



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2675

DATE FILMED 12/24/91 CAMERA NO. 2

CAMERAMAN AS

91040882319

HAND DELIVERED

RECEIVED
FEDERAL ELECTION COMMISSION

GCC# 161
83 AUG 19 AM 9:45
- mnr 2675

Robert E. Sweeney Co., L.P.A.
A Professional Corporation

Attorneys and Counselors
Suite 950, Illuminating Building
55 Public Square
Cleveland, Ohio 44119
(216) 696-0606

Jan D. Ginsberg
Linda L. Hestonson
William E. Gerstanslager
David A. Scroggie
Emil J. Vlad
Anne Brosnan
Martin L. Sweeney

Martin L. Sweeney
(1885-1960)
Robert E. Sweeney
Mark Wintering
Robert P. Sweeney
Michael V. Holley
Stephen C. Foley
Michael P. Cassidy

August 18, 1988

Via Federal Express

Federal Elections Commission
Attention: General Counsel
999 E Street, N.W.
Washington, D.C. 20463

IN RE: Filing of Complaint of U. S. Representative
Edward F. Feighan against James Kassouf, et al.

Gentlemen:

Enclosed please find the original and four (4) copies of a Complaint we submit for filing with the Commission on behalf of United States Representative Edward F. Feighan.

I have taken the liberty of enclosing a return envelope, and would appreciate receiving a time-stamped copy of the document, in the event this is provided for under your rules.

Very truly yours,

Robert E. Sweeney
ROBERT E. SWEENEY

RES/sb
Enclosures

cc: Hon. Edward F. Feighan

83 AUG 19 AM 11:24
RECEIVED
FEDERAL ELECTION COMMISSION

0
2
3
2
2
8
8
0
4
1
6
9

BEFORE THE FEDERAL ELECTIONS COMMISSION
WASHINGTON, D.C.

In The Matter of
The Complaint of
Representative
Edward F. Feighan
1048 Homewood Drive
Lakewood, Ohio 44107

against

- (1) James Kassouf
10357 Clifton Boulevard
Cleveland, Ohio 44102
- (2) Michael DeGrandis
10615 Lake Avenue
Cleveland, Ohio 44102
- (3) James Dietz
Bradley Building
1220 West Sixth Street
Cleveland, Ohio 44113

9
1
0
4
0
8
8
2
3
2
1

1. Complainant herein, United States Representative Edward F. Feighan, Ohio 19th Congressional District, in accordance with 2 U.S.C. §437g, hereby requests that the Federal Elections Commission investigate the activities of (1) James Kassouf, (2) Michael DeGrandis, and (3) James Dietz, with relation to the activities set forth below, which activities Complainant avers have violated Federal Election Campaign laws, 2 U.S.C. §431 et seq., and specifically §434(c) and §441d.

2. In or about late September or early October, 1986, James Kassouf and Michael DeGrandis, working together in Mr. Kassouf's office, composed and prepared an inflammatory, anti-Semitic political handbill entitled "Who Does Edward Feighan Work For?" (The handbill is attached hereto as Exhibit A, and is

hereinafter referred to as the "handbill".)

3. The handbill authored by James Kassouf and Michael DeGrandis was intended to inflame voters against United States Representative Edward F. Feighan in his 1986 campaign for reelection to the United States House of Representatives.

4. In violation of 2 U.S.C. §441d, the political handbill authored by James Kassouf and Michael DeGrandis knowingly and wilfully failed to contain a clause attributing the handbill to either an authorized political committee or to a person or persons who paid for a communication that was not authorized by a candidate or the candidate's committee.

5. James Kassouf and Michael DeGrandis directed James Kassouf's personal secretary to type the handbill they had written and to affix to the handbill the statement that the communication was paid for by a political committee, which was unauthorized or non-existent and whose name was fabricated by Kassouf and DeGrandis to knowingly and wilfully circumvent Federal Election Campaign requirements, as set forth in 2 U.S.C. §431, et seq.

6. James Kassouf and Michael DeGrandis arranged for the handbill to be printed by James Dietz and to be distributed by Dietz in Parma, Ohio in or about October, 1986, just prior to the election for United States Representative from the Ohio 19th Congressional District.

7. In order to compensate James Dietz for printing and distributing the handbill, and further, in order to hide the true source of the handbill's financing, James Kassouf and James Dietz

91040882322

struck a deal in which Kassouf arranged to pay unrelated business expenses of Dietz's independent company.

8. The amount so paid to surreptitiously compensate Dietz for printing and distributing the handbill was in excess of \$250.00 and was paid, in cash, in an attempt to knowingly and wilfully violate Federal Election Campaign Laws, specifically 2 U.S.C. §434(c).

9. James Kassouf, Michael DeGrandis, and James Dietz acted in concert to knowingly and wilfully avoid and violate reporting requirements of the Federal Election Campaign Act, specifically, 2 U.S.C. §441d.

WHEREFORE, Complainant Edward F. Feighan requests the Federal Elections Commission to investigate the complaint set forth herein and impose all sanctions allowed by law for knowing and wilful violations of the Federal Elections Campaign Act.



ROBERT E. SWEENEY
MICHAEL V. KELLEY
ROBERT E. SWEENEY CO., L.P.A.
Attorneys for Complainants
950 Illuminating Building
55 Public Square
Cleveland, Ohio 44113
(216) 696-0606

91040882323

WHO DOES EDWARD FEIGHAN WORK FOR?



1. Has Edward Feighan voted to send 12.72 Billion Dollars of your tax money to Israel? **YES**
2. Has Edward Feighan always been pro-abortion? **YES**
- 4 2 3. as Edward Feighan accepted ONE QUARTER MILLION DOLLARS from the Jewish Community in payment for his give-away of Billions of Tax Dollars to Israel? **YES**
- 3 2 4. Has Edward Feighan responded only to the needs of One Eastside Community while he turns his back on the other 38 Communities of the 19th District? **YES**
- 8 8 5. Has Edward Feighan voted to give Billions of your Tax Dollars for useless wasteful Federal Programs that do not work for you? **YES**
- 0 4 6. Has Edward Feighan WORKED HARD to bring Federal Dollars to Euclid and Lakewood for the much needed Lakefront Erosion problem? **NO**
- 0 7. Has Edward Feighan WORKED HARD to fight against Public Housing in Parma? **NO**
- 9 8. Has Edward Feighan WORKED HARD to keep auto plants operating so that Families have JOBS? **NO**
9. Has Edward Feighan voted to cut back on Billions of Dollars of WELFARE GIVE-AWAYS? **NO**

SHOULD THE VOTERS OF THE 19th DISTRICT VOTE TO RE-ELECT EDWARD FEIGHAN? **NO**

If you agree that EDWARD FEIGHAN only works for EDWARD FEIGHAN and NOT FOR THE PEOPLE of the 19th District. CALL:

521-1986

or

765-1986

Paid for by the

CHRISTIAN DEMOCRATS FOR A RESPONSIVE GOVERNMENT

EXHIBIT "A"

STATE OF OHIO)
) SS:
COUNTY OF CUYAHOGA)

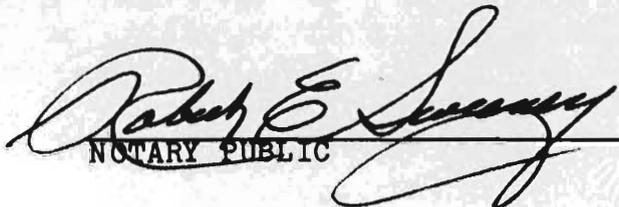
EDWARD F. FEIGHAN, having been duly sworn to say the truth in this matter, hereby deposes and says:

1. He is the Complainant in the within matter; and
2. The matters set forth in the Complaint herein are true to the best of his knowledge and belief.

Further, affiant sayeth naught.


EDWARD F. FEIGHAN

SWORN TO BEFORE ME and subscribed in my presence this
16 day of August, 1988.


NOTARY PUBLIC

91040882325



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 26, 1988

plm

The Honorable Edward F. Feighan
1048 Homewood Drive
Lakewood, OH 44107

FE: MUR 2675

Dear Mr. Feighan:

This letter acknowledges receipt of your complaint, received on August 19, 1988, alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by James Kassouf, Michael DeGrandis, and James Dietz. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 2675. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints. If you have any questions, please contact Retha Dixon, Docket Chief, at (202) 376-3110.

Sincerely,

Lawrence M. Noble
General Counsel

By: 
Lois G. Lerner
Associate General Counsel

Enclosure
Procedures

9
1
0
4
0
8
8
2
3
2
6



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 26, 1988

Mr. James Kassouf
10357 Clifton Boulevard
Cleveland, OH 44102

RE: MUR 2675
James Kassouf

Dear Mr. Kassouf:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2675. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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

91040882327

If you have any questions, please contact Janice Lacy, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel


By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

91040882328



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 26, 1988

Mr. Michael DeGrandis
10615 Lake Avenue
Cleveland, OH 44102

RE: MUR 2675
Michael DeGrandis

Dear Mr. DeGrandis:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2675. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

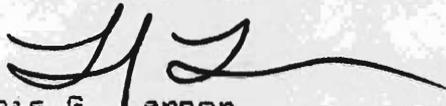
This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing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

91040882329

If you have any questions, please contact Janice Lacy, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

91040882330



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 26, 1988

Mr. James Dietz
Bradley Building
1220 W. Sixth Street
Cleveland, OH 44117

RE: MUR 2675
James Dietz

Dear Mr. Dietz:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2675. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

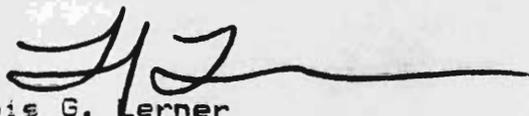
This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing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

313288404910

If you have any questions, please contact Janice Lacy, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel


By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

91040882332

HAND DELIVERED
RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION
Q04 341

PIPER & MARBURY

1200 NINETEENTH STREET, N.W.
WASHINGTON, D. C. 20036
202-861-3900
TELECOPIER 202-823-2085
CABLE PIPERMAR WSH
TELEX 904246

88 SEP -8 PM 3:59

JOHN J. DUFFY
DIRECT DIAL NUMBER
202-861-3938

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-839-2530

September 8, 1988

Lois G. Lerner, Esq.
Associate General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Janice Lacy, Esq.

Re: MUR 2675
James J. Kassouf

Dear Ms. Lerner:

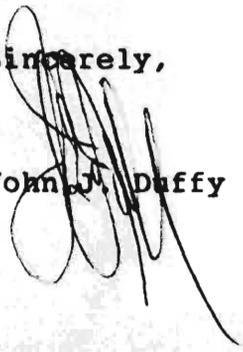
We request on behalf of James J. Kassouf a brief 15-day extension of time to respond to the complaint in the above-referenced matter. By our calculations, our response is due now on September 15, 1988.

Good cause exists for the extension requested. The schedules of counsel and Mr. Kassouf require additional time for the preparation of the response. In addition, we understand that an additional complaint has been filed in connection with this matter, and, we assume, will be consolidated with it. A brief extension will permit us to address both complaints in a single response.

Therefore, we request that the time for responding to the complaint be extended up to and including September 30, 1988.

We enclose on behalf of Mr. Kassouf a Statement of Designation of Counsel.

Sincerely,

John J. Duffy


JJD:dp

91040882333

88 SEP -9 AM 11:50
RECEIVED
FEDERAL ELECTION COMMISSION

STATEMENT OF DESIGNATION OF COUNSEL

MUR: 2675

NAME OF COUNSEL: John J. Duffy

ADDRESS: Piper & Marbury

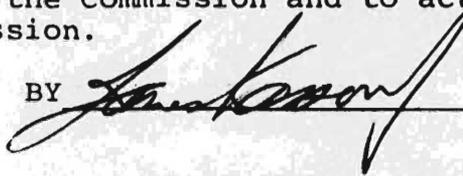
1200 19th Street, N.W.

Washington, D.C.

TELEPHONE: 202-861-3938

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.

DATE 9/6/88

BY 

RESPONDENT'S NAME: James J. Kassouf

ADDRESS: 1296 W. 6th Street

Cleveland, Ohio 44113

HOME PHONE: _____

BUSINESS PHONE: (216) 696-6343

91040882334

HAND DELIVERED @CC#342

FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION

PIPER & MARBURY

88 SEP -8 PM 3:58

1200 NINETEENTH STREET, N.W.
WASHINGTON, D. C. 20036
202-861-3900
TELECOPIER 202-223-2065
CABLE PIPERMAR WSH
TELEX 904246

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-539-2530

JOHN J. DUFFY
DIRECT DIAL NUMBER
202-861-3938

September 8, 1988

RECEIVED
FEDERAL ELECTION COMMISSION
88 SEP -9 AM 11:50

Lois G. Lerner, Esq.
Associate General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Janice Lacy, Esq.

Re: MUR 2675
Michael DeGrandis

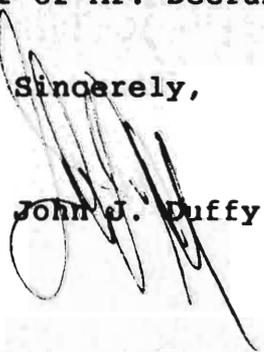
Dear Ms. Lerner:

We request on behalf of Michael DeGrandis a brief 15-day extension of time to respond to the complaint in the above-referenced matter. By our calculations, our response is due now on September 15, 1988.

Good cause exists for the extension requested. The schedules of counsel and Mr. DeGrandis require additional time for the preparation of the response. In addition, we understand that an additional complaint has been filed in connection with this matter, and, we assume, will be consolidated with it. A brief extension will permit us to address both complaints in a single response.

Therefore, we request that the time for responding to the complaint be extended up to and including September 30, 1988.

We enclose on behalf of Mr. DeGrandis a Statement of Designation of Counsel.

Sincerely,

John J. Duffy

JJD:dp

91040882335

STATEMENT OF DESIGNATION OF COUNSEL

MUR: 2675

NAME OF COUNSEL: John J. Duffy

ADDRESS: Piper & Marbury
1200 19th Street, N.W.
Washington, D.C.

TELEPHONE: 202-861-3938

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.

DATE Sept. 6, 1988

BY Michael J. DeGrandis

RESPONDENT'S NAME: Michael J. DeGrandis

ADDRESS: 10615 Lake Avenue
Cleveland, Ohio 44102

HOME PHONE: 651-8683

BUSINESS PHONE: 574-8378

91040882336

plm



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 13, 1988

John J. Duffy, Esq.
Piper & Marbury
1200 19th Street, N.W.
Washington, D.C. 20036

RE: MUR 2675
James J. Kassouf

Dear Mr. Duffy:

This is in response to your letter dated September 8, , 1988, which we received on September 8, 1988, requesting an extension of 15 days to respond to the complaint in MUR 2675. 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 September 30, 1988.

If you have any questions, please contact Janice Lacy, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lois G. Lerner
Associate General Counsel

91040882337



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 13, 1988

John J. Duffy, Esq.
Piper & Marbury
1200 19th Street, N.W.
Washington, D.C. 20036

RE: MUR 2675
Michael DeGrandis

Dear Mr. Duffy:

This is in response to your letter dated September 8, 1988, which we received on September 8, 1988, requesting an extension of 15 days to respond to the complaint in MUR 2675. 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 September 30, 1988.

If you have any questions, please contact Janice Lacy, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lois G. Lerner
Associate General Counsel

91040882338



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 19, 1988

plm

Mr. James J. Kassouf
1296 W. 6th Street
Cleveland, Ohio 44113

RE: MUR 2675
James Kassouf

Dear Mr. Kassouf:

Attached is a copy of the complaint which initiated the matter referenced above. We originally sent the complaint to you on August 26, 1988, at the address specified in the complaint. It was returned to us on September 12, 1988 as undeliverable. In the meantime, we received a Statement of Designation of Counsel from you on September 8, 1988. Although we have this Statement and can thereby assume that you have seen a copy of the complaint, we have enclosed a copy for your files.

Sincerely,

Lois G. Lerner
Associate General Counsel

91040882339

HAND DELIVERED

RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION

PIPER & MARRURY
88 SEP 28 PM 12:03

1200 NINETEENTH STREET, N.W.

WASHINGTON, D. C. 20036

202-861-3900

TELECOPIER 202-823-2088

CABLE PIPERMAR WSH

TELEX 904246

JOHN J. DUFFY
DIRECT DIAL NUMBER
202-861-3938

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-538-2530

September 28, 1988

Lois Lerner, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Janice Lacey, Esq.

Re: MUR 2675
James J. Kassouf

Dear Ms. Lerner:

We submit, on behalf of James J. Kassouf, this response to the complaint of Rep. Edward F. Feighan. Rep. Feighan's complaint does not comply with the requirements of §111.4 of the Commission's rules and, therefore, it should be dismissed without further consideration by the Commission.

Section 111.4 of the Commission's rules requires that a complaint be submitted under penalty of perjury and that it differentiate between statements based upon personal knowledge and statements based upon information and belief (§111.4(c)). Section 111.4 further requires that statements that are not based upon personal knowledge be accompanied by "an identification of the source of information which gives rise to the [complainant's] belief in the truth of such statement" (§111.4(d)(2)). Rep. Feighan's complaint satisfies neither of these requirements.

In his complaint, Rep. Feighan makes a series of factual allegations. He does not indicate, however, that he has personal knowledge of the facts alleged, and, indeed, it is clear from the nature of these factual allegations that he could not have personal knowledge of these matters. For

91040882340

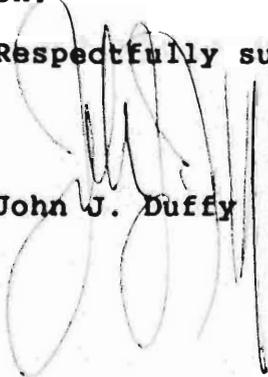
88 SEP 28 PM 3:06

FEDERAL ELECTION COMMISSION

example, in paragraphs 2 and 5 of his complaint, Rep. Feighan states that "in or about late September or early October," James Kassouf and Michael DeGrandis, working together in Mr. Kassouf's office, composed and prepared a political handbill, and directed Mr. Kassouf's personal secretary to type it. For Rep. Feighan to have personal knowledge of these alleged facts, he would have had to have been present at the alleged meeting at Mr. Kassouf's office.

Although Rep. Feighan does not have personal knowledge of the allegations he makes in his complaint, he does not supply affidavits from any person who does have such knowledge. Indeed, Rep. Feighan doesn't even identify the sources, if any, of his information. His complaint contains only unsupported speculation, which, we submit, is an insufficient basis for a reason to believe finding. Therefore, Rep. Feighan's complaint should be dismissed without further consideration by the Commission.

Respectfully submitted,


John J. Duffy

JJD:dp

91040882341

PIPER & MARBURG SEP 28 PM 12:03

1200 NINETEENTH STREET, N.W.
WASHINGTON, D. C. 20036

202-861-3900

TELECOPIER 202-223-2088

CABLE PIPERMAR WSH

TELEX 904248

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-539-2530

JOHN J. DUFFY
DIRECT DIAL NUMBER
202-861-3938

September 28, 1988

Lois Lerner, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Janice Lacey, Esq.

Re: MUR 2675
Michael DeGrandis

Dear Ms. Lerner:

We submit, on behalf of Michael DeGrandis, this response to the complaint of Representative Edward F. Feighan. Rep. Feighan has not alleged any facts that would, if true, support a finding that Mr. DeGrandis has committed a violation of the Federal Election Campaign Act of 1971, as amended ("the Act"), and in particular, 2 U.S.C. §434(c) and §441d, which are cited by Rep. Feighan.

Title 2 U.S.C. §434(c) and 11 C.F.R. §109.2(a) provide that every person who makes independent expenditures aggregating in excess of \$250 must file a report. Title 2 U.S.C. §441d and 11 C.F.R. §109.3 and §110.11 provide that any person who finances a communication that expressly advocates the election or defeat of a candidate through any form of general public political advertising must include in the communication a disclaimer identifying the party that paid for that communication. In his complaint, Rep. Feighan does not allege that Mr. DeGrandis financed the handbill, or otherwise expended any money. To the contrary, Rep. Feighan alleges expressly that the handbill was financed by Mr. James Kassouf (Complaint ¶7). Since Rep. Feighan does not allege that Mr. DeGrandis financed the handbill, or otherwise made any independent expenditure, his complaint provides no basis for

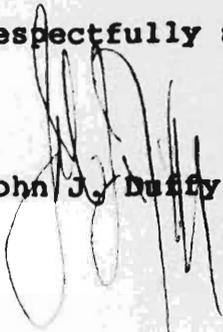
91040882342

88 SEP 28 PM 3:06
FEDERAL ELECTION COMMISSION RECEIVED

the Commission to find reason to believe that Mr. DeGrandis has committed a violation of any statute or regulation over which the Commission has jurisdiction, and, therefore, Rep. Feighan's complaint, as to Mr. DeGrandis, must be dismissed.

Furthermore, Rep. Feighan's complaint in general does not comply with the requirements of §11.4 of the Commission's rules, and, therefore, for this additional reason it should be dismissed without further consideration by the Commission.

Respectfully submitted,


John J. Duffy

JJD:dp

91040882343

CC# 380

HAND DELIVERED

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

88 SEP 13 AM 10:26

WV 2696

Robert E. Sweeney Co., L.P.A.
A Professional Corporation

Attorneys and Counselors

Suite 950. Illuminating Building
55 Public Square
Cleveland, Ohio 44113
(216) 696-0606

- Martin L. Sweeney*
(1885-1960)
- Robert E. Sweeney*
- Mark Wentoring*
- Robert P. Sweeney*
- Michael V. Holley*
- Stephen C. Foley*
- Michael P. Cassidy*

- Jan D. Ginsberg*
- Linda L. Harrison*
- William E. Gustenlager*
- David A. Scobija*
- Emil J. Vlad*
- Anne Brosnan*
- Martin L. Sweeney*

September 12, 1988

Via Federal Express

Federal Elections Commission
Attention: General Counsel
999 E Street, N.W.
Washington, D.C. 20463

IN RE: Filing of Complaint of:
James M. Ruvolo, Chairman,
Ohio Democratic Party - against -
James F. Kassouf, et al.

Gentlemen:

Enclosed please find the original and four (4) copies of a Complaint which we submit for filing with the Commission on behalf of James M. Ruvolo, Chairman, Ohio Democratic Party.

Very truly yours,

Robert E. Sweeney
ROBERT E. SWEENEY *et.*

RES/sb
Enclosures

91040862344

88 SEP 14 PM 2:03

RECEIVED
FEDERAL ELECTION COMMISSION

BEFORE THE FEDERAL ELECTIONS COMMISSION
WASHINGTON, D.C.

In The Matter of
The Complaint of
James M. Ruvolo, Chairman
Ohio Democratic Party
Suite 1920
88 East Broad Street
Columbus, Ohio 43215

against

- (1) James Kassouf
10357 Clifton Boulevard
Cleveland, Ohio 44102
- (2) Michael DeGrandis
10615 Lake Avenue
Cleveland, Ohio 44102
- (3) James Dietz
Bradley Building
1220 West Sixth Street
Cleveland, Ohio 44113

9
1
0
4
0
8
8
2
3
4
5

1. Complainant herein, James M. Ruvolo, Chairman of the Ohio Democratic Party, in accordance with 2 U.S.C. §437g, hereby requests that the Federal Elections Commission investigate the activities of (1) James Kassouf, (2) Michael DeGrandis, and (3) James Dietz, with relation to the activities set forth below, which activities Complainant avers have violated Federal Election Campaign laws, 2 U.S.C. §431 et seq., and specifically §434(c) and §441d.

2. In or about late September or early October, 1986, James Kassouf and Michael DeGrandis, working together in Mr. Kassouf's office, composed and prepared an inflammatory,

anti-Semitic political handbill entitled "Who Does Edward Feighan Work For?" (The handbill is attached hereto as Exhibit A, and is hereinafter referred to as the "handbill".)

3. The handbill authored by James Kassouf and Michael DeGrandis was intended to inflame voters against United States Representative Edward F. Feighan in his 1986 campaign for reelection to the United States House of Representatives.

4. In violation of 2 U.S.C. §441d, the political handbill authored by James Kassouf and Michael DeGrandis knowingly and wilfully failed to contain a clause attributing the handbill to either an authorized political committee or to a person or persons who paid for a communication that was not authorized by a candidate or the candidate's committee.

5. James Kassouf and Michael DeGrandis directed James Kassouf's personal secretary to type the handbill they had written and to affix to the handbill the statement that the communication was paid for by a political committee, which was unauthorized or non-existent and whose name was fabricated by Kassouf and DeGrandis to knowingly and wilfully circumvent Federal Election Campaign requirements, as set forth in 2 U.S.C. §431, et seq.

6. James Kassouf and Michael DeGrandis arranged for the handbill to be printed by James Dietz and to be distributed by Dietz in Parma, Ohio in or about October, 1986, just prior to the election for United States Representative from the Ohio 19th Congressional District.

91040882346

7. In order to compensate James Dietz for printing and distributing the handbill, and further, in order to hide the true source of the handbill's financing, James Kassouf and James Dietz struck a deal in which Kassouf arranged to pay unrelated business expenses of Dietz's independent company.

8. The amount so paid to surreptitiously compensate Dietz for printing and distributing the handbill was in excess of \$250.00 and was paid, in cash, in an attempt to knowingly and wilfully violate Federal Election Campaign Laws, specifically 2 U.S.C. §434(c).

9. James Kassouf, Michael DeGrandis, and James Dietz acted in concert to knowingly and wilfully avoid and violate reporting requirements of the Federal Election Campaign Act, specifically, 2 U.S.C. §441d.

WHEREFORE, Complainant James M. Ruvolo requests the Federal Elections Commission to investigate the complaint set forth herein and impose all sanctions allowed by law for knowing and wilful violations of the Federal Elections Campaign Act.



ROBERT E. SWEENEY
MICHAEL V. KELLEY
ROBERT E. SWEENEY CO., L.P.A.
Attorneys for Complainants
950 Illuminating Building
55 Public Square
Cleveland, Ohio 44113
(216) 696-0606

91040882347

STATE OF OHIO)
COUNTY OF FRANKLIN) SS: AFFIDAVIT

JAMES M. RUVOLO, having been duly sworn to say the truth
in this matter, hereby deposes and says that:

1. He is the Complainant in the within matter.
2. He has personal knowledge of the allegations set forth
in this Complaint.
2. The matters set forth in this Complaint are true to the
best of his knowledge and belief.

Further, affiant sayeth naught.



James M. Ruvolo

JAMES M. RUVOLO

2nd day of September, 1988.

Nance Echenrode Austin

NOTARY PUBLIC

NANCE ECHENRODE AUSTIN
NOTARY PUBLIC - STATE OF OHIO
COMMISSION EXPIRES AUGUST 5, 1989

91040882348



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 26, 1988

James M. Ruvolo, Chairman
Ohio Democratic Party
Suite 1920
55 E. Broad Street
Columbus, OH 43215

RE: MUR 2696

Dear Mr. Ruvolo:

This letter acknowledges receipt on September 14, 1988, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by James J. Kassouf, Michael DeGrandis, and James Dietz. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 2696. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints. If you have any questions, please contact Retha Dixon, Docket Chief, at (202) 376-3110.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

Enclosure
Procedures

91040882349



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 26, 1988

Mr. James J. Kassouf
1196 W. 5th Street
Cleveland, OH 44117

RE: MUR 2596
James J. Kassouf

Dear Mr. Kassouf:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2596. Please refer to this number in all future correspondence.

The complaint was not sent to you earlier due to administrative oversight. Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

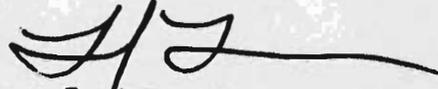
This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing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

91040882350

If you have any questions, please contact Janice Lacy, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

91040882351



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 26, 1988

Mr. Michael DeGrandis
11515 Lake Avenue
Cleveland, OH 44102

RE: MUR 2696
Michael DeGrandis

Dear Mr. DeGrandis:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2696. Please refer to this number in all future correspondence.

The complaint was not sent to you earlier due to administrative oversight. Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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

91040882352

--

If you have any questions, please contact Janice Lacy, the attorney assigned to this matter, at (202) 376-5890. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel


By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

91040882353



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 26, 1988

Mr. James Dietz
Bredley Building
1200 W. 5th Street
Cleveland, Oh 44115

RE: MUR 2696
James Dietz

Dear Mr. Dietz:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2696. Please refer to this number in all future correspondence.

The complaint was not sent to you earlier due to administrative oversight. Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

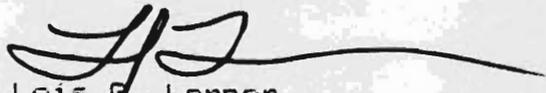
This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing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

9104088234

If you have any questions, please contact Janice Lacy, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel


By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

91040882355

SENSITIVE

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

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

88 OCT 19 PM 3:00

FIRST GENERAL COUNSEL'S REPORT

MURS # 2675 and 2696
DATE COMPLAINTS RECEIVED
BY OGC 8/19/88 and
9/19/88
DATE OF NOTIFICATIONS
TO RESPONDENTS 8/26/88
and 9/26/88
STAFF MEMBER Janice Lacy

COMPLAINANTS: The Honorable Edward F. Feighan
Ohio Democratic Party and James M. Ruvolo as
Chairman

RESPONDENTS: James Kassouf
Michael DeGrandis
James Dietz

RELEVANT STATUTES: 2 U.S.C. § 433
2 U.S.C. § 434
2 U.S.C. § 441d(a) (3)
2 U.S.C. § 441h

INTERNAL REPORTS
CHECKED: B Index

FEDERAL AGENCIES
CHECKED: None

I. GENERATION OF MATTER

The Office of General Counsel received a complaint on August 19, 1988, from counsel for The Honorable Edward F. Feighan of the 19th Congressional District of Ohio alleging violations of the Federal Election Campaign Act by three individuals, James Kassouf, Michael DeGrandis and James Dietz, of Cleveland, Ohio. The complaint alleges that respondents prepared and distributed a handbill calling for the defeat of Mr. Feighan, a candidate at the time. The handbill contained only the statement "Paid for by the Christian Democrats for a Responsive

91040882356

Government" and failed to clearly state that the communication was not authorized by any candidate or candidate's committee, a statement required by Section 441d(a)(3) of the Act.

Additionally, the Complainant alleges that the respondents spent in excess of \$250 in the printing and distribution of the handbill, but did not report this independent expenditure to the Commission.

This Office notified the respondents of the complaint on August 26, 1988. We received two requests for extensions of time. On September 8, 1988, counsel for both Mr. Degrandis and Mr. Kassouf requested an extension of fifteen days to respond to the complaint. This Office granted these requests on September 13, 1988, and provided an extended due date of September 30, 1988. On September 28, 1988, we received responses from counsel for the two respondents. We have not yet received any response from Mr. Dietz to this complaint.

On September 14, 1988, this Office received a second complaint alleging the same activity and naming the same respondents. This complaint was filed by James M. Ruvolo, Chairman, Ohio Democratic Party. This Office notified the respondents of the complaint on September 26, 1988. We have not yet received responses regarding this particular complaint from any of the three respondents. It is arguable, however, that the responses submitted by Mr. Degrandis and Mr. Kassouf to the first complaint could also apply to this complaint, since their counsel referenced an impending second complaint and stated in his request

91040882357

for an extension of time to respond that the extension would permit the respondents to address both complaints in a single response. In any case, we still have received no response to either complaint from Mr. Dietz.

Because both MUR 2696 and MUR 2675 allege the same violations against the same respondents, this Office anticipates that it will recommend merger of the two complaints. At this point, however, we will provide the respondents an opportunity to respond to the allegations of MUR 2696. After receiving any responses or after the expiration of the time for receiving responses, this Office will report to the Commission with appropriate recommendations.

Lawrence M. Noble
General Counsel

10-18-88

Date

BY:


Lois G. Lerner
Associate General Counsel

91040882358



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

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

DATE: OCTOBER 21, 1988

SUBJECT: MUR 2675/2696
FIRST GENERAL COUNSEL'S REPORT
SIGNED OCTOBER 18, 1988

The above-captioned report was received in the Secretariat at 3:00 p.m. on Wednesday, October 19, 1988 and circulated to the Commission on a 24-hour no-objection basis at 11:00 a.m. on Thursday, October 20, 1988.

There were no objections to the report.

91040882359

060# 744

RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION

38 OCT 21 PM 4:38

Ann 2696

PIPER & MARBURY

1200 NINETEENTH STREET, N.W.
WASHINGTON, D.C. 20036
202-861-3800
TELECOPIER 202-223-2085
CABLE PIPERMAR WSH
TELEX 904246

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-539-2530

JOHN J. DUFFY
DIRECT DIAL NUMBER
202-861-3938

October 21, 1988

Lois Lerner, Esq.
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Janice Lacey, Esq.

Dear Ms. Lerner:

We received yesterday from Mr. Michael DeGrandis a copy of your letter dated September 26, 1988. The letter contained a complaint against Mr. DeGrandis, which had been filed by Mr. James M. Ruvolo. In reviewing this complaint, I noticed that the complaint also named Mr. James Kassouf, another client of this firm. To my knowledge, Mr. Kassouf has not received a copy of the Ruvolo complaint from the Commission. I would appreciate your forwarding me a copy of any letter you may have sent to Mr. Kassouf with respect to the Ruvolo complaint.

On September 8, I submitted a statement from Mr. Kassouf designating me as his counsel and authorizing me to receive papers on his behalf. In our Statement of Designation of Counsel, we noted that Mr. Kassouf's address was 1296 W. 6th Street, Cleveland, Ohio 44113. The address on the complaint, on the other hand, is 10357 Clifton Boulevard, Cleveland, Ohio 44102, which is not Mr. Kassouf's address. Consequently, if you have sent a copy of the complaint to Mr. Kassouf at the address given in the complaint, it has been improperly addressed.

91040882360

33 OCT 21 PM 3:24

RECEIVED
FEDERAL ELECTION COMMISSION

Although the Ruvolo complaint merely duplicates the complaint that is the subject of MUR 2675, I notice in your letter to Mr. DeGrandis that you have given it a different MUR number. If another Statement of Designation of Counsel must be filed, please let me know.

Respectfully submitted,


John D. Duffy

JJD:dp

91040882361

PIPER & MARBURY

88 OCT 21 PM 4 38

1200 NINETEENTH STREET, N.W.
WASHINGTON, D. C. 20036

202-881-3600

TELECOPIER 202-823-2065

CABLE PIPERMAR WSH

TELEX 904246

JOHN J. DUFFY
DIRECT DIAL NUMBER
202-861-3938

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-539-2530

October 21, 1988

Lois Lerner, Esq.
Federal Election Commission
999 E Street, N.W.
Washington, D.C.

Attn: Janice Lacy, Esq.

Re: MUR 2696
Michael DeGrandis

Dear Ms. Lerner:

I submit on behalf of Michael DeGrandis this response to your letter of September 26, 1988 and to the complaint of Mr. James M. Ruvolo, which accompanied that letter. Mr. Ruvolo's complaint merely duplicates the complaint filed by Rep. Edward F. Feighan (MUR 2675), to which we responded by letter dated September 28, 1988, and makes no new factual allegations against Mr. DeGrandis.

For the reasons set forth in our September 28 letter, Mr. Ruvolo's complaint does not provide any basis for the Commission to believe that Mr. DeGrandis violated any statute or regulation over which the Commission has jurisdiction, and therefore his complaint, like the complaint of Rep. Feighan, should be dismissed.

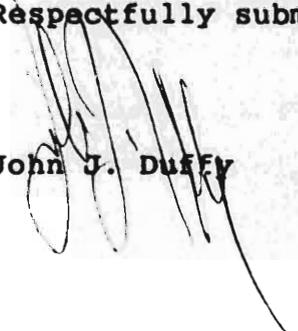
Moreover, Mr. Ruvolo's complaint does not satisfy the requirements of §111.4 of the Commission's rules, which provides that complaints must be submitted under penalty of perjury and differentiate between facts based on personal

91040882362

knowledge and facts based on information and belief. Section 111.4 also requires that allegations in a complaint that are not based on personal knowledge be accompanied by "an identification of the source of information which gives rise to the [complainant's] belief in the truth of such statement." (§ 111.4(d)(2)) In the affidavit attached to his complaint, Mr. Ruvolo states that "he has personal knowledge of the allegations set forth in [the] Complaint" (emphasis supplied). Anyone who had read the complaint would, of course, have personal knowledge of the allegations set forth therein. Mr. Ruvolo very carefully does not indicate that he has personal knowledge of the facts alleged in the complaint, and it is obvious from the nature of these factual allegations that he could not have personal knowledge of them. Therefore, for this additional reason, his complaint should be dismissed without further consideration by the Commission.

On September 8, I submitted, on behalf of Mr. DeGrandis, a statement designating me as his counsel, and authorizing me to receive papers from the Commission on his behalf. Although the Ruvolo complaint merely duplicates the complaint that is the subject of MUR 2675, I notice that you have given it a different MUR number. If another Statement of Designation of Counsel is deemed necessary, please contact me.

Respectfully submitted,


John J. Duffy

JJD:dp

91040882363



RICHARD F. CELESTE
GOVERNOR

STATE OF OHIO
OFFICE OF THE GOVERNOR
COLUMBUS, OHIO 43215

OGC# 739
FEDERAL ELECTION COMMISSION
MAIL ROOM
OCT 24 AM 9:26

October 20, 1988

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

Re: F.E.C. Complaint Filed by
Congressman Edward F. Feighan
#MUR 2675

88 OCT 24 PM 3:26
FEDERAL ELECTION COMMISSION

91040882364

Dear Mr. Noble:

I urge you to take action on the above referenced complaint. The campaign activities engaged in during the closing days of the 1986 Feighan campaign were despicable and should not be tolerated anywhere in the United States and certainly not in the State of Ohio.

I believe that those who are responsible for such an action and for violating Federal Election law should be identified and dealt with swiftly. Open and honest elections are the backbone of this nation and our election laws are in place to assure that our democracy remains strong.

Individuals who distribute inflammatory, anti-semitic handbills without identifying their source of funding or their existence should not be allowed to continue their activities without fear of appropriate action.

Your immediate attention to this complaint would be appreciated by all the citizens of Ohio.

Sincerely,
Richard F. Celeste
Richard F. Celeste
Governor

RFC/bjc

0601132

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

PIPER & MARBURY

88 NOV 21 PM 2:41

1200 NINETEENTH STREET, N.W.
WASHINGTON, D.C. 20036
202-861-3800
TELECOPIER 202-823-2088
CABLE PIPERMAR WSH
TELEX 904248

1100 CHARLES CENTER SOUTH
38 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-539-2530

JOHN J DUFFY
DIRECT DIAL NUMBER
202-861-3938

November 21, 1988

Lois G. Lerner, Esquire
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Janice Lacey, Esquire

Re: MUR 2696
James J. Kassouf

Dear Ms. Lerner:

I submit on behalf of James J. Kassouf this response to your letter of September 26, 1988 and to the complaint of Mr. James N. Ruvolo, which accompanied that letter. Mr. Ruvolo's complaint merely duplicates the complaint filed by Rep. Edward F. Feighan (MUR 2675) to which we responded by letter dated September 28, 1988.

Moreover, like the complaint of Mr. Feighan, Mr. Ruvolo's complaint does not satisfy the requirements of § 111.4 of the Commission's rules which provides that complaints must be submitted under penalty of perjury and differentiate between facts based on personal knowledge and facts based on information and belief. Section 111.4 also requires that allegations of a complaint that are not based on personal knowledge be accompanied by an identification of the source of information which gives rise to the [complainant's] belief in the truth of such statement." (§ 111.4(d)(2))

5
6
3
2
8
8
4
0
1
9

In the affidavit attached to his complaint, Mr. Ruvolo states that "he has personal knowledge of the allegations set forth in [the] Complaint" (emphasis supplied). Anyone who had read the complaint would, of course, have personal knowledge of the allegations set forth therein. Mr. Ruvolo very carefully does not indicate that he has personal knowledge of the facts alleged in the complaint, and it is obvious from the nature of these factual allegations that he could not have personal knowledge of them. Therefore, for this reason, his complaint should be dismissed without further consideration by the Commission.

Respectfully submitted,



John J. Duffy

ldp

JJD:dkp

91040882366

88 DEC -2 PM 3:13

In the Matter of)
)
James Kassouf;)
Michael DeGrandis;)
James Dietz)

MURS 2675/2696

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

The Office of General Counsel received a complaint on August 19, 1988 from The Honorable Edward F. Feighan (the "Complainant") of the 19th Congressional District of Ohio alleging violations of the Act by three individuals, James Kassouf, Michael DeGrandis, and James Dietz, of Cleveland, Ohio. The Complainant alleges that in late September or early October, 1986, Mr. Kassouf and Mr. DeGrandis composed and prepared a political handbill entitled "Who Does Edward Feighan Work For?" At the bottom of this handbill was the statement, "Paid for by the Christian Democrats for a Responsive Government." Attached to this complaint is a copy of the handbill (see Attachment I). The Complainant alleges that the respondents knowingly and willfully failed to include a clause on the handbill that would attribute the handbill to either an authorized political committee, or to the persons who paid for the communication.

The Complainant further alleges that Mr. Kassouf and Mr. DeGrandis directed Mr. Kassouf's secretary to type the handbill and to affix to the handbill the statement that the communication was paid for by the group noted above. The Complainant alleges that this group was unauthorized or non-existent at the time that the handbill was produced, and that the

91040882367

name of the group was fabricated by Mr. Kassouf and Mr. DeGrandis to knowingly and willfully circumvent the Act.

Mr. Kassouf and Mr. DeGrandis then allegedly arranged for the handbill to be printed and distributed by Mr. Dietz, another respondent, in October, 1986, just prior to the Congressional election in 1986 in which the Complainant was a candidate. The Complainant further alleges that to compensate Mr. Dietz for his efforts, and to hide the true source of the handbill's financing, Mr. Kassouf arranged to pay unrelated business expenses of Mr. Dietz's company. This amount was allegedly in excess of \$250, and was paid in cash, Complainant says, in attempt to knowingly and willfully violate the Act.

This Office notified the respondents of the complaint on August 26, 1988. This Office received two requests for extensions of time. On September 8, 1988, Mr. DeGrandis and Mr. Kassouf each requested extensions of 15 days to respond to the complaint. This Office granted these requests on September 13, 1988, and provided an extended due date of September 30, 1988 for these two respondents.

This Office received responses to the complaint from Mr. Kassouf and Mr. DeGrandis on September 28, 1988. Mr. DeGrandis asserts that because the Complainant does not allege that Mr. DeGrandis financed any communication, or made any independent expenditure, the complaint provides no basis for any violation of the Act. Furthermore, Mr. DeGrandis argues that the complaint in general fails to comply with the requirements of

91040882368

11 C.F.R. § 111.4(c), regarding requirements for statements made in a complaint. Mr. Kassouf makes the same argument, asserting that the Complainant does not have personal knowledge of the allegations he made in his complaint, nor supplies affidavits from any person who does have such knowledge, as required by Section 111.4 of the Regulations. They both argue that because the complaint is based on speculation, the complaint should be dismissed. The third respondent, Mr. Dietz, has not yet submitted any response to the complaint to this Office.

On September 14, 1988, this Office received another complaint alleging the same violations and naming the same respondents from James M. Ruvolo, Chairman of the Ohio Democratic Party. On October 21, 1988, this Office received a response to the complaint from Mr. DeGrandis, which contained the same arguments as those submitted to the previous Matter Under Review. Regarding Mr. Kassouf, his counsel claims that Mr. Kassouf did not receive a copy of the second complaint. This Office sent a copy to Mr. Kassouf at his correct address, and did not receive the mailing back as undeliverable. This Office is in the process of confirming that Mr. Kassouf received the second complaint. This Office received no response from Mr. Dietz.

II. LEGAL ANALYSIS

A. Merger

This Office notes that MUR 2696, submitted subsequent to MUR 2675, makes the same factual assertions and allegations against the same parties as MUR 2675, adding no new allegations.

91040882369

Given these circumstances, this Office concludes that merger of MUR 2696 with MUR 2675 is appropriate. Therefore, this Office recommends merger of MUR 2696 with MUR 2675.

B. Propriety of the Complaint

Both Mr. Kassouf and Mr. DeGrandis raise the issue of whether the complaint conforms to the requirements of Section 111.4 of the Regulations. These respondents claim that the Complainant lacks personal knowledge of the allegations in the complaint, and failed to supply any affidavit from any person who does have such knowledge, as required by the Regulations.

11 C.F.R. § 111.4(c) provides that all statements made in a complaint are subject to the statutes governing perjury, and that the complaint "should differentiate between statements based upon personal knowledge and statements based upon information and belief." (Emphasis added). Furthermore, 11 C.F.R. § 111.4(d)(2) provides that "[s]tatements which are not based upon personal knowledge should be accompanied by an identification of the source of information which gives rise to the complainant's belief in the truth of such statements." (Emphasis added.)

While the Regulations clearly provide that there should be supporting statements which identify the source of information for factual allegations, the Regulations do not state a requirement that there must be such statements. Here, the Complainant has satisfied the requirements of the Regulations by indicating that "the matters set forth in the Complaint herein are true to the

91040882370

best of his knowledge and belief." See Complaint at Page 5.
Therefore, this Office concludes that the complaint is proper.

C. Independent Expenditures

The first issue raised by the complaint is whether the expenditures in connection with the production and distribution of the handbill constituted "independent expenditures" within the meaning of the Act. 2 U.S.C. § 431(17) provides that "independent expenditure" means :

an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate. (Emphasis added.)

The elements of this definition are discussed below.

"Expenditure." Because the Complainant alleges that "in excess of \$250" was spent by Mr. Kassouf in printing and distributing the handbill, an allegation not denied by Mr. Kassouf, it appears that Mr. Kassouf may have made an expenditure in producing the handbill. Regarding Mr. Dietz, the Complainant alleges that he was a vendor to Mr. Kassouf and Mr. DeGrandis, performing services such as printing and distribution, for which he was compensated. However, this Office does not know the extent of services he performed, nor whether he was compensated in full for these services. Given these facts, it appears that Mr. Dietz may have made an expenditure in connection with the handbill. Regarding Mr. DeGrandis, the

91040882371

Complainant alleges that Mr. DeGrandis authored and helped distribute the handbill. 2 U.S.C. § 431(9)(A)(i) provides that "expenditure" includes "anything of value, made by any person for the purpose of influencing any election for Federal office." Given the allegation that Mr. DeGrandis authored and distributed the handbill, and his failure to deny this allegation, it appears that Mr. DeGrandis may have made an expenditure in connection with the handbill. In sum, it appears that all three respondents may have made expenditures in connection with producing or distributing the handbill.

"Expressly advocating." The Regulations provide that "[e]xpressly advocating" means "any communication containing a message advocating election or defeat, including but not limited to the name of the candidate." 11 C.F.R. § 109.1(b)(2). The communication in question, the handbill, contains the statement "Should the voters of the 19th district vote to re-elect Edward Feighan? NO." Therefore, the handbill expressly advocates the defeat of Mr. Feighan.

"Clearly identified candidate." The Regulations further provide that "[c]learly identified candidate" means that the name or photograph of the candidate appears. The handbill contains both a photograph and reference to the candidate by name; thus, the handbill refers to a "clearly identified candidate."

"Without cooperation or consultation." Finally, regarding any cooperation or consultation with a candidate or any authorized committee, the complaint contains no allegation or

91040882372

evidence that such cooperation or consultation occurred. Thus, it appears that the respondents made this expenditure on their own, without consulting with a candidate or committee before allegedly composing and distributing the handbill.

Given these considerations, it appears that the expenditures for the handbill qualify as "independent expenditures" within the meaning of the Act. Regarding the reporting of such independent expenditures, 2 U.S.C. § 434(c)(1) requires that:

[e]very person (other than a political committee) who makes independent expenditures in an aggregate amount or value in excess of \$250 during a calendar year shall file a statement containing the information required under [section 434(b)(3)(A)] for all contributions received by such person.

See also 11 C.F.R. § 109.2. Christian Democrats for a Responsive Government is not listed in the B Index as a political committee registered with the Commission. Because it appears that over \$250 was spent in "independent expenditures" within the meaning of 2 U.S.C. § 431(17), then Section 434(c)(1) applies to the respondents' activities. Accordingly, the respondents should have filed the statement required by the provision of the Act cited above, or Form 5 in accordance with 11 C.F.R. § 109.2(a). The respondents failed to file the statement or report. Therefore, this Office recommends that the Commission find reason to believe that the respondents violated 2 U.S.C. § 434(c) by failing to report independent expenditures.

91040882373

An additional issue raised by the complaint is whether the handbill contained an appropriate disclaimer as required by the Act. 2 U.S.C. § 441d(a)(3) provides that:

Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the ... defeat of a clearly identified candidate, ..., such communication--

* * *

(3) if not authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee.

(emphasis added). See also 11 C.F.R. § 110.11(a)(1)(iii).

Regarding non-authorization notices in connection with independent expenditures, the Regulations provide that whenever any person makes an independent expenditure for the purpose of financing communications expressly advocating the defeat of a clearly identified candidate, such person will comply with the requirements of Section 110.11 cited above. 11 C.F.R. § 109.3.

As discussed above, respondents apparently made expenditures for the purpose of financing a handbill which expressly advocates the defeat of the Complainant, who was a candidate for Congress at the time the handbill was distributed. It is clear that the communication was not authorized by the Complainant, his authorized committee or its agent. Additionally, the Complainant does not offer evidence that the handbill was authorized by any other candidate or authorized political committee. In light of these circumstances, Section 441d(a)(3) requires that the

91040882374

communication must clearly state the name of the person who paid for it, and state that the communication is not authorized by any candidate or candidate's committee. The handbill in question contains only the phrase "Paid for by the Christian Democrats for a Responsive Government" and does not state that the handbill is not authorized by any candidate or candidate's committee. Therefore, this Office recommends that the Commission find reason to believe that James Kassouf, Michael DeGrandis, and James Dietz violated 2 U.S.C. § 441d.

D. Political Committee

Christian Democrats for a Responsive Government appears to be a group of persons who allegedly expended at least \$250 in producing the handbill. 2 U.S.C. § 431(4) defines "political committee" as "any...group of persons which...makes expenditures aggregating in excess of \$1,000 during a calendar year." A political committee must file a statement of organization and periodic reports with the Commission. See 2 U.S.C. §§ 433 and 434.

This Office has posed questions to the three respondents which address the identity of this group and the amount of money the group may have spent producing the handbill in attempt to determine whether this group is a political committee. Accordingly, when this Office receives this information, this Office will make appropriate recommendations concerning whether Christian Democrats for a Responsive Government violated 2 U.S.C. §§ 433 and 434.

91040882375

III. RECOMMENDATIONS

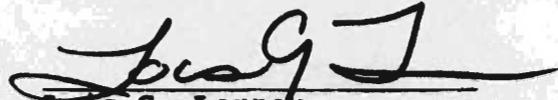
1. Find reason to believe that James Kassouf violated 2 U.S.C. §§ 434(c) and 441d.
2. Find reason to believe that Michael DeGrandis violated 2 U.S.C. §§ 434(c) and 441d.
3. Find reason to believe that James Dietz violated 2 U.S.C. §§ 434(c) and 441d.
4. Merge MUR 2696 with MUR 2675.
5. Approve the attached letters (3) and Factual and Legal Analyses (3).
6. Approve the attached interrogatories (2).
7. Approve the attached Order (1).

Lawrence M. Noble
General Counsel

Date

12-1-88

BY:


 Lois G. Lerner
 Associate General Counsel

Attachments

1. Handbill
2. Responses to Complaint
3. Proposed letters (3) and Factual and Legal Analyses (3)
4. Proposed Interrogatories (2)
5. Proposed Order (1).

Staff Person: Janice Lacy

91040882376

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

James Kassouf;
Michael DeGrandis;
James Dietz

)
)
)
)
)
)

MURs 2675/2696

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on December 7, 1988, the Commission decided by a vote of 4-0 to take the following actions in MURs 2675 & 2696:

1. Find reason to believe that James Kassouf violated 2 U.S.C. §§ 434(c) and 441d.
2. Find reason to believe that Michael DeGrandis violated 2 U.S.C. §§ 434(c) and 441d.
3. Find reason to believe that James Dietz violated 2 U.S.C. §§ 434(c) and 441d.
4. Merge MUR 2696 with MUR 2675.
5. Approve the letters (3) and Factual and Legal Analyses (3), as recommended in the General Counsel's report signed December 1, 1988.
6. Approve the interrogatories (2), as recommended in the General Counsel's report signed December 1, 1988.

(Continued)

91040882377

7. Approve the Order (1), as recommended in the General Counsel's report signed December 1, 1988.

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

Attest:

12/7/88

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Fri., 12-2-88, 3:13
Circulated on 48 hour tally basis: Mon., 12-5-88, 11:00
Deadline for vote: Wed., 12-7-88, 11:00

91040882378



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 16, 1988

John J. Duffy
Piper & Marbury
1200 19th Street, N.W.
Washington, D.C. 20036

RE: MUR 2675
Michael J. DeGrandis

Dear Mr. Duffy:

On August 26, 1988, the Federal Election Commission notified your client, Michael J. DeGrandis, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your client at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on December 7, 1988, found that there is reason to believe Michael J. DeGrandis violated 2 U.S.C. §§ 434(c) and 441d, provisions of 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 your client. 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 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 your client, 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(a). 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

91040882379

John J. Duffy
Page 2

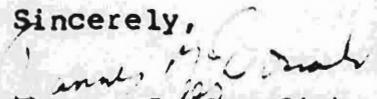
so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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.

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

If you have any questions, please contact Janice Lacy, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,


Thomas J. Josefiak
Chairman

Enclosures
Questions
Factual and Legal Analysis

91040882380

**FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS**

RESPONDENT: Michael DeGrandis

MUR 2675

9 1 0 4 0 8 8 2 3 8 1

The Office of General Counsel received a complaint on August 19, 1988 from The Honorable Edward F. Feighan (the "Complainant") of the 19th Congressional District of Ohio alleging violations of the Act by three individuals, James Kassouf, Michael DeGrandis, and James Dietz, of Cleveland, Ohio. The Complainant alleges that in late September or early October, 1986, Mr. Kassouf and Mr. DeGrandis composed and prepared a political handbill entitled "Who Does Edward Feighan Work For?" At the bottom of this handbill was the statement, "Paid for by the Christian Democrats for a Responsive Government." Attached to this complaint is a copy of the handbill. The Complainant alleges that the respondents knowingly and willfully failed to include a clause on the handbill that would attribute the handbill to either an authorized political committee, or to the persons who paid for the communication.

The Complainant further alleges that Mr. Kassouf and Mr. DeGrandis directed Mr. Kassouf's secretary to type the handbill and to affix to the handbill the statement that the communication was paid for by the group noted above. The Complainant alleges that this group was unauthorized or non-existent at the time that the handbill was produced, and that the name of the group was fabricated by Mr. Kassouf and Mr. DeGrandis to knowingly and willfully circumvent the Act.

Mr. Kassouf and Mr. DeGrandis then allegedly arranged for the handbill to be printed and distributed by Mr. Dietz, another respondent, in October, 1986, just prior to the Congressional election in 1986 in which the Complainant was a candidate. The Complainant further alleges that to compensate Mr. Dietz for his efforts, and to hide the true source of the handbill's financing, Mr. Kassouf arranged to pay unrelated business expenses of Mr. Dietz's company. This amount was allegedly in excess of \$250, and was paid in cash, Complainant says, in attempt to knowingly and willfully violate the Act.

This Office notified Mr. DeGrandis of the complaint on August 26, 1988. On September 8, 1988, Mr. DeGrandis requested an extension of 15 days to respond to the complaint. This Office granted this request on September 13, 1988, and provided an extended due date of September 30, 1988 for this respondent.

This Office received a response to the complaint from Mr. DeGrandis on September 28, 1988. Mr. DeGrandis asserts that because the Complainant does not allege that Mr. DeGrandis financed any communication, or made any independent expenditure, the complaint provides no basis for any violation of the Act. Furthermore, Mr. DeGrandis argues that the complaint in general fails to comply with the requirements of 11 C.F.R. § 111.4(c), regarding requirements for statements made in a complaint. He further argues that because the complaint is based on speculation, the complaint should be dismissed.

2
8
3
2
8
8
0
4
0
1
9

On September 14, 1988, this Office received another complaint alleging the same violations and naming the same respondents from James M. Ruvolo, Chairman of the Ohio Democratic Party. On October 21, 1988, this Office received a response to the complaint from Mr. DeGrandis, which contained the same arguments as those submitted to the previous Matter Under Review.

A. Merger

This Office notes that MUR 2696, submitted subsequent to MUR 2675, makes the same factual assertions and allegations against the same parties as MUR 2675, adding no new allegations. Given these circumstances, this Office concludes that merger of MUR 2696 with MUR 2675 is appropriate. Therefore, this Office recommends merger of MUR 2696 with MUR 2675.

B. Propriety of the Complaint

Mr. DeGrandis raises the issue of whether the complaint conforms to the requirements of Section 111.4 of the Regulations. This respondent claims that the Complainant lacks personal knowledge of the allegations in the complaint, and failed to supply any affidavit from any person who does have such knowledge, as required by the Regulations.

11 C.F.R. § 111.4(c) provides that all statements made in a complaint are subject to the statutes governing perjury, and that the complaint "should differentiate between statements based upon personal knowledge and statements based upon information and belief." (Emphasis added). Furthermore, 11 C.F.R. § 111.4(d)(2)

3
8
3
2
8
8
0
4
0
1
9

provides that "[s]tatements which are not based upon personal knowledge should be accompanied by an identification of the source of information which gives rise to the complainant's belief in the truth of such statements." (Emphasis added.)

While the Regulations clearly provide that there should be supporting statements which identify the source of information for factual allegations, the Regulations do not state a requirement that there must be such statements. Here, the Complainant has satisfied the requirements of the Regulations by indicating that "the matters set forth in the Complaint herein are true to the best of his knowledge and belief." See Complaint at Page 5. Therefore, this Office concludes that the complaint is proper.

C. Independent Expenditures

The first issue raised by the complaint is whether the expenditures in connection with the production and distribution of the handbill constituted "independent expenditures" within the meaning of the Act. 2 U.S.C. § 431(17) provides that "independent expenditure" means :

an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate. (Emphasis added.)

The elements of this definition are discussed below.

91040882384

"Expenditure." Regarding Mr. DeGrandis, the Complainant alleges that Mr. DeGrandis authored and helped distribute the handbill. 2 U.S.C. § 431(9)(A)(i) provides that "expenditure" includes "anything of value, made by any person for the purpose of influencing any election for Federal office." Given the allegation that Mr. DeGrandis authored and distributed the handbill, and his failure to deny this allegation, it appears that Mr. DeGrandis may have made an expenditure in connection with the handbill.

"Expressly advocating." The Regulations provide that "[e]xpressly advocating" means "any communication containing a message advocating election or defeat, including but not limited to the name of the candidate." 11 C.F.R. § 109.1(b)(2). The communication in question, the handbill, contains the statement "Should the voters of the 19th district vote to re-elect Edward Feighan? NO." Therefore, the handbill expressly advocates the defeat of Mr. Feighan.

"Clearly identified candidate." The Regulations further provide that "[c]learly identified candidate" means that the name or photograph of the candidate appears. The handbill contains both a photograph and reference to the candidate by name; thus, the handbill refers to a "clearly identified candidate."

"Without cooperation or consultation." Finally, regarding any cooperation or consultation with a candidate or any authorized committee, the complaint contains no allegation or evidence that such cooperation or consultation occurred. Thus,

9 1 0 4 0 8 8 2 3 8 5

it appears that the respondent made this expenditure on his own, without consulting with a candidate or committee.

Given these considerations, it appears that the expenditures for the handbill qualify as "independent expenditures" within the meaning of the Act. Regarding the reporting of such independent expenditures, 2 U.S.C. § 434(c)(1) requires that:

[e]very person (other than a political committee) who makes independent expenditures in an aggregate amount or value in excess of \$250 during a calendar year shall file a statement containing the information required under [section 434(b)(3)(A)] for all contributions received by such person.

9 1 0 4 0 8 8 2 5 8 6
See also 11 C.F.R. § 109.2. Christian Democrats for a Responsive Government is not listed in the B Index as a political committee registered with the Commission. Because it appears that over \$250 was spent in "independent expenditures" within the meaning of 2 U.S.C. § 431(17), then Section 434(c)(1) applies to the respondent's activities. Accordingly, the respondent should have filed the statement required by the provision of the Act cited above, or Form 5 in accordance with 11 C.F.R. § 109.2(a). The respondent failed to file the statement or report. Therefore, this Office recommends that the Commission find reason to believe that Michael DeGrandis violated 2 U.S.C. § 434(c) by failing to report independent expenditures.

An additional issue raised by the complaint is whether the handbill contained an appropriate disclaimer as required by the

Act. 2 U.S.C. § 441d(a) (3) provides that:

Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the ... defeat of a clearly identified candidate, ..., such communication--

* * *

(3) if not authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee.

(emphasis added). See also 11 C.F.R. § 110.11(a) (1) (iii).

Regarding non-authorization notices in connection with independent expenditures, the Regulations provide that whenever any person makes an independent expenditure for the purpose of financing communications expressly advocating the defeat of a clearly identified candidate, such person will comply with the requirements of Section 110.11 cited above. 11 C.F.R. § 109.3.

As discussed above, the respondent apparently made an expenditure for the purpose of financing a handbill which expressly advocates the defeat of the Complainant, who was a candidate for Congress at the time the handbill was distributed. It is clear that the communication was not authorized by the Complainant, his authorized committee or its agent. Additionally, the Complainant does not offer evidence that the handbill was authorized by any other candidate or authorized political committee. In light of these circumstances, Section 441d(a) (3) requires that the communication must clearly state the name of the person who paid for it, and state that the

91040882387

communication is not authorized by any candidate or candidate's committee. The handbill in question contains only the phrase "Paid for by the Christian Democrats for a Responsive Government" and does not state that the handbill is not authorized by any candidate or candidate's committee. Therefore, this Office recommends that the Commission find reason to believe that Michael DeGrandis violated 2 U.S.C. § 441d.

9 1 0 4 0 8 8 2 3 8 8

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

91040882389

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

) MUR 2675
)
)
)

INTERROGATORIES

**TO: Michael J. DeGrandis
10615 Lake Avenue
Cleveland, OH 44102**

In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 15 days of your receipt of this request to the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, D.C. 20463.

91040882390

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

) MUR 2675
)
)
)

INTERROGATORIES

TO: **James J. Kassouf**
1296 W. 6th Street
Cleveland, Ohio 44113

In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 15 days of your receipt of this request to the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, D.C. 20463.

91040882391

INTERROGATORIES TO:

James Kassouf

1. Are you in any way connected with the group described as "Christian Democrats for a Responsive Government" (i.e., officer, member, etc.)? If so, answer the following:
 - a. Describe the group "Christian Democrats for a Responsive Government."
 - b. Provide the address and treasurer's name of the group.
 - c. Describe your connection with the group.
2. The following questions refer to a handbill which apparently was distributed by Christian Democrats for a Responsive Government (Exhibit A).
 - a. Did you pay any of the costs associated with the printing or distribution of these handbills? If yes, state the amount of money paid, and the date(s) you made such payments.
 - b. Did you produce or distribute, or assist in producing and distributing, these handbills? If yes, state:
 - (i) the services you provided;
 - (ii) the dollar value of such services;
 - (iii) the date(s) you provided such services;
 - (iv) the amount of handbills distributed; and
 - (v) the date(s) such handbills were distributed.
3. State whether the expenditures made in connection with the handbill were made in consultation with, or at the request of, any candidate, or any authorized committee or agent of such candidate. If yes, identify the candidate or committee.
4. State whether you compensated any person for services performed in connection with the handbill. If yes, provide:
 - a. the name and address of the person so compensated;
 - b. the source of any funds or anything of value used to compensate such person.

91040882392

WHO DOES EDWARD FEIGHAN WORK FOR?



1. Has Edward Feighan voted to send 12.72 Billion Dollars of your tax money to Israel? YES
2. Has Edward Feighan always been pro-abortion? YES
3. Has Edward Feighan accepted ONE QUARTER MILLION DOLLARS from the Jewish Community in payment for his give-away of Billions of Tax Dollars to Israel? YES
4. Has Edward Feighan responded only to the needs of One Eastside Community while he turns his back on the other 38 Communities of the 19th District? YES
5. Has Edward Feighan voted to give Billions of your Tax Dollars for useless wasteful Federal Programs that do not work for you? YES
6. Has Edward Feighan WORKED HARD to bring Federal Dollars to Euclid and Lakewood for the much needed Lakefront Erosion problem? NO
7. Has Edward Feighan WORKED HARD to fight against Public Housing in Parma? NO
8. Has Edward Feighan WORKED HARD to keep auto plants operating so that Families have JOBS? NO
9. Has Edward Feighan voted to cut back on Billions of Dollars of WELFARE GIVE-AWAYS? NO

SHOULD THE VOTERS OF THE 19th DISTRICT VOTE TO RE-ELECT EDWARD FEIGHAN? NO

If you agree that EDWARD FEIGHAN only works for EDWARD FEIGHAN and NOT FOR THE PEOPLE of the 19th District. CALL:

521-1986

or

765-1986



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 16, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James Dietz
Bradley Building
1220 West Sixth Street
Cleveland, Ohio 44113

RE: MUR 2675
James Dietz

Dear Mr. Dietz:

On August 26, 1988, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was enclosed with that notification.

Upon further review of the allegations contained in the complaint, the Commission, on December 7, 1988, found that there is reason to believe you violated 2 U.S.C. §§ 434(c) and 441d, provisions of 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. Statements should be submitted under oath. All responses to the enclosed Order to Answer Questions must be submitted to the General Counsel's Office within 15 days of your receipt of this letter. Any additional materials or statements you wish to submit should accompany the response to the order.

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.

91040882394

James Dietz

Page 2

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

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of 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.

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.

If you have any questions, please contact Janice Lacy, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,


Thomas J. Josefiak
Chairman

Enclosures
Order
Designation of Counsel Form
Factual and Legal Analysis

91040882395

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: James Dietz

MUR 2675

9 1 0 4 0 8 8 2 3 9 6

The Office of General Counsel received a complaint on August 19, 1988 from The Honorable Edward P. Feighan (the "Complainant") of the 19th Congressional District of Ohio alleging violations of the Act by three individuals, James Kassouf, Michael DeGrandis, and James Dietz, of Cleveland, Ohio. The Complainant alleges that in late September or early October, 1986, Mr. Kassouf and Mr. DeGrandis composed and prepared a political handbill entitled "Who Does Edward Feighan Work For?" At the bottom of this handbill was the statement, "Paid for by the Christian Democrats for a Responsive Government." Attached to this complaint is a copy of the handbill. The Complainant alleges that the respondents knowingly and willfully failed to include a clause on the handbill that would attribute the handbill to either an authorized political committee, or to the persons who paid for the communication.

The Complainant further alleges that Mr. Kassouf and Mr. DeGrandis directed Mr. Kassouf's secretary to type the handbill and to affix to the handbill the statement that the communication was paid for by the group noted above. The Complainant alleges that this group was unauthorized or non-existent at the time that the handbill was produced, and that the name of the group was fabricated by Mr. Kassouf and Mr. DeGrandis to knowingly and willfully circumvent the Act.

Mr. Kassouf and Mr. DeGrandis then allegedly arranged for the handbill to be printed and distributed by Mr. Dietz, another respondent, in October, 1986, just prior to the Congressional election in 1986 in which the Complainant was a candidate. The Complainant further alleges that to compensate Mr. Dietz for his efforts, and to hide the true source of the handbill's financing, Mr. Kassouf arranged to pay unrelated business expenses of Mr. Dietz's company. This amount was allegedly in excess of \$250, and was paid in cash, Complainant says, in attempt to knowingly and willfully violate the Act.

This Office notified Mr. Dietz of the complaint on August 26, 1988. Mr. Dietz has not yet submitted any response to the complaint to this Office.

On September 14, 1988, this Office received another complaint alleging the same violations and naming the same respondents from James M. Ruvolo, Chairman of the Ohio Democratic Party. This Office received no response to this complaint from Mr. Dietz.

A. Merger

This Office notes that MUR 2696, submitted subsequent to MUR 2675, makes the same factual assertions and allegations against the same parties as MUR 2675, adding no new allegations. Given these circumstances, this Office concludes that merger of MUR 2696 with MUR 2675 is appropriate. Therefore, this Office recommends merger of MUR 2696 with MUR 2675.

91040882397

B. Propriety of the Complaint

11 C.F.R. § 111.4(c) provides that all statements made in a complaint are subject to the statutes governing perjury, and that the complaint "should differentiate between statements based upon personal knowledge and statements based upon information and belief." (Emphasis added). Furthermore, 11 C.F.R. § 111.4(d)(2) provides that "[s]tatements which are not based upon personal knowledge should be accompanied by an identification of the source of information which gives rise to the complainant's belief in the truth of such statements." (Emphasis added.)

While the Regulations clearly provide that there should be supporting statements which identify the source of information for factual allegations, the Regulations do not state a requirement that there must be such statements. Here, the Complainant has satisfied the requirements of the Regulations by indicating that "the matters set forth in the Complaint herein are true to the best of his knowledge and belief." See Complaint at Page 5. Therefore, this Office concludes that the complaint is proper.

C. Independent Expenditures

The first issue raised by the complaint is whether the expenditures in connection with the production and distribution of the handbill constituted "independent expenditures" within the meaning of the Act. 2 U.S.C. § 431(17) provides that

9
1
0
4
0
8
8
2
3
9
8

"independent expenditure" means :

an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate. (Emphasis added.)

The elements of this definition are discussed below.

"Expenditure." The Complainant alleges that Mr. Dietz was a vendor to Mr. Kassouf and Mr. DeGrandis, performing services such as printing and distribution, for which he was compensated. However, this Office does not know the extent of services he performed, nor whether he was compensated in full for these services. Given these facts it appears that Mr. Dietz may have made an expenditure in connection with the handbill.

"Expressly advocating." The Regulations provide that "[e]xpressly advocating" means "any communication containing a message advocating election or defeat, including but not limited to the name of the candidate." 11 C.F.R. § 109.1(b)(2). The communication in question, the handbill, contains the statement "Should the voters of the 19th district vote to re-elect Edward Feighan? NO." Therefore, the handbill expressly advocates the defeat of Mr. Feighan.

"Clearly identified candidate." The Regulations further provide that "[c]learly identified candidate" means that the name or photograph of the candidate appears. The handbill contains both a photograph and reference to the candidate by name; thus,

9
9
3
2
8
8
4
0
1
9

the handbill refers to a "clearly identified candidate."

"Without cooperation or consultation." Finally, regarding any cooperation or consultation with a candidate or any authorized committee, the complaint contains no allegation or evidence that such cooperation or consultation occurred. Thus, it appears that the respondent made this expenditure on his own, without consulting with a candidate or committee.

Given these considerations, it appears that the expenditures for the handbill qualify as "independent expenditures" within the meaning of the Act. Regarding the reporting of such independent expenditures, 2 U.S.C. § 434(c)(1) requires that:

[e]very person (other than a political committee) who makes independent expenditures in an aggregate amount or value in excess of \$250 during a calendar year shall file a statement containing the information required under [section 434(b)(3)(A)] for all contributions received by such person.

See also 11 C.F.R. § 109.2. Christian Democrats for a Responsive Government is not listed in the B Index as a political committee registered with the Commission. Because it appears that over \$250 was spent in "independent expenditures" within the meaning of 2 U.S.C. § 431(17), then Section 434(c)(1) applies to the respondent's activities. Accordingly, the respondent should have filed the statement required by the provision of the Act cited above, or Form 5 in accordance with 11 C.F.R. § 109.2(a). The respondent failed to file the statement or report. Therefore, this Office recommends that the Commission find reason to believe

91040882400

that James Diets violated 2 U.S.C. § 434(c) by failing to report independent expenditures.

An additional issue raised by the complaint is whether the handbill contained an appropriate disclaimer as required by the Act. 2 U.S.C. § 441d(a)(3) provides that:

Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the ... defeat of a clearly identified candidate, ..., such communication--

* * *

(3) if not authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee.

(emphasis added). See also 11 C.F.R. § 110.11(a)(1)(iii).

Regarding non-authorization notices in connection with independent expenditures, the Regulations provide that whenever any person makes an independent expenditure for the purpose of financing communications expressly advocating the defeat of a clearly identified candidate, such person will comply with the requirements of Section 110.11 cited above. 11 C.F.R. § 109.3.

As discussed above, the respondent apparently made an expenditure for the purpose of financing a handbill which expressly advocates the defeat of the Complainant, who was a candidate for Congress at the time the handbill was distributed. It is clear that the communication was not authorized by the Complainant, his authorized committee or its agent. Additionally, the Complainant does not offer evidence that the

91040882401

handbill was authorized by any other candidate or authorized political committee. In light of these circumstances, Section 441d(a)(3) requires that the communication must clearly state the name of the person who paid for it, and state that the communication is not authorized by any candidate or candidate's committee. The handbill in question contains only the phrase "Paid for by the Christian Democrats for a Responsive Government" and does not state that the handbill is not authorized by any candidate or candidate's committee. Therefore, this Office recommends that the Commission find reason to believe that James Dietz violated 2 U.S.C. § 441d.

91040882402

INSTRUCTIONS

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

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

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

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

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

The following interrogatories are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

91040882403

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

9104082404

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
)
)
)

MUR 2675

ORDER TO SUBMIT WRITTEN ANSWERS

TO: **James Dietz**
Bradley Building
1220 West Sixth Street
Cleveland, Ohio 44113

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 Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, 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 *14th* day of *December*, 1988.

[Signature]
Thomas J. Josefiak, Chairman
Federal Election Commission

ATTEST:

for *[Signature]*
Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions (1 page)

9
1
0
4
0
3
8
2
4
0
5

INTERROGATORIES TO:

James Dietz

1. Are you in any way connected with the group described as "Christian Democrats for a Responsive Government" (i.e., officer, member, etc.)? If so, answer the following:
 - a. Describe the group "Christian Democrats for a Responsive Government."
 - b. Provide the address and treasurer's name of the group.
 - c. Describe your connection with the group.
2. The following questions refer to a handbill which apparently was distributed by Christian Democrats for a Responsive Government (Exhibit A).
 - a. Did you pay any of the costs associated with the printing or distribution of these handbills? If yes, state the amount of money paid, and the date(s) you made such payments.
 - b. Did you print or distribute, or assist in printing and distributing, these handbills? If yes, state:
 - (i) the services you provided;
 - (ii) the dollar value of such services;
 - (iii) the date(s) you provided such services;
 - (iv) the amount of handbills distributed;
 - (v) the date(s) such handbills were distributed;
 - (vi) the name and address of any person who provided compensation for services you provided; and
 - (vii) the dollar amount of compensation you received for services provided.
3. State whether the expenditures made in connection with the handbill were made in consultation with, or at the request of, any candidate, or any authorized committee or agent of such candidate. If yes, identify the candidate or committee.

91040882406

WHO DOES EDWARD FEIGHAN WORK FOR?



1. Has Edward Feighan voted to send 12.72 Billion Dollars of your tax money to Israel? YES
2. Has Edward Feighan always been pro-abortion? YES
3. as Edward Feighan accepted ONE QUARTER MILLION DOLLARS from the Jewish Community in payment for his give-away of Billions of Tax Dollars to Israel? YES
4. Has Edward Feighan responded only to the needs of One Eastside Community while he turns his back on the other 38 Communities of the 19th District? YES
5. Has Edward Feighan voted to give Billions of your Tax Dollars for useless wasteful Federal Programs that do not work for you? YES
6. Has Edward Feighan WORKED HARD to bring Federal Dollars to Euclid and Lakewood for the much needed Lakefront Erosion problem? NO
7. Has Edward Feighan WORKED HARD to fight against Public Housing in Parma? NO
8. Has Edward Feighan WORKED HARD to keep auto plants operating so that Families have JOBS? NO
9. Has Edward Feighan voted to cut back on Billions of Dollars of WELFARE GIVE-AWAYS? NO

SHOULD THE VOTERS OF THE 19th DISTRICT VOTE TO RE-ELECT EDWARD FEIGHAN? NO

If you agree that EDWARD FEIGHAN only works for EDWARD FEIGHAN and NOT FOR THE PEOPLE of the 19th District. CALL:

521-1986

or

765-1986

Paid for by the

CHRISTIAN DEMOCRATS FOR A RESPONSIVE GOVERNMENT

EXHIBIT "A"

INTERROGATORIES TO:

Michael J. DeGrandis

1. Are you in any way connected with the group described as "Christian Democrats for a Responsive Government" (i.e., officer, member, etc.)? If so, answer the following:
 - a. Describe the group "Christian Democrats for a Responsive Government."
 - b. Provide the address and treasurer's name of the group.
 - c. Describe your connection with the group.
2. The following questions refer to a handbill which apparently was distributed by Christian Democrats for a Responsive Government (Exhibit A).
 - a. Did you pay any of the costs associated with the printing or distribution of these handbills? If yes, state the amount of money paid, and the date(s) you made such payments.
 - b. Did you produce or distribute, or assist in producing and distributing, these handbills? If yes, state:
 - (i) the services you provided;
 - (ii) the dollar value of such services;
 - (iii) the date(s) you provided such services;
 - (iv) the amount of handbills distributed; and
 - (v) the date(s) such handbills were distributed.
3. State whether the expenditures made in connection with the handbill were made in consultation with, or at the request of, any candidate, or any authorized committee or agent of such candidate. If yes, identify the candidate or committee.
4. State whether you compensated any person for services performed in connection with the handbill. If yes, provide:
 - a. the name and address of the person so compensated;
 - b. the source of any funds or anything of value used to compensate such person.

91040882408

WHO DOES EDWARD FEIGHAN WORK FOR?



1. Has Edward Feighan voted to send 12.72 Billion Dollars of your tax money to Israel? YES
2. Has Edward Feighan always been pro-abortion? YES
3. as Edward Feighan accepted ONE QUARTER MILLION DOLLARS from the Jewish Community in payment for his give-away of Billions of Tax Dollars to Israel? YES
4. Has Edward Feighan responded only to the needs of One Eastside Community while he turns his back on the other 38 Communities of the 19th District? YES
5. Has Edward Feighan voted to give Billions of your Tax Dollars for useless wasteful Federal Programs that do not work for you? YES
6. Has Edward Feighan WORKED HARD to bring Federal Dollars to Euclid and Lakewood for the much needed Lakefront Erosion problem? NO
7. Has Edward Feighan WORKED HARD to fight against Public Housing in Parma? NO
8. Has Edward Feighan WORKED HARD to keep auto plants operating so that Families have JOBS? NO
9. Has Edward Feighan voted to cut back on Billions of Dollars of WELFARE GIVE-AWAYS? NO

SHOULD THE VOTERS OF THE 19th DISTRICT VOTE TO RE-ELECT EDWARD FEIGHAN? NO

If you agree that EDWARD FEIGHAN only works for EDWARD FEIGHAN and NOT FOR THE PEOPLE of the 19th District. CALL:

521-1986

or

765-1986

Paid for by the

CHRISTIAN DEMOCRATS FOR A RESPONSIVE GOVERNMENT

EXHIBIT "A"



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 16, 1988

John J. Duffy
Piper & Marbury
1200 19th Street, N.W.
Washington, D.C. 20036

RE: MUR 2675
James Kassouf

Dear Mr. Duffy:

On August 26, 1988, the Federal Election Commission notified your client, James Kassouf, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your client at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on December 7, 1988, found that there is reason to believe James Kassouf violated 2 U.S.C. §§ 434(c) and 441d, provisions of 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 your client. 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 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 your client, 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

91040882410

John J. Duffy
Page 2

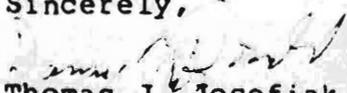
so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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.

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

If you have any questions, please contact Janice Lacy, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,


Thomas J. Josefiak
Chairman

Enclosures
Questions
Factual and Legal Analysis

91040882411

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: James Kassouf

MUR 2675

9 1 0 4 0 8 8 2 4 1 2

The Office of General Counsel received a complaint on August 19, 1988 from The Honorable Edward F. Feighan (the "Complainant") of the 19th Congressional District of Ohio alleging violations of the Act by three individuals, James Kassouf, Michael DeGrandis, and James Dietz, of Cleveland, Ohio. The Complainant alleges that in late September or early October, 1986, Mr. Kassouf and Mr. DeGrandis composed and prepared a political handbill entitled "Who Does Edward Feighan Work For?" At the bottom of this handbill was the statement, "Paid for by the Christian Democrats for a Responsive Government." Attached to this complaint is a copy of the handbill. The Complainant alleges that the respondents knowingly and willfully failed to include a clause on the handbill that would attribute the handbill to either an authorized political committee, or to the persons who paid for the communication.

The Complainant further alleges that Mr. Kassouf and Mr. DeGrandis directed Mr. Kassouf's secretary to type the handbill and to affix to the handbill the statement that the communication was paid for by the group noted above. The Complainant alleges that this group was unauthorized or non-existent at the time that the handbill was produced, and that the name of the group was fabricated by Mr. Kassouf and Mr. DeGrandis to knowingly and willfully circumvent the Act.

Mr. Kassouf and Mr. DeGrandis then allegedly arranged for the handbill to be printed and distributed by Mr. Dietz, another respondent, in October, 1986, just prior to the Congressional election in 1986 in which the Complainant was a candidate. The Complainant further alleges that to compensate Mr. Dietz for his efforts, and to hide the true source of the handbill's financing, Mr. Kassouf arranged to pay unrelated business expenses of Mr. Dietz's company. This amount was allegedly in excess of \$250, and was paid in cash, Complainant says, in attempt to knowingly and willfully violate the Act.

This Office notified Mr. Kassouf of the complaint on August 26, 1988. On September 8, 1988, Mr. Kassouf requested an extension of 15 days to respond to the complaint. This Office granted this request on September 13, 1988, and provided an extended due date of September 30, 1988 for this respondent.

This Office received a response to the complaint from Mr. Kassouf on September 28, 1988. Mr. Kassouf argues that the Complainant does not have personal knowledge of the allegations he made in his complaint, nor supplies affidavits from any person who does have such knowledge, as required by Section 111.4 of the Regulations. Mr. Kassouf argues that because the complaint is based on speculation, the complaint should be dismissed.

On September 14, 1988, this Office received another complaint alleging the same violations and naming the same respondents from James M. Ruvolo, Chairman of the Ohio Democratic Party. Regarding Mr. Kassouf, his counsel claims that

91040882413

Mr. Kassouf did not receive a copy of the second complaint. This Office sent a copy to Mr. Kassouf at his correct address, and did not receive the mailing back as undeliverable. This Office is in the process of confirming that Mr. Kassouf received the second complaint.

A. Merger

This Office notes that MUR 2696, submitted subsequent to MUR 2675, makes the same factual assertions and allegations against the same parties as MUR 2675, adding no new allegations. Given these circumstances, this Office concludes that merger of MUR 2696 with MUR 2675 is appropriate. Therefore, this Office recommends merger of MUR 2696 with MUR 2675.

B. Propriety of the Complaint

Mr. Kassouf raises the issue of whether the complaint conforms to the requirements of Section 111.4 of the Regulations. This respondent claims that the Complainant lacks personal knowledge of the allegations in the complaint, and failed to supply any affidavit from any person who does have such knowledge, as required by the Regulations.

11 C.F.R. § 111.4(c) provides that all statements made in a complaint are subject to the statutes governing perjury, and that the complaint "should differentiate between statements based upon personal knowledge and statements based upon information and belief." (Emphasis added). Furthermore, 11 C.F.R. § 111.4(d)(2) provides that "[s]tatements which are not based upon personal knowledge should be accompanied by an identification of the

91040882414

source of information which gives rise to the complainant's belief in the truth of such statements." (Emphasis added.)

While the Regulations clearly provide that there should be supporting statements which identify the source of information for factual allegations, the Regulations do not state a requirement that there must be such statements. Here, the Complainant has satisfied the requirements of the Regulations by indicating that "the matters set forth in the Complaint herein are true to the best of his knowledge and belief." See Complaint at Page 5. Therefore, this Office concludes that the complaint is proper.

C. Independent Expenditures

The first issue raised by the complaint is whether the expenditures in connection with the production and distribution of the handbill constituted "independent expenditures" within the meaning of the Act. 2 U.S.C. § 431(17) provides that "independent expenditure" means :

an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate. (Emphasis added.)

The elements of this definition are discussed below.

"Expenditure." Because the Complainant alleges that "in excess of \$250" was spent by Mr. Kassouf in printing and distributing the handbill, an allegation not denied by

91040882415

Mr. Kassouf, it appears that Mr. Kassouf may have made an expenditure in producing the handbill.

"Expressly advocating." The Regulations provide that "[e]xpressly advocating" means "any communication containing a message advocating election or defeat, including but not limited to the name of the candidate." 11 C.F.R. § 109.1(b)(2). The communication in question, the handbill, contains the statement "Should the voters of the 19th district vote to re-elect Edward Feighan? NO." Therefore, the handbill expressly advocates the defeat of Mr. Feighan.

"Clearly identified candidate." The Regulations further provide that "[c]learly identified candidate" means that the name or photograph of the candidate appears. The handbill contains both a photograph and reference to the candidate by name; thus, the handbill refers to a "clearly identified candidate."

"Without cooperation or consultation." Finally, regarding any cooperation or consultation with a candidate or any authorized committee, the complaint contains no allegation or evidence that such cooperation or consultation occurred. Thus, it appears that the respondent made this expenditure on his own, without consulting with a candidate or committee.

Given these considerations, it appears that the expenditures for the handbill qualify as "independent expenditures" within the meaning of the Act. Regarding the reporting of such independent

91040882416

expenditures, 2 U.S.C. § 434(c)(1) requires that:

[e]very person (other than a political committee) who makes independent expenditures in an aggregate amount or value in excess of \$250 during a calendar year shall file a statement containing the information required under [section 434(b)(3)(A)] for all contributions received by such person.

See also 11 C.F.R. § 109.2. Christian Democrats for a Responsive Government is not listed in the B Index as a political committee registered with the Commission. Because it appears that over \$250 was spent in "independent expenditures" within the meaning of 2 U.S.C. § 431(17), then Section 434(c)(1) applies to the respondent's activities. Accordingly, the respondent should have filed the statement required by the provision of the Act cited above, or Form 5 in accordance with 11 C.F.R. § 109.2(a). The respondent failed to file the statement or report. Therefore, this Office recommends that the Commission find reason to believe that James Kassouf violated 2 U.S.C. § 434(c) by failing to report independent expenditures.

An additional issue raised by the complaint is whether the handbill contained an appropriate disclaimer as required by the

91040882417

Act. 2 U.S.C. § 441d(a) (3) provides that:

Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the ... defeat of a clearly identified candidate, ..., such communication--

* * *

(3) if not authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee.

(emphasis added). See also 11 C.F.R. § 110.11(a) (1) (iii).

Regarding non-authorization notices in connection with independent expenditures, the Regulations provide that whenever any person makes an independent expenditure for the purpose of financing communications expressly advocating the defeat of a clearly identified candidate, such person will comply with the requirements of Section 110.11 cited above. 11 C.F.R. § 109.3.

As discussed above, the respondent apparently made an expenditure for the purpose of financing a handbill which expressly advocates the defeat of the Complainant, who was a candidate for Congress at the time the handbill was distributed. It is clear that the communication was not authorized by the Complainant, his authorized committee or its agent.

Additionally, the Complainant does not offer evidence that the handbill was authorized by any other candidate or authorized political committee. In light of these circumstances, Section 441d(a) (3) requires that the communication must clearly state the name of the person who paid for it, and state that the

8
1
4
2
8
8
0
4
1
0
9

communication is not authorized by any candidate or candidate's committee. The handbill in question contains only the phrase "Paid for by the Christian Democrats for a Responsive Government" and does not state that the handbill is not authorized by any candidate or candidate's committee. Therefore, this Office recommends that the Commission find reason to believe that James Kassouf violated 2 U.S.C. § 441d.

91040882419

INSTRUCTIONS

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

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

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

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

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

The following interrogatories are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

91040882420

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

9104082421

Doc 1500

PIPER & MARBURY

1200 NINETEENTH STREET, N.W.
WASHINGTON, D. C. 20036

202-861-3900

TELECOPIER 202-223-2085

CABLE PIPERMAR WSH

TELEX 904246

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-539-2530

JOHN J. DUFFY
DIRECT DIAL NUMBER
202-861-3938

January 4, 1989

Lawrence N. Noble, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Janice Lacey, Esq.

Re: MUR 2675
James J. Kassouf

Dear Mr. Noble:

On behalf of James J. Kassouf, we request an extension of time up to and including January 24, 1989 in which to respond to the Commission's Interrogatories and Request for Production of Documents.

The intervention of the Christmas and New Year's holidays, as well as counsel's workload, make it necessary for us to have additional time to prepare a response.

Sincerely,

John J. Duffy

JJD:dp

91040882422

89 JAN -4 PM 4:25

OGC/SDI

PIPER & MARBURY

1200 NINETEENTH STREET, N.W.
WASHINGTON, D. C. 20036

202-861-3900
TELECOPIER 202-223-2085
CABLE PIPERMAR WSH
TELEX 904246

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-539-2530

JOHN J. DUFFY
DIRECT DIAL NUMBER
202-861-3938

January 4, 1989

Lawrence N. Noble, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Janice Lacey, Esq.

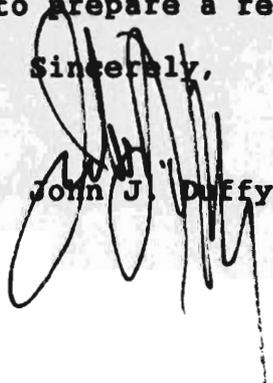
Re: MUR 2675
Michael J. DeGrandis

Dear Mr. Noble:

On behalf of Michael J. DeGrandis, we request an extension of time up to and including January 24, 1989 in which to respond to the Commission's Interrogatories and Request for Production of Documents.

The intervention of the Christmas and New Year's holidays, as well as counsel's workload, make it necessary for us to have additional time to prepare a response.

Sincerely,


John J. Duffy

JJD:dp

9104082423

89 JAN 4 PM 4:25

plan



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 13, 1989

John J. Duffy
Piper & Marbury
1200 Nineteenth Street, N.W.
Washington, D.C. 20036

Re: MUR 2675
James J. Kassouf

Dear Mr. Duffy:

This is in response to your letter dated January 4, 1989, which we received on the same day, requesting an extension of 21 days to respond to the Commission's Interrogatories and Request for Production of Documents. 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 January 24, 1989.

If you have any questions, please contact Janice Lacy, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

91040882424



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 13, 1989

John J. Duffy
Piper & Marbury
1200 Nineteenth Street, N.W.
Washington, D.C. 20036

Re: MUR 2675
Michael J. DeGrandis

Dear Mr. Duffy:

This is in response to your letter dated January 4, 1989, which we received on the same day, requesting an extension of 21 days to respond to the Commission's Interrogatories and Request for Production of Documents. 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 January 24, 1989.

If you have any questions, please contact Janice Lacy, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

91040882425

RECEIVED
FEDERAL ELECTION COMMISSION

PIPER & MARBURY

89 JAN 19 PM 12:58

1200 NINETEENTH STREET, N.W.
WASHINGTON, D. C. 20036

202-861-3800

TELECOPIER 202-223-2085

CABLE PIPERMAR WSH

TELEX 904246

JOHN J. DUFFY
DIRECT DIAL NUMBER
202-861-3938

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-539-2530

January 19, 1989

Lawrence N. Noble, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Janice Lacy, Esq.

Re: MUR 2675
James J. Kassouf

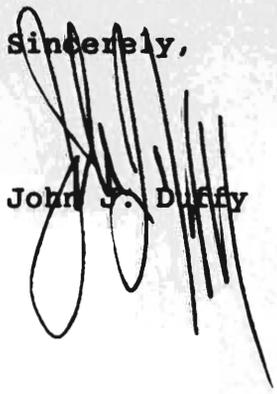
Dear Mr. Noble:

On behalf of James J. Kassouf, we request an additional brief extension of time, up to and including February 1, 1989, in which to respond to the Commission's Interrogatories and Request for Production of Documents.

The brief extension requested is necessary because of the pressure of counsel's workload. The additional time would enable counsel to prepare a more informed response to the Commission's documents.

Sincerely,

John J. Duffy



JJD:dp

91040882426

0601614

RECEIVED
ELECTION COMMISSION

PIPER & MARBURY

89 JAN 19 PM 12:58

1200 NINETEENTH STREET, N.W.
WASHINGTON, D. C. 20036

202-861-3900

TELECOPIER 202-883-2085

CABLE PIPERMAR WSH

TELEX 904246

JOHN J. DUFFY
DIRECT DIAL NUMBER
202-861-3938

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-539-2530

January 19, 1989

Lawrence N. Noble, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Janice Lacy, Esq.

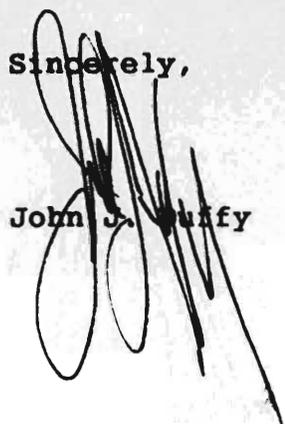
Re: MUR 2675
Michael J. DeGrandis

Dear Mr. Noble:

On behalf of Michael J. DeGrandis, we request an additional brief extension of time, up to and including February 1, 1989, in which to respond to the Commission's Interrogatories and Request for Production of Documents.

The brief extension requested is necessary because of the pressure of counsel's workload. The additional time would enable counsel to prepare a more informed response to the Commission's documents.

Sincerely,



John J. Duffy

JJD:dp

91040882427

89 JAN 19 PM 2:33

John



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 25, 1989

John J. Duffy
Piper & Marbury
1200 Nineteenth Street, N.W.
Washington, D.C. 20036

RE: MUR 2675
James J. Kassouf

Dear Mr. Duffy:

This is in response to your letter dated January 19, 1989, which we received on the same day, requesting a second extension until February 1, 1989 to respond to the Commission's Interrogatories and Request for Production of Documents. 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 February 1, 1989.

If you have any questions, please contact Janice Lacy, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

91040882428



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 25, 1989

John J. Duffy
Piper & Marbury
1200 Nineteenth Street, N.W.
Washington, D.C. 20036

RE: MUR 2675
Michael J. DeGrandis

Dear Mr. Duffy:

This is in response to your letter dated January 19, 1989, which we received on the same day, requesting a second extension until February 1, 1989 to respond to the Commission's Interrogatories and Request for Production of Documents. 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 February 1, 1989.

If you have any questions, please contact Janice Lacy, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner =
Associate General Counsel

91040882429

06C1713

PIPER & MARBURY

1200 NINETEENTH STREET, N.W.
WASHINGTON, D. C. 20036

202-861-3900
TELECOMER 202-223-2088
CABLE PIPERMAR WSH
TELEX 904246

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-539-2530

WRITER'S DIRECT NUMBER
(202) 861-3917

February 1, 1989

Janice Lacy, Esquire
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2675
James J. Kassouf
Michael J. DeGrandis

Dear Janice:

This letter is to confirm our telephone conversation today in which you offered in light of this morning's discussions and your subsequent comments to give us an additional three day period in which to respond to the Commission's interrogatories to Mr. Kassouf and Mr. DeGrandis. Pursuant to that conversation, I understand that no responses are due by either Mr. Kassouf or Mr. DeGrandis until the close of business on Monday, February 6, 1989.

Sincerely,

Gretchen L. Lowe
Gretchen L. Lowe

GLL/kdp

91040882430

REC-1 FEB-1 11:08

OGC 1758

PIPER & MARBURY

1200 NINETEENTH STREET, N.W.
WASHINGTON, D. C. 20036
202-661-3900
TELECOPIER 202-223-2085
CABLE PIPERMAR WSH
TELEX 904246

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-539-2530

JOHN J. DUFFY
DIRECT DIAL NUMBER
202-661-3938

February 6, 1989

Lawrence N. Noble, Esquire
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Janice Lacy, Esquire

Re: ²⁶⁷⁵⁻ MUR 2657 James J. Kassouf

Dear Mr. Noble:

Enclosed please find an original of "Responses of James Kassouf to Interrogatories" for filing with your office. We have also enclosed stamp in copies for return to our office.

Should you have any questions regarding this matter, please feel free to give me a call.

Sincerely,

John J. Duffy

JJD/kdp
Enclosure

91040882431

02 FEB -5 PM 4:10

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
James Kassouf

)
)
)

MUR 2675

RESPONSES OF JAMES KASSOUF TO INTERROGATORIES

James Kassouf, by his attorneys, hereby submits his responses to the Federal Election Commission's interrogatories in the above captioned matter.

1. Are you in any way connected with the group described as "Christian Democrats for a Responsive Government" (i.e., officer, member, etc.)? If so, answer the following:
 - a. Describe the group "Christian Democrats for a Responsive Government."
 - b. Provide the address and treasurer's name of the group.
 - c. Describe your connection with the group.

Response:

James Kassouf refuses to answer this interrogatory on the basis of his Fifth Amendment right against potential self-incrimination.

2. The following questions refer to a handbill which apparently was distributed by Christian Democrats for a Responsive Government (Exhibit A).
 - a. Did you pay any of the costs associated with the printing or distribution of these handbills? If yes, state the amount of money paid, and the date(s) you made such payments.

9
1
0
4
0
8
8
2
4
3
2

b. Did you produce or distribute, or assist in producing and distributing, these handbills? If yes, state:

- (i) the services you provided;
- (ii) the dollar value of such services;
- (iii) the date(s) you provides such services;
- (iv) the amount of handbills distributed; and
- (v) the date(s) such handbills were distributed.

RESPONSE:

a. James Kassouf refuses to answer subpart (a) of this interrogatory on the basis of his Fifth Amendment right against potential self-incrimination.

b. James Kassouf refuses to answer subpart (b) of this interrogatory on the basis of his Fifth Amendment right against potential self-incrimination.

3. State whether the expenditures made in connection with the handbill were made in consultation with, or at the request of, any candidate, or any authorized committee or agent of such candidate. If yes, identify the candidate or committee.

RESPONSE:

James Kassouf refuses to answer this interrogatory on the basis of his Fifth Amendment right against potential self-incrimination.

4. State whether you compensated any person for services performed in connection with the handbill. If yes, provide:

a. the name and address of the person so compensated;

91040882433

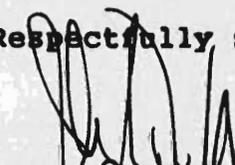
b. the source of any funds or anything of value used to compensate such person.

RESPONSE:

James Kassouf refuses to answer this interrogatory on the basis of his Fifth Amendment right against potential self-incrimination.

Signing with respect to the objections:

Respectfully submitted,



John J. Duffy
Gretchen L. Lowe
PIPER & MARBURY
1200 19th Street, N.W.
Suite 700
Washington, D.C. 20036
(202) 861-3900

Dated: February 6, 1989

91040882434

PIPER & MARBURY

1200 NINETEENTH STREET, N.W.
WASHINGTON, D. C. 20036

202-861-3800

TELECOPIER 202-223-2088

CABLE PIPERMAR WSH

TELEX 904248

JOHN J. DUFFY
DIRECT DIAL NUMBER
202-861-3938

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-539-2530

February 6, 1989

Lawrence N. Noble, Esquire
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Janice Lacy, Esquire

Re: MUR 2657 Michael DeGrandis

Dear Mr. Noble:

Enclosed please find an original "Responses of Michael DeGrandis to Interrogatories" for filing with your office. We have also enclosed stamp in copies for return to our office.

Should you have any questions regarding this matter, please feel free to give me a call.

Sincerely,

John J. Duffy

JJD/kdp
Enclosure

COPIED - 6 FEB 14 1989

91040882435

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Michael DeGrandis

)
)
)

MUR 2675

RESPONSES OF MICHAEL DEGRANDIS TO INTERROGATORIES

Michael DeGrandis, by his attorneys, hereby submits his responses to the Federal Election Commission's interrogatories in the above captioned matter.

1. Are you in any way connected with the group described as "Christian Democrats for a Responsive Government" (i.e., officer, member, etc.)? If so, answer the following:
 - a. Describe the group "Christian Democrats for a Responsive Government."
 - b. Provide the address and treasurer's name of the group.
 - c. Describe your connection with the group.

Response:

Michael DeGrandis refuses to answer this interrogatory on the basis of his Fifth Amendment right against potential self-incrimination.

2. The following questions refer to a handbill which apparently was distributed by Christian Democrats for a Responsive Government (Exhibit A).
 - a. Did you pay any of the costs associated with the printing or distribution of these handbills? If yes, state the amount of money paid, and the date(s) you made such payments.
 - b. Did you produce or distribute, or assist in producing and distributing, these handbills? If yes, state:

91040882436

- (i) the services you provided;
- (ii) the dollar value of such services;
- (iii) the date(s) you provides such services;
- (iv) the amount of handbills distributed; and
- (v) the date(s) such handbills were distributed.

RESPONSE:

a. Michael DeGrandis refuses to answer subpart (a) of this interrogatory on the basis of his Fifth Amendment right against potential self-incrimination.

b. Michael DeGrandis refuses to answer subpart (b) of this interrogatory on the basis of his Fifth Amendment right against potential self-incrimination.

3. State whether the expenditures made in connection with the handbill were made in consultation with, or at the request of, any candidate, or any authorized committee or agent of such candidate. If yes, identify the candidate or committee.

RESPONSE:

Michael DeGrandis refuses to answer this interrogatory on the basis of his Fifth Amendment right against potential self-incrimination.

4. State whether you compensated any person for services performed in connection with the handbill. If yes, provide:

a. the name and address of the person so compensated;

91040882437

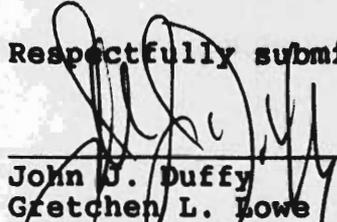
b. the source of any funds or anything of value used to compensate such person.

RESPONSE:

Michael DeGrandis refuses to answer this interrogatory on the basis of his Fifth Amendment right against potential self-incrimination.

Signing with respect to the objections:

Respectfully submitted,



John J. Duffy
Gretchen L. Lowe
FIPER & MARBURY
1200 19th Street, N.W.
Suite 700
Washington, D.C. 20036
(202) 861-3900

Dated: February 6, 1989

91040882438

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION COMMISSION

In the Matter of)
Michael J. DeGrandis; James Kassouf;)
James Diets)

89FEB 14 AM 11:10

MUR 2675

SENSITIVE

COMPREHENSIVE INVESTIGATIVE REPORT #1

On December 7, 1988, the Commission found reason to believe that James Kassouf, Michael DeGrandis and James Diets violated 2 U.S.C. §§ 434(c) and 441d. On the same date, the Commission approved letters and interrogatories to Mr. Kassouf and Mr. DeGrandis, as well as a letter and Order to Mr. Diets.

By letter dated January 4, 1989, counsel for Mr. Kassouf and Mr. DeGrandis requested a twenty-one day extension of time. The extension of time was granted, with responses due on January 24, 1989. On January 10, 1989, the certified mailing to Mr. Diets was returned to this Office as unclaimed. The mailing was resent to Mr. Diets through regular mail on January 12, 1989.

On January 17, 1989, counsel for Mr. Kassouf and Mr. DeGrandis requested a second extension of time. The extension of time was granted with responses due on February 1, 1989. The responses were received on February 7; in each case the respondent pled his Fifth Amendment rights as to all questions. This Office will shortly submit a report to the Commission with substantive recommendations.

Lawrence M. Noble
General Counsel

Date

2/13/88

By:

Lois G. Lerner
Lois G. Lerner
Associate General Counsel

Staff Member: Janice Lacy

91040882439



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

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

DATE: FEBRUARY 15, 1989

SUBJECT: MUR 2675
COMPREHENSIVE INVESTIGATIVE REPORT #1
SIGNED FEBRUARY 13, 1989

The above-captioned report was received in the Secretariat at 11:10 a.m. on Tuesday, February 14, 1989 and circulated to the Commission on a 24-hour no-objection basis at 4:00 p.m. on Tuesday, February 14, 1989.

There were no objections to the report.

91040882440

06C 2542

PIPER & MARBURY

1200 NINETEENTH STREET, N.W.
WASHINGTON, D. C. 20036

202-861-3900
TELECOPIER 202-223-2088
CABLE PIPERMAR WSH
TELEX 904246

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-539-2530

JOHN J. DUFFY
DIRECT DIAL NUMBER
202-861-3938

April 21, 1989

APR 21 PM 4:32

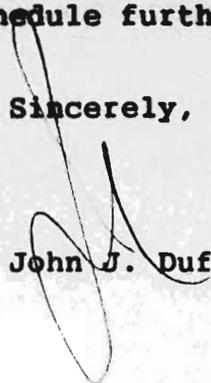
Anne Weissenborn, Esq.
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2675
James J. Kassouf

Dear Ms. Weissenborn:

Sometime ago you and I talked about a resolution of the above-referenced MUR during the pre-probable cause stage. At that time, you informed us that you would not be willing to engage in pre-probable cause until you had completed an investigation. I would like to know how the investigation is coming, and when we could schedule further discussions on this matter.

Sincerely,


John J. Duffy

JJD:dp

9104082441

OGC 2542

PIPER & MARBURY

1200 NINETEENTH STREET, N.W.
WASHINGTON, D. C. 20036

202-861-3900
TELECOPIER 202-223-2085
CABLE PIPERMAR WSH
TELEX 904246

JOHN J. DUFFY
DIRECT DIAL NUMBER
202 861 3938

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-539-2530

April 21, 1989

MAR 21 11 4:32

Anne Weissenborn, Esq.
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2675
Michael DeGrandis

Dear Ms. Weissenborn:

Sometime ago, you and I talked about a resolution of the above-referenced MUR during the pre-probable cause stage. At that time, you informed us that you would not be willing to engage in pre-probable cause until you had completed an investigation. I would like to know how the investigation is coming, and when we could schedule further discussions on this matter.

Sincerely,



John J. Duffy

JJD:dp

91040882442

RECEIVED
FEDERAL ELECTION COMMISSION
MAIN COPY ROOM

PIPER & MARBURY

1200 NINETEENTH STREET, N.W.
WASHINGTON, D. C. 20036

202-861-3900

TELECOPIER 202-863-2085

CABLE PIPERMAR WSH

TELEX 904246

89 JUN 16 PM 4:43

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-539-2530

JOHN J. DUFFY
DIRECT DIAL NUMBER
202-861-3936

June 16, 1989

Hand Delivered

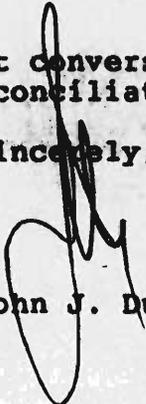
Anne A. Weissenborn, Esq.
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2675
James J. Kassouf

Dear Anne:

Pursuant to our recent conversation, I am formally
requesting pre-probable cause conciliation.

Sincerely,


John J. Duffy

JJD:dp

91040882443

O6C 3109

RECEIVED
FEDERAL ELECTION COMMISSION
MAIN COPY ROOM

PIPER & MARBURY

1200 NINETEENTH STREET, N.W.
WASHINGTON, D. C. 20036
202-861-3900
TELECOPIER 202-823-2085
CABLE PIPERMAR WSH
TELEX 904246

69 JUN 16 PM 4: 43
HAND DELIVERED

JOHN J. DUFFY
DIRECT DIAL NUMBER
202-861-3938

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-839-2530

June 16, 1989

69 JUN 19 PM 2:51
OFFICE OF GENERAL COUNSEL

Hand Delivered

Anne A. Weissenborn, Esq.
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2675
Michael DeGrandis

Dear Anne:

Pursuant to our recent conversation, I am formally
requesting pre-probable cause conciliation.

Sincerely,



John J. Duffy

JJD:dp

91040882444

90 MAR -6 PM 4:36

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
James Kassouf
Michael DeGrandis
James Dietz

)
)
)
)
)
)

MUR 2675

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On December 7, 1988, the Commission found reason to believe that James Kassouf, Michael DeGrandis and James Dietz violated 2 U.S.C. §§ 434(c) and 441d. The violations centered on respondents' printing of a political handbill attacking the record of Representative Edward Feighan. The handbill, which provided the name of the "Christian Democrats for a Responsive Government" ("Christian Democrats") as its sponsor, lacked the complete disclaimer required by Section 441d. Further, respondents failed to provide the information required by Section 434(c) regarding this apparent independent expenditure. An Order to submit written documents was addressed to Mr. Dietz and interrogatories were sent to Mr. Kassouf and Mr. DeGrandis. Three sets of responses were received from Mr. Kassouf and Mr. DeGrandis. In the second response, Mr. Kassouf and Mr. DeGrandis requested conciliation. The Order addressed to James Dietz was returned undelivered.¹

1. This Office was initially unable to obtain Mr. Dietz's current home address; however, after a more recent investigation, this Office has obtained the current address of Mr. Dietz's employer, Downtown Magazine, a Cleveland publication.

91040882445

I. ANALYSIS

A. Position taken in the responses and in subsequent negotiations

In the first set of responses from Mr. Kassouf and Mr. DeGrandis (Attachment 1 at 1 to 8), Mr. Kassouf and Mr. DeGrandis refused to answer Commission questions. As a defense, both respondents cited the Fifth Amendment right against potential self-incrimination. This Office then contacted the counsel shared by both respondents and, in several phone discussions and two face to face meetings, attempted to obtain answers to the Commission's interrogatories. At the conclusion of the negotiations, respondents' counsel gave this Office a document submitted in lieu of an answer to Commission questions.

The submission denies the existence of any group entitled "Christian Democrats for a Responsive Government". It states that Mr. Kassouf created the handbill and paid the distribution and printing costs. According to the submission, these costs totaled \$1,600. The submission is silent as to the role played by the other respondents, Mr. DeGrandis and Mr. Dietz. In a letter accompanying the submission, counsel offers to provide Mr. DeGrandis' answers to Commission questions on condition that this Office agree that if Mr. DeGrandis answers the questions negatively, "the Commission would dismiss this matter against him without any further action." See Attachment 1 at 11.

91040882446

B. Analysis of responses and recommendations

While the responses have provided this Office with some information regarding possible violations of the Act, unanswered questions remain. For example, the circumstances raised in the complaint indicated that three individuals were involved in the creation and distribution of the handbill. The submission discusses only Mr. Kassouf's involvement; it does not remove the possibility that the other respondents were involved as well. Further, the submission states that Mr. Kassouf paid the cost of the expenditure; yet, it is not clear he used his own personal funds. This leaves open the possibility that the ultimate source of the funds were contributions collected by the respondents for the purpose of making the expenditure. Pursuant to 2 U.S.C. § 434(c), respondents would have been required to identify each person who contributed more than \$200 for the purpose of creating the handbill. Accordingly, this Office believes the investigation in this matter should continue. This Office, therefore, recommends that the request made by James Kassouf to enter into preprobable cause conciliation be denied at this time.

As regards Mr. DeGrandis, the circumstances raised in the complaint linked Mr. DeGrandis to the creation of the handbill. Thus far no evidence has been presented by respondents that this was not the case. This Office can make no recommendation to the Commission unless it first has evidence one way or the other regarding any role played or not played by Mr. DeGrandis in the production of the handbill. This Office, therefore, recommends

91040882447

that the request made by Michael DeGrandis to enter into preprobable cause conciliation also be denied at this time.

In the General Counsel's Report recommending the reason to believe findings against the respondents, this Office proceeded on the theory that the respondents had acted as individuals making independent expenditures. This Office stated that after receiving further information including the amount of money spent, it would make appropriate recommendations concerning whether a group called Christian Democrats violated 2 U.S.C. §§ 433 and 434. Counsel's most recent submission denies that Christian Democrats actually existed as a political committee. However, the submission admits that over \$1,000 was spent, and no information contrary to the complaint has been received regarding the involvement of persons besides Mr. Kassouf. Taken together, the evidence in hand increases the possibility that respondents were, in fact, acting as a political committee and were required to register and file reports with the Commission pursuant to 2 U.S.C. §§ 433(a) and 434(a).² Therefore, the Office of General

2. According to the Ohio Office of the Secretary of State, Christian Democrats is not registered as a state committee. However, this does not end the issue. Before finding reason to believe that a group of individuals constituted a political Committee and violated Sections 433 and 434, the Commission has not required that the individuals actually admit they were operating as a political committee. For example, in MUR 2251, circumstances raised in the complaint indicated that several attorneys worked together expending over \$1,000 on an alleged expenditure. The Commission found at the reason to believe stage that these individuals constituted an unnamed committee. In the present matter not only do circumstances indicate the involvement of more than one person and the spending of more than \$1,000, but the handbill distributed held out the existence of a political committee.

91040882448

Counsel recommends the Commission find reason to believe that Christian Democrats and its treasurer violated 2 U.S.C. §§ 433(a) and 434(a).³ Since Christian Democrats was apparently composed of James Kassouf, Michael DeGrandis and James Dietz, Christian Democrats will be notified of the Commission's determination through these individuals.

To complete the investigation and obtain documentation verifying the amounts spent on the handbill, this Office has attached for Commission approval Subpoenas and Orders to be sent to James Kassouf and Michael DeGrandis. This Office further recommends that the Commission approve a revised Subpoena and Order for Mr. Dietz which will be addressed to him at the current address of his employer.⁴

IV. RECOMMENDATIONS

1. Decline, at this time, to enter into conciliation with James Kassouf and Michael DeGrandis prior to a finding of probable cause to believe.
2. Find reason to believe that Christian Democrats for a Responsive Government and its treasurer violated 2 U.S.C. §§ 433(a) and 434(a).

3. When respondents clarify the identity and the numbers of the individuals involved in creating the handbill, this Office will make further recommendations as deemed appropriate.

4. Because, thus far, the principals involved in this matter have been reluctant to provide information, this Office is recommending framing the requests for information to the respondents as Subpoenas and Orders.

91040882449

3. Approve the attached Factual and Legal Analysis, letters (2) and Subpoenas and Orders (3).

Lawrence M. Noble
General Counsel

Date 3/6/90

BY: 
Lois G. Lerner
Associate General Counsel

Attachments

1. Responses submitted by James Kassouf and Michael DeGrandis
2. Proposed letters (2) and Factual Legal Analysis (1)
3. Proposed Subpoenas and Orders (3)

Staff assigned: Michael Marinelli

91040882450



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS / Delores Harris *DEH*
COMMISSION SECRETARY

DATE: MARCH 8, 1990

SUBJECT: MUR 2675 - GENERAL COUNSEL'S REPORT
DATED MARCH 3, 1990

The above-captioned document was circulated to the Commission on Wednesday, March 7, 1990 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 _____
Commissioner Josefiak XXXX
Commissioner McDonald _____
Commissioner McGarry _____
Commissioner Thomas _____

This matter will be placed on the meeting agenda for April 3, 1990.

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

91040882451

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

James Kassouf
Michael DeGrandis
James Dietz

)
) MUR 2675
)
)
)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on April 3, 1990, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2675:

1. Decline, at this time, to enter into conciliation with James Kassouf and Michael DeGrandis prior to a finding of probable cause to believe.
2. Take no action at this time with respect to recommendation 2 in the General Counsel's report dated March 6, 1990.
3. Direct the Office of General Counsel to send appropriate letters and Subpoenas and Orders pursuant to the discussion held this date.

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

Attest:

4-6-90
Date

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

91040882452



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

April 17, 1990

John J. Duffy, Esquire
Piner & Marbury
1200 Nineteenth Street, N.W.
Washington, D.C. 20036

RE: MUR 2675
James Kassouf
Michael DeGrandis

Dear Mr. Duffy:

On December 16, 1988, your clients were notified that the Federal Election Commission found reason to believe that James Kassouf and Michael DeGrandis, violated 2 U.S.C. §§ 434(c) and 441d. On February 6, 1989, June 16, 1989, and December 19, 1989, you submitted responses on behalf of your clients to the Commission's findings, including requests for preprobable cause conciliation.

The Commission has reviewed the responses and has determined that additional information is needed in order that the Commission may complete its investigation. This information is requested in the enclosed Subpoenas and Orders. Responses should be submitted to the Office of the General Counsel within 15 days of receipt of this letter. In light of the need for further information, the Commission has determined to decline at this time your requests to enter into conciliation prior to a finding of probable cause to believe.

On April 3, 1990, the Commission further found reason to believe that Christian Democrats for a Responsive Government ("Christian Democrats"), a political committee of which your clients are members, violated 2 U.S.C. §§ 433(a) and 434(a), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, it appears that Christian Democrats, consisting of James Kassouf, Michael DeGrandis and James Dietz, and its treasurer, violated 2 U.S.C. § 433(a) by failing to file a Statement of Organization and violated 2 U.S.C. § 434(a) by failing to file reports of receipts and disbursements. The Factual and Legal Analysis, which formed a basis for the Commission's findings, is attached for your information.

Under the Act, your clients have an opportunity to demonstrate that no action should be taken against Christian Democrats. They may submit any factual or legal materials that they believe are relevant to the Commission's consideration of

91040882453

John J. Duffy, Esquire
Page 2

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 Christian Democrats, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If Christian Democrats are interested in pursuing pre-probable cause conciliation, they should do so 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.

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

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

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Factual and Legal Analysis
Subpoena and Order (2)

91040882454

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Christian Democrats for a
Responsive Government
and its treasurer

MUR 2675

I. BACKGROUND.

The Office of General Counsel received a complaint on August 19, 1988 from The Honorable Edward F. Feighan (the "Complainant") of the 19th Congressional District of the Ohio alleging violations of the Act by three individuals, James Kassouf, Michael DeGrandis, and James Dietz, of Cleveland, Ohio.

The Complaint alleges that in late September or early October, 1986, Mr. Kassouf and Mr. DeGrandis composed and prepared a political Handbill entitled "Who Does Edward Feighan Work for?" At the bottom of this handbill was the statement, "Paid for by the Christian Democrats for a Responsive Government."

The Complainant alleges the Mr. Kassouf and Mr. DeGrandis directed Mr. Kassouf's secretary to type the handbill and to affix to the handbill the statement that the communication was paid for by the group noted above. Mr. Kassouf and Mr. DeGrandis then allegedly arranged for the handbill to be printed and distributed by Mr. Dietz, another respondent, in October, 1986, just prior to the Congressional election in 1986 in which the Complainant was a candidate. Information provided to the Commission by Mr. Kassouf indicates that the total amount paid to produce and circulate the handbill was \$1,600.

91040882455

II. STATEMENT OF LAW

The Federal Election Campaign Act of 1971, as amended ("the Act") defines a political committee as "any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year." 2 U.C.S. § 431(4)(A). Under the Act an expenditure constitutes "any purchase, payment, distribution, loan, advance deposit, or gift of money or anything of value made by any person for the purpose of influencing any election for Federal office." 2 U.S.C. § 431(9).

All committees are required to file Statements of Organizations. Those that are not the principal campaign committee or an authorized committee of a candidate, or are not a separate segregated fund, must register no later than 10 days after crossing the \$1,000 threshold. 2 U.S.C. § 433(a). Once registered with the Commission, a political committee must file reports of receipts and disbursements in accordance with the Act. 2 U.S.C. § 434(a).

III. APPLICATION TO FACTS

The information provided thus far indicates that Mr. Kassouf, Mr. DeGrandis and James Dietz working under the name Christian Democrats expended \$1,600 to produced a political handbill prior a federal election attacking Congressman Feighan's record . Pursuant to 2 U.S.C. § 431(9), this handbill was an expenditure for purposes of the Act. Pursuant to 2 U.C.S. § 431(4)(A), Christian Democrats became a political committee when it made

91040882456

this expenditure. As such it was required under 2 U.S.C. §§ 433(a) and 434(a) to file a statement of organization and to file reports with the Commission. Commission records indicate that no statement of organization or report has ever been filed by Christian Democrats.

Therefore, there is reason to believe that the Christian Democrats for a Responsive Government and its treasurer violated 2 U.S.C. §§ 433(a) and 434(a).

91040882457

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
)
) MUR 2675
)

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: James J. Kassouf
1296 W. 6th Street
Cleveland, Ohio 44113

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 Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, along with the requested documents within 15 days of receipt of this Order and Subpoena.

8
5
4
2
8
8
4
0
8
1
9

James Kassouf
MUR 2675
Page 2

WHEREFORE, the Chairman of the Federal Election Commission
has hereunto set her hand in Washington, D.C. on this

13th day of *April*, 1990.

Lee Ann Elliott

Lee Ann Elliott, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Attachments
Document Request and
Questions (4 pages)

91040882459

INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

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

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

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

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from August 1986 to December 1986.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

9104082460

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

91040882461

INTERROGATORIES AND DOCUMENTS SUBPOENAED

1. Describe fully the entity or group called Christian Democrats for a Responsive Government.
 - a. Identify its treasurer and its members.
 - b. Describe fully your connection with Christian Democrats for a Responsive Government.
2. Regarding the publication in 1986 of a handbill by Christian Democrats for a Responsive Government entitled "Who Does Edward Feighan work for," information had been provided indicating that you, James Kassouf, paid for the production of the handbill.
 - a. List all sources of funds, personal or other, used to produce the handbill and,
 - (i) identify each person or entity who contributed the money so used,
 - (ii) list the amounts contributed by each person, and
 - (iii) provide all related documentation concerning such contributions including, but not limited to, canceled checks and deposit slips.
 - c. Provide all documents relating to the production of the handbill including, but not limited to, bills and canceled checks.
3. Identify the following persons or entities and state the role each played in the production of the above handbill:
 - a. Michael DeGrandis
 - b. James Dietz
 - c. Downtown Magazine.

91040882462

James Kassouf
MUR 2675
Page 6

4. State whether Christian Democrats for a Responsive Government made any contribution or expenditure in 1986 on behalf of or in opposition to any other Federal candidate or whether you as an individual made any other expenditure in 1986 on behalf of or in opposition to any other Federal candidate.
 - a. Itemize each such contribution or expenditure providing the date, the amount and the candidate benefited or opposed.
 - b. Provide all documentation related to such contributions and expenditures including, but not limited to, canceled checks.
5. Itemize in accordance with 2 U.S.C. § 434(b) all contributions received by Christian Democrats for a Responsive Government in 1986.

91040882463

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
)
) MUR 2675
)

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Michael J. DeGrandis
10615 Lake Avenue
Cleveland, Ohio 44102

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 Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, along with the requested documents within 15 days of receipt of this Order and Subpoena.

91040882464

Michael J. DeGrandis
MUR 2675
Page 2

WHEREFORE, the Chairman of the Federal Election Commission
has hereunto set her hand in Washington, D.C. on this *13th*
, day of *April*, 1990.

Lee Ann Elliott

Lee Ann Elliott, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Attachments
Document Request and
Questions (4 pages)

91040882465

INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

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

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

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

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from August 1986 to December 1986.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

91040882466

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

91040882467

INTERROGATORIES AND DOCUMENTS SUBPOENAED

1. Describe fully the entity or group called Christian Democrats for a Responsive Government.
 - a. Identify its treasurer and its members.
 - b. Describe fully your connection with Christian Democrats for a Responsive Government.
2. Regarding the publication in 1986 of a handbill by Christian Democrats for a Responsive Government entitled "Who Does Edward Feighan work for," describe fully your role in the production of the handbill.
 - a. List all sources of funds used to produce the handbill and,
 - (i) identify each person or entity who contributed the money so used,
 - (ii) list the amounts contributed by each, and
 - (iii) provide all related documentation concerning such contributions including, but not limited to, canceled checks and deposit slips.
 - b. If your role was that of a vendor of services, state:
 - (i) the services you provided;
 - (ii) the dollar value of such services;
 - (iii) the date(s) you provided such services;
 - (iv) the number and copies of the handbill produced
 - c. Provide all documents relating to the production of the handbill including, but not limited to, bills and canceled checks.

91040882468

Michael J. DeGrandis
MUR 2675
Page 6

3. Identify the following persons or entities and state the role each played in the production of the above handbill:
 - a. James Kassouf
 - b. James Dietz
 - c. Downtown Magazine.
4. State whether Christian Democrats for a Responsive Government made any contribution or expenditure in 1986 on behalf of or in opposition to any other Federal candidate or whether you as an individual made any other expenditure in 1986 on behalf of or in opposition to any other Federal candidate.
 - a. Itemize each such contribution or expenditure providing the date, the amount and the candidate benefited or opposed.
 - b. Provide all documentation related to such contributions and expenditures including, but not limited to, canceled checks.
5. Itemize in accordance with 2 U.S.C. § 434(b) all contributions received by Christian Democrats for a Responsive Government in 1986.

91040882469



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

April 17, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James Dietz
Downtown Magazine
1244 Huron Rd.
Cleveland, Ohio 44124

RE: MUR 2675

Dear Mr. Dietz:

On December 16, 1988, a letter was addressed to you informing you that the Federal Election Commission had found reason to believe you violated 2 U.S.C. §§ 434(c) and 441d, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The letter was returned to the Commission as undeliverable. Enclosed is a copy of the letter and Factual and Legal Analysis on which the finding was based.

More recently the Commission found reason to believe that Christian Democrats for a Responsive Government ("Christian Democrats"), a political committee of which you are a member, violated 2 U.S.C. §§ 433(a) and 434(a). Specifically, it appears that Christian Democrats, consisting of James Kassouf, Michael DeGrandis and James Dietz, and its treasurer, violated 2 U.S.C. § 433(a) by failing to file a Statement of Organization and violated 2 U.S.C. § 434(a) by failing to file reports of receipts and disbursements. The Factual and Legal Analysis, which formed a basis for the Commission's findings, is attached for your information.

Pursuant to its investigation of this matter, the Commission has issued the attached subpoena and order requiring you 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.

91040882470

James Diets
Page 2

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 within 15 days of your receipt of this subpoena and order.

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

Sincerely,

Lawrence M. Noble
General Counsel


BY: Lois G. Lerner
Associate General Counsel

Enclosures
December 16, 1988 Letter
Designation of Counsel Form
Factual and Legal Analyses
Subpoena and Order

91040882471



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 16, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James Dietz
Bradley Building
1220 West Sixth Street
Cleveland, Ohio 44113

RE: MUR 2675
James Dietz

Dear Mr. Dietz:

On August 26, 1988, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was enclosed with that notification.

Upon further review of the allegations contained in the complaint, the Commission, on December 7, 1988, found that there is reason to believe you violated 2 U.S.C. §§ 434(c) and 441d, provisions of 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. Statements should be submitted under oath. All responses to the enclosed Order to Answer Questions must be submitted to the General Counsel's Office within 15 days of your receipt of this letter. Any additional materials or statements you wish to submit should accompany the response to the order.

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.

91040882472

James Dietz
Page 2

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

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of 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.

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.

If you have any questions, please contact Janice Lacy, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,


Thomas J. Josefiak
Chairman

Enclosures
Order
Designation of Counsel Form
Factual and Legal Analysis

91040882473

**FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS**

RESPONDENT: James Dietz

MUR 2675

9
1
0
4
0
8
8
2
4
7
4

The Office of General Counsel received a complaint on August 19, 1988 from The Honorable Edward F. Feighan (the "Complainant") of the 19th Congressional District of Ohio alleging violations of the Act by three individuals, James Kassouf, Michael DeGrandis, and James Dietz, of Cleveland, Ohio. The Complainant alleges that in late September or early October, 1986, Mr. Kassouf and Mr. DeGrandis composed and prepared a political handbill entitled "Who Does Edward Feighan Work For?" At the bottom of this handbill was the statement, "Paid for by the Christian Democrats for a Responsive Government." Attached to this complaint is a copy of the handbill. The Complainant alleges that the respondents knowingly and willfully failed to include a clause on the handbill that would attribute the handbill to either an authorized political committee, or to the persons who paid for the communication.

The Complainant further alleges that Mr. Kassouf and Mr. DeGrandis directed Mr. Kassouf's secretary to type the handbill and to affix to the handbill the statement that the communication was paid for by the group noted above. The Complainant alleges that this group was unauthorized or non-existent at the time that the handbill was produced, and that the name of the group was fabricated by Mr. Kassouf and Mr. DeGrandis to knowingly and willfully circumvent the Act.

Mr. Kassouf and Mr. DeGrandis then allegedly arranged for the handbill to be printed and distributed by Mr. Dietz, another respondent, in October, 1986, just prior to the Congressional election in 1986 in which the Complainant was a candidate. The Complainant further alleges that to compensate Mr. Dietz for his efforts, and to hide the true source of the handbill's financing, Mr. Kassouf arranged to pay unrelated business expenses of Mr. Dietz's company. This amount was allegedly in excess of \$250, and was paid in cash, Complainant says, in attempt to knowingly and willfully violate the Act.

This Office notified Mr. Dietz of the complaint on August 26, 1988. Mr. Dietz has not yet submitted any response to the complaint to this Office.

On September 14, 1988, this Office received another complaint alleging the same violations and naming the same respondents from James M. Ruvolo, Chairman of the Ohio Democratic Party. This Office received no response to this complaint from Mr. Dietz.

A. Merger

This Office notes that MUR 2696, submitted subsequent to MUR 2675, makes the same factual assertions and allegations against the same parties as MUR 2675, adding no new allegations. Given these circumstances, this Office concludes that merger of MUR 2696 with MUR 2675 is appropriate. Therefore, this Office recommends merger of MUR 2696 with MUR 2675.

91040882475

B. Propriety of the Complaint

11 C.F.R. § 111.4(c) provides that all statements made in a complaint are subject to the statutes governing perjury, and that the complaint "should differentiate between statements based upon personal knowledge and statements based upon information and belief." (Emphasis added). Furthermore, 11 C.F.R. § 111.4(d)(2) provides that "[s]tatements which are not based upon personal knowledge should be accompanied by an identification of the source of information which gives rise to the complainant's belief in the truth of such statements." (Emphasis added.)

While the Regulations clearly provide that there should be supporting statements which identify the source of information for factual allegations, the Regulations do not state a requirement that there must be such statements. Here, the Complainant has satisfied the requirements of the Regulations by indicating that "the matters set forth in the Complaint herein are true to the best of his knowledge and belief." See Complaint at Page 5. Therefore, this Office concludes that the complaint is proper.

C. Independent Expenditures

The first issue raised by the complaint is whether the expenditures in connection with the production and distribution of the handbill constituted "independent expenditures" within the meaning of the Act. 2 U.S.C. § 431(17) provides that

91040882476

"independent expenditure" means :

an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate. (Emphasis added.)

The elements of this definition are discussed below.

"Expenditure." The Complainant alleges that Mr. Dietz was a vendor to Mr. Kassouf and Mr. DeGrandis, performing services such as printing and distribution, for which he was compensated. However, this Office does not know the extent of services he performed, nor whether he was compensated in full for these services. Given these facts it appears that Mr. Dietz may have made an expenditure in connection with the handbill.

"Expressly advocating." The Regulations provide that "[e]xpressly advocating" means "any communication containing a message advocating election or defeat, including but not limited to the name of the candidate." 11 C.F.R. § 109.1(b)(2). The communication in question, the handbill, contains the statement "Should the voters of the 19th district vote to re-elect Edward Feighan? NO." Therefore, the handbill expressly advocates the defeat of Mr. Feighan.

"Clearly identified candidate." The Regulations further provide that "[c]learly identified candidate" means that the name or photograph of the candidate appears. The handbill contains both a photograph and reference to the candidate by name; thus,

91040882477

the handbill refers to a "clearly identified candidate."

"Without cooperation or consultation." Finally, regarding any cooperation or consultation with a candidate or any authorized committee, the complaint contains no allegation or evidence that such cooperation or consultation occurred. Thus, it appears that the respondent made this expenditure on his own, without consulting with a candidate or committee.

Given these considerations, it appears that the expenditures for the handbill qualify as "independent expenditures" within the meaning of the Act. Regarding the reporting of such independent expenditures, 2 U.S.C. § 434(c)(1) requires that:

[e]very person (other than a political committee) who makes independent expenditures in an aggregate amount or value in excess of \$250 during a calendar year shall file a statement containing the information required under [section 434(b)(3)(A)] for all contributions received by such person.

See also 11 C.F.R. § 109.2. Christian Democrats for a Responsive Government is not listed in the B Index as a political committee registered with the Commission. Because it appears that over \$250 was spent in "independent expenditures" within the meaning of 2 U.S.C. § 431(17), then Section 434(c)(1) applies to the respondent's activities. Accordingly, the respondent should have filed the statement required by the provision of the Act cited above, or Form 5 in accordance with 11 C.F.R. § 109.2(a). The respondent failed to file the statement or report. Therefore, this Office recommends that the Commission find reason to believe

91040882478

that James Diets violated 2 U.S.C. § 434(c) by failing to report independent expenditures.

An additional issue raised by the complaint is whether the handbill contained an appropriate disclaimer as required by the Act. 2 U.S.C. § 441d(a)(3) provides that:

Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the ... defeat of a clearly identified candidate, ..., such communication--

* * *

(3) if not authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee.

(emphasis added). See also 11 C.F.R. § 110.11(a)(1)(iii).

Regarding non-authorization notices in connection with independent expenditures, the Regulations provide that whenever any person makes an independent expenditure for the purpose of financing communications expressly advocating the defeat of a clearly identified candidate, such person will comply with the requirements of Section 110.11 cited above. 11 C.F.R. § 109.3.

As discussed above, the respondent apparently made an expenditure for the purpose of financing a handbill which expressly advocates the defeat of the Complainant, who was a candidate for Congress at the time the handbill was distributed. It is clear that the communication was not authorized by the Complainant, his authorized committee or its agent. Additionally, the Complainant does not offer evidence that the

91040882479

handbill was authorized by any other candidate or authorized political committee. In light of these circumstances, Section 441d(a)(3) requires that the communication must clearly state the name of the person who paid for it, and state that the communication is not authorized by any candidate or candidate's committee. The handbill in question contains only the phrase "Paid for by the Christian Democrats for a Responsive Government" and does not state that the handbill is not authorized by any candidate or candidate's committee. Therefore, this Office recommends that the Commission find reason to believe that James Dietz violated 2 U.S.C. § 441d.

910408822480

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Christian Democrats for a
Responsive Government
and its treasurer

MUR 2675

I. BACKGROUND.

The Office of General Counsel received a complaint on August 19, 1988 from The Honorable Edward F. Feighan (the "Complainant") of the 19th Congressional District of the Ohio alleging violations of the Act by three individuals, James Kassouf, Michael DeGrandis, and James Dietz, of Cleveland, Ohio. The Complaint alleges that in late September or early October, 1986, Mr. Kassouf and Mr. DeGrandis composed and prepared a political Handbill entitled "Who Does Edward Feighan Work for?" At the bottom of this handbill was the statement, "Paid for by the Christian Democrats for a Responsive Government."

The Complainant alleges the Mr. Kassouf and Mr. DeGrandis directed Mr. Kassouf's secretary to type the handbill and to affix to the handbill the statement that the communication was paid for by the group noted above. Mr. Kassouf and Mr. DeGrandis then allegedly arranged for the handbill to be printed and distributed by Mr. Dietz, another respondent, in October, 1986, just prior to the Congressional election in 1986 in which the Complainant was a candidate. Information provided to the Commission by Mr. Kassouf indicates that the total amount paid to produce and circulate the handbill was \$1,600.

91040882481

II. STATEMENT OF LAW

The Federal Election Campaign Act of 1971, as amended ("the Act") defines a political committee as "any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year." 2 U.C.S. § 431(4)(A). Under the Act an expenditure constitutes "any purchase, payment, distribution, loan, advance deposit, or gift of money or anything of value made by any person for the purpose of influencing any election for Federal office." 2 U.S.C. § 431(9).

All committees are required to file Statements of Organizations. Those that are not the principal campaign committee or an authorized committee of a candidate, or are not a separate segregated fund, must register no later than 10 days after crossing the \$1,000 threshold. 2 U.S.C. § 433(a). Once registered with the Commission, a political committee must file reports of receipts and disbursements in accordance with the Act. 2 U.S.C. § 434(a).

III. APPLICATION TO FACTS

The information provided thus far indicates that Mr. Kassouf, Mr. DeGrandis and James Dietz working under the name Christian Democrats expended \$1,600 to produced a political handbill prior a federal election attacking Congressman Feighan's record . Pursuant to 2 U.S.C. § 431(9), this handbill was an expenditure for purposes of the Act. Pursuant to 2 U.C.S. § 431(4)(A), Christian Democrats became a political committee when it made

91040882482

this expenditure. As such it was required under 2 U.S.C. §§ 433(a) and 434(a) to file a statement of organization and to file reports with the Commission. Commission records indicate that no statement of organization or report has ever been filed by Christian Democrats.

Therefore, there is reason to believe that the Christian Democrats for a Responsive Government and its treasurer violated 2 U.S.C. §§ 433(a) and 434(a).

9 1 0 4 0 8 8 2 4 8 3

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
)
) MUR 2675
)

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: James Dietz
Downtown Magazine
1244 Huron Rd.
Cleveland, Ohio 44124

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 Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, along with the requested documents within 15 days of receipt of this Order and Subpoena.

91040882484

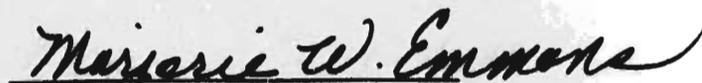
James Deitz
MUR 2675
Page 2

WHEREFORE, the Chairman of the Federal Election Commission
has hereunto set her hand in Washington, D.C. on this
13th day of *April*, 1990.



Lee Ann Elliott, Chairman
Federal Election Commission

ATTEST:



Marjorie W. Emmons
Secretary to the Commission

Attachments
Document Request and
Questions (4 pages)

91040882485

INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

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

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

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

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from August 1986 to December 1986.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

91040882486

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

91040882487

INTERROGATORIES AND DOCUMENTS SUBPOENAED

1. Describe fully the entity or group called Christian Democrats for a Responsive Government.
 - a. Identify its treasurer and its members.
 - b. Describe fully your connection with Christian Democrats for a Responsive Government.

2. Regarding the publication in 1986 of a handbill by Christian Democrats for a Responsive Government entitled "Who Does Edward Feighan work for," describe fully your role in the production of the handbill
 - a. List all sources of funds used to produce the handbill and,
 - (i). identify each person or entity who contributed the money so used,
 - (ii) list the amounts contributed by each, and
 - (iii) provide all documentation concerning such contributions including, but not limited to, canceled checks and deposit slips.
 - b. If your role was that of a vendor of services, state:
 - (i) the services you provided;
 - (ii) the dollar value of such services;
 - (iii) the date(s) your provided such services;
 - (iv) the number of copies of the handbill produced
 - c. Provide all documents relating to the production of the handbill including, but not limited to, bills and canceled checks.

91040882488

3. Identify the following persons or entities and state the role each played in the production of the above handbill:
 - a. James Kassouf
 - b. Michael DeGrandis
 - c. Downtown Magazine.
4. State whether Christian Democrats for a Responsive Government made any contribution or expenditure in 1986 on behalf of or in opposition to any other Federal candidate or whether you as an individual made any other expenditure in 1986 on behalf of or in opposition to any other Federal candidate.
 - a. Itemize each such contribution or expenditure providing the date, the amount and the candidate benefited or opposed.
 - b. Provide all documentation related to such contributions and expenditures including, but not limited to, canceled checks.
5. Itemize in accordance with 2 U.S.C. § 434(b) all contributions received by Christian Democrats for a Responsive Government in 1986.

91040882489

WHO DOES EDWARD FEIGHAN WORK FOR?



1. Has Edward Feighan voted to send 12.72 Billion Dollars of your tax money to Israel? YES
2. Has Edward Feighan always been pro-abortion? YES
3. as Edward Feighan accepted ONE QUARTER MILLION DOLLARS from the Jewish Community in payment for his give-away of Billions of Tax Dollars to Israel? YES
4. Has Edward Feighan responded only to the needs of One Eastside Community while he turns his back on the other 38 Communities of the 19th District? YES
5. Has Edward Feighan voted to give Billions of your Tax Dollars for useless wasteful Federal Programs that do not work for you? YES
6. Has Edward Feighan WORKED HARD to bring Federal Dollars to Euclid and Lakewood for the much needed Lakefront Erosion problem? NO
7. Has Edward Feighan WORKED HARD to fight against Public Housing in Parma? NO
8. Has Edward Feighan WORKED HARD to keep auto plants operating so that Families have JOBS? NO
9. Has Edward Feighan voted to cut back on Billions of Dollars of WELFARE GIVE-AWAYS? NO

SHOULD THE VOTERS OF THE 19th DISTRICT VOTE TO RE-ELECT EDWARD FEIGHAN?

NO

If you agree that EDWARD FEIGHAN only works for EDWARD FEIGHAN and NOT FOR THE PEOPLE of the 19th District. CALL:

521-1986

or

765-1986

Paid for by the

CHRISTIAN DEMOCRATS FOR A RESPONSIVE GOVERNMENT

EXHIBIT "A"

06C 6046

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION
90 APR 25 PM 4: 54

In the Matter of

)
)
)

MUR 2675

MOTION TO QUASH SUBPOENA TO PRODUCE
DOCUMENTS AND ORDER TO SUBMIT WRITTEN ANSWERS

James J. Kassouf, by his attorney, hereby moves the Federal Election Commission to quash the Subpoena to Produce Documents and Order to Submit Written Answers (hereinafter referred to as the "Subpoena"), served on Mr. Kassouf in the above-referenced proceeding.

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 APR 28 AM 12: 11

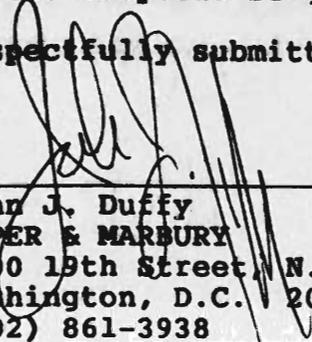
Prior to the commencement of any investigation and the issuance of any subpoena or order pursuant to 2 U.S.C. § 437d(a) the Commission must have made a proper finding of reason to believe that a violation has occurred. To the extent that the Subpoena issued to Mr. Kassouf rests on the original finding of reason to believe in MUR 2675, it lacks, for the reasons set forth in our letter to Lois G. Lerner, Esq., dated September 8, 1988, this necessary foundation. To the extent that the Subpoena rests on the most recent reason to believe finding, it also lacks a proper foundation, as we shall demonstrate in our response due now on May 3, 1990. Consequently, we asks the Commission to quash the Subpoena at least until it has considered our response.

91040882491

Similarly, to the extent that the Subpoena requires Mr. Kassouf to provide information relevant to the allegations of a violation by him of 2 U.S.C. §§ 434(c) and 441(d), which violation in the original complaint were alleged to have been knowing and willful, and which could carry, therefore, criminal penalties, the Subpoena violates his Fifth Amendment right against self-incrimination.

Finally, we submit, with respect, that in light of the insignificance of the violations alleged here and Mr. Kassouf's good faith offer in pre-probable cause conciliation to resolve this matter without further formal proceedings, the General Counsel's insistence on further action in this matter and the addition of yet another alleged violation, does not represent an efficient use of the Commission's resources. For these reasons, therefore, we ask that the Subpoena be quashed.

Respectfully submitted,



John J. Duffy
PIPER & MARBURY
1200 19th Street, N.W.
Washington, D.C. 20036
(202) 861-3938

April 25, 1990

91040882492

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
)
)

MUR 2675

90 APR 25 PM 4:54
RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION

MOTION TO QUASH SUBPOENA TO PRODUCE
DOCUMENTS AND ORDER TO SUBMIT WRITTEN ANSWERS

Michael J. DeGrandis, by his attorney, hereby moves the Federal Election Commission to quash the Subpoena to Produce Documents and Order to Submit Written Answers (hereinafter referred to as the "Subpoena"), served on Mr. DeGrandis in the above-referenced proceeding.

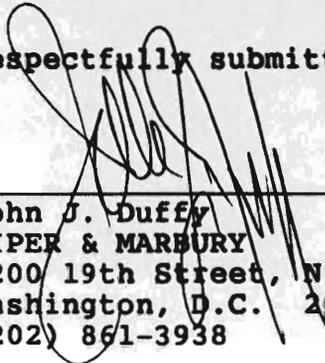
Prior to the commencement of any investigation and the issuance of any subpoena or order pursuant to 2 U.S.C. § 437d(a) the Commission must have made a proper finding of reason to believe that a violation has occurred. To the extent that the Subpoena issued to Mr. DeGrandis rests on the original finding of reason to believe in MUR 2675, it lacks, for the reasons set forth in our letter to Lois G. Lerner, Esq., dated September 8, 1988, this necessary foundation. To the extent that the Subpoena rests on the most recent reason to believe finding, it also lacks a proper foundation, as we shall demonstrate in our response due now on May 3, 1990. Consequently, we asks the Commission to quash the Subpoena at least until it has considered our response.

91040882493

Similarly, to the extent that the Subpoena requires Mr. DeGrandis to provide information relevant to the allegations of a violation by him of 2 U.S.C. §§ 434(c) and 441(d), which violation in the original complaint were alleged to have been knowing and willful, and which could carry, therefore, criminal penalties, the Subpoena violates his Fifth Amendment right against self-incrimination.

Finally, we submit, with respect, that in light of the insignificance of the violations alleged here and Mr. DeGrandis' good faith offer in pre-probable cause conciliation to resolve this matter without further formal proceedings, the General Counsel's insistence on further action in this matter and the addition of yet another alleged violation, does not represent an efficient use of the Commission's resources. For these reasons, therefore, we ask that the Subpoena be quashed.

Respectfully submitted,



John J. Duffy
PIPER & MARBURY
1200 19th Street, N.W.
Washington, D.C. 20036
(202) 861-3938

April 25, 1990

91040882494

OGC 6056

Marinelli

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
)
) MUR 2675
)
)

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
MAY 27 11 45 AM '90

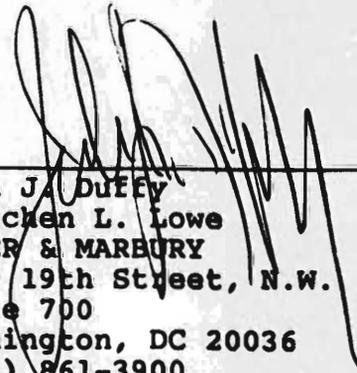
MOTION FOR EXTENSION OF TIME

James J. Kassouf and Michael DeGrandis, by their attorneys, request an extension of time in which to respond to the Subpoena To Produce Documents Order To Submit Written Answers that was served on each of them by the Commission (the "Subpoenas"). By our calculations, their responses are due on May 3, 1990. Mr. Kassouf and Mr. DeGrandis request an extension of time up to and including fifteen (15) days after the Commission acts on their motions to quash the Subpoenas, which were filed on April 25, 1990. Fundamental fairness requires that Messrs. Kassouf and DeGrandis not be placed in default while their challenges to the Subpoenas are under consideration by the Commission. In any event, counsel needs additional time to consult with Messrs. Kassouf and DeGrandis, who have to date been unavailable. Finally, as Messrs. Kassouf and DeGrandis noted in their motions to quash the validity of the Subpoenas may depend, at least in part, on the validity of the Commission's most recent reason to believe finding, to which Messrs. Kassouf and DeGrandis have until May 3, 1990, to

5
4
9
2
8
8
0
4
0
1

respond. Consequently, Messrs. Kassouf and DeGrandis request an extension of time to respond to the Subpoena up to and including fifteen (15) days after the Commission acts on their Motions To Quash, or such other period of time as the Commission may deem appropriate.

Respectfully submitted,



John J. Duffy
Gretchen L. Lowe
PIPER & MARBURY
1200 19th Street, N.W.
Suite 700
Washington, DC 20036
(202) 861-3900

Dated: April 27, 1990

91040882496



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 2, 1990

John J. Duffy, Esquire
Piper & Marbury
1200 Nineteenth Street, N.W.
Washington, D.C. 20036

RE: MUR 2675
James Kassouf
Michael DeGrandis

Dear Mr. Duffy:

This is to confirm the telephone call you received from my office informing you that our letter dated April 17, 1990 stating that the the Federal Election Commission had found reason to believe that Christian Democrats for a Responsive Government ("Christian Democrats"), had violated 2 U.S.C. §§ 433(a) and 434(a), was inaccurate. On April 3, 1990, the Commission voted to take no action at this time regarding recommendations to this effect. However, the subpoenas and orders you received, based as they are on the Commission's previous findings, were approved by the Commission and are correct. I apologize for any inconvenience this mistake may have caused.

On April 30, 1990, we received your letter dated April 27, 1990, regarding the Commission's Subpoenas to Produce Documents and Orders to Submit Written Answers. Your letter requests an extension to 15 days to begin after the Commission acts on your motion to quash the subpoenas and orders. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, should the Commission deny your motion, your response will be due the close of the business 15 days after the date the Commission acts on your motion.

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

Sincerely,

Lawrence M. Noble
General Counsel

91040882497

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
James Kassouf) MUR 2675
Michael DeGrandis)

90 MAY -4 PM 4:42
RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On December 7, 1988, the Commission found reason to believe that James Kassouf, Michael DeGrandis and James Dietz violated 2 U.S.C. §§ 434(c) and 441d. On April 3, 1990, the Commission approved subpoenas to produce documents and orders to submit written answers directed toward James Kassouf and Michael DeGrandis. The subpoenas and orders concerned respondents' publication of a handbill which lacked the proper disclaimer required by 2 U.S.C. § 441d. The handbill was prepared under the name "Christian Democrats for a Responsive Government." On April 25, 1990, counsel for respondents timely filed with the Commission a motion to quash the subpoenas and orders.

I. ANALYSIS

A. Position taken by respondents.

Counsel's first argument addresses the validity of the Commission's original reason to believe findings. In a letter dated September 8, 1988, counsel asserted that because the complaint in this Matter did not allege that respondents financed any communication, or made any independent expenditure, the complaint provided no basis for any finding of a violation of the Act. Counsel further argued that the complaint had failed to

91040882498

comply with 11 C.F.R. § 111.4 regarding the requirements for statements made in a complaint. Therefore, because the original findings lacked the proper foundation, counsel now argues that the subpoenas and orders on which they are based are similarly defective.

Counsel further argues that the original complaint alleged violations of the Act that were knowing and willful and which could carry criminal penalties. Therefore, counsel asserts that the subpoenas and orders violate respondents' Fifth Amendment right against self-incrimination.¹

Finally, respondents assert that further action in this Matter is unwarranted given respondents' offer to resolve this Matter through pre-probable cause conciliation.

B. Analysis of responses and recommendations

Respondent's arguments concerning the sufficiency of the complaint were examined in the General Counsel's Report dated December 1, 1988. The Commission approved this Office's recommendations in that report. The position taken by the Office of the General Counsel on the issue of the complaint's sufficiency remains the same - that the complaint presented facts sufficient to support reason to believe findings and complied with the requirements of 11 C.F.R. § 111.4.

1. Counsel's response makes reference to additional reason to believe findings. The letter sent to respondents on April 17, 1990 incorrectly informed them that the Commission had found reason to believe that Christian Democrats had violated 2 U.S.C. §§ 433(a) and 434(a). Respondents have been apprised of this error by telephone on May 1, 1990, and by a letter dated May 2, 1990.

9
1
0
4
0
8
8
2
4
9
9

Regarding counsel's Fifth Amendment arguments, this Office notes that the particular violations that are the subject of the Commission's findings do not carry a criminal component and this Office has not made any recommendations regarding a knowing and willful determination. Further, respondents have not stated or provided information that there is an criminal investigation being undertaken elsewhere concerning the facts in this Matter.

On April 3, 1990 the Commission accepted this Office's recommendation to decline to enter into pre-probable cause negotiations with respondents. The position of this Office remains that, until respondents provide information allowing for a complete investigation, conciliation negotiations would be premature.

This Office recommends, therefore, that the Commission deny the Motion to Quash the Subpoenas and Orders filed on behalf of James Kassouf and Michael DeGrandis.

IV. RECOMMENDATIONS

1. Deny the Motion to Quash the Subpoenas and Orders.
2. Approve the attached letter

Lawrence M. Noble
General Counsel

5/4/90
Date

BY: 
Lois G. Lerner
Associate General Counsel

Attachments

1. Motion to Quash Subpoenas
2. Proposed letter

Staff assigned: Michael Marinelli

91040882500

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2675
James Kassouf)
Michael DeGrandis)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 9, 1990, the Commission decided by a vote of 6-0 to take the following actions in MUR 2675:

1. Deny the Motion to Quash the Subpoenas and Orders, as recommended in the General Counsel's report dated May 4, 1990.
2. Approve the letter, as recommended in the General Counsel's report dated May 4, 1990.

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

Attest:

5-9-90

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Friday, May 4, 1990 4:42 p.m.
Circulated to the Commission: Monday, May 7, 1990 4:00 p.m.
Deadline for vote: Wednesday, May 9, 1990 4:00 p.m.

dh

91040882501



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 14, 1990

John J. Duffy, Esquire
Piper & Marbury
1200 Nineteenth Street, N.W.
Washington, D.C. 20036

RE: MUR 2675
James Kassouf
Michael DeGrandis

Dear Mr. Duffy:

On May 9, 1990, the Federal Election Commission denied your Motion to Quash Subpoenas and Orders in the above-referenced matter. Accordingly, responses to the outstanding subpoenas and orders must be received by the Office of the General Counsel within 15 days after your receipt of this letter. If you have any questions, please contact Michael Marinelli, the attorney handling this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

91040882502

OGC 6472

PIPER & MARBURY

1200 NINETEENTH STREET, N.W.
WASHINGTON, D.C. 20036
202-861-3900
TELECOPIER 202-223-2088
CABLE PIPERMAR WSH
TELEX 904246

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-539-2530

JOHN J. DUFFY
DIRECT DIAL NUMBER
202-861-3938

June 7, 1990

BY HAND

Michael Marinelli, Esq.
Federal Election Commission
6th Floor
999 E Street, N.W.
Washington, D.C. 20463

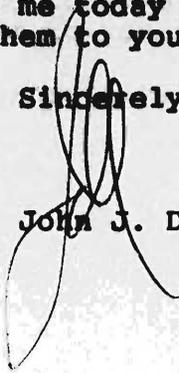
Re: MUR 2675

Dear Mike:

Pursuant to the Commission's subpoena, I enclose the Answers to Interrogatories of Mr. DeGrandis.

Mr. Kassouf has promised me that he will be telecopying his responses to me today or tomorrow at the latest, and I will forward them to you immediately upon receipt.

Sincerely,


John J. Duffy

JJD/dk

Enclosure

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 JUN -7 PM 3:47

91040882503

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
)
)

MUR 2675

ANSWERS TO INTERROGATORIES

1. Describe fully the entity or group called Christian Democrats for a Responsive Government.

- a. Identify its treasurer and its members.
- b. Describe fully your connection with Christian Democrats for a Responsive Government.

Answer:

I am not aware of the existence of any group called Christian Democrats for a Responsive Government.

2. Regarding the publication in 1986 of a handbill by Christian Democrats for a Responsive Government entitled "Who Does Edward Feighan work for," describe fully your role in the production of the handbill.

- a. List all sources of funds used to produce the handbill and,
 - (i) identify each person or entity who contributed the money so used,
 - (ii) list the amounts contributed by each, and
 - (iii) provide all related documentation concerning such contributions including, but not limited to, cancelled checks and deposit slips.

91040882504

b. If your role was that of a vendor of services, state:

- (i) the services you provided;
- (ii) the dollar value of such services;
- (iii) the date(s) you provided such services; and
- (iv) the number of copies of the handbill produced.

c. Provide all documents relating to the production of the handbill including, but not limited to, bills and cancelled checks.

Answer:

(a) Mr. Kassouf discussed with me, on a single occasion, his idea for a handbill. This discussion constitutes the extent of my involvement with the handbill. I did not author or distribute the handbill. I did not provide any funds in connection with the production or distribution of the handbill. I am unaware from my personal knowledge of the sources of funds used to produce the handbill.

(b) I was not a vendor of services in connection with the production of the handbill.

(c) I have no such documents.

3. Identify the following persons or entities and state the role each played in the production of the above handbill:

- a. James Kassouf;
- b. James Dietz;
- c. Downtown Magazine.

Answer:

(a) Other than as stated in the response to Interrogatory No. 2, I have no personal knowledge of Mr. Kassouf's role in the production of the handbill.

(b) I do not know Mr. Dietz's address or phone number; and I have no personal knowledge of Mr. Dietz's role in the production of the handbill.

91040882505

(c) I am not aware of the existence of any publication called the Downtown Magazine.

4. State whether Christian Democrats for a Responsive Government made any contribution or expenditures in 1986 on behalf of or in opposition to any other Federal candidate or whether you as an individual made any other expenditure in 1986 on behalf of or in opposition to any other Federal candidate.

a. Itemize each such contribution or expenditure providing the date, the amount and the candidate benefited or opposed.

b. Provide all documentation related to such contributions and expenditures including, but not limited to, cancelled checks.

Answer:

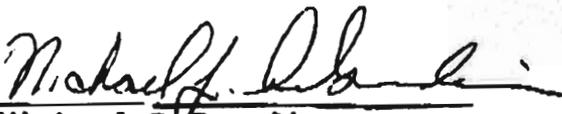
I am not aware of the existence of a group called Christian Democrats for a Responsive Government. I made no expenditures on behalf of or in opposition to any Federal candidate in 1986.

5. Itemize in accordance with 2 U.S.C. §434(b) all contributions received by Christian Democrats for a Responsive Government in 1986.

Answer:

I am not aware of the existence of any group called Christian Democrats for a Responsive Government.

I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.


Michael DeGrandis

Dated:

91040882506

06C 6691

PIPER & MARBURY

1200 NINETEENTH STREET, N.W.
WASHINGTON, D.C. 20036
202-861-3900
TELECOPIER 202-223-2088
CABLE PIPERMAR WSH
TELEX 904246

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201
301-538-2530

JOHN J. DUFFY
DIRECT DIAL NUMBER
202-861-3938

June 25, 1990

Hand Delivered

Michael Marinelli, Esq.
Federal Election Commission
999 E Street, N.W., 6th Floor
Washington, D.C. 20463

Re: MUR 2675

Dear Mike:

Pursuant to the Commission's subpoena, I enclose the
Answers to Interrogatories of Mr. Kassouf.

If you have any questions concerning this matter,
please don't hesitate to contact me.

Sincerely,


John J. Duffy

JJD:dp
Enclosure

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 JUN 25 AM 10:35

91040882507

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
)
)

MUR 2675

ANSWERS TO INTERROGATORIES

1. Describe fully the entity or group called Christian Democrats for a Responsive Government.

- a. Identify its treasurer and its members.
- b. Describe fully your connection with Christian Democrats for a Responsive Government.

Answer:

I am unaware of the existence of any group called Christian Democrats for a Responsive Government.

2. Regarding the publication in 1986 of a handbill by Christian Democrats for a Responsive Government entitled "Who Does Edward Feighan work for," describe fully your role in the production of the handbill.

a. List all sources of funds used to produce the handbill and,

- (i) identify each person or entity who contributed the money so used,
- (ii) list the amounts contributed by each, and
- (iii) provide all related documentation concerning such contributions including, but not limited to, cancelled checks and deposit slips.

91040882508

-2-

c. Provide all documents relating to the production of the handbill including, but not limited to, bills and cancelled checks.

Answer:

(a) I wrote the handbill, and I paid approximately \$1,600 for the cost of producing and distributing the handbill. No other person paid for the handbill.

(c) None.

3. Identify the following persons or entities and state the role each played in the production of the above handbill:

- a. Michael DeGrandis;
- b. James Dietz;
- c. Downtown Magazine.

Answer:

(a) Mr. DeGrandis and I discussed my idea for a handbill. Mr. DeGrandis had no further involvement with the handbill.

(b) I paid Mr. Dietz to produce and distribute the handbill.

(c) I believe James Dietz published the Downtown Magazine. I am not aware of any role that Downtown Magazine played in the production of the handbill.

4. State whether Christian Democrats for a Responsive Government made any contribution or expenditures in 1986 on behalf of or in opposition to any other Federal candidate or whether you as an individual made any other expenditure in 1986 on behalf of or in opposition to any other Federal candidate.

- a. Itemize each such contribution or expenditure providing the date, the amount and the candidate benefited or opposed.
- b. Provide all documentation related to such contributions and expenditures including, but not limited to, cancelled checks.

91040882509

Answer:

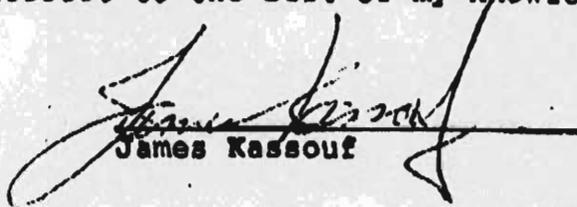
I am unaware of the existence of any group called Christian Democrats for a Responsive Government. As an individual, I did not make any expenditure in 1986 on behalf of or in opposition to any Federal candidate.

5. Itemize in accordance with 2 U.S.C. §434(b) all contributions received by Christian Democrats for a Responsive Government in 1986.

Answer:

I am unaware of the existence of any group called Christian Democrats for a Responsive Government.

I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.


James Kassouf

Dated: June 22, 1990

91740882510

91 JAN 11 AM 11:36

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
James Kassouf)
Michael DeGrandis) MUR 2675
James Dietz)

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On December 7, 1988, the Commission found reason to believe that James Kassouf, Michael DeGrandis and James Dietz violated 2 U.S.C. §§ 434(c) and 441d. The findings concerned respondents' publication of a handbill which lacked the proper disclaimer required by 2 U.S.C. § 441d. The handbill was prepared under the name "Christian Democrats for a Responsive Government." With the findings, the Commission also approved questions to be sent to all three respondents.

While refusing to answer the questions, respondents James Kassouf and Michael DeGrandis requested preprobable cause conciliation. After a period of extended negotiations and discussions with respondents, on April 3, 1990 the Commission denied the conciliation requests and approved subpoenas to produce documents and orders to submit written answers directed toward all three respondents. On April 25, 1990, counsel for James Kassouf and Michael DeGrandis timely filed with the Commission a motion to quash the subpoenas and orders which the Commission denied on April 14, 1990. This Office received Mr. DeGrandis' response to the subpoena on June 7, 1990 while Mr. Kassouf's response was received on June 25, 1990. The subpoena

91040882511

addressed to James Dietz after being delivered to the wrong address, was returned to the Commission on May 8, 1990.¹

II. ANALYSIS

A. Position taken by the respondents

In his answer to the interrogatories, James Kassouf denies the actuality of "Christian Democrats for a Responsive Government" by asserting that he is "unaware of the existence of any group called Christian Democrats for a Responsive Government." Mr. Kassouf states, however, that "I wrote the handbill, and I paid approximately \$1,600, for the cost of producing and distribution the handbill. No other person paid for the handbill." See Attachment 1 at 3. According to Mr. Kassouf, the involvement of both Mr. DeGrandis and Mr. Dietz was minimal:

(a) Mr. DeGrandis and I discussed my idea for a handbill. Mr. DeGrandis had no further involvement with the handbill.

(b) I paid Mr. Dietz to produce and distribute the handbill.

(c) I believe James Dietz published the Downtown Magazine. I am not aware of any role that Downtown Magazine played in the production of the handbill.

1. Throughout the investigation, this Office has had difficulty in reaching Mr. Dietz. The original letter informing respondent of the Commission's findings was returned undelivered. When unable to obtain Mr. Dietz's current home address, this Office obtained the current address of Mr. Dietz's employer, Downtown Magazine, a Cleveland publication. It was to this location that the April 3, 1990 subpoena was sent by certified mail. The available evidence indicates that at some point in the mailing process the subpoena was delivered to a different address, the home address of another James Dietz. After verifying the this person was not the respondent, this Office was able to arrange the return of subpoena materials.

91040882512

Id.

In his response to the interrogatories, Mr. DeGrandis also emphasizes his limited role in producing the handbill:

(a) Mr. Kassouf discussed with me, on a single occasion, his idea for a handbill. This discussion constitutes the extent of my involvement with the handbill. I did not author or distribute the handbill. I did not provide any funds in connection with the production or distribution of the handbill.

Attachment 2 at 3.

B. Analysis of responses and recommendations

9 1 0 4 0 8 8 2 5 1 3
In the First General Counsel's report and subsequent reports this Office stated that while it recommended the Commission initially treat the violations of the respondents as the actions by individuals, this Office would investigate whether the activities of the respondents were such that a political committee analysis would better serve this matter. Although the name of an apparently nonexistent political committee was used, perhaps in hope of increasing the appeal of the handbill, the evidence in hand indicates that the production of the handbill was almost completely the work of one individual respondent, Mr. Kassouf. Therefore, this Office concludes that a political committee analysis would not be appropriate.

The response of James Kassouf provides sufficient information to prepare a conciliation agreement dealing with his violations of the Act. Therefore, this Office recommends that the Commission now approve the request made by James Kassouf to enter into conciliation prior to a finding of probable cause to believe. Regarding the other respondents, the evidence

establishes James Dietz's role as merely a vendor providing services to produce the handbill. Michael DeGrandis' actions relating to the handbill were apparently limited to discussing its possible production on one occasion. Under these circumstances, this Office feels that it is more appropriate to brief this matter as it pertains to Michael DeGrandis and James Dietz than to recommend no further action.

III. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

IV. RECOMMENDATIONS

1. Enter into conciliation prior to a finding of probable cause to believe with James Kassouf.

91040882514

2. Approve the attached conciliation agreement and the appropriate letter.

Lawrence M. Noble
General Counsel

Date

1/10/91

BY:


Lois G. Lerner
Associate General Counsel

Attachments

1. June 25, 1990 response by James Kassouf
2. June 7, 1990 response by Michael DeGrandis
3. Proposed conciliation agreement

Staff assigned: Michael Marinelli

91040882515



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20461

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/DELORES HARRIS *PH*
COMMISSION SECRETARY

DATE: JANUARY 15, 1991

SUBJECT: MUR 2675 - GENERAL COUNSEL'S REPORT
DATED JANUARY 10, 1991

The above-captioned document was circulated to the Commission on Friday, January 11, 1991 at 2:00 p.m.

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

- Commissioner Aikens _____
- Commissioner Elliott _____
- Commissioner Josefiak _____
- Commissioner McDonald XXX
- Commissioner McGarry _____
- Commissioner Thomas _____

This matter will be placed on the meeting agenda for TUESDAY, JANUARY 29, 1991.

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

6
1
5
2
8
8
0
4
0
1
9



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

91 JAN 16 9 12:05

MEMORANDUM

TO: Marjorie W. Emmons
Commission Secretary

FROM: Danny L. McDonald
Commissioner

RE: MUR 2675

DATE: January 16, 1991

I would like to withdraw my objection to MUR 2675 and cast my vote in the affirmative.

Thanks for your attention in this matter.

91040882517

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2675
James Kassouf;)
Michael DeGrandis;)
James Dietz.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on January 16, 1991, the Commission decided by a vote of 6-0 to take the following actions in MUR 2675:

1. Enter into conciliation prior to a finding of probable cause to believe with James Kassouf.
2. Approve the conciliation agreement and the appropriate letter, as recommended in the General Counsel's Report dated January 10, 1991.

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

Attest:

Jan. 16, 1991
Date

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

Received in the Secretariat: Friday, January 11, 1991 11:36 a.m.
Circulated to the Commission: Friday, January 11, 1991 2:00 p.m.
Deadline for vote: Tuesday, January 15, 1991 4:00 p.m.
Objection received: Tuesday, January 15, 1991 2:51 p.m.
Objection withdrawn: Wednesday, January 16, 1991 12:09 p.m.

dh

91040882518



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 22, 1991

John J. Duffy, Esquire
Piper & Marbury
1200 Nineteenth Street, N.W.
Washington, D.C. 20036

RE: MUR 2675
James Kassouf

Dear Mr. Duffy:

On December 7, 1988, the Federal Election Commission found reason to believe that James Kassouf violated 2 U.S.C. §§ 434(c) and 441d. At your request, on January 10, 1991, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If your client, James Kassouf, agrees with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Michael Marinelli, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Berner
Associate General Counsel

Enclosure
Conciliation Agreement

91040882519



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

May 7, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John J. Duffy, Esquire
Piper & Marbury
1200 Nineteenth Street, N.W.
Washington, D.C. 20036

RE: MUR 2675
James Kassouf

Dear Mr. Duffy:

On January 10, 1991, you were notified that, at your request, the Federal Election Commission had determined to enter into negotiations directed toward reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. On that same date you were sent a conciliation agreement offered by the Commission in settlement of this matter.

Please note that conciliation negotiations entered into prior to a finding of probable cause to believe are limited to a maximum of 30 days. While you have discussed in the abstract with Staff from this Office possible counteroffers, to date, you have not made a formal response to the proposed agreement. The 30 day period for negotiations has expired. Unless we receive a formal written response from you within five days, this Office will consider these negotiations terminated and will proceed to the next stage of the enforcement process.

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

Sincerely,

Lawrence M. Noble
General Counsel

BY: Robert W. Bonham, III
Assistant General Counsel

91040882520

91 JUN 26 PM 4 37

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
James Kassouf

)
) MUR 2675
)

SENSITIVE

GENERAL COUNSEL'S REPORT

On January 10, 1991, the Commission determined to enter into pre-probable cause conciliation negotiations with James Kassouf involving violations of 2 U.S.C. §§ 434(c) and 441d. The violations involved a handbill purportedly prepared and distributed by "Christian Democrats for a Responsive Government." In connection with the decision, a conciliation agreement approved by the Commission was mailed to the counsel for respondent on January 22, 1991.

Subsequently, this Office attempted to negotiate with respondent's counsel regarding the proposed agreement. These efforts proved unsuccessful. Respondent's counsel was contacted by phone on three separate occasions and, while he proved willing to discuss the agreement and terms in a general way, no specific written counteroffer was ever received by this Office. Finally, on May 22, 1991, a letter was sent to counsel for respondent requesting that he respond in writing to the agreement. No response has been received. In view of the apparent unwillingness of counsel for James Kassouf to engage

91040882521

in meaningful negotiations, this Office is now moving to the next stage of the enforcement process.

Lawrence M. Noble
General Counsel

June 26, 1991
Date

Fris A. Lerner
BY: Lois G. Lerner *by LGL*
Associate General Counsel

Staff assigned: Michael Marinelli

91040882522

RECEIVED
F.E.C.
SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION 9/ OCT 23 PM 4: 24

In the Matter of)

Michael J. DeGrandis)
James Kassouf)
James Dietz)

MUR 2675

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On August 19, 1988, Congressman Edward F. Feighan filed a complaint with the Commission against James Kassouf, Michael J. DeGrandis and James Dietz. On December 7, 1988, the Commission subsequently found reason to believe that these respondents violated 2 U.S.C. §§ 434(c) and 441d. After requesting several extensions of time to respond to this Office's discovery requests, Kassouf and DeGrandis pleaded the Fifth Amendment.¹ For reasons unknown, Kassouf later requested pre-probable cause conciliation, while DeGrandis stated he would answer this Office's questions provided that this Office agree that if DeGrandis responded negatively, the Commission would dismiss this action against him without any further action. The Commission rejected

1. This Office has been unable to contact James Dietz. The original letter informing respondent of the Commission's findings was returned undelivered. When unable to obtain Dietz's current home address, this Office obtained the current address of Dietz's employer, Downtown Magazine, a Cleveland publication. It was to this location that an April 3, 1990 subpoena was sent by certified mail. The available evidence indicates that at some point in the mailing process the subpoena was delivered to a different address, the home address of another James Dietz. After verifying that this person was not the respondent, this Office was able to arrange the return of subpoena materials.

91040882523

Kassouf's request to enter into conciliation and instead authorized subpoenas against both Kassouf and DeGrandis. After counsel for Kassouf and DeGrandis unsuccessfully moved to quash the subpoenas, Kassouf and DeGrandis finally submitted responses. On January 10, 1991, the Commission voted to enter into pre-probable cause conciliation with Kassouf. However, that conciliation was unsuccessful.

In 1986, Congressman Edward F. Feighan was a candidate for re-election to the United States House of Representatives from the 19th Congressional District of Ohio. In October 1986, shortly before the 1986 Congressional election, respondent James Kassouf produced and distributed a handbill entitled "Who Does Edward Feighan Work For?" The handbill contained the statement "Should the voters of the 19th district vote to re-elect Edward Feighan? NO." At the bottom of this handbill was the statement, "Paid for by Christian Democrats for a Responsive Government."

In his answer to Commission questions, James Kassouf asserted that he is "unaware of the existence of any group called "Christian Democrats for a Responsive Government." Kassouf states, however, that "I wrote the handbill, and I paid approximately \$1,600 for the cost of producing and distributing the handbill. No other person paid for the handbill." According to Kassouf, the involvement of two other individuals, Michael J. DeGrandis and James Dietz, was minimal:

(a) Mr. DeGrandis and I discussed my idea for a handbill. Mr. DeGrandis had no

91040882524

further involvement with the handbill.

(b) I paid Mr. Dietz to produce and distribute the handbill.

(c) I believe James Dietz published the Downtown Magazine. I am not aware of any role that Downtown Magazine played in the production of the handbill.

In his response to the interrogatories, Mr. DeGrandis also emphasizes his limited role in producing the handbill:

(a) Mr. Kassouf discussed with me, on a single occasion, his idea for a handbill. This discussion constitutes the extent of my involvement with the handbill. I did not author or distribute the handbill. I did not provide any funds in connection with the production or distribution of the handbill.

It is undisputed that Mr. Kassouf did not file a FEC Form 5 or a signed statement with the Commission providing the information concerning the expenditure for the production of the handbill.

II. ANALYSIS

Pursuant to 2 U.S.C. § 434(c)(1) and 11 C.F.R. § 109.2, every person (other than a political committee) who makes independent expenditures in an aggregate amount or value in excess of \$250 during a calendar year shall either file with the Commission a signed statement or an FEC Form 5. Pursuant to 11 C.F.R. § 109.2(a)(1)(i)-(v), if a signed statement is submitted, it must include: the identification of the person to whom the expenditure was made; the amount, date and purpose of each expenditure; a statement which indicates whether such expenditure was in support of, or in opposition

91040882525

to, a candidate, together with the candidate's name and office sought; and a notarized certification under penalty of perjury as to whether such expenditure was made in cooperation, consultation or concert with, or at the request or suggestion of any candidate or any authorized committee or agent.

Under 2 U.S.C. § 434(c)(2) and 11 C.F.R. § 109.2, statements and forms required by 2 U.S.C. § 434(c)(1) and 11 C.F.R. § 109.2 shall be filed at the end of the reporting period during which any independent expenditure which aggregates in excess of \$250 is made. Independent expenditures aggregating \$1,000 or more made by any person after the twentieth day, but more than 24 hours before 12:01 A.M. of the day of an election, shall be reported within twenty-four hours after such independent expenditure is made.

Finally under 2 U.S.C. § 441d(a)(3), whenever any person makes an expenditure for the purpose of financing communications expressly advocating the defeat of a clearly identified candidate, such communication, if not authorized by a candidate, an authorized political committee of a candidate or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee.

Under 2 U.S.C. § 431(17), the term "independent expenditure" means an expenditure by a person expressly

91040882526

advocating the election or defeat of a clearly identified candidate which is made without the cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

Express advocacy has been explained in two Supreme Court cases. In Buckley v. Valeo, 424 U.S. 1, 42 (1976), the Court noted "the distinction between discussion of issues and candidates and advocacy of election or defeat of candidates may often dissolve in practical application." Therefore, in order to provide adequate First Amendment protection for the discussion of issues, the Court defined express advocacy for purposes of the Act as requiring the "use of language such as 'vote for,' 'elect,' 'support,'." Id. at 44, n. 52. The Supreme Court reaffirmed this standard in Federal Election Commission v. Massachusetts Citizens for Life, 479 U.S. 238 (1986). The Court observed that in situations where the "message is marginally less direct than 'Vote for Smith'," the Court would still find the presence of express advocacy. Id. at 251. See also 11 C.F.R. § 109.1(b)(2).

The communication in question contained the statement "Should the voters of the 19th district vote to re-elect Edward Feighan? NO." Thus, the materials expressly advocated Feighan's defeat. Furthermore, it is undisputed that the communication was independent. Therefore the amounts spent to produce and distribute the handbill constituted an

91040882527

independent expenditure within the meaning of the Act.

Since the production and distribution of the handbill constituted an independent expenditure and cost more than \$250 to produce, Mr. Kassouf was obligated to either file with the Commission an FEC Form 5 or a signed statement providing the information required by 11 C.F.R. § 109.2. Further, since the funds used to produce the handbill were an expenditure made for the purpose of financing a communication expressly advocating the defeat of Congressman Edward F. Feighan, a clearly identified candidate, Mr. Kassouf was obligated to include in the handbill a disclaimer satisfying the requirements of 2 U.S.C. § 441d(a)(3).

As noted above, Mr. Kassouf failed to file any report or statement regarding the independent expenditure. Furthermore, not only did the handbill in question contain the inaccurate statement that it was "paid for by the Christian Democrats for a Responsive Government," the communication did not contain a statement regarding whether or not it was authorized by any candidate or candidate's committee.

Based on the foregoing, the Office of the General Counsel continues to feel that the production and distribution of the handbill in question was in violation of 2 U.S.C. §§ 434(c)(1) and 441d(a)(3). Although James Kassouf's involvement is evident, James Dietz's and Michael J. DeGrandis' involvement was minimal.

On the other hand, the activity involved took place over

91040882528

five years ago and the amount of the independent expenditure appears to be only \$1,600. In light of these facts and consistent with the proper order of the Commission's priorities and resources, see Heckler v. Cheney, 470 U.S. 821 (1985), this Office recommends that the Commission take no further action against James Kassouf, James Dietz and Michael J. DeGrandis, approve the appropriate letters and close the file in this matter.

III. RECOMMENDATIONS

1. Take no further action against James Kassouf, James Dietz and Michael J. DeGrandis.
2. Approve the appropriate letters.
3. Close the file.

Lawrence M. Noble
General Counsel

10-23-91
Date

BY: 
Lois G. Lerner
Associate General Counsel

Staff Assigned: Dodie C. Kent

91040882529



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20461

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/DONNA ROACH *DR*
COMMISSION SECRETARY

DATE: OCTOBER 28, 1991

SUBJECT: MUR 2675 - GENERAL COUNSEL'S REPORT
DATED OCTOBER 23, 1991.

The above-captioned document was circulated to the Commission on THURSDAY, OCTOBER 24, 1991 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	_____
Commissioner Josefiak	_____
Commissioner McDonald	_____XXX_____
Commissioner McGarry	_____
Commissioner Thomas	_____XXX_____

This matter will be placed on the meeting agenda for TUESDAY, NOVEMBER 5, 1991.

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

91040882530

----- BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2675
Michael J. DeGrandis;)
James Kassouf;)
James Dietz.)

CERTIFICATION

I, Delores Harris, recording secretary for the Federal Election Commission executive session on November 5, 1991, do hereby certify that the Commission decided by a vote of 4-2 to take the following actions in MUR 2675:

1. Take no further action against James Kassouf, James Dietz and Michael J. DeGrandis.
2. Approve the appropriate letters, as recommended in the General Counsel's report dated October 23, 1991.
3. Close the file.

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

Attest:

November 12, 1991
Date

Delores Harris
Delores Harris
Administrative Assistant

91040882531



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

November 18,

CLOSED

John J. Duffy, Esquire
Piper & Marbury
1200 Nineteenth Street, N.W.
Washington, D.C. 20036

RE: MUR 2675
James Kassouf
Michael J. DeGrandis

Dear Mr. Duffy:

On December 16, 1988, your clients, James Kassouf and Michael J. DeGrandis, were notified that the Federal Election Commission ("FEC") found reason to believe that James Kassouf and Michael J. DeGrandis violated 2 U.S.C. §§ 434(c) and 441d.

After considering the circumstances of the matter, the Commission determined on November 5, 1991, to take no further action against James Kassouf and Michael J. DeGrandis, and closed the file. The file will be made 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 of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The Commission reminds you that the distribution of literature which advocates the election or defeat of a clearly identified Federal candidate and costs in excess of \$250 must contain an accurate and appropriate disclaimer and requires the filing of an FEC Form 5. Failure to file such form or affix such disclaimer appears to be a violation of 2 U.S.C. §§ 434(c) and 441d, respectively. Your clients should be sure that this activity does not occur in the future.

If you have any questions, please contact Dodie C. Kent, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

91040882532



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 12, 1991

John J. Duffy, Esquire
Piper & Marbury
1200 Nineteenth Street, N.W.
Washington, D.C. 20036

RE: MUR 2675
James Kassouf
Michael J. DeGrandis

FILED

Dear Mr. Duffy:

In a letter dated November 18, 1991, you were notified that the Federal Election Commission determined, on November 5, 1991, to take no further action against your clients in the above-captioned matter, and closed the file. Please be advised that the language in the third paragraph of that letter was not intended to imply that the Commission had considered the issue whether there was probable cause to believe that Mr. Kassouf or Mr. DeGrandis had violated the Federal Election Campaign Act of 1971, as amended. In addition, with regard to Mr. DeGrandis, I did not intend to imply that there was sufficient evidence to recommend that the Commission find probable cause to believe.

If you have any questions, please call Dodie C. Kent, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,


Lawrence M. Noble
General Counsel

91040882533



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CLOSED

December 19, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert E. Sweeney, Esq.
Robert E. Sweeney Co., L.P.A.
Suite 1500
Illuminating Building
55 Public Square
Cleveland, Ohio 44113

RE: MUR 2675
James Kassouf; James Dietz;
Michael J. DeGrandis

Dear Mr. Sweeney:

This is in reference to the complaint you filed on behalf of Edward F. Feighan on August 19, 1988, concerning the distribution of handbills entitled "Who Does Edward Feighan Work For?"

Based on that complaint, on December 7, 1988, the Commission found that there was reason to believe James Kassouf, Michael J. DeGrandis, and James Dietz violated 2 U.S.C. §§ 434(c) and 441d, provisions of the Federal Election Campaign Act of 1971, as amended (the "Act"), and instituted an investigation. However, after considering the circumstances of this matter, the Commission determined to take no further action against James Kassouf, Michael J. DeGrandis, and James Dietz, and closed the file in this matter on November 5, 1991. This matter will become part of the public record within 30 days. The Act, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

If you have any questions, please contact Anne Weissenborn at (202) 219-3400.

Sincerely,

Dodie C. Kent

Dodie C. Kent
Attorney

Enclosures
General Counsel's Report

91040882534



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 19, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert E. Sweeney, Esq.
Robert E. Sweeney Co., L.P.A.
Suite 1500
Illuminating Building
55 Public Square
Cleveland, Ohio 44113

RE: MUR 2696 merged with 2675
James Kassouf; James Dietz;
Michael J. DeGrandis

Dear Mr. Sweeney:

This is in reference to the complaint you filed on behalf of James M. Ruvolo, Chairman of the Ohio Democratic Party, on September 14, 1988, concerning the distribution of handbills entitled "Who Does Edward Feighan Work For?"

Based on that complaint, on December 7, 1988, the Commission found that there was reason to believe James Kassouf, Michael J. DeGrandis, and James Dietz violated 2 U.S.C. §§ 434(c) and 441d, provisions of the Federal Election Campaign Act of 1971, as amended (the "Act"), and instituted an investigation. However, after considering the circumstances of this matter, the Commission determined to take no further action against James Kassouf, Michael J. DeGrandis, and James Dietz, and closed the file in this matter on November 5, 1991. This matter will become part of the public record within 30 days. The Act, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

If you have any questions, please contact Anne Weissenborn at (202) 219-3400.

Sincerely,

Dodie C. Kent
Attorney

Enclosures
General Counsel's Report

91040882535



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2675

DATE FILMED 12/24/91 CAMERA NO. 2

CAMERAMAN AS

91040882536