violation of the law to contribute that much money to Mr. Almquist, campaign account. Mr. Almquist stated that he thought it would be okay to loan him the money and that I should make the checks payable to Fox Communications. He stated that he didn't believe that a loan would violate the law.

   Mr. Almquist signed a promissory note for $20,466.52 and agreed to repay it by working for Southwest Products Co if he were not elected and by making payments if he were elected.

6. During all twelve months of 1986 Southwest Products Co had United States Government contracts. Southwest Products Co also negotiated Government contracts during 1986. There were many contracts and to provide a list of dates would prove very burdensome and oppressive.

Kent J. Hackman has personal knowledge of the events in question. He was assisted in drafting responses by William R. McKay, Vice President, General Counsel for Southwest Products Co.

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

I Kent J. Hackman have provided the foregoing interrogatory answer personally and on behalf of Southwest Products Co. And declare under penalty of perjury that the foregoing responses are true of my knowledge, except as to those matters which are therein stated upon my information or belief, and as to those matters, I believe them to be true.

EXECUTED ON April 6, 1988

AT Irwindale, CALIFORNIA

KENT J. HACKMAN

Oct

SOUTHWEST PRODUCTS CO.
P. O. BOX 1028, MONROVIA, CALIFORNIA 91016

Headquarters Banking Office
UNION BANK
445 SO. FIGUEROA ST.
LOS ANGELES, CA 90071

№ 14247

16-77
1220

Oct. 20, 19 86

PAY _____ DOLLARS $10,936.52

SOUTHWEST PRODUCTS CO.
GENERAL ACCOUNT

TO THE ORDER OF
The Fox Communications Group
1741 West Torrance Blvd.
Torrance, Ca. 90501

H. Travis Worsham

⑈00014247⑈ ⑆122000776⑆ 21066⑈3491⑈ ⑈0001093652⑈

Oct

SOUTHWEST PRODUCTS CO.
P. O. BOX 1028, MONROVIA, CALIFORNIA 91016

Headquarters Banking Office
UNION BANK
445 SO. FIGUEROA ST.
LOS ANGELES, CA 90071

№ 14212

16-77
1220

Oct. 14, 19 86

PAY _____ DOLLARS $9,530.00

SOUTHWEST PRODUCTS CO.
GENERAL ACCOUNT

TO THE ORDER OF
The Fox Communications Group
1741 West Torrance Boulevard
Torrance, Ca. 90501

H. Travis Worsham

⑈00014212⑈ ⑆122000776⑆ 21066⑈3491⑈ ⑈0000953000⑈

PAY TO THE ORDER OF
SECURITY PACIFIC NATIONAL BANK
TORRANCE OFFICE
TORRANCE, CA
⑆122000043⑆ 31⑈
FOR DEPOSIT ONLY
THE FOX COMMUNICATIONS GROUP
191-076313⑈

Depositing Bank
FRD-ABA 122000043
Telephone No. (818) 246-6716
Office No.
1st Account
CS
PAY ANY BANK
120 OCT
OCT 20 '86
NUCAL
191

OT 86' 20
16-4
SPNB-LA-BOC
PROCESSED
PAY ANY BANK, P.E.C.

PAY TO THE ORDER OF
SECURITY PACIFIC NATIONAL BANK
TORRANCE OFFICE
TORRANCE, CA
⑆122000043⑆ 31⑈
FOR DEPOSIT ONLY
THE FOX COMMUNICATIONS GROUP
191-076313⑈

PAY ANY BANK, P.E.C.
14 OCT 86 19
191
124
060

OT 86' 15
PROCESSED

OT '86 14
16-4
SPNB-LA-BOC
PROCESSED
PAY ANY BANK, P.E.C.

terminated 3/10/87 ADP

start interest the [redacted] day of loan [redacted] per wk - 230.77 ☒ N

John Almquist 10% per annum

	Check date		1	2 Pmt	3 Interest	4 Balance
1	10/20/86	note:				20466.59
2		interest 10/20/86 - 2/13/87 (116 days)			6504.44	6504.44
3	2/13/87	P/R deduction w/e ending 2/6/87		230.77	manual ck	<230.77>
4						20886.19
5	2/13/87	P/R deduction w/e 2/13/87		230.77	manual ck	20655.42
6		interest 2/13 - 2/23/87 10 days			565.9	565.9
7	2/23/87	P/R deduction		230.77		<230.77>
8						20481.24
9		interest 2/23 - 3/02/87			399.8	399.8
10	3/[illegible]	P/R deduction		230.77		<230.77>
11						20250.75
12		interest 3/02 - 3/09/87			387.1	387.1
13	3/09/87	P/R deduction		230.77		<230.77>
14						20020.89
15		interest 3/09 - 3/16/87			385.4	385.4
16	3/16/87	P/R deduction		230.77		<230.77>
17						19925.56
18	3/18/87	P/R check deposited [illegible] in bank-out at work		<230.77>		230.77
19						20156.33
20		interest 3/16 - 3/[illegible]/87 - [illegible]			386.2	386.2
21						20542.05
22						
23						
24						
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26						
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40						

© WILSON JONES COMPANY G7204 GREEN 7204 BLUE 683 MADE IN U.S.A.

Re. John Almquist (ref. ck. rcvd. 10/14/86 -$9,530.00 & ck. rcvd. 10/20/86 $10,936.52)

$20,466.52 October 20, 19 86

ON DEMAND, for value received, I promise to pay to the order of Southwest Products Co., 2240 Buena Vista, Irwindale, Ca. 91706

Twenty Thousand Four Hundred Sixty Six & 52/100---------- Dollars, in lawful money of the United States of America, at above place

, with interest at the rate of 10% per annum simple per cent per annum. Should suit be commenced to enforce payment of this note, I promise to pay such additional sum as the court may adjudge reasonable as attorney's fees in said suit.

John Almquist------- John W. Almquist

Witness: K.J. Hackman

Witness: H.T. Worsham H.T. Worsham

DEMAND NOTE—Wolcotts Form 1413

October 20, 1986

John Almquist for Congress Campaign

Printing	
120,000 Brochures, 11X17 folded to 81/2X11, R70 Gloss, 2 colors 2 sides, incl. 4 photo halftones	$6,875.00
Design, production, and writing	500.00
Sales Tax	479.37
	7,854.37
Computer List	
Cheshire Labels: 115,887 items	1,321.11
Mailing	
Mail prep.: 115,887 items	1,622.42
Post Office Delivery	50.00
Postage: 115,887 @ 8.3 cents	9,618.62
Total	$20,466.52
Less Check Received	9,530.00
Balance	$10,936.52

1741 WEST TORRANCE BOULEVARD, TORRANCE, CA 90501 / (213) 370-2586 / (714) 491-0800

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2539

NAME OF COUNSEL: William R. Mc Kay

ADDRESS: P.O. Box 1028
Monrovia, CA. 91016

TELEPHONE: (818) 358-0181

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

SOUTHWEST PRODUCTS CO.

April 4, 1988
Date

Signature Kent J. Hackman, President

RESPONDENT'S NAME: Southwest Products Co.

ADDRESS: P.O. Box 1028
Monrovia, CA. 91016

HOME PHONE:

BUSINESS PHONE: (818) 358-0181

Oct

SOUTHWEST PRODUCTS CO.
P. O. BOX 1028, MONROVIA, CALIFORNIA 91016

Headquarters Banking Office
UNION BANK
445 SO. FIGUEROA ST.
LOS ANGELES, CA 90071

№ 14247

16-77
1220

Oct. 20, 19 86

PAY [illegible] DOLLARS $ 10,936.52

SOUTHWEST PRODUCTS CO.
GENERAL ACCOUNT

TO THE ORDER OF
The Fox Communications Group
1741 West Torrance Blvd.
Torrance, Ca. 90501

H. Travis Worsham

⑈00014247⑈ ⑆122000776⑆ 21066⑈3491⑈ ⑈0001093652⑈

Oct

SOUTHWEST PRODUCTS CO.
P. O. BOX 1028, MONROVIA, CALIFORNIA 91016

Headquarters Banking Office
UNION BANK
445 SO. FIGUEROA ST.
LOS ANGELES, CA 90071

№ 14212

16-77
1220

Oct. 14, 19 86

PAY [illegible] DOLLARS $ 9,530.00

SOUTHWEST PRODUCTS CO.
GENERAL ACCOUNT

TO THE ORDER OF
The Fox Communications Group
1741 West Torrance Boulevard
Torrance, Ca. 90501

H. Travis Worsham

⑈00014212⑈ ⑆122000776⑆ 21066⑈3491⑈ ⑈0000953000⑈

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

April 13, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Kent Hackman
45 Woodlyn Lane
Bradbury, CA 91010

RE: MUR 2539
Kent Hackman

Dear Mr. Hackman:

On October 16, 1987, you were notified that the Federal Election Commission had found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended. At that time you were requested to provide certain documents and answers to questions, but failed to do so. On March 10, 1988, you were sent a subpoena to produce documents and an order to submit written answers.

Please note that the answers and the requested documents were to be submitted to the Commission within 15 days of your receipt of the order and subpoena. To date, you have not responded to the order and subpoena. Unless we receive a response from you within 5 days, this Office will request the Commission to authorize the enforcement of the order and subpoena in United States District Court.

Should you have any questions, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

April 13, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Morris Fox
Fox Communications Group
1741 W. Torrance Blvd.
Torrance, CA 90501

RE: MUR 2539

Dear Mr. Fox:

On March 10, 1987, you were sent an order to submit written answers. Please note that the answers were to be submitted to the Commission within 15 days of your receipt of the order. To date, you have not responded to the order. Unless we receive a response from you within 5 days, this Office will request the Commission to authorize the enforcement of the order in United States District Court.

Should you have any questions, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Pkm

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

April 13, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Marion Hackman
45 Woodlyn Lane
Bradbury, CA 91010

RE: MUR 2539
Marion Hackman

Dear Mrs. Hackman:

On October 16, 1987, you were notified that the Federal Election Commission had found reason to believe you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended. At that time you were requested to provide certain documents and answers to questions, but failed to do so. On March 10, 1988, you were sent a subpoena to produce documents and an order to submit written answers.

Please note that the answers and the requested documents were to be submitted to the Commission within 15 days of your receipt of the order and subpoena. To date, you have not responded to the order and subpoena. Unless we receive a response from you within 5 days, this Office will request the Commission to authorize the enforcement of the order and subpoena in United States District Court.

Should you have any questions, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Th[redacted]ox Communications Gr[redacted]

FEDERAL ELECTION COMMISSION
88 MAY -6 PM 9:25
RECEIVED
88 MAY -6 PM 2:39
RECEIVED
FEDERAL ELECTION COMMISSION

April 30, 1988

Federal Election Commission
Washington, D.C. 20463

Attn.: Susan Beard

RE: MUR 2539

Dear Ms. Beard:

I apologize for the delay in responding to the interrogatories that were received by me last month. I have been away from my office for most of the time due to illness, was hospitalized, and underwent an operation during the month of April.

It is my intention to cooperate fully with the F.E.C. with regard to any investigation it is conducting.

Interrogatory 1.

The first meeting that I attended at the offices of Southwest Products Co. took place on October 14, 1986. The only other time that I visited that location was on October 20, 1986.

1a. The subject of the meeting was a discussion on a district wide mailer to promote the candidacy of John Almquist for Congress. The conversation by all parties dealt with the size of the mailer, number of colors, content, quantity to be printed and the costs associated with those factors.

I was there only as a vendor for the above services and answered questions regarding costs that were posed to me by John Almquist and Kent Hackman. Kent Hackman was introduced to me as a successful businessman in the district who was also a good friend of the candidate.

1b. A decision was reached at this meeting to proceed with the design, printing and mailing of a brochure to all residences in the district. The cost of this mailing was estimated by me to be approximately $19,060.00.

I requested a deposit of at least 50% to proceed with this project and was given a check by Kent Hackman for $9,530.00. An oral agreement was made for the balance to be paid upon the delivery of the printing to the mailing house.

1c. At no time did I suggest that Kent Hackman and/or Southwest Products Co. make a loan to John Almquist and/or Almquist for Congress.

1741 WEST TORRANCE BOULEVARD, TORRANCE, CA 90501 / (213) 370-2586 / (714) 491-0800

1d. At no time did I suggest to Kent Hackman that he and/or Southwest Products Co. pay Fox Communications for the costs of a mailer or any other services on behalf of John Almquist and/or Almquist for Congress.

2. On October 14, 1986, I accepted a check from Kent Hackman in the amount of $9,530.00. On October 20, 1986, I received a check from Kent Hackman in the amount of $10,936.52.

These checks represented payment in full for the printing and mailing of approximately 115,000 brochures on behalf of Almquist for Congress.

3. N/A

I hereby declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on April 30, 1988, at Torrance, California.

Morris Fox

FEDERAL ELECTION COMMISSION
88 MAY 10 AM 9:27
SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Almquist for Congress and	)	
Sidney Tanner, as treasurer,	)	
and John Almquist, acting as	)	
treasurer; Carl Almquist;	)	MUR 2539
Peggy Almquist; Marion Hackman;	)	
Kent Hackman; John Almquist;	)	
and Southwest Products Co. and	)	
Kent Hackman, as President	)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On October 1, 1987, the Commission found reason to believe that Almquist for Congress ("Committee") and Sidney Tanner, as treasurer, violated 2 U.S.C. § 441a(f) by accepting excessive contributions from Kent Hackman and Marion Hackman, and an excessive loan of $20,000 from the candidate's parents, Carl and Peggy Almquist. The Commission also found reason to believe Kent Hackman, Marion Hackman, Peggy Almquist and Carl Almquist violated 2 U.S.C. § 441a(a)(1)(A) by making the above excessive contributions.

On March 1, 1988, the Commission found reason to believe that Southwest Products Co. violated 2 U.S.C. § 441c and that Southwest Products Co. and Kent Hackman, as President, violated 2 U.S.C. § 441b(a) by making a $20,000 loan to Almquist for Congress. The Commission also found reason to believe that John Almquist, and Almquist for Congress and John Almquist, acting as treasurer, violated 2 U.S.C. §§ 441b(a) and 441c by accepting the loan from Southwest Products Co. The Commission also found reason to believe that Almquist for Congress and John Almquist, acting as treasurer, knowingly and willfully violated 2 U.S.C.

§ 434(b) by reporting inaccurate information to the Commission with respect to the identities of the makers of the $20,000 loan.

On March 21, 1988, this Office received a response from John Almquist which was supplemented on April 6, 1988. Attachment 1 at 1. In the response John Almquist requested pre-probable cause conciliation. On April 7, 1988, this Office received a response from Southwest Products Co. which also included a request for pre-probable cause conciliation. Attachment 1 at 5. This Office has received a response from Morris Fox, a non-respondent witness, on May 6, 1988. The Hackmans informed this Office that they intended to respond to the subpoenas but had misplaced them. Copies were sent to the Hackmans on April 22, 1988.

II. ANALYSIS

Once all responses are received and reviewed, this Office will determine whether further investigation will be necessary. Accordingly, this Office recommends that the Commission decline to enter into pre-probable cause conciliation at this time. When the investigation of this matter is completed, this Office will prepare a report with the appropriate recommendations.

III. RECOMMENDATIONS

1. Decline at this time to enter into conciliation prior to a finding of probable cause to believe with Southwest Products Co. and Kent Hackman, as President, John Almquist, and Almquist for Congress and John Almquist, acting as treasurer.

2. Approve the attached letters.

5/9/88
Date

Lawrence M Noble (AHZ)
Lawrence M. Noble
General Counsel

Attachments:
1. Requests for Conciliation
2. Letters (2)

Staff person: Susan Beard

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of Almquist for Congress and Sidney Tanner, as treasurer, and John Almquist, acting as treasurer; Carl Almquist; Peggy Almquist; Marion Hackman; Kent Hackman; John Almquist; and Southwest Products Co. and Kent Hackman, as President	)	MUR 2539

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 12, 1988, the Commission decided by a vote of 5-0 to take the following actions in MUR 2539:

1. Decline at this time to enter into conciliation prior to a finding of probable cause to believe with Southwest Products Co. and Kent Hackman, as President, John Almquist, and Almquist for Congress and John Almquist, acting as treasurer, as recommended in the General Counsel's report signed May 9, 1988.

2. Approve the letters, as recommended in the General Counsel's report signed May 9, 1988.

Commissioners Aikens, Elliott, Josefiak, McGarry, and Thomas voted affirmatively for the decision; Commissioner McDonald did not cast a vote.

Attest:

5-13-88
Date

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

Received in the Office of Commission Secretary: Tues., 5-10-88, 9:27
Circulated on 48 hour tally basis: Tues., 5-10-88, 4:00
Deadline for vote: Thurs., 5-12-88, 4:00

plm

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 16, 1988

John W. Almquist
4538 Nipomo Avenue
Lakewood, CA 90713

RE: MUR 2539
John W. Almquist
Almquist for Congress,
and John Almquist, acting
as treasurer

Dear Mr. Almquist:

On March 10, 1988, you were notified that the Federal Election Commission found reason to believe that you violated 2 U.S.C. §§ 441b(a) and 441c, and that Almquist for Congress ("Committee") and you, acting as treasurer, violated 2 U.S.C. § 441b(a) and 441c. The Commission also found reason to believe that the Committee and you, acting as treasurer, knowingly and willfully violated 2 U.S.C § 434(b). Also, by letter dated October 16, 1987, Sidney Tanner was notifed that the Commission had found reason to believe that the Committee and he, as treasurer, violated 2 U.S.C. § 441a(f). On March 21 and 31, 1988, you submitted requests to enter into conciliation negotiations prior to a finding of probable cause to believe.

The Commission has considered your request and determined, because of the need to complete the investigation, to decline at this time to enter into conciliation prior to a finding of probable cause to believe.

At such time when the investigation in this matter has been completed, the Commission will reconsider your request to enter into conciliation prior to a finding of probable cause to believe.

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

Sincerely,

Lawrence M. Noble
General Counsel

plm

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

May 16, 1988

William R. McKay, Esquire
Southeast Products Co.
P.O. Box 1028
Monrovia, CA 91016

RE: MUR 2539
Kent Hackman; Southwest
Products Co.

Dear Mr. McKay:

On March 10, 1988, your clients were notified that the Federal Election Commission found reason to believe that your clients, Kent Hackman and Southwest Products Co., violated 2 U.S.C. § 441b(a), and that Southwest Products Co., violated 2 U.S.C. § 441c. On April 7, 1988, you submitted a request to enter into conciliation negotiations prior to a finding of probable cause to believe.

The Commission has considered your request and determined, because of the need to complete the investigation, to decline at this time to enter into conciliation prior to a finding of probable cause to believe.

At such time when the investigation in this matter has been completed, the Commission will reconsider your request to enter into conciliation prior to a finding of probable cause to believe.

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

Sincerely,

Lawrence M. Noble
General Counsel

ccc 937

RECEIVED
FEDERAL ELECTION COMMISSION

88 MAY 23 AM 9:57

SOUTHWEST PRODUCTS CO.

Date: May 20, 1988

To: SUSAN BEARD, ATTORNEY AT LAW (202) 376-8200

FEDERAL ELECTION COMMISSION
999 "E" STREET, NORTHWEST
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
88 MAY 24 AM 11:25

From: KENT J. HACKMAN, MARION M. HACKMAN

Subject: MUR2539

Enclosed please find: Responses to Discovery Requests

( ) **For your files**	( ) **Please return to me**
( ) **For your information**	( ) **Please telephone me**
(X) **In accordance with your request** by letter dated March 10, 1988	( ) **Please read and advise me how to reply**
( ) **Please sign**	( ) **Please acknowledge receipt**
( ) **Please read**	( ) **Please record**
( ) **Please comment**	( )

Sincerely,

Kent J. Hackman

CORPORATE HEADQUARTERS
2240 BUENA VISTA • IRWINDALE, CA

Mailing Address P.O. Box 1028 Monrovia, CA 91016-1028 818 • 358-0181 213 • 681-9616 800 • 526-0729
Telex 182562 FAX 818-303-6141

Kent J. Hackman responses to discovery requests
MUR2539

1. No

2. Not applicable, because no services were rendered.

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

I, Kent J. Hackman have provided the foregoing interrogatory responses personally and declare under penalty of perjury that the foregoing responses are true of my knowledge.

EXECUTED ON May 20, 1988 at Bradbury, California.

KENT J. HACKMAN

Marion M. Hackman responses to discovery requests
MUR2539

1. No.

2. Not applicable, because no services were rendered.

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

I, Marion M. Hackman have provided the foregoing interrogatory responses personally and declare under penalty of perjury that the foregoing responses are true of my knowledge.

EXECUTED ON May 20, 1988 at Bradbury, California.

Marion M. Hackman

MARION M. HACKMAN

plm

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 24, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Kent & Marion Hackman
45 Woodlyn Lane
Bradbury, CA 91010

RE: MUR 2539
Marion Hackman
Kent Hackman

Dear Mr. & Mrs. Hackman:

On October 16, 1987, you were notified that the Federal Election Commission had found reason to believe you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended. At that time you were requested to provide certain documents and answers to questions, but failed to do so. On March 10, 1988, you were sent a subpoena to produce documents and an order to submit written answers. On April 13, 1988, you were sent a letter notifying you that a response to the subpoena and order had not been received. In response to this letter a request was made that another copy of the subpoena and order be sent to you. This Office complied with the request. However, a response still has not been received. On May 20, 1988, a representative of this Office spoke to Mr. Hackman. Mr. Hackman stated that the subpoena and order he and his wife received at home was the same as the one sent to Southwest Products Co. That is not the case. Enclosed are copies of the subpoena and order to Mr. and Mrs. Hackman and Southwest Products Co.

Please note that the answers and the requested documents were to be submitted to the Commission within 15 days of your receipt of the order and subpoena. To date, you have not responded to the order and subpoena. Unless we receive a response from you within 5 days, this Office will request the Commission to authorize the enforcement of the order and subpoena in United States District Court.

Should you have any questions, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Subpoena & Orders

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

May 24, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Kent & Marion Hackman
45 Woodlyn Lane
Bradbury, CA 91010

RE: MUR 2539
Marion Hackman
Kent Hackman

Dear Mr. & Mrs. Hackman:

On October 16, 1987, you were notified that the Federal Election Commission had found reason to believe you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended. At that time you were requested to provide certain documents and answers to questions, but failed to do so. On March 10, 1988, you were sent a subpoena to produce documents and an order to submit written answers. On April 13, 1988, you were sent a letter notifying you that a response to the subpoena and order had not been received. In response to this letter a request was made that another copy of the subpoena and order be sent to you. This Office complied with the request. However, a response still has not been received. On May 20, 1988, a representative of this Office spoke to Mr. Hackman. Mr. Hackman stated that the subpoena and order he and his wife received at home was the same as the one sent to Southwest Products Co. That is not the case. Enclosed are copies of the subpoena and order to Mr. and Mrs. Hackman and Southwest Products Co.

Please note that the answers and the requested documents were to be submitted to the Commission within 15 days of your receipt of the order and subpoena. To date, you have not responded to the order and subpoena. Unless we receive a response from you within 5 days, this Office will request the Commission to authorize the enforcement of the order and subpoena in United States District Court.

Should you have any questions, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Subpoena & Orders

FEDERAL ELECTION COMMISSION
88 JUL -7 A 9:07

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE
EXECUTIVE SESSION
JUL 12 1988

In the Matter of	)	
	)	
Almquist for Congress and	)	
Sidney Tanner, as treasurer,	)	
and John Almquist, acting as	)	
treasurer; Carl Almquist;	)	MUR 2539
Peggy Almquist; Marion Hackman;	)	
Kent Hackman: John Almquist;	)	
and Southwest Products Co. and	)	
Kent Hackman, as President	)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On October 1, 1987, the Commission found reason to believe that Almquist for Congress ("Committee") and Sidney Tanner, as treasurer, violated 2 U.S.C. § 441a(f) by accepting excessive contributions from Kent Hackman and Marion Hackman, and an excessive loan of $20,000 from the candidate's parents Carl and Peggy Almquist. The Commission also found reason to believe Kent Hackman, Marion Hackman, Peggy Almquist and Carl Almquist violated 2 U.S.C. § 441a(a)(1)(A) by making the above excessive contributions and loans. On March 1, 1988, the Commission found reason to believe that Southwest Products Co. violated 2 U.S.C. § 441c and that Southwest Products Co. and Kent Hackman, as President, violated 2 U.S.C. § 441b(a) by making a $20,000 loan to Almquist for Congress. The Commission also found reason to believe that John Almquist, and Almquist for Congress and John Almquist, acting as treasurer, violated 2 U.S.C. §§ 441b(a) and 441c by accepting the loan from Southwest Products Co. The Commission also found reason to believe that Almquist for Congress and John Almquist, acting as treasurer, knowingly and willfully violated 2 U.S.C. § 434(b) by reporting inaccurate

information to the Commission with respect to the identities of the makers of the $20,000 loan.

On May 9, 1988, this Office circulated a report which, in part, notified the Commission that this Office was awaiting the responses on outstanding interrogatories. This Office has now received responses from all of the respondents and Morris Fox, a non-respondent witness. On March 21, 1988, this Office received a response from John Almquist which was supplemented on April 6, 1988 (Attachment 1 at 1). Mr. Almquist had also filed a response on November 16, 1987 (Attachment 1 at 5). On April 7, 1988, this Office received a response from Southwest Products Co. (Attachment 1 at 10). On May 6, 1988, a response was received from Morris Fox (Attachment 1 at 20). Finally, on May 23, 1988, a response was received from Kent and Marion Hackman (Attachment 1 at 22).

II. ANALYSIS

All of the responses agree that a loan was made so that Morris Fox could produce a mailer for Almquist for Congress. Nevertheless, the responses appear to be in disagreement on several factual issues with respect to the making of the loan.

First, there is a factual question over the identity of the maker of the loan. According to documents produced by Southwest Products Co., it was the maker of the loan (Attachment 1 at 14 and 17). However, according to Mr. Almquist, he was under the impression that the loan was being made by Mr. Hackman (Attachment 1 at 1, 2, and 4). Second, Southwest Products Co. has informed the Commission that the loan was for $20,466.52

(Attachment 1 at 11 and 17). However, Mr. Almquist has informed the Commission that the loan was for $20,000 (Attachment 1 at 4 and 6). Third, there appears to be a disagreement over who solicited the loan. Mr. Fox has stated that he did not suggest that Mr. Hackman or Southwest Products Co. make the loan (Attachment 1 at 20). Southwest Products Co.'s response indicates that Mr. Almquist solicited the loan (Attachment 1 at 11). However, Mr. Almquist has informed the Commission that he went to Mr. Hackman in order to obtain the names of potential contributors, and that Mr. Fox and Mr. Hackman met separately which resulted in the making of the loan (Attachment 1 at 4-6).

Since there is disagreement over the facts that resulted in the apparent violations of the Act, this Office is recommending that the Commission authorize depositions of Respondents John Almquist and Kent Hackman, individually and as President of Southwest Products Co., and of Morris Fox, as a non-respondent witness. By taking depositions this office will be able to conduct direct questioning in an attempt to resolve the factual conflicts in the responses this Office has received. Depositions will also give this Office the opportunity to clarify whether Mr. Almquist has reimbursed Kent and Marion Hackman for the excessive contributions they made to Almquist for Congress, and whether Mr. Almquist knowingly and willfully violated the Act. This Office also recommends that requests for documents be sent to John Almquist and Kent Hackman, individually and as President of Southwest Products Co. and to Morris Fox, as a non-respondent witness. The requested documents deal with the areas of

disagreement among the responses received by this Office, and may prove helpful in preparing for the depositions and in determining what actually occurred.

III. RECOMMENDATIONS

1. Approve the subpoenas for the depositions of and the production of documents by Respondents John Almquist and Kent Hackman, and by Morris Fox, as a non-respondent witness.

2. Approve the attached letters.

Date 7/6/84

Lawrence M. Noble
General Counsel

Attachments:
1. Responses
2. Subpoenas for depositions and the production of documents and letters (3)

Staff person: Susan Beard

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/KAREN E. TRACH
COMMISSION SECRETARY

DATE: JULY 7, 1988

SUBJECT: OBJECTION TO: MUR 2539 - GENERAL COUNSEL'S REPORT SIGNED JULY 6, 1988

The above-captioned document was circulated to the Commission on THURSDAY, JULY 7, 1988, at 11:00 A.M.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	
Commissioner Elliott	X
Commissioner Josefiak	
Commissioner McDonald	
Commissioner McGarry	
Commissioner Thomas	

This matter will be placed on the meeting agenda for JULY 12, 1988.

Please notify us who will represent your Division before the Commission on this matter.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C.

MEMORANDUM TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN

DATE: JULY 11, 1988

SUBJECT: OBJECTIONS TO MUR 2539 - General Counsel's Report Signed July 6, 1988

The above-captioned document was circulated to the Commission on Thursday, July 7, 1988 at 11:00 A.M.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens	X
Commissioner Elliott	X
Commissioner Josefiak	
Commissioner McDonald	
Commissioner McGarry	
Commissioner Thomas	

This matter will be placed on the Executive Session agenda for July 12, 1988.

Please notify us who will represent your Division before the Commission on this matter.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Almquist for Congress and	)	
Sidney Tanner, as treasurer,	)	
and John Almquist, acting as	)	
treasurer; Carl Almquist;	)	
Peggy Almquist; Marion Hackman;	)	MUR 2539
Kent Hackman; John Almquist;	)	
Southwest Products Co. and	)	
Kent Hackman, as President	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of July 12, 1988, do hereby certify that the Commission decided by a vote of 4-1 to reject the recommendations contained in the General Counsel's July 6, 1988 report on MUR 2539, and direct the Office of the General Counsel to proceed to the next phase of enforcement.

Commissioners Aikens, Elliott, Josefiak, and McGarry voted affirmatively for the decision; Commissioner Thomas dissented; Commissioner McDonald was not present.

Attest:

7-14-88
Date

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

FEDERAL ELECTION COMMISSION
RECEIVED
89 FEB 15 PM 4:21
SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Carl Almquist, Peggy Almquist, Kent Hackman and Marion Hackman	)	MUR 2539
	)	
	)	

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to Carl Almquist, Peggy Almquist, Kent Hackman and Marion Hackman, based on the assessment of the information presently available.

Date 2/15/89

Lawrence M. Noble
General Counsel

RECEIVED
FEDERAL ELECTION COMMISSION

89 FEB 15 PM 4:21

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Almquist for Congress and Sidney Tanner, as treasurer, and John Almquist, acting as treasurer; John Almquist; and Southwest Products Co. and Kent Hackman, as President	)	MUR 2539

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On October 1, 1987, the Commission found reason to believe Almquist for Congress (the "Committee") and Sidney Tanner, as treasurer, violated 2 U.S.C. § 441a(f) by accepting excessive contributions from Kent Hackman and Marion Hackman, and an excessive contribution in the form of a loan of $20,000 from the candidate's parents, Carl and Peggy Almquist. The Commission also found reason to believe Kent Hackman, Marion Hackman, Peggy Almquist and Carl Almquist violated 2 U.S.C. § 441a(a)(1)(A) by making the above excessive contributions and loans. On March 1, 1988, the Commission further found reason to believe that the Southwest Products Co. violated 2 U.S.C. § 441c and that the Products Co. and Kent Hackman, as President, violated 2 U.S.C. § 441b(a) by making the $20,000 loan to the Committee. The Commission also found reason to believe that John Almquist, Almquist for Congress and John Almquist, acting as treasurer, violated 2 U.S.C. §§ 441b(a) and 441c by accepting the loan from Southwest Products Co. The Commission also found reason to

believe that Almquist for Congress and John Almquist, acting as treasurer, knowingly and willfully violated 2 U.S.C. § 434(b) by reporting inaccurate information to the Commission with respect to the identity of the makers of the $20,000 loan.

On May 12, 1988, the Commission declined to enter into conciliation prior to a finding of probable cause to believe pending the completion of the investigation. On July 12, 1988 the Commission rejected the recommendation of this Office to approve the taking of depositions of Respondents John Almquist and Kent Hackman, and of Morris Fox, as a non-respondent witness, and directed this Office to proceed to the next step of the enforcement process.

II. ANALYSIS

This Office relied upon the documentary evidence obtained from all sources and previously circulated to the Commission. This is consistent with the discussion at the Commission meeting of July 12, 1988, discussed above.

Loan

The documentary evidence obtained shows that on October 20, 1986, John Almquist (the "Candidate") signed a promissory note for $20,462.52 payable to Southwest Products Co. in order to pay for a campaign mailer for the Candidate's campaign for Congress in the 30th Congressional District of California. Southwest Products Co. is a corporation organized under the laws of the State of California. In accordance with the loan agreement, Southwest Products Co. made two payments to Fox Communications, a mail consulting firm. The payments were made on October 14, 1986

and October 20, 1986 in the amounts of $9,530.00 and $10,936.52, respectively. The Candidate verbally agreed to repay the promissory note by working for Southwest Products Co. if he were not elected. The Candidate was employed by Southwest Products Co. from February 2, 1987 to March 19, 1987 and was paid the rate of $17.31 per hour. Five deductions in the amount of $230.77 were made from the paychecks of the Candidate while employed by Southwest Products Co. and were applied towards the loan.

On December 4, 1986, Almquist for Congress (the "Committee") filed a Post-General Report disclosing the receipt of a $20,000 loan from Carl and Peggy Almquist, the Candidate's parents, on October 16, 1986. The report was signed by Sidney Tanner, as treasurer. On December 16, 1986, the Reports Analysis Division ("RAD") sent a request for additional information ("RFAI") to the Committee advising the Committee to refund the loan from the Candidate's parents since the amount of the loan would make it an excessive contribution.

On January 2, 1987, the Committee filed an Amended 30 Day Post-General Report signed by the Committee treasurer, Sidney Tanner. The Candidate enclosed a cover letter with the report stating that he was assuming the loan by his parents by signing over to them his car, a plot of land in Arizona, and a lien on a personal injury suit.

On November 16, 1987, the Candidate submitted a sworn response to the interrogatories issued by the Commission with respect to the above transactions. His response explained that by mid-October 1986 his campaign was "bankrupt" so he went to see

Kent Hackman, owner of Southwest Products Co. regarding a loan. It was not until this response was received that the Office of the General Counsel became aware that the Candidate had not provided this Commission with accurate information regarding the loan transaction. He further stated in this response that "it was wrong" of him to have submitted false information in response to the RFAIs regarding the loan from Southwest Products Co. On November 24, 1987, Carl and Peggy Almquist submitted sworn affidavits stating that they did not make a loan to the Committee, nor was any property of the Candidate conveyed to them.

On April 7, 1988, Southwest Products Co. submitted a sworn affidavit admitting that it had made the loan to the Candidate to pay for a campaign mailer. Southwest Products Co. further stated that during all twelve months of 1986, Southwest Products Co. had contracts with the United States and that Southwest Products Co. had also negotiated contracts with the United States in 1986.

Excessive Contribution

On October 17, 1986, the Committee filed a 12 Day Pre-General Election Report disclosing the receipt on October 1, 1986 of a $2,000 contribution for the general election from Kent Hackman and a $1,500 contribution for the general election from Marion Hackman. On November 10, 1986, the Reports Analysis Division ("RAD") sent a request for additional information ("RFAI") to the Committee noting the apparent acceptance by the Committee of excessive contributions from Kent Hackman and Marion Hackman.

On November 21, 1986, the Committee filed an Amended Pre-General Report, signed by Sidney Tanner, showing the excessive contributions for the Hackmans redesignated as primary and general election contributions as follows: a $1,000 contribution for the primary and a $1,000 contribution for the general election from Kent Hackman, and a $1,000 contribution for the primary and a $500 contribution for the general election from Marion Hackman. On December 10, 1986, RAD sent an RFAI informing the Committee that Commission regulations prohibit the redesignation of the contributions as primary contributions when they are received after the primary and the Committee had no primary debts.

On December 29, 1986, the Committee filed an Amended Pre-General Report signed by Sidney Tanner showing the excessive amount of the contributions by Kent and Marion Hackman redesignated as all for the general election as follows: a $1,000 contribution from Kent Hackman on October 1, 1986, a $1,000 contribution from Marion Hackman on October 1, 1986, a $1,000 contribution on December 18, 1986 from their son Dwight Hackman, a student, and a $500 contribution on December 18, 1986 from their son Kirk Hackman, also a student. On March 19, 1987, RAD sent an RFAI stating that the Committee should refund the excessive contributions from Kent and Marion Hackman because the provisions of the Act prohibited the Committee from accepting contributions from the Hackmans made in the name of their sons.

On April 3, 1987, in a letter to the Commission, the Candidate stated that Kent and Marion Hackman had been repaid

"through tax-law services [the Candidate] rendered them in excess of the $1000 owed because of Dwight Hackman's contribution." The Candidate made no reference to the $500 excessive portion of Marion Hackman's contribution that had been attributed to Kirk Hackman. On May 23, 1988, Kent and Marion Hackman submitted sworn affidavits stating that they had received no tax-law services from the Candidate.

John Almquist, Acting as Treasurer

John Almquist filed a Statement of Candidacy for the 30th Congressional District of California on July 24, 1986, designating Almquist for Congress as his principal campaign committee. The Statement of Organization for Almquist for Congress was also filed on July 24, 1986 and listed Sidney Tanner as the treasurer. Sidney Tanner was also listed as custodian of records for the Committee. The Statement of Organization did not list an assistant treasurer, nor was an amendment ever made to the Statement of Organization to include one.

On October 27, 1987, Sidney Tanner, the Committee's treasurer of record, stated in an unsworn affidavit that he was either ill or hospitalized from November 3, 1986 to approximately December 24, 1986. During such time, John Almquist undertook the responsibilities of treasurer for the Committee. Furthermore, John Almquist took possession of all of Tanner's records when Tanner was in the hospital. No change or correction was reported in the information previously listed in the Statement of Organization regarding the role of John Almquist as treasurer, assistant treasurer or custodian of records. On December 13,

1986, Tanner stated, in a letter to the Commission, that the Candidate prepared at least one report for the Committee while Tanner was in the hospital which the Candidate brought to Tanner to sign. Sidney Tanner apparently signed all reports and amendments filed by the Committee except for a Mid-Year Report submitted on September 4, 1987, which was signed "John Almquist for Sidney Tanner."

On the basis of these events, the proposed conciliation agreement includes the admission of a violation of 2 U.S.C. § 433(c) in order to place the findings with respect to John Almquist's acting as treasurer on a clearer legal basis and to make them more consistent with the position taken in the Commission's memorandum in support of its summary judgment motion in Federal Election Commission v. Committee To Elect Bennie O. Batts, No. 87 Civ. 5789 (GLG)(S.D. N.Y. Dec. 15, 1988). Under 2 U.S.C. § 433(c), any change in information previously submitted in a statement of organization must be reported to the Commission no later than ten days after the change. The record strongly suggests that John Almquist, subsequent to Sidney Tanner's hospitalization, fulfilled many of the duties of treasurer, assistant treasurer or custodian of records as prescribed by the Act.

Therefore, this Office recommends that the Commission find reason to believe that Almquist for Congress and John Almquist, acting as treasurer, violated 2 U.S.C. § 433(c).

A. **John Almquist, Almquist for Congress and Sidney Tanner, as Treasurer, and John Almquist, Acting as Treasurer**

Documentary evidence obtained indicates that John Almquist, Almquist for Congress and John Almquist, acting as treasurer, knowingly accepted a $20,462.52 contribution, in the form of a loan, from Southwest Products Co., a California corporation, in violation of 2 U.S.C. § 441b(a).

The evidence obtained also indicates that John Almquist, Almquist for Congress and John Almquist, acting as treasurer, knowingly solicited a $20,462.52 contribution, in the form of a loan, from Southwest Products Co., a government contractor, in violation of 2 U.S.C. § 441c.

By deliberately reporting inaccurate information to the Commission with respect to the identity of the makers of the loan on two separate occasions, Almquist for Congress and John Almquist, acting as treasurer, knowingly and willfully violated 2 U.S.C. § 434(b). Furthermore, Almquist for Congress and John Almquist, acting as treasurer, failed to disclose the role of John Almquist as treasurer, assistant treasurer, or custodian of records in violation of 2 U.S.C. § 433(c).

Finally, for accepting excessive contributions from Kent Hackman and Marion Hackman, Almquist for Congress and Sidney Tanner, as treasurer, violated 2 U.S.C. § 441a(f).

B. **Southwest Products Co. and Kent Hackman, as President**

By their own admission, Southwest Products Co., a California corporation, and Kent Hackman, as President, made a $20,462.52 contribution, in the form of a loan, to John Almquist in violation of 2 U.S.C. § 441b(a). Southwest Products Co. was also

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a government contractor at the time the contribution, in the form of a loan, was made to John Almquist to help his campaign for Congress. Therefore, the evidence also supports the finding that Southwest Products Co. violated 2 U.S.C. § 441c.

III. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

Attached for the Commission's approval are two proposed conciliation agreements that include admissions of violations and the payments of civil penalties.

A. John Almquist, Almquist for Congress and Sidney Tanner, as Treasurer, and John Almquist, Acting as Treasurer

B. Southwest Products Co. and Kent Hackman, as President

IV. RECOMMENDATIONS

1. Find reason to believe Almquist for Congress and John Almquist, acting as treasurer, violated 2 U.S.C. § 433(c).

2. Enter into conciliation with John Almquist, Almquist for Congress and Sidney Tanner, as treasurer, and John Almquist, acting as treasurer, prior to a finding of probable cause to believe.

3. Enter into conciliation with Southwest Products Co. and Kent Hackman, as President, prior to a finding of probable cause to believe.

4. Approve the attached proposed conciliation agreements, letters, and Factual and Legal Analysis.

Date 2/15/89

Lawrence M. Noble
General Counsel

Attachments
Proposed Conciliation Agreements (2), letters (2) and Factual and Legal Analysis (1)

Staff assigned: Kenneth Kellner

7 7 0 4 0 7 6 3 3 7 4

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Almquist for Congress and Sidney Tanner, as treasurer, and John Almquist, acting as treasurer; John Almquist; and Southwest Products Co. and Kent Hackman, as President	)	MUR 2539

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on February 21, 1989, the Commission decided by a vote of 6-0 to take the following actions in MUR 2539:

1. Find reason to believe Almquist for Congress and John Almquist, acting as treasurer, violated 2 U.S.C. § 433(c).

2. Enter into conciliation with John Almquist, Almquist for Congress and Sidney Tanner, as treasurer, and John Almquist, acting as treasurer, prior to a finding of probable cause to believe.

3. Enter into conciliation with Southwest Products Co. and Kent Hackman, as President, prior to a finding of probable cause to believe.

(Continued)

4. Approve the proposed conciliation agreements, letters, and Factual and Legal Analysis, as recommended in the General Counsel's report signed February 15, 1989.

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

Attest:

2-21-89
Date

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

Received in the Office of Commission Secretary:	Wed.,	2-15-89,	4:21
Circulated on 48 hour tally basis:	Thurs.,	2-16-89,	11:00
Deadline for vote:	Tues.,	2-21-89,	11:00

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

February 27, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John W. Almquist
4538 Nipomo Ave.
Lakewood, CA 90713

RE: MUR 2539
John Almquist, Almquist for Congress and Sidney Tanner, as treasurer, and John Almquist, acting as treasurer

Dear Mr. Almquist:

On October 1, 1987, the Federal Election Commission found reason to believe that Almquist for Congress and Sidney Tanner, as treasurer, violated 2 U.S.C. § 441a(f). On March 1, 1988, the Federal Election Commission found reason to believe that you, Almquist for Congress and you, acting as treasurer, violated 2 U.S.C. §§ 441b(a) and 441c, and that Almquist for Congress and you, acting as treasurer, knowingly and willfully violated 2 U.S.C. § 434(b).

On February 21, 1989, the Federal Election Commission further found that there is reason to believe Almquist for Congress and you, acting as treasurer, violated 2 U.S.C. § 433(c), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

At your request, on February 21, 1989, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

If you have any questions or suggestions for changes in the conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Kenneth E. Kellner, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Danny L. McDonald
Chairman

Enclosures
Conciliation Agreement
Factual and Legal Analysis

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

February 27, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

William R. McKay, Esquire
P.O. Box 1028
Monrovia, CA 91016

RE: MUR 2539
Southwest Products Co.
and Kent Hackman, as
President

Dear Mr. McKay:

On March 1, 1988, the Federal Election Commission found reason to believe that Southwest Products Co. violated 2 U.S.C. § 441c and that Southwest Products Co. and Kent Hackman, as President, violated 2 U.S.C. § 441b(a). At your request, on February 21, 1989, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If your clients agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Kenneth E. Kellner, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

FEDERAL ELECTION COMMISSION RECEIVED

89 MAR -1 PM 12:38

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

SENSITIVE

March 1, 1989

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

SUBJECT: MUR 2539

Attached for the Commission's review are the briefs stating the position of the General Counsel on the legal and factual issues of the above-caption matter as to Kent Hackman, Marion Hackman, Carl Almquist and Peggy Almquist.

On March 1, 1989, briefs were mailed to Kent Hackman and Marion Hackman with letters notifying them of the General Counsel's intent to recommend to the Commission a finding of probable cause to believe. On the same date, briefs were mailed to Carl Almquist and Peggy Almquist with letters notifying them of the General Counsel's intent to recommend to the Commission a finding of no probable cause to believe.

Following receipt of the respondents' replies, this Office will make a further report to the Commission.

Attachment
Briefs(4) and letters(4)

Staff: Kenneth Kellner

2 0 0 4 4 0 7 0 2 3 0

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

March 1, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Kent Hackman
45 Woodlyn Lane
Bradbury, CA 91010

RE: MUR 2539
Kent Hackman

Dear Mr. Hackman:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by John Almquist, on October 1, 1987, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

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

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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 Kenneth E. Kellner, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Brief

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2539
Kent Hackman	)	
	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On October 1, 1987, the Commission found reason to believe that Kent Hackman (the "Respondent") violated 2 U.S.C. § 441a(a)(1)(A) for making an excessive contribution to Almquist for Congress (the "Committee") and instituted an investigation into the matter.

II. ANALYSIS

On October 1, 1986, the Respondent made a $2,000 contribution to the Committee for the general election. On that same date, Marion Hackman made a $1,500 contribution to the Committee for the general election.

On November 21, 1986, the Committee filed an amendment to an earlier report that showed the excessive contribution of Kent Hackman redesignated as a $1,000 contribution for the primary and a $1000 contribution for the general election. On December 29, 1986, the Committee further amended its report to show the excessive contributions of both Kent Hackman and Marion Hackman redesignated as all for the general election as follows: a $1,000 contribution from Kent Hackman on October 1, 1986, a $1,000 contribution from Marion Hackman on October 1, 1986, a $1,000 contribution on December 18, 1986 from their son Dwight

Hackman, a student, and a $500 contribution on December 18, 1986 from their son Kirk Hackman, also a student.

On April 3, 1987, the Candidate stated that Kent Hackman and Marion Hackman had been repaid "through tax-law services [the Candidate] rendered them in excess of the $1,000 owed because of Dwight Hackman's contribution." The Candidate made no reference to the $500 excessive portion of Marion Hackman's contribution that had been attributed to Kirk Hackman.

On May 23, 1988, the Respondent submitted a sworn affidavit stating that he had received no tax-law services from the Candidate.

Under 2 U.S.C. § 441a(a)(1)(A), it is unlawful for a person to make contributions to any candidate for federal office or his authorized committee which, in the aggregate, exceed $1,000. Therefore, the Respondent's making a $2,000 contribution for the general election to Almquist for Congress constitutes a violation of the 2 U.S.C. § 441a(a)(1)(A). Accordingly, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that Kent Hackman violated 2 U.S.C. § 441a(a)(1)(A).

III. GENERAL COUNSEL'S RECOMMENDATION

Find probable cause to believe that Kent Hackman violated 2 U.S.C. § 441a(a)(1)(A).

2/28/89
Date

Lawrence M. Noble
General Counsel

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

March 1, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Marion Hackman
45 Woodlyn Lane
Bradbury, CA 91010

RE: MUR 2539
Marion Hackman

Dear Ms. Hackman:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by John Almquist, on October 1, 1987, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

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

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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 Kenneth E. Kellner, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Brief

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2539
Marion Hackman	)	
	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On October 1, 1987, the Commission found reason to believe that Marion Hackman (the "Respondent") violated 2 U.S.C. § 441a(a)(1)(A) for making an excessive contribution to Almquist for Congress (the "Committee") and instituted an investigation into the matter.

II. ANALYSIS

On October 1, 1986, the Respondent made a $1,500 contribution to the Committee for the general election. On that same date, Kent Hackman made a $2,000 contribution to the Committee for the general election.

On November 21, 1986, the Committee filed an amendment to an earlier report that showed the excessive contribution of Marion Hackman redesignated as a $1,000 contribution for the primary and a $500 contribution for the general election. On December 29, 1986, the Committee further amended its report to show the excessive contributions of both Marion Hackman and Kent Hackman redesignated as all for the general election as follows: a $1,000 contribution from Kent Hackman on October 1, 1986, a $1,000 contribution from Marion Hackman on October 1, 1986, a $1,000 contribution on December 18, 1986 from their son Dwight

Hackman, a student, and a $500 contribution on December 18, 1986 from their son Kirk Hackman, also a student.

On April 3, 1987, the Candidate stated that Kent Hackman and Marion Hackman had been repaid "through tax-law services [the Candidate] rendered them in excess of the $1,000 owed because of Dwight Hackman's contribution." The Candidate made no reference to the $500 excessive portion of the Respondent's contribution that had been attributed to Kirk Hackman.

On May 23, 1988, the Respondent submitted a sworn affidavit stating that she had received no tax-law services from the Candidate.

Under 2 U.S.C. § 441a(a)(1)(A), it is unlawful for a person to make contributions to any candidate for federal office or his authorized committee which, in the aggregate, exceed $1,000. Therefore, the Respondent's making a $1,500 contribution for the general election to Almquist for Congress constitutes a violation of the 2 U.S.C. § 441a(a)(1)(A). Accordingly, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that Marion Hackman violated 2 U.S.C. § 441a(a)(1)(A).

III. GENERAL COUNSEL'S RECOMMENDATION

Find probable cause to believe that Marion Hackman violated 2 U.S.C. § 441a(a)(1)(A).

2/28/89
Date

Lawrence M. Noble
General Counsel

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

March 1, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Carl Almquist
408 Oliveta Place
La Canada, CA 91011

RE: MUR 2539
Carl Almquist

Dear Mr. Almquist:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by John Almquist, on October 1, 1987, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred.

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

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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 Kenneth E. Kellner, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Brief

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2539
Carl Almquist	)	
	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On October 1, 1987, the Commission found reason to believe that Carl Almquist (the "Respondent") violated 2 U.S.C. § 441a(a)(1)(A) for making an excessive contribution, in the form of a loan, to Almquist for Congress (the "Committee") and instituted an investigation into the matter.

II. ANALYSIS

Under 2 U.S.C. § 441a(a)(1)(A), it is unlawful for a person to make contributions to any candidate for federal office or his authorized committee which, in the aggregate, exceed $1,000. Under 2 U.S.C. § 431(8)(A)(i), a loan is a contribution.

On October 20, 1986, John Almquist (the "Candidate") signed a promissory note for $20,462.52, payable to Southwest Products Co., in order to pay for a campaign mailer for the Candidate's campaign for Congress in the 30th Congressional District of California. In accordance with the loan agreement, Southwest Products Co. made two payment to Fox Communications, a mail consulting firm. The payments were made on October 14, 1986 and October 20, 1986 in the amounts of $9,530.00 and $10,936.52, respectively. The Candidate verbally agreed to repay the promissory note by working for Southwest Products Co. if he were

not elected. The Candidate was employed by Southwest Products Co. from February 2, 1987 to March 19,1987 and was paid the rate of $17.31 per hour. Five deductions in the amount of $230.77 were made from the paychecks of the Candidate while employed by Southwest Products Co. and were applied towards the loan.

On December 4, 1986, the Committee disclosed the receipt of a $20,000 loan from his parents, Carl and Peggy Almquist, on October 16, 1986.

On January 2, 1987, the Committee amended its earlier report to state that John Almquist (the "Candidate") was assuming the loan by his parents by signing over to them his car, a plot of land in Arizona and a lien on a personal injury suit.

On November 16, 1987, the Candidate submitted a sworn response to the interrogatories issued by the Commission with regard to the loan transaction. In his response the Candidate admitted that he had not provided the Commission with accurate information as to the source of the loan. In actuality, he admitted, the loan was not from his parents, but solicited by him and received from Kent Hackman, owner of Southwest Products Co. It was not until this response was received that the Office of the General Counsel became aware that the Candidate had not provided this Office with accurate information regarding this matter. He further stated in this response that "it was wrong" of him to have submitted false information to the Commission with regard to the loan transaction.

The Respondent submitted a sworn affidavit on November 24, 1987 stating that he did not make a loan to the Committee, nor was any property of the Candidate conveyed to him.

Southwest Products Co. submitted a sworn affidavit on April 7, 1988 admitting that it had made the loan to the Candidate to pay for a campaign mailer.

The documentary evidence discussed above indicates that the Respondent did not make a contribution, in the form of a loan, to the Committee. Accordingly, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that Carl Almquist violated 2 U.S.C. § 441a(a)(1)(A).

III. GENERAL COUNSEL'S RECOMMENDATION

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

2/28/89
Date

Lawrence M. Noble
General Counsel

FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

March 1, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Peggy Almquist
408 Oliveta Place
La Canada, CA 91011

RE: MUR 2539
Peggy Almquist

Dear Mrs. Almquist:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by John Almquist, on October 1, 1987, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred.

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

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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 Kenneth E. Kellner, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Brief

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2539
Peggy Almquist	)	
	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On October 1, 1987, the Commission found reason to believe that Peggy Almquist (the "Respondent") violated 2 U.S.C. § 441a(a)(1)(A) for making an excessive contribution, in the form of a loan, to Almquist for Congress (the "Committee") and instituted an investigation into the matter.

II. ANALYSIS

Under 2 U.S.C. § 441a(a)(1)(A), it is unlawful for a person to make contributions to any candidate for federal office or his authorized committee which, in the aggregate, exceed $1,000. Under 2 U.S.C. § 431(8)(A)(i), a loan is a contribution.

On October 20, 1986, John Almquist (the "Candidate") signed a promissory note for $20,462.52, payable to Southwest Products Co., in order to pay for a campaign mailer for the Candidate's campaign for Congress in the 30th Congressional District of California. In accordance with the loan agreement, Southwest Products Co. made two payment to Fox Communications, a mail consulting firm. The payments were made on October 14, 1986 and October 20, 1986 in the amounts of $9,530.00 and $10,936.52, respectively. The Candidate verbally agreed to repay the promissory note by working for Southwest Products Co. if he were elected. The Candidate was employed by Southwest Products Co.

from February 2, 1987 to March 19,1987 and was paid the rate of $17.31 per hour. Five deductions in the amount of $230.77 were made from the paychecks of the Candidate while employed by Southwest Products Co. and were applied towards the loan.

On December 4, 1986, the Committee disclosed the receipt of a $20,000 loan from his parents, Carl and Peggy Almquist, on October 16, 1986.

On January 2, 1987, the Committee amended its earlier report to state that John Almquist (the "Candidate") was assuming the loan by his parents by signing over to them his car, a plot of land in Arizona and a lien on a personal injury suit.

On November 16, 1987, the Candidate submitted a sworn response to the interrogatories issued by the Commission with regard to the loan transaction. In his response the Candidate admitted that he had not provided the Commission with accurate information as to the source of the loan. In actuality, he admitted, the loan was not from his parents, but solicited by him and received from Kent Hackman, owner of Southwest Products Co. It was not until this response was received that the Office of the General Counsel became aware that the Candidate had not provided this Office with accurate information regarding this matter. He further stated in this response that "it was wrong" of him to have submitted false information to the Commission with regard to the loan transaction.

The Respondent submitted a sworn affidavit on November 24, 1987 stating that she did not make a loan to the Committee, nor any property of the Candidate conveyed to her.

Southwest Products Co. submitted a sworn affidavit on April 7, 1988 admitting that it had made the loan to the Candidate to pay for a campaign mailer.

The documentary evidence discussed above indicates that the Respondent did not make a contribution, in the form of a loan, to the Committee. Accordingly, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that Peggy Almquist violated 2 U.S.C. § 441a(a)(1)(A).

III. GENERAL COUNSEL'S RECOMMENDATION

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

2/28/89
Date

Lawrence M. Noble
General Counsel

OGC 2129

RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION

89 MAR 10 AM 9:04

WILLIAM REED MCKAY, ESQ.
POST OFFICE BOX 1028
MONROVIA, CALIFORNIA 91706

March 7, 1989

Federal Election Commission
Washington,
D. C. 20463

Attention: Kenneth E. Kellner, Esq.

RE: MUR2539 KENT J. HACKMAN, MARION HACKMAN AND SOUTHWEST PRODUCTS CO.

Dear Mr. Kellner:

With respect to the above referenced matter, the Hackmans have asked me to review the investigation as it pertains to them and therefore, I would request an extension of time within which to respond, through April 15, 1989, as I have just received their paperwork from you and as I will be out of town during the next two weeks.

Additionally, with respect to the conciliation agreement proposed by DFEC, I would again request an extension of time, through April 15, 1989, to respond to that for the same reasons.

Thank you for your anticipated cooperation with respect to this matter.

Sincerely,

William R. McKay, Esq.

RECEIVED
FEDERAL ELECTION COMMISSION

89 MAR 20 AM 10:54

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2539
Kent Hackman, Marion Hackman,	)	
and Southwest Products Co. and	)	
Kent Hackman, as President	)	

SENSITIVE

GENERAL COUNSEL'S REPORT

On February 21, 1989, the Commission decided to enter into pre-probable cause conciliation with the Southwest Products Co. and Kent Hackman, as President. On February 27, 1989, the notification letter and proposed conciliation agreement were mailed to these respondents.

On March 1, 1989, briefs were mailed to Kent Hackman and Marion Hackman with letters notifying them of the General Counsel's intent to recommend to the Commission a finding of probable cause to believe.

This Office has granted an extension until April 15, 1989 to Kent Hackman and Marion Hackman to respond to the probable cause briefs. Because counsel requests additional time to respond at the same time to the conciliation proposed to Southwest Products Co. and Kent Hackman, as President, it would seem appropriate, therefore, to also extend pre-probable cause conciliation to permit such response.

3/20/89
Date

Lawrence M. Noble
General Counsel

Staff assigned: Kenneth Kellner

3 0 0 4 0 7 6 9 9 0

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

March 20, 1989

William R. McKay, Esquire
Post Office Box 1028
Monrovia, California 91706

RE: MUR 2539
Kent Hackman, Marion Hackman, and Southwest Products Co. and Kent Hackman, as President

Dear Mr. McKay:

This is in response to your letter dated March 7, 1989, which we received on March 10, 1989, requesting an extension until April 15, 1989 to respond to the probable cause briefs of Kent Hackman and Marion Hackman. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by the close of business on April 15, 1989.

As noted in our letter to you regarding Southwest Products Co. and Kent Hackman, as President, pre-probable cause conciliation is limited to 30 days. Therefore, you should file a response to that matter as soon as possible but no later than April 15, 1989.

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

Sincerely,

Lawrence M. Noble
General Counsel

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06C 2265

SKADDEN, ARPS, SLATE, MEAGHER & FLOM
1440 NEW YORK AVENUE, NW
WASHINGTON, D C 20005-2107
(202) 371 7000

TELEX 904343
SKARSLAW WASH
TELECOPIER
(202) 393 5760
DIRECT DIAL
(202) 371

BOSTON
CHICAGO
LONDON
LOS ANGELES
NEW YORK
SAN FRANCISCO
TOKYO
WILMINGTON

March 23, 1989

BY HAND

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Kenneth Kellner, Esq.

Re: MUR 2539 - Almquist for Congress, Sidney Tanner, as treasurer, and John Almquist, individually and acting as treasurer

Dear Mr. Noble:

Enclosed are designations of counsel for Almquist for Congress, Sidney Tanner, and John Almquist.

If you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

Kenneth A. Gross

Enclosures

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2539

NAME OF COUNSEL: KENNETH GROSS

ADDRESS: SKADDEN, ARPS, et al.
1440 NEW YORK AVE, N.W.
WASHINGTON D.C.

TELEPHONE: (202) 371-7000

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

3-20-99
Date

John W. Almquist
Signature

RESPONDENT'S NAME: JOHN W ALMQUIST

ADDRESS: 4646 NIRONA AVE.
LAKEWOOD, CA 907

HOME PHONE: (213) 421-1669

BUSINESS PHONE:

DESIGNATION OF ATTORNEY

I, SID TANNER, as Treasurer of record for Almquist for Congress, hereby designate KEN GROSS, Esquire, of Washington D. C., as the attorney in this matter to represent JOHN W. ALMQUIST, SID TANNER and ALMQUIST FOR CONGRESS, in all transactions and negotiations of any kind between the FEDERAL ELECTION COMMISSION (FEC) and the hereinmentioned parties.

I declare under penalty of perjury under the laws of the State of California that I have read the foregoing statement of designation, and that it is true and correct.

EXECUTED on March 21, 1989. SIGNED: Sid Tanner
SID TANNER

89030765910

DESIGNATION OF ATTORNEY

I, SID TANNER, as Treasurer of record for Almquist for Congress, hereby designate KEN GROSS, Esquire, of Washington D. C., as the attorney in this matter to represent JOHN W. ALMQUIST, SID TANNER and ALMQUIST FOR CONGRESS, in all transactions and negotiations of any kind between the FEDERAL ELECTION COMMISSION (FEC) and the hereinmentioned parties.

I declare under penalty of perjury under the laws of the State of California that I have read the foregoing statement of designation, and that it is true and correct.

EXECUTED on March 21, 1989. SIGNED: Sidney E Tanner
SID TANNER

FEDERAL ELECTION COMMISSION
89 APR 14 PM 3:50

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
John Almquist, Almquist for Congress and Sidney Tanner, as treasurer, and John Almquist, acting as treasurer	)	MUR 2539
	)	
	)	

SENSITIVE

GENERAL COUNSEL'S REPORT

On February 21, 1989, the Commission decided to enter into pre-probable cause conciliation with the respondents in the above-captioned matter. On February 27, 1989, the notification letter and proposed conciliation agreement were mailed to the respondents.

The Office of the General Counsel is engaged in discussion with the respondents' counsel in an effort to resolve the issues through conciliation. Because the respondents did not designate counsel until March 23, 1989 and because of positive efforts to conciliate, this Office believes that an additional 30 days of pre-probable cause negotiation are warranted in this case.

4/14/89
Date

Lawrence M. Noble
General Counsel

Staff Assigned: Kenneth Kellner

06C2670

RECEIVED
FEDERAL ELECTION COMMISSION
89 MAY -8 AM 9:01

SOUTHWEST PRODUCTS CO.

2 May 1989

Kenneth E. Kellner, Esq.
Federal Election Commission
999 E Street N.W.
Washington D.C. 20463

Re: MUR2539
Southwest Products and Kent Hackman, President
Kent Hackman, Marion Hackman

Dear Kenneth:

Enclosed for FEC consideration and approval is a fully executed Concilliation Agreement for all parties referenced above in MUR 2539, together with Designation of Counsel forms executed by the Hackmans.

I understand that this is a highly unusual approach, but it does show the parties' strong desire to resolve this matter as quickly as possible.

Please contact me with the FEC's position so that we may close this matter as soon as possible and forward a check to the FEC.

Sincerely,

William R. McKay, Esq.

CORPORATE HEADQUARTERS
2240 BUENA VISTA • IRWINDALE, CA

Mailing Address: P.O. Box 1028 Monrovia, CA 91016-1028 818 • 358-0181 213 • 681-9616 800 • 826-0729
Telex: 182562 FAX: 818-303-6141

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2539

NAME OF COUNSEL: William R. McKay

ADDRESS: P.O. Box 1028
Monrovia, CA. 91016

TELEPHONE: (818) 358 0181

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

4/30/89
Date

X Marion M. Hackman
Signature

RESPONDENT'S NAME: Marion Hackman

ADDRESS: 45 Woodlyn Lane
Bradbury, CA. 91010

HOME PHONE: (818) 358 0181

BUSINESS PHONE: (818) 358 0181

8 0 0 4 0 7 6 5 9 1 4

STATEMENT OF DESIGNATION OF COUNSEL

MUR ~~2539~~

NAME OF COUNSEL: William R. McKay

ADDRESS: P.O. Box 1028
Monrovia, CA. 91016

TELEPHONE: ~~(818) 358 0181~~

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

4/30/89
Date

X Signature

RESPONDENT'S NAME: Kent Hackman

ADDRESS: 45 Woodlyn Lane
Bradbury, CA. 91010

HOME PHONE: (818) 358 0181

BUSINESS PHONE: (818) 358 0181

OGC 2621

SKADDEN, ARPS, SLATE, MEAGHER & FLOM
1440 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-2107
(202) 371-7000

TELEX 904343
SKARSLAW WASH
TELECOPIER
(202) 393-5760
DIRECT DIAL
(202) 371

BOSTON
CHICAGO
LONDON
LOS ANGELES
NEW YORK
SAN FRANCISCO
TOKYO
WILMINGTON

May 1, 1989

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Kenneth Kellner, Esq.

Re: MUR 2539 Almquist for Congress

Dear Mr. Noble:

Per our discussion of April 28, 1989, enclosed is a signed conciliation. Let me know when the commission approves the agreement.

Sincerely,

Kenneth A. Gross

Enclosure

83 NOV 12 PM 12:10

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
John Almquist, Almquist for Congress and Sidney Tanner, as treasurer, and John Almquist, acting as treasurer	)	MUR 2539
	)	

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement (Attachment 1) which has been signed by counsel for John Almquist, Almquist for Congress and Sidney Tanner, as treasurer, and John Almquist, acting as treasurer ("Respondents").

2 2 0 4 0 7 6 3 9 1 7

II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with John Almquist, Almquist for Congress and Sidney Tanner, as treasurer, and John Almquist, acting as treasurer.

2. Close the file as to John Almquist, Almquist for Congress and Sidney Tanner, as treasurer, and John Almquist, acting as treasurer.

3. Approve the attached letter.

5/12/89
Date

Lawrence M. Noble
General Counsel

Attachments
1. Conciliation Agreement
2. Respondent's proposed agreement received April 10, 1989
3. Photocopy of civil penalty check
4. Letter to Respondents

Staff Assigned: Kenneth Kellner

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
John Almquist, Almquist for Congress	)	MUR 2539
and Sidney Tanner, as treasurer, and	)	
John Almquist, acting as treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 17, 1989, the Commission decided by a vote of 6-0 to take the following actions in MUR 2539:

1. Accept the conciliation agreement with John Almquist, Almquist for Congress and Sidney Tanner, as treasurer, and John Almquist, acting as treasurer, as recommended in the General Counsel's report signed May 12, 1989.

2. Close the file as to John Almquist, Almquist for Congress and Sidney Tanner, as treasurer, and John Almquist, acting as treasurer.

3. Approve the letter, as recommended in the General Counsel's report signed May 12, 1989.

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

Attest:

May 17, 1989
Date

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary:	Fri.,	5-12-89,	12:10
Circulated on 48 hour tally basis:	Mon.,	5-15-89,	11:00
Deadline for vote:	Wed.,	5-17-89,	11:00

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

May 22, 1989

Kenneth A. Gross, Esq.
Skadden, Arps, Slate, Meagher & Flom
1440 New York Avenue, N.W.
Washington, D.C. 20005

RE: MUR 2539
John Almquist, Almquist for Congress and Sidney Tanner, as treasurer, and John Almquist, acting as treasurer

Dear Mr. Gross:

On May 17, 1989, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of violations of 2 U.S.C. §§ 441a(f), 441b(a), 441c, 433(c) and 434(b), provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to your clients. This matter will become a part of the public record within 30 days after it has been closed with respect to all other respondents involved. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. A check for the remaining $2,500 of the civil penalty should be sent to the Commission within 30 days of your receipt of this agreement. If you have any questions, please contact Kenneth E. Kellner, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
John Almquist, Almquist for Congress and Sidney Tanner, as treasurer, and John Almquist, acting as treasurer	)	MUR 2539
	)	

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that John Almquist violated 2 U.S.C. §§ 441b(a) and 441c; that Almquist for Congress and Sidney Tanner, as treasurer, violated 2 U.S.C. § 441a(f); and, that Almquist for Congress and John Almquist, acting as treasurer, ("Respondents"), violated 2 U.S.C. §§ 441b(a), 441c, and 433(c), and knowingly and willfully violated 2 U.S.C. § 434(b).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

III. Respondents enter voluntarily into this agreement with the Commission.

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

1. Almquist for Congress is a political committee within the meaning of 2 U.S.C. § 431(4).

2. Sidney Tanner is the treasurer of Almquist for Congress.

3. John Almquist (the "Candidate") filed a Statement of Candidacy for the 30th Congressional District of California on July 24, 1986, designating Almquist for Congress (the "Committee") as his principal campaign committee.

4. The Statement of Organization for Almquist for Congress was filed on July 24, 1986, listing Sidney Tanner as the treasurer and custodian of records. The Statement of Organization did not list an assistant treasurer.

5. Southwest Products Co. is a corporation organized under the laws of the State of California.

6. On October 17, 1986, the Committee filed a 12 Day Pre-General Report disclosing the receipt on October 1, 1986 of a $2,000 contribution for the general election from Kent Hackman and a $1,500 contribution for the general election from Marion Hackman.

7. On October 20, 1986, the Candidate went to see Kent Hackman, owner of Southwest Products Co., and brought along his mail consultant, Morris Fox of Fox Communications. As a result of this meeting, the Candidate signed a promissory note for $20,462.52 payable to Southwest Products Co. at an interest rate

of ten percent per annum simple. The purpose of the loan was to pay for a campaign mailer. In accordance with the loan agreement, two payments were made to Fox Communications by Southwest Products Co. The payments were made on October 14, 1986 and October 20, 1986 in the amounts of $9,530.00 and $10,936.52, respectively. The Candidate verbally agreed to repay the promissory note by working for Southwest Products Co. if he were not elected.

8. On November 10, 1986, the Reports Analysis Division ("RAD") sent a request for additional information ("RFAI") to the Committee noting the apparent acceptance by the Committee of excessive contributions from Kent Hackman and Marion Hackman.

9. On November 21, 1986, the Committee filed an Amended Pre-General Report, signed by Sidney Tanner, showing the excessive contributions for the Hackmans redesignated as primary and general election contributions as follows: a $1,000 contribution for the primary and a $1,000 contribution for the general election from Kent Hackman, and a $1,000 contribution for the primary and a $500 contribution for the general election from Marion Hackman.

10. On December 4, 1986, the Committee filed a Post-General Report disclosing the receipt of a $20,000 loan from Carl and Peggy Almquist, the Candidate's parents, on October 16, 1986. The report was signed by Sidney Tanner, as treasurer.

11. On December 10, 1986, RAD sent an RFAI informing the Committee that Commission regulations prohibit the

redesignation of the contributions as primary contributions when they are received after the primary and the Committee had no primary debts.

12. On December 16, 1986, RAD sent an RFAI to the Committee advising the Committee to refund the loan from the Candidate's parents since the amount of the loan would make it an excessive contribution.

13. On December 29, 1986, the Committee filed an Amended Pre-General Report signed by Sidney Tanner showing the excessive amount of the contributions by Kent and Marion Hackman redesignated as follows: a $1,000 contribution for the general election from Kent Hackman on October 1, 1986, a $1,000 contribution for the general election from Marion Hackman on October 1, 1986, a $1,000 contribution on December 18, 1986 from their son Dwight Hackman, a student, and a $500 contribution on December 18, 1986 from their son Kirk Hackman, also a student.

14. On January 2, 1987, the Committee filed an Amended 30 Day Post-General Report signed by the Committee treasurer, Sidney Tanner. As reflected in this report, the Candidate stated in a cover letter that he was assuming the loan by his parents by signing over to them his car, a plot of land in Arizona, and a lien on a personal injury suit.

15. The Candidate was employed by Southwest Products Co. from February 2, 1987 to March 19, 1987 and was paid the rate of $17.31 per hour. Five deductions in the amount of $230.77 were made from the paychecks of the Candidate while employed by Southwest Products Co. and were applied towards the loan.

16. On March 19, 1987, RAD sent an RFAI stating that the Committee should refund the excessive contributions from Kent and Marion Hackman because the provisions of the Act prohibited the Committee from accepting contributions from the Hackmans made in the name of their sons.

17. On April 3, 1987, the Candidate stated in a letter to the Commission that Kent and Marion Hackman had been repaid "through tax-law services [the Candidate] rendered them in excess of the $1000 owed because of Dwight Hackman's contribution."

18. On November 16, 1987, the Candidate submitted a sworn affidavit which revealed that he had not provided the Commission with accurate information regarding the loan transaction. He admitted that in actuality the loan was not from his parents, but was solicited by him from Southwest Products Co. because his campaign was "bankrupt." He further stated that "it was wrong" of him to have submitted false information in response to the RFAI's regarding the loan from Southwest Products Co.

19. On November 24, 1987, Carl and Peggy Almquist submitted sworn affidavits stating that they did not make a loan to the Committee, nor was any property of the Candidate conveyed to them.

20. On April 7, 1988, Southwest Products Co. submitted a sworn affidavit admitting that it had made the loan to the Candidate to pay for a campaign mailer. Southwest Products Co. further stated that during all twelve months of 1986, Southwest Products Co. had contracts with the United States and that

Southwest Products Co. had also negotiated contracts with the United States in 1986.

21. On May 23, 1988, Kent and Marion Hackman submitted sworn affidavits stating that they had received no tax-law services from the Candidate.

22. On October 27, 1987, Sidney Tanner, the Committee's treasurer of record, stated in an unsworn affidavit that he was either ill or hospitalized from November 3, 1986 to approximately December 24, 1986. During such time, John Almquist undertook the responsibilities of treasurer for the Committee. Furthermore, John Almquist took possession of all of Tanner's records and prepared reports to the Commission when Tanner was in the hospital. No change or correction was reported in the information previously listed in the Statement of Organization to disclose the role of John Almquist as the treasurer, assistant treasurer or custodian of records for the Committee. After his recovery, Sidney Tanner continued to serve as the treasurer of the Committee. Tanner signed all reports and amendments filed by the Committee except for a Mid-Year Report submitted on September 4, 1987, which was signed "John Almquist for Sidney Tanner."

23. Under 2 U.S.C. § 441b(a), it is unlawful for a federal candidate or political committee to knowingly accept or receive a contribution from any corporation whatever. Under 2 U.S.C. § 441b(b)(2), a loan is a contribution.

24. Under 2 U.S.C. § 441a(f), it is unlawful for a candidate for federal office, his authorized committee, or an officer of the committee to knowingly accept contributions from a person which, in the aggregate, exceed $1,000.

25. Under 2 U.S.C. § 441c(a), it is unlawful for any person (1) who enters into a contract with the United States or any department or agency thereof either for the rendition of personal services or furnishing any material, supplies or equipment to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by Congress, at any time between the commencement of negotiations for and the later of (A) the completion of performance; or (B) the termination of negotiations, directly or indirectly to make any contribution to any political party, committee, or candidate for public office or to any person for any political purpose or use; or (2) knowingly to solicit any such contribution from any such person during any such period.

26. Pursuant to 2 U.S.C. § 434(b)(3)(A), reports are required to disclose the name, mailing address, occupation and employer of each person who makes a contribution to the reporting committee during the reporting period, whose contribution exceeds $200 within the calendar year. Under 2 U.S.C. § 431(8)(A)(i), a loan is a contribution.

27. Pursuant to 2 U.S.C. § 434(b)(3)(E), each report filed shall disclose the name, mailing address, occupation and

employer of each person who makes a loan to the reporting committee during the reporting period. In addition, 2 U.S.C. § 434(b)(5)(D) requires a political committee to disclose on each report filed the name and address of each person who receives a loan repayment from the reporting committee during the reporting period, together with the date and amount of such repayment. Under 2 U.S.C. § 432(e)(2), a candidate for federal office who receives a contribution or loan for use in connection with his campaign is considered to have received the loan or contribution as an agent of his authorized committee.

28. Under 2 U.S.C § 432(a), every political committee shall have a treasurer and, under 11 C.F.R. § 102.7, may designate on the committee's Statement of Organization an assistant treasurer who may assume the responsibilities of the treasurer in the event of a temporary or permanent vacancy in the office or in the event the treasurer is unavailable. Under 2 U.S.C. § 433(c), any change or correction in the information previously filed in the Statement of Organization, such as the addition of an assistant treasurer or the substitution of a new treasurer or custodian of records, must be reported no later than 10 days following the date of the change or correction.

29. Under 2 U.S.C. § 434(a)(1), each treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions and receipts of this subsection. Each treasurer of a political committee, and any other person required to file any report or statement under the regulations and under the Act, shall be personally

responsible for the timely and complete filing of the report or statement and for the accuracy of any information or statement contained in it. 11 C.F.R. § 104.14(d).

V. 1. John Almquist, Almquist for Congress and John Almquist, acting as treasurer, knowingly accepted a $20,462.52 contribution, in the form of a loan, from Southwest Products Co., a corporation, in violation of 2 U.S.C. § 441b(a).

2. John Almquist, Almquist for Congress and John Almquist, acting as treasurer, knowingly solicited a $20,462.52 contribution, in the form of a loan, from Southwest Products Co., a government contractor, in violation of 2 U.S.C. § 441c.

3. Almquist for Congress and John Almquist, acting as treasurer, knowingly and willfully reported inaccurate information to the Commission with respect to the identity of the makers of the loan on two separate occasions in violation of 2 U.S.C. § 434(b).

4. Almquist for Congress and John Almquist, acting as treasurer, failed to notify the Commission of the role of John Almquist as treasurer, assistant treasurer or custodian of records within 10 days of such change in violation of 2 U.S.C. § 433(c).

5. Almquist for Congress and Sidney Tanner, as treasurer, accepted excessive contributions from Kent Hackman and Marion Hackman in violation of 2 U.S.C. § 441a(f).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Ten Thousand Dollars ($10,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

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

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

Date 5/19/89

FOR THE RESPONDENTS:

Attorney for
John Almquist, Almquist
for Congress and Sidney Tanner,
as treasurer, and John Almquist,
acting as treasurer

Date May 1, 1989

SKADDEN, ARPS, SLATE, MEAGHER & FLOM
1440 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-2107
(202) 371-7000

TELEX 904343
SKARSLAW WASH
TELECOPIER
(202) 393-5760
DIRECT DIAL
(202) 371-

BOSTON
CHICAGO
LONDON
LOS ANGELES
NEW YORK
SAN FRANCISCO
TOKYO
WILMINGTON

89 JUN -1 AM 8:54

May 30, 1989

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

ATTN: Kenneth E. Kellner

Re: MUR 2539

Dear Mr. Kellner:

Enclosed is a check in the amount of $2,500 in payment of the outstanding civil penalty in this matter. Also enclosed is a statement on behalf of the respondents. The respondents' statement should be placed on the public record pursuant to the terms of your letter of May 22, 1989.

Thank you for your cooperation in this matter. We are pleased to bring this matter to an amicable resolution.

Sincerely,

Kenneth A. Gross

Enclosures

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
John Almquist, Almquist for Congress and Sidney Tanner, as treasurer, and John Almquist, acting as treasurer	)	MUR 2539

STATEMENT OF BEHALF OF RESPONDENTS REGARDING THE CONCILIATION AGREEMENT IN THIS MATTER

In order to resolve this matter expeditiously and to avoid the expense of a protracted proceeding, the respondents entered into a conciliation agreement in this matter. It is the respondents' view, however, that the violations in this matter were due to a mistake in judgment and not due to an intentional violation of the law. Moreover, the reporting irregularity in question did not occur until after the election and the respondents have fully explained the transaction and have amended the public record to reflect what transpired.

Attorney for Respondents 5/30/89

06C2967

89 JUN -7 PM 1:26

JOHN W. ALMQUIST
RAMONA V. ALMQUIST
4538 NIPOMO AVE. 213-421-2891
LAKEWOOD, CA 90713

322

5-24 1989

16-7000/3220

Pay to the Order of FEDERAL ELECTION COMMISSION $ 2,500

Two Thousand and Five Hundred Dollars

HOME SAVINGS OF AMERICA
LAKEWOOD OFFICE 010
4909 LAKEWOOD BLVD., LAKEWOOD, CA 90712

John W. Almquist

⑆322070006⑆001091528⑈ 0322

MEMORANDUM

TO: DEBRA A. TRIMIEW

FROM: CHERYL T WILLIAMS

TO: CHERYL T WILLIAMS

FROM: DEBRA A. TRIMIEW

CHECK NO. 322 { A COPY OF WHICH IS ATTACHED } RELATING TO

MUR 2539 (Kellner) AND NAME John Almquist, Almquist for Congress and Sidney Tanner, as treasurer, and John Almquist, acting as treasurer

WAS RECIEVED ON 6/5/89. PLEASE INDICATE THE ACCOUNT INTO

WHICH IT SHOULD BE DEPOSITED:

/ / BUDGET CLEARING ACCOUNT { 95F3875.16 }

/ ✓ / CIVIL PENALTIES ACCOUNT { 95-1099.160 }

/ / OTHER _____

SIGNATURE Debra A. Trimiew DATE 6/6/89

Occ 3289

MEMORANDUM

TO: DEBRA A. TRIMIEW

FROM: CHERYL T WILLIAMS

TO: CHERYL T WILLIAMS

FROM: DEBRA A. TRIMIEW

CHECK NO. 108386 { A COPY OF WHICH IS ATTACHED } RELATING TO

MUR 2539 (Kellner) AND NAME Southwest Products Co. and Kent Hackman, as President, Kent Hackman and Marion Hackman

WAS RECIEVED ON 7/3/89. PLEASE INDICATE THE ACCOUNT INTO

WHICH IT SHOULD BE DEPOSITED:

/ ✓ / BUDGET CLEARING ACCOUNT { 95F3875.16 }

/ / CIVIL PENALTIES ACCOUNT { 95-1099.160 }

/ / OTHER _____

SIGNATURE Debra A. Trimiew DATE 7/6/89

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

89 JUL 31 PM 4:26

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2539
Carl Almquist, Peggy Almquist,	)	
Kent Hackman, Marion Hackman,	)	
and Southwest Products Co. and	)	
Kent Hackman, as President	)	

SENSITIVE

EXECUTIVE SESSION

AUG 08 1989

GENERAL COUNSEL'S REPORT

I. BACKGROUND AND ANALYSIS

On May 17, 1989, the Commission accepted a conciliation agreement with John Almquist, Almquist for Congress and Sidney Tanner, as treasurer, and John Almquist, acting as treasurer, and closed the file as to those respondents. The remaining respondents in this matter are Carl Almquist, Peggy Almquist, Kent Hackman, Marion Hackman, and Southwest Products Co. and Kent Hackman, as President. This report recommends resolution of this matter as to the remaining respondents and closing of the file.

A. Carl Almquist and Peggy Almquist

On October 1, 1987, the Commission found reason to believe that Carl Almquist and Peggy Almquist violated 2 U.S.C. § 441a(a)(1)(A) for making an excessive contribution, in the form of a loan, to Almquist for Congress (the "Committee") and instituted an investigation into the matter.

As detailed in the General Counsel's Briefs mailed to Carl Almquist and Peggy Almquist on March 1, 1989, the loan that eventually led to the above reason to believe finding was actually made by Southwest Products Co. Both John Almquist (the "Candidate") and Southwest Products Co. have submitted sworn affidavits to that effect. Carl Almquist and Peggy Almquist have

not submitted responses to the General Counsel's Briefs.

Accordingly, this Office recommends that the Commission find no probable cause to believe that Carl Almquist and Peggy Almquist violated 2 U.S.C. § 441a(a)(1)(A).

B. Kent Hackman, Marion Hackman, and Southwest Products Co. and Kent Hackman, as President

On February 21, 1989, the Commission decided to enter into pre-probable cause conciliation with the Southwest Products Co. and Kent Hackman, as President.

On March 1, 1989, briefs were mailed to Kent Hackman and Marion Hackman with letters notifying them of the General Counsel's intent to recommend to the Commission a finding of probable cause to believe. Kent Hackman and Marion Hackman have not submitted responses to the General Counsel's Briefs.

On May 8, 1989, counsel for Kent Hackman, Marion Hackman, and Southwest Products Co. and Kent Hackman, as President, ("Respondents"), submitted a letter and conciliation agreement (Attachment 1) for Commission approval which incorporated the findings against Kent Hackman and Marion Hackman with the findings against Southwest Products Co. and Kent Hackman, as President. In the letter submitted with the conciliation agreement and in several phone conversations with staff from this Office, counsel communicated Respondents' "strong desire to resolve this matter as quickly as possible."

At the time of their submission of the agreement, Respondents were aware of the Commission's policy not to entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed. Nonetheless, they wished to conclude the matter in one conciliation agreement. This Office agreed that the Respondents and Commission had a common interest in concluding this matter as quickly as possible.

A Commission finding of probable cause to believe that Kent Hackman and Marion Hackman violated 2 U.S.C. § 441a(a)(1)(A) would allow this Office to negotiate a conciliation agreement which incorporated the violations by Kent Hackman and Marion Hackman, yet was consistent with Commission policy. Accordingly, in an effort to conclude this matter, this Office agreed, based on the information contained in the General Counsel's Briefs mailed to Kent Hackman and Marion Hackman on March 1, 1989, to recommend that the Commission find probable cause to believe Kent

Hackman and Marion Hackman violated 2 U.S.C. § 441a(a)(1)(A). This Office then proceeded to negotiate an agreement which incorporated these findings.

Counsel for the Respondents has stated that the events which transpired were due to the Respondents' complete ignorance of federal election laws and that there was no intent to violate the Act or to circumvent the spirit of the law. The incorporation of the findings against Kent Hackman and Marion Hackman into the Commission's proposed agreement with Southwest Products Co. and Kent Hackman, as President, allows this matter to be concluded as to Respondents without further delay.

Therefore, this Office recommends that the Commission find probable cause to believe that Kent Hackman and Marion Hackman

violated 2 U.S.C. § 441a(a)(1)(A). Additionally, in view of the circumstances set forth above, this Office recommends that the Commission accept the attached conciliation agreement (Attachment 2) with Kent Hackman, Marion Hackman, and Southwest Products Co. and Kent Hackman, as President, and close the file in this matter.

II. RECOMMENDATIONS

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

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

3. Find probable cause to believe that Kent Hackman violated 2 U.S.C. § 441a(a)(1)(A).

4. Find probable cause to believe that Marion Hackman violated 2 U.S.C. § 441a(a)(1)(A).

5. Accept the attached conciliation agreement with Kent Hackman, Marion Hackman, and Southwest Products Co. and Kent Hackman, as President.

6. Close the file in this matter.

7. Approve the attached letters.

7/31/89
Date

Lawrence M. Noble
General Counsel

Attachments
1. Letter from Respondents and proposed agreement received May 8, 1989
2. Conciliation Agreement
3. Photocopy of civil penalty check
4. Letters (4)

Staff assigned: Kenneth Kellner

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Carl Almquist, Peggy Almquist,	)	MUR 2539
Kent Hackman, Marion Hackman,	)	
and Southwest Products Co. and	)	
Kent Hackman, as President	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of August 8, 1989, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2539:

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

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

3. Find probable cause to believe that Kent Hackman violated 2 U.S.C. § 441a(a)(1)(A).

4. Find probable cause to believe that Marion Hackman violated 2 U.S.C. § 441a(a)(1)(A).

5. Accept the conciliation agreement with Kent Hackman, Marion Hackman, and Southwest Products Co. and Kent Hackman, as President.

(continued)

6. Close the file in this matter.

7. Approve the letters attached to the General Counsel's report dated July 31, 1989.

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

Attest:

8-8-89
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 17, 1989

Carl Almquist
408 Oliveta Place
La Canada, CA 91011

RE: MUR 2539
Carl Almquist

Dear Mr. Almquist:

This is to advise you that on August 8, 1989, the Federal Election Commission found that there is no probable cause to believe you violated 2 U.S.C. § 441a(a)(1)(A). Accordingly, the file in this matter has been closed.

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 ten days. Such materials should be sent to the Office of the General Counsel.

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

Sincerely,

Lawrence M. Noble
General Counsel

FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

August 17, 1989

Peggy Almquist
408 Oliveta Place
La Canada, CA 91011

RE: MUR 2539
Peggy Almquist

Dear Mrs. Almquist:

This is to advise you that on August 8, 1989, the Federal Election Commission found that there is no probable cause to believe you violated 2 U.S.C. § 441a(a)(1)(A). Accordingly, the file in this matter has been closed.

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 ten days. Such materials should be sent to the Office of the General Counsel.

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

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 17, 1989

Kenneth A. Gross, Esq.
Skadden, Arps, Slate, Meagher & Flom
1440 New York Avenue, N.W.
Washington, D.C. 20005

RE: MUR 2539
John Almquist, Almquist for Congress and Sidney Tanner, as treasurer, and John Almquist, acting as treasurer

Dear Mr. Gross:

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 additional 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 Kenneth E. Kellner, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

cc: John Almquist

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

August 17 1989

William R. McKay, Esq.
P.O. Box 1028
Monrovia, CA 91016

RE: MUR 2539
Kent Hackman, Marion Hackman,
and Southwest Products Co., and
Kent Hackman, as President

Dear Mr. McKay:

On August 8 ,1989, the Federal Election Commission found that there is probable cause to believe Kent Hackman and Marion Hackman violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended. Furthermore, on August 8 , 1989, after considering the circumstances of this matter, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your clients' behalf in settlement of violations of 2 U.S.C. §§ 441a(a)(1)(A), 441b(a), and 441c. Accordingly, the file has been closed in this matter. This matter will become a part of the public record within 30 days. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Kenneth E. Kellner, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Southwest Products Co. and Kent Hackman, as President, Kent Hackman and Marion Hackman	)	MUR 2539
	)	
	)	
	)	

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that the Southwest Products Co. violated 2 U.S.C. § 441c; that the Southwest Products Co. and Kent Hackman, as President, violated 2 U.S.C. 441b(a); that Kent Hackman violated 2 U.S.C. § 441a(a)(1)(A); and that Marion Hackman, ("Respondents"), violated 2 U.S.C. § 441a(a)(1)(A). The Commission subsequently found probable cause to believe that Kent Hackman and Marion Hackman violated 2 U.S.C. § 441a(a)(1)(A).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, and having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

III. Respondents enter voluntarily into this agreement with the Commission.

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

1. Southwest Products Co. is a corporation organized

under the laws of the State of California.

2. Kent Hackman is the President of Southwest Products Co.

3. Kent Hackman and Marion Hackman are individuals who made contributions to Almquist for Congress, a political committee within the meaning of 2 U.S.C. § 431(4).

4. John Almquist (the "Candidate") filed a Statement of Candidacy for the 30th Congressional District of California on July 24, 1986, designating Almquist for Congress (the "Committee") as his principal campaign committee.

5. Kent Hackman made a $2,000 contribution to the Committee for the general election and Marion Hackman made a $1,500 contribution to the Committee for the general election. These contributions were reported by the Committee on October 17, 1986 as having been received on October 1, 1986.

6. On October 14, 1986 and October 20, 1986, the Candidate went to see Kent Hackman, owner of Southwest Products Co., a California corporation, and brought along his mail consultant, Morris Fox of Fox Communications. As a result of the meetings, the Candidate signed a promissory note for $20,462.52 on October 20, 1986 payable to Southwest Products Co. at an interest rate of ten percent per annum simple. The purpose of the loan was to pay for a campaign mailer. In accordance with the loan agreement, two payments were made to Fox Communications by Southwest Products Co. The payments were made on October 14, 1986 and October 20, 1986 in the amounts of $9,530.00 and $10,936.52, respectively. The Candidate verbally agreed to repay

the promissory note by working for Southwest Products Co. if he were not elected.

7. The Candidate was employed by Southwest Products Co. from February 2, 1987 to March 19, 1987 and was paid the rate of $17.31 per hour. Five deductions in the amount of $230.77 were made from the paychecks of the Candidate while employed for Southwest Products Co. and were applied towards the loan.

8. On April 3, 1987, in response to a Commission inquiry, the Candidate stated that Kent and Marion Hackman had been repaid their excess individual contributions "through tax-law services [the Candidate] rendered them . . ."

9. On April 7, 1988, Southwest Products Co. submitted a sworn affidavit, admitting that it had made the loan to the Candidate to pay for a campaign mailer. Southwest Products Co. further stated that during all twelve months of 1986, Southwest Products Co. had contracts with the United States and that Southwest Products Co. had also negotiated contracts with the United States in 1986.

10. On May 23, 1988, Kent Hackman and Marion Hackman submitted sworn affidavits stating that they had received no tax-law services from the Candidate.

11. Under 2 U.S.C. § 441a(a)(1)(A), it is unlawful for a person to make contributions to any candidate for federal office or his authorized committee which, in the aggregate, exceed $1,000.

12. Under 2 U.S.C. § 441b(a), it is unlawful for a corporation to make a contribution or expenditure in connection

with any election for federal office. Under 2 U.S.C. §§ 441b(b)(2) and 431(8)(A)(i), a loan is a contribution. Under 2 U.S.C. § 432(e)(2), a candidate for federal office who receives a contribution or loan for use in connection with his campaign is considered to have received the loan or contribution as an agent of his authorized committee.

13. Under 2 U.S.C. § 441c(a), it is unlawful for any person (1) who enters into a contract with the United States or any department or agency thereof either for the rendition of personal services or furnishing any material, supplies or equipment to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by Congress, at any time between the commencement of negotiations for and the later of (A) the completion of performance; or (B) the termination of negotiations, directly or indirectly to make any contribution to any political party, committee, or candidate for public office or to any person for any political purpose or use.

V. 1. Southwest Products Co., a government contractor, made a $20,462.52 contribution, in the form of a loan, to John Almquist, an agent for Almquist for Congress, in violation of 2 U.S.C. § 441c.

2. Southwest Products Co., a corporation, and Kent Hackman, as President, made a $20,462.52 contribution, in the form of a loan, to John Almquist, an agent for Almquist for

Congress, in violation of 2 U.S.C. § 441b(a).

3. Kent Hackman made a $2,000 contribution to Almquist for Congress, in violation of 2 U.S.C. § 441a(a)(1)(A).

4. Marion Hackman made a $1,500 contribution to Almquist for Congress, in violation of 2 U.S.C. § 441a(a)(1)(A).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Seven Thousand dollars ($7,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

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

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

Date 8/17/89

FOR THE RESPONDENTS:

Kent Hackman President

Kent Hackman
President, Southwest Products Co.

Date 6/28/89

Kent Hackman

Kent Hackman

Date 6/28/89

Marion Hackman

Marion Hackman

Date 6/28/89

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2539

DATE FILMED 9/12/89 CAMERA NO. 4

CAMERAMAN AS

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