



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2904

DATE FILMED 11/29/89 CAMERA NO. 4

CAMERAMAN AS

8 7 0 4 0 7 1 3 4 2 3

REPORTS ANALYSIS REFERRAL  
TO  
OFFICE OF GENERAL COUNSEL

DATE: April 7, 1989

ANALYST: Cara Gordon

I. COMMITTEE: McCarthy Election Committee  
(C00221671)  
Craig Westberg, Treasurer  
3318 W. 95th Street  
Evergreen Park, IL 60642

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

III. BACKGROUND:

The McCarthy Election Committee ("the Committee") disclosed the receipt of an apparent excessive contribution for \$20,000 in the form of a loan from an individual.

The 1988 October Quarterly Report disclosed the receipt of a \$1,000 contribution from Mr. Egon Menker. The Committee received the contribution, which was designated for the general election, on July 29, 1988 (Attachment 2). The Committee's 1988 12 Day Pre-General Report disclosed the receipt of a \$20,000 loan from Mr. Egon Menker on October 7, 1988. The loan was designated for the general election (Attachment 3). The receipt of the loan resulted in an apparent excessive contribution of \$20,000.

The Commission received the Committee's Amended 12 Day Pre-General Report on November 21, 1988. It consisted of a letter stating that "the loan was from Mr. Menker to Joseph J. McCarthy, personally; and Mr. McCarthy in turn loaned the money to the Campaign." A copy of the loan agreement was also included (Attachment 4).

On December 6, 1988, a Request for Additional Information ("RFAI") was sent to the Committee. The RFAI noted the receipt of the apparent excessive contribution and requested that the Committee refund the amount in excess of the \$1,000 per election limit. In addition, the letter noted the possibility of further Commission action concerning the acceptance of an apparent excessive contribution (Attachment 5). A Second Notice was sent on December 20, 1988, for failure to respond (Attachment 6).

800407 / 4424

McCARTHY ELECTION COMMITTEE  
REPORTS ANALYSIS OGC REFERRAL  
PAGE 2

The Committee's Amended 12 Day Pre-General Report was received on January 23, 1989. The amendment stated that the treasurer planned to make a loan payment with proceeds from a fundraiser and provide the Commission with proof of payment (Attachment 7). On February 15, 1989, the Commission received a copy of the bank's certification of a \$1,000 loan repayment made on January 20, 1989 (Attachment 8).

On February 22, 1989, a Reports Analysis Division analyst contacted the candidate after failing to obtain a telephone number for the treasurer. The analyst explained that she was calling in regard to the \$20,000 loan. The candidate stated that the loan was made to him personally and that not all of the funds were applied to his campaign. He then told the analyst how to contact the treasurer (Attachment 9).

On February 23, 1989, the analyst contacted Mr. Westberg. She explained that a loan from an individual was considered a contribution, and that the Committee would have to refund the apparent excessive loan as soon as possible. The treasurer agreed that this was necessary, but disagreed with the candidate's claim that the loan was used for both personal and campaign purposes (Attachment 10).

As of this date, the Committee is still in receipt of a \$19,000 apparent excessive contribution after repaying \$1,000 of the original \$20,000 loan.

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

8909076425

FEDERAL ELECTION COMMISSION  
1987-1988  
CANDIDATE INDEX OF SUPPORTING DOCUMENTS - (E)

ATTACHMENT # 1

PAGE 1 OF 1

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/	PARTY	RECEIPTS		DISBURSEMENTS		COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
			PRIMARY	GENERAL	PRIMARY	GENERAL			
MCCARTHY, JOSEPH J	HOUSE 03	REPUBLICAN PARTY					1988 ELECTION	ID# H01L03037	
1. STATEMENT OF CANDIDATE									
1988 STATEMENT OF CANDIDATE							22JAN88		1 88HSE/340/0120
2. PRINCIPAL CAMPAIGN COMMITTEE									
MCCARTHY ELECTION COMMITTEE								ID #000221671	HOUSE
1988 STATEMENT OF ORGANIZATION							22JAN88		1 88HSE/340/0121
PRE-PRIMARY			15,025		12,469		31DEC87 -29FEB88		10 88HSE/345/1716
PRE-PRIMARY - AMENDMENT			-		-		31DEC87 -29FEB88		1 88HSE/350/0529
1 ST LETTER INFORMATIONAL NOTICE							31DEC87 -29FEB88		1 88FEC/515/4164
APRIL QUARTERLY			5,660		6,873		1MAR88 -31MAR88		9 88HSE/348/0372
JULY QUARTERLY				20,832		19,565	14PR88 -30JUN88		14 88HSE/355/3421
OCTOBER QUARTERLY				10,654		13,145	1JUL88 -30SEP88		15 88HSE/364/4682
OCTOBER QUARTERLY - AMENDMENT				-			- 1JUL88 -30SEP88		2 88HSE/368/4280
PRE-GENERAL				20,365		8,614	1OCT88 -19OCT88		12 88HSE/368/0278
PRE-GENERAL - AMENDMENT				-			- 1OCT88 -19OCT88		2 88HSE/369/2028
PRE-GENERAL - AMENDMENT				-			- 1OCT88 -19OCT88		1 89HSE/374/4857
PRE-GENERAL - AMENDMENT				-			- 1OCT88 -19OCT88		2 89HSE/377/1025
REQUEST FOR ADDITIONAL INFORMATION							1OCT88 -19OCT88		4 88FEC/567/2413
REQUEST FOR ADDITIONAL INFORMATION 2ND							1OCT88 -19OCT88		5 89FEC/575/4781
POST-GENERAL				7,178		18,422	20OCT88 -28NOV88		16 88HSE/372/2782
POST-GENERAL - AMENDMENT				7,178		18,045	20OCT88 -28NOV88		5 89HSE/376/3770
1 ST LETTER INFORMATIONAL NOTICE							20OCT88 -28NOV88		3 89FEC/576/2356
YEAR-END				3,520		2,614	29NOV88 -31DEC88		13 89HSE/376/3537
TOTAL			20,685	62,549	19,342	61,983			116 TOTAL PAGES
3. AUTHORIZED COMMITTEES									
4. JOINT FUNDRAISING COMMITTEES AUTHORIZED BY THE CAMPAIGN									

Cash on hand as of 12/31/88: \$1907.15

Debts as of 12/31/88: \$55,835.42

All reports have been reviewed.

McCarthy Election Committee

A. Full Name, Mailing Address and ZIP Code Egan Mearler 12046 Cheyenne Drive Palos Heights, Ill. 60463 Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (Specify):	Name of Employer Contour Products 5030 W. 111th Street Oak Lawn, Ill. 60453 Occupation Owner/contour prod. Aggregate Year-to-Date > \$ 2,000.00	Date (month, day, year) 7/29/88	Amount of Cash Received this Period \$1,000.00
B. Full Name, Mailing Address and ZIP Code Dorothy Mearler 12046 Cheyenne Drive Palos Heights, Illinois 60463 Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (Specify):	Name of Employer Contour Products 5030 W. 111th Street Oak Lawn, Ill. 60453 Occupation Owner/contour prod. Aggregate Year-to-Date > \$ 2,000.00	Date (month, day, year) 7/29/88	Amount of Cash Received this Period \$1,000.00
C. Full Name, Mailing Address and ZIP Code Edward McCarthy 616 E. 6th Street Winodale, Illinois 60521 Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (Specify):	Name of Employer WST, Inc. 7500 W. 59th Street Sumner, Ill. Occupation owner Aggregate Year-to-Date > \$ 100.00	Date (month, day, year) 9/22/88	Amount of Cash Received this Period \$ 100.00
D. Full Name, Mailing Address and ZIP Code National Republican Congressional Comm. Alexandria, Virginia Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (Specify):	Name of Employer Occupation Aggregate Year-to-Date > \$ 10.29	Date (month, day, year) 7/7/88	Amount of Cash Received this Period 10.29 (In kind)
E. Full Name, Mailing Address and ZIP Code Illinois State Republican Committee 227 North La Salle Street Chicago, Illinois 60601 Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (Specify):	Name of Employer Occupation Aggregate Year-to-Date > \$ 395.00	Date (month, day, year) 7/12/88	Amount of Cash Received this Period 395.00 (In kind)
F. Full Name, Mailing Address and ZIP Code Illinois State Republican Committee 227 North La Salle Street Chicago, Illinois 60601 Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (Specify):	Name of Employer Occupation Aggregate Year-to-Date > \$ 395.00	Date (month, day, year) 8/8/88	Amount of Cash Received this Period 395.00 (In kind)
G. Full Name, Mailing Address and ZIP Code Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify):	Name of Employer Occupation Aggregate Year-to-Date > \$	Date (month, day, year)	Amount of Cash Received this Period

SUM TOTAL of Receipts This Page (optional) .....	\$2,900.29
TOTAL This Period (next page this line number only) .....	\$2,900.29

\*See Schedule B, Page 1 of 1 for Line Number 20a.

**SCHEDULE A**

**ITEMIZED RECEIPTS**

ATTACHMENT # 3  
(Page 1 of 2)

FOR LINE NUMBER  
13(b)

Any information copied from such Reports and Statements may not be sold or used for purposes other than using the name and address of any political committee to solicit contributions with such committee's approval.

statements or for commercial

NAME OF COMMITTEE (in Full)

McCarthy Election Committee

1988 12 DAY PRE-GENERAL REPORT

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Egon Menker 12040 Cheyenne Drive Palos Heights, Illinois 60463	Conour Products Oak Lawn, Illinois Owner	10/7/88	\$ 20,000.00
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date > \$ 20,000.00		
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date > \$		
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date > \$		
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date > \$		
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date > \$		
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date > \$		
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date > \$		

SUBTOTAL of Receipts This Page (optional)

TOTAL This Period (last page this line number only)

\$ 20,000.00

13630282

**SCHEDULE C**  
(Revised 3/81)

**LOANS**

25(b)  
Indicate  
ed Item

Name of Committee (in Full)			
<b>1988 12 DAY PRE-GENERAL REPORT</b>			
<b>A Full Name, Mailing Address and ZIP Code of Loan Source</b> Egon J Menker 12040 Cheyenne Drive P.los Heights, Illinois 60463 Election <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		<b>Original Amount of Loan</b> \$ 20,000.00	<b>Balance Outstanding at Close of This Period</b> \$ 20,000.00
<b>Terms</b> Date Incurred <u>10/7/88</u> Date Due <u>3/7/89</u> Interest Rate <u>10</u> % (Apr) <input type="checkbox"/> Secured			
<b>List All Endorsers or Guarantors (if any) to Item A</b>			
1. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding \$	
2. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding \$	
3. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding \$	
<b>B Full Name, Mailing Address and ZIP Code of Loan Source</b> Election <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		<b>Original Amount of Loan</b>	<b>Balance Outstanding at Close of This Period</b>
<b>Terms</b> Date Incurred _____ Date Due _____ Interest Rate _____ % (Apr) <input type="checkbox"/> Secured			
<b>List All Endorsers or Guarantors (if any) to Item B</b>			
1. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding \$	
2. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding \$	
3. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding \$	
<b>SUBTOTALS This Period This Page (optional)</b>			\$ 20,000.00
<b>TOTALS This Period Rest page in this line only!</b>			\$ 20,000.00
Carry outstanding balance only to LINE 2, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.			

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13630289

REGULAR MAIL

NOV 18 1988

CONGRESS

November 17, 1988

Mr. Donald K. Anderson, Clerk  
U.S. House of Representatives  
Office of the Clerk  
Longworth House Office Building  
Room 1936  
Washington, D.C. 20515

RE: ID No. 125164  
Joseph J. McCarthy Election Committee

Dear Mr. Anderson:

In reference to your letter of November 7, 1988, and the loan from Byron J. Menker, I am enclosing a copy of the actual document. As you can see, the loan was from Mr. Menker to Joseph J. McCarthy, personally, and Mr. McCarthy in turn loaned the money to the Campaign.

When we filed our Form FEC 3, Report of Receipts and Disbursements, we originally referenced this amount on the Detailed Summary Page, Line 13(b). We would appreciate your letting us know if this is correct or if this amount should have been shown on Line 13(a). Additionally, how should we show this amount on Schedule C in future reports and on which line number?

Thanking you for your assistance in this matter, and if you should need any further information, please do not hesitate to contact me

Sincerely,



Craig

CM:nj

88013692028

October 07, 1988

Mr. Egon Menker

Joseph J. McCarthy has received a \$20,000 (Twenty Thousand Dollar) personal loan from Egon Menker. I received the loan and agree to the provisions of repayment which are as follows:

6 Month Repayment  
(October 1988 to March 1989)

Provision for partial payments and renewal agreement of payment if unmet by the sixth month

Total repayment not to exceed one calendar year

No interest payments for the first six months, 10% annual rate for unpaid balance from month seven to twelve.

This agreement between Menker and McCarthy represents the total proceeds of the personal loan to be used for whatever purposes Joseph J. McCarthy deems appropriate.

Joseph J. McCarthy  
Joseph J. McCarthy

Egon Menker  
Egon Menker

Signed and sworn before me on this 7 day of October, 1988

[Signature]  
Notary Public

(Notary Seal Here)

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FEDERAL ELECTION COMMISSION  
WASHINGTON, DC 20463

AQ-2

DEC 6 1982

Craig Westberg, Treasurer  
McCarthy Election Committee  
3318 W. 95th Street  
Evergreen Park, IL 60462

Identification Number: C00221671

Reference: 12 Day Pre-General Report (10/1/88-10/19/88)

Dear Mr. Westberg:

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

-Schedule A of your report (pertinent portion attached) disclosed a contribution(s) which appears to exceed the limits set forth in the Act. An individual or a political committee other than a qualified multicandidate committee may not make a contribution to a candidate for Federal office in excess of \$1,000 per election. The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office. (2 U.S.C. §§441a(a) and (f); 11 CFR 110.1(b), (e) and (k))

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with the clarifying information. If the contribution(s) you received exceeds the limits, you should either refund to the donor the amount in excess of \$1,000 or get the donor to redesignate and/or reattribute the contribution in writing. All refunds, redesignations, and reattributions must be made within sixty days of the treasurer's receipt of the contribution. Copies of refund checks and copies of letters reattributing or redesignating the contributions in question may be used to respond to this letter. Refunds are reported on Line 20 of the Detailed Summary Page and on Schedule B of the report covering the period in which they are made. Redesignations and reattributions are reported as memo entries on Schedule A of the report covering the period in which the authorization for the redesignation and/or reattribution is received. (11 CFR 104.8(d)(2), (3) and (4))

Although the Commission may take further legal steps, prompt action by you to refund or such redesignation and/or restriction of the excessive amount will be taken into consideration.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact us on our toll-free number, (800) 624-9530. My local number is (202) 576-2400.

Sincerely,



Cara Gordon  
Reports Analyst  
Reports Analysis Division

3 1 1 3 3 5 6 7 2 4 1 4



## FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

EQ-3

December 30, 1988

Craig Westberg, Treasurer  
McCarthy Election Committee  
3318 West 95th Street  
Evergreen Park, IL 60642

Identification Number: J0221671

Reference: 12 Day Pre-General Report (10/1/88-10/19/88)

Dear Mr. Westberg:

This letter is to inform you that as of December 29, 1988, the Commission has not received your response to our request for additional information, dated December 6, 1988. That notice requested information essential to full public disclosure of your Federal election financial activity and to ensure compliance with provisions of the Federal Election Campaign Act (the Act). A copy of our original request is enclosed.

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "John D. Gibson".

John D. Gibson  
Assistant Staff Director  
Reports Analysis Division

Enclosure

Mr. John B. Quinn,  
Assistant Inspector  
Reports and Navigation  
Federal Bureau of Investigation  
Washington, D.C. 20535

RE: Memorandum No. 00000000  
Internal Security - Communist Party, U.S.A.

A Fund Raiser was held on January 14, 1955, and we anticipate making a payment from the proceeds. As soon as we have done so, proof of payment will be forwarded on to your office.

Sincerely,

*Ray [Signature]*  
Special Agent in Charge

CH:aj

89013744057

FEB 14 AM 9:29

**McCARTHY**

CONGRESS

REGULAR MAIL  
FEB 18 1999

125164

FEB 15 1999

U.S. HOUSE OF REPRESENTATIVES

FEB 15 AM 11

Mr. John D. Gibson  
Assistant Staff Director  
Reports Analysis Division  
Federal Election Commission  
Washington, D.C. 20463

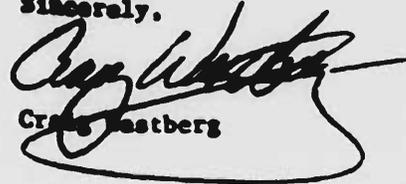
RE: Identification No: C00221671  
12-Day Pre-General Report (10/1/89-12/1/89)

Dear Mr. Gibson:

Enclosed is a copy of the bank's certification for our loan repayment made January 20, 1999.

As additional payments are made, we will continue to forward documentation.

Sincerely,



Craig Westberg

CW:nj  
enc.

8 2 0 9 0 7 1 0 2 3

OAK LAWN TRUST BANK  
200 WEST 10th STREET • OMAHA, NEBRASKA 68102  
PHONE 333-1111 FAX 333-1111

87096

DEBIT  
FOR  
CHECK CANCELED

DATE 1-20-89

NO.	DATE	DESCRIPTION	AMOUNT
1220	1-20-89	Member	1000.00

NO CASH ON HAND OR OTHER FUNDS TO BE DEPOSITED BY THIS CHECK. IF FOR ANY REASON THE CHECK MAY BE CANCELED, YOU MAY RECEIVE THE ORIGINAL CHECK FROM A FINANCIAL INSTITUTION TO RECEIVE CASH AND THE ORIGINAL WILL BE REDEEMED.

PRESENT AT BANK

DATE 1-20-89

*Ronald [Signature]*

*[Signature]*

23-621-6

152

⑆076720457⑆ ⑈00236286⑈ 01652⑆0000100000⑆

1989 FEB 15 AM 10 11  
FEDERAL RESERVE BANK  
ST. LOUIS, MISSOURI

23043711395

## MEMORANDUM TO FILES:

DATE February 22, 1989

TELECON       
VISIT     

NAME OF COMMITTEE: McCarthy Election Committee  
SUBJECT: \$20,000 excessive contribution  
FEC REP: Cara Gordon  
COMMITTEE REP: Dr. Joseph McCarthy

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890407 / 543  
I told Dr. McCarthy that I was calling in regards to a \$20,000 loan he had received from Mr. Egon Menker. He explained that the loan had been personal and that not all of the funds had applied to his candidacy. He then told me how to contact Mr. Westberg, his treasurer.

## MEMORANDUM TO FILES:

DATE February 23, 1989

X  
 TELECON \_\_\_\_\_  
 VISIT \_\_\_\_\_

NAME OF COMMITTEE: McCarthy Election Committee  
 SUBJECT: \$20,000 excessive contribution  
 FEC REP: Cara Gordon  
 COMMITTEE REP: Craig Westberg

89090710437  
 I discussed Dr. McCarthy's claim that the money from the loan was not all used for the campaign but was also for the candidate's personal use. Mr. Westberg said that this was not completely the case. Mr. Westberg is aware that the loan is excessive, and he said that the Committee is trying to pay it back as quickly as possible. I explained that the loan had to be refunded immediately. He explained that the Committee was having fundraisers, but that it was difficult to raise money for a losing candidate. I suggested that the candidate take out a bank loan.

Mr. Westberg asked about the penalties, explaining that he needed something to use as leverage with the other people involved. I told him that it was impossible to give him a definite answer, but that the Committee would be referred to the Office of General Counsel due to the amount of the excessive. I also said that OGC's actions would depend in part upon his actions. He said that they would try to refund the money quickly.

89 JUN 13 AM 9:41

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

FIRST GENERAL COUNSEL'S REPORT

RAD Referral 89L-03

STAFF MEMBER Colleen Miller

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

RESPONDENTS: Joseph McCarthy  
McCarthy Election Committee,  
and Craig Westberg, as treasurer  
Egon Menker

RELEVANT STATUTES: 2 U.S.C. § 432(e)(2)  
2 U.S.C. § 441a

INTERNAL REPORTS CHECKED: Referral Materials  
Public Records

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

The Reports Analysis Division has referred the McCarthy Election Committee ("Committee") and Craig Westberg, as treasurer, to the Office of the General Counsel for the receipt of an apparently excessive contribution in the form of a \$20,000 loan. The Committee reported the receipt of a \$20,000 loan from Mr. Egon Menker on October 7, 1988, after having received a \$1000 contribution for the general election from Mr. Menker on July 29, 1988.

In response to a request for additional information, the Committee has claimed that the loan was made to McCarthy personally, not the committee, and the candidate has stated

870407/3940

that not all of the proceeds went to his campaign. However, subsequently, the committee treasurer has insisted that all proceeds did go to the campaign. A total of \$19,000 remains outstanding on the loan.

## II. FACTUAL AND LEGAL ANALYSIS

Pursuant to 2 U.S.C. § 431(8)(A)(i), the term "contribution" includes "any gift, subscription, loan, advance or deposit of money or anything of value...." Section 441a of the Act decrees that no person shall make contributions in excess of \$1000 per election and no candidate or political committee shall knowingly accept any contribution in excess of that limitation. 2 U.S.C. §§ 441a(a)(1)(A) and 441a(f). The regulations specify that a candidate for federal office may make unlimited expenditures from personal funds, 11 C.F.R. § 110.10. In the context of loans, however, the Act provides that a candidate who receives a loan or contribution for use in his election shall be considered to have accepted such as agent for his authorized committee, 2 U.S.C. § 432(e)(2). See also 11 C.F.R. § 101.2 and 102.7(d).

In Advisory Opinion 1985-33, the Commission noted that when a candidate receives a personal loan which he then lends to his campaign committee, the Act requires that the candidate be treated as obtaining the loan as agent of the committee. The loan is not regarded as personal funds. Likewise, in MUR 2826, the Commission found reason to believe that an excessive contribution occurred where a loan was made by an individual to

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a candidate who then loaned the funds to his campaign committee. The Commission reasoned that the candidate had accepted the loan as agent of his committee. See also AOs 1982-64, 1978-40.

On the face of the reports filed by the Committee, it appears that Mr. Menker made and the Committee, through the candidate, accepted an excessive contribution when the loan of \$20,000 was made. Relying solely on the fact that the loan agreement referred to the transaction as a "personal loan," the Committee claims that the \$20,000 was a personal loan to the candidate which the candidate then loaned to the Committee. The Committee's position is without factual or legal merit. First, this Office notes that the Committee initially reported and continues to report the full loan as a debt owed by the Committee to Mr. Menker. Second, the Committee has made efforts to raise funds to repay the loan. The Committee's treasurer has recently represented to RAD that the funds were not used for personal expenses. There is, therefore, some reason to doubt that the funds were regarded as a personal loan to the candidate at any time, or that any of the proceeds were to be used for non-campaign expenses. Moreover, the loan was made during McCarthy's candidacy and could not be regarded as

390407 / 3442

"personal funds" under 11 C.F.R. § 110.10.<sup>1</sup> See AO 1985-33. It appears, therefore, that McCarthy accepted the loan as agent for the McCarthy Election Committee, pursuant to 2 U.S.C. § 432(e)(2).

More significantly, to respect the candidate's apparent contention that the loan rests outside the limitations of the Act because it is termed "personal" would create an enormous avenue for evading the proscription against excessive contributions in the form of loans. Rather, it appears that the loan was made to the candidate, as agent for his committee, for use in his campaign, and was in fact used for that purpose. Therefore, this Office recommends finding reason to believe that Joseph McCarthy, the McCarthy Election Committee, and Craig Westberg, as treasurer, violated 2 U.S.C. § 441a(f). This Office further recommends finding reason to believe that Mr. Egon Menker made an excessive contribution of \$20,000 to the Committee, in violation of 2 U.S.C. § 441a(a)(1)(A).

### III. RECOMMENDATIONS

#### 1. Open a MUR.

1. Although a candidate can make unlimited expenditures for his election from personal funds, the proceeds of this loan do not appear to be "personal funds" within the meaning of the regulations. The regulations strictly limit the meaning of "personal funds" to those funds and assets over which the candidate had control or to which the candidate had a right of access at the time he became a candidate, 11 C.F.R. § 110.10. The loan in question was made after the time that McCarthy became a candidate, some ten months after declaring candidacy, and is unsecured. It does not appear that McCarthy had any right of access to these funds at the time that he became a candidate.

2. Find reason to believe that Mr. Egon Menker violated 2 U.S.C. § 441a(a)(1)(A).

3. Find reason to believe that Joseph McCarthy, the McCarthy Election Committee, and Craig Westberg, as treasurer, violated 2 U.S.C. § 441a(f).

4. Approve the attached letters and Factual and Legal Analyses.

Lawrence M. Noble  
General Counsel

6-12-89  
DATE

BY:   
Lois G. Werner  
Associate General Counsel

Attachments:

- 1. Referral Materials
- 2. Proposed Letters and Factual and Legal Analyses

390407 / 5444

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Joseph McCarthy )  
McCarthy Election Committee, )  
and Craig Westberg, as treasurer )  
Egon Menker )

RAD Ref. 89L-03

(MUR)  
2904

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 16, 1989, the Commission decided by a vote of 6-0 to take the following actions in RAD Ref. 89L-03:

1. Open a MUR.
2. Find reason to believe that Mr. Egon Menker violated 2 U.S.C. § 441a(a)(1)(A).
3. Find reason to believe that Joseph McCarthy, the McCarthy Election Committee, and Craig Westberg, as treasurer, violated 2 U.S.C. § 441a(f).
4. Approve the letters and Factual and Legal Analyses, as recommended in the First General Counsel's report signed June 12, 1989.

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

Attest:

June 16, 1989  
Date

Hilba Arnold  
for Marjorie W. Emmons  
Secretary of the Commission

Received in the Office of Commission Secretary:	Tues.,	6-13-89,	9:41
Circulated on 48 hour tally basis:	Tues.,	6-13-89,	4:00
Deadline for vote:	Fri.,	6-16-89,	4:00

990407 / 3445



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 23, 1989

Craig Westberg, Treasurer  
McCarthy Election Committee  
3318 W. 95th Street  
Evergreen Park, IL 60462

RE: MUR 2904  
McCarthy Election  
Committee, and  
Craig Westberg, as  
treasurer

Dear Mr. Westberg:

On June 16, 1989, the Federal Election Commission found that there is reason to believe that the McCarthy Election Committee ("Committee") and you, as treasurer, violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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

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

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

89040773446

Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

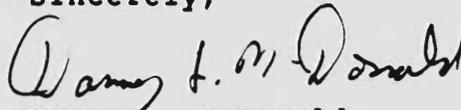
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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

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

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

Sincerely,



Danny L. McDonald  
Chairman

Enclosures  
Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

390407 / 447



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 23 1989

Egon Menker  
12040 Cheyenne Drive  
Palos Heights, IL 60463

RE: MUR 2904  
Egon Menker

Dear Mr. Menker:

On June 16, 1989, the Federal Election Commission found that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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

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

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

890907 / 3448

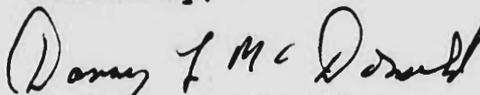
prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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

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

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

Sincerely,

  
Danny L. McDonald  
Chairman

Enclosures  
Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

39040716497



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 23 1989

Joseph McCarthy  
9535 Southwest Highway  
Oak Lawn, IL 60453

RE: MUR 2904  
Joseph McCarthy

Dear Dr. McCarthy:

On June 16, 1989, the Federal Election Commission found that there is reason to believe you violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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

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

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

300407 / 3950

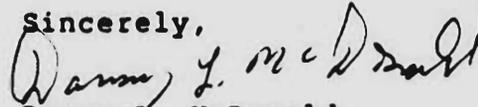
Counsel ordinarily will not give extensions beyond 20 days.

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

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

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

Sincerely,



Danny L. McDonald  
Chairman

Enclosures  
Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

390407 / 3451

060 3371

LAW OFFICES  
**ODELSON & STERK, LTD.**

BURTON S. ODELSON  
MARK H. STERK  
DENISE K. FILAN  
MATHIAS W. DELORT  
PATRICK J. RALEIGH

3318 WEST 95th STREET  
EVERGREEN PARK, ILLINOIS 60642

(312) 424-5678  
FAX: 425-1898

OF COUNSEL:  
RANDOLPH C. GREUNE  
JEAN ROCHE  
MICHAEL R. DONAHUE

July 10, 19879

Federal Election Commission  
Ms. Colleen Miller  
999 E. Street, NW  
Washington, DC 20463

Re: MUR 2904  
Joseph McCarthy

Dear Ms. Miller:

I have enclosed my Statement of Designation of Counsel pursuant to Mr. McDonald's correspondence of June 23, 1989. I received the material on June 27, 1989 which, according to my calculations, gives me until July 12, 1989 to submit factual or legal materials to your office. Rather than proceeding in that manner, Dr. McCarthy and I think it best to pursue the pre-probable cause conciliation hearing which we are requesting at this time. I am enclosing a statement of facts which might be helpful to you in considering the most feasible manner to handle this case.

I called your office today and left my name and number for your return on July 11, 1989. Hopefully, you will have received this communication prior to returning my call. I would appreciate hearing from you to see what the next step is in regards to this file. Thank you for your attention to the above.

Very truly yours,

ODELSON & STERK, LTD.



Burton S. Odelson

BSO/cd  
enclosure

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE CLERK  
89 JUL 11 PM 1:05

HAND DELIVERED  
RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE SERVICES BRANCH  
89 JUL 11 AM 10:37

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STATEMENT OF FACTS

1. The loan from Mr. Menker was made to Joseph McCarthy as a personal debt.
2. Joseph McCarthy did use the money for his campaign with full intention of paying Mr. Menker back.
3. McCarthy did not realize he was violating any election laws or rules when he accepted the money from Menker.
4. After receiving notice from the Commission and realizing the error, there was no money left to correct the situation.
5. After losing the election and being thousands of dollars in debt, Dr. McCarthy then lost his local election for Supervisor of Worth Township (a post which he had held for 12 years).
6. Faced with large personal debt and no full-time job, Dr. McCarthy (who is a Ph.D. Clinical Therapist) filed for personal bankruptcy. The bankruptcy case is currently pending.

890407 / 5453

**STATEMENT OF DESIGNATION OF COUNSEL**

MUR 2904

NAME OF COUNSEL: Burton S. Odelson

ADDRESS: 3318 W. 95th Street

Evergreen Park, IL 60642

312/424-5678

TELEPHONE: 312/424-3125

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.

10 July 89  
Date

Joseph McCarthy  
Signature  
JOSEPH MCCARTHY

RESPONDENT'S NAME: Joseph McCarthy

ADDRESS: 9535 Southwest Highway

Oak Lawn, IL 60453

HOME PHONE: 312/423-6530

BUSINESS PHONE: 312/499-2273

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06C ?

**Reda & Hennessy, P.C.**  
Attorneys

205 W. Wacker Drive, Suite 1040 • Chicago, Illinois 60606 • (312) 236-8580  
4857 W. Belmont Avenue • Chicago, Illinois 60641 • (312) 685-1001  
14450 Long Avenue • Midlothian, Illinois 60445 • (312) 388-3472 & 388-4453

Robert J. Hennessy  
Edward E. Reda, Jr.  
John W. Billhorn

July 6, 1989

Federal Election Commission  
Washington, DC 20463

ATTN: COLLEEN MILLER

Re: MUR 2904  
Egon Menker

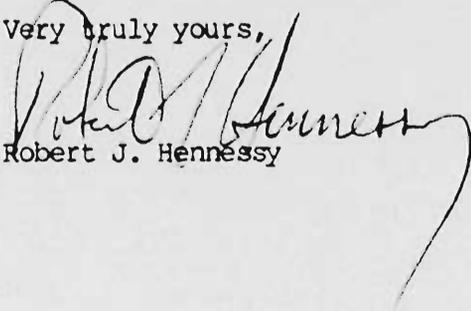
RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
89 JUL 11 PM 1:04

Dear Ms. Miller:

This letter is a follow-up to my telephone call to your office during your absence. I am the attorney for Egon Menker and have enclosed a Statement of Designation of Counsel. At this time, I would like to request an extension of time to respond since Mr. Menker is on vacation until July 17th. At that time, I should be able to meet with Mr. Menker and obtain the information necessary to prepare an accurate response.

During my telephone conversation with your supervisor, I mentioned that I would like to cooperate with your office in resolving this matter as quickly as possible.

Thank you for your consideration of this request for additional time to respond.

Very truly yours,  
  
Robert J. Hennessy

RJH/rf

Enclosure

REGISTERED MAIL--RETURN RECEIPT REQUESTED

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE SERVICES BRANCH  
89 JUL 11 AM 11:51

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STATEMENT OF DESIGNATION OF COUNSEL

**NR** 2904

**NAME OF COUNSEL:** ROBERT J. HENNESSY

**ADDRESS:** 205 W. WACKER  
SUITE 1040

CHICAGO, IL 60606

**TELEPHONE:** (312) 236-8580

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.

7/5/89  
Date

Egon J. Menker  
Signature

**RESPONDENT'S NAME:** EGON MENKER

**ADDRESS:** 12040 CHEYENNE  
PALOS HEIGHTS, IL  
60463

**HOME PHONE:** \_\_\_\_\_

**BUSINESS PHONE:** (312) 582-4700

87040713455

66C 3404

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE SERVICES BRANCH

89 JUL 13 AM 10:29

CRAIG WESTBERG  
SIXTY ORLAND SQUARE DRIVE  
ORLAND PARK, ILLINOIS 60462

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
89 JUL 13 PM 11:56

July 10, 1989

Ms. Colleen Miller  
Federal Election Commission  
Washington, D.C. 20463

RE: MUR 2904  
McCarthy Election Committee

Dear Ms. Miller:

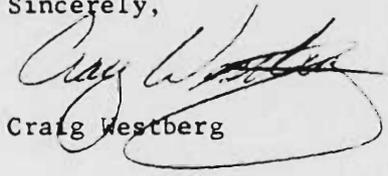
As a follow-up to our telephone conversation of last week at which time I indicated that by the time we realized that we had violated a Provision of the Federal Election Campaign Act, the funds had already been cashed and spent.

We immediately tried to raise some funds to remedy the situation and have since been trying to raise funds, but to no avail, due to Dr. McCarthy losing the Congressional campaign and immediately following, losing a local campaign. With Dr. McCarthy losing both campaigns his ability to raise contributions was greatly diminished.

Additionally, Dr. McCarthy has petitioned the courts for personal bankruptcy and has listed this debt accordingly.

Therefore, I would like to pursue the pre-probable cause conciliation.

Sincerely,

  
Craig Westberg

CW:nj

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 13, 1989

Robert J. Hennessy, Esquire  
205 W. Wacker Drive  
Suite 1040  
Chicago, Illinois 60606

RE: MUR 2904  
Egon Menker

Dear Mr. Hennessy:

This is in response to your letter dated July 6, 1989, which we received on July 11, requesting an extension time to respond to the reason to believe findings in MUR 2904. 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 July 28, 1989.

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

Sincerely,

Lawrence M. Noble  
General Counsel

A handwritten signature in black ink, appearing to be "Lois G. Lerner", is written over the typed name.

BY: Lois G. Lerner  
Associate General Counsel

3 7 0 4 0 7 7 3 4 5 8

OGC 3565

FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

Reda & Hennessy, P.C.  
Attorneys

205 W. Wacker Drive, Suite 1040 • Chicago, Illinois 60606 • (312) 236-8580

4857 W. Belmont Avenue • Chicago, Illinois 60641 • (312) 685-1061

14450 Long Avenue • Midlothian, Illinois 60445 • (312) 388-3472 & 388-4444

89 JUL 27 PM 1:27

Robert J. Hennessy  
Edward E. Reda, Jr.  
John W. Billhorn

July 26, 1989

HAND DELIVERED  
RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE SERVICES BRANCH  
89 JUL 27 AM 10:29

Federal Election Commission  
Washington, D.C. 20463

Attention: Ms. Colleen Miller

RE: MUR 2904  
Egon Menker

Dear Ms. Miller,

This letter is in response to the Commission's letter to Mr. Menker on June 23, 1989, regarding Joseph J. McCarthy. My client, Egon Menker, did make a loan to Mr. McCarthy at Mr. McCarthy's request for \$20,000.00. The circumstances surrounding this transaction are as follows:

1. On or about October 7, 1988, Joseph J. McCarthy came to Mr. Menker's office in Oak Lawn, Illinois, to seek a loan of \$20,000.00 for his election committee. Mr. Menker agreed to make the loan to the election committee. The loan was to be repaid over six months with extensions thereof not to exceed an additional six months. The loan agreement was incorporated into a promissory note prepared by the election committee. A copy of said note is attached as Exhibit A.
2. Mr. Menker made said loan without seeking legal counsel in that it never occurred to him that such a loan might violate a federal statute. In addition, the wording of the last paragraph of the promissory note seemed to indicate that the loan would be used for "campaign purposes legally defined by Congressional rules and regulations" and would be "recorded as prescribed by Federal Election Law", thus giving the pretense of being within the law to the unknowing or unsuspecting.
3. Subsequently, Mr. McCarthy told Mr. Menker that he had been advised by his (Mr. McCarthy's) attorney that the loan should be a personal loan and not one to his election committee. Mr. McCarthy produced a new note to be substituted for the original note, said note is attached as Exhibit B.
4. Mr. Menker again relied on the advice of Mr. McCarthy and did not seek the opinion of legal counsel. On or about January 8, 1989, Mr. Menker received a repayment of \$1,000.00 from the election committee.
5. On or about May 22, 1989, Mr. Menker received a notice that Mr. McCarthy had filed bankruptcy and that he was named as a creditor therein. The notice is attached hereto as Exhibit C. Thereafter, Mr. Menker called this firm for advice on the pending bankruptcy.

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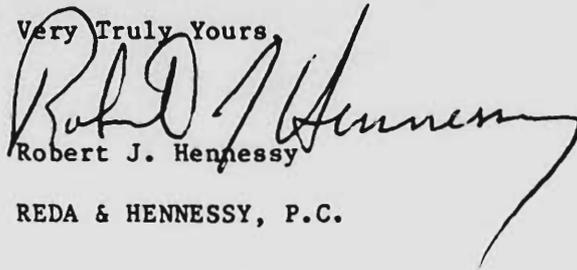
July 26, 1989  
Ms. Colleen Miller  
Page Two

In concluding, I would like to reaffirm that Mr. Menker never knowingly intended to violate any federal law with his loan to Mr. McCarthy. He believed Mr. McCarthy to be a friend who was in need of Mr. Menker's financial assistance. Mr. Menker accepted Mr. McCarthy's statements without question. Surely, Mr. McCarthy, his election committee or his attorney should have been aware that the loan violated federal statutes and should not have solicited such loans. Further, it would be my opinion that Mr. McCarthy became aware that the loan was not proper when he asked Mr. Menker to substitute the personal note for the original note to the election committee. Surely he had an affirmative duty to advise Mr. Menker that the loan was not proper, but he failed to do so.

On behalf of Mr. Menker and in light of the foregoing circumstances, I ask that the Commission take no action against Mr. Menker.

Thank you for your consideration. Please advise.

Very Truly Yours,



Robert J. Hennessy

REDA & HENNESSY, P.C.

RJH/lb

Enclosures;

20040713460



WILLIAM F. MAHAR  
Honorary Chairman

McCARTHY

'88

CONGRESS

October 07, 1988

To: Egon Menker

Joseph J. McCarthy dba McCarthy Election Committee has received a \$20,000 (Twenty Thousand Dollar) personal loan from Egon Menker. As a representative of the registered committee, I receive the loan and agree to the provisions of repayment which are as follows:

6 Month Repayment  
(October 1988 to March 1989)

Check # 1619  
DATED 10-7-88

Provision for partial payments and renewal agreement of payment if unmet by sixth month.

Total repayment not to exceed one calendar year.

No interest payments for the first six months, 10% annual rate for unpaid balance from month seven to twelve.

The agreement between Menker and McCarthy is the total proceeds of this personal loan is to be used for campaign purposes legally defined by Congressional rules and regulations. The personal loan will be recorded as prescribed by Federal Election Law.

Joseph J. McCarthy  
Joseph J. McCarthy

Egon J. Menker  
Egon J. Menker

Signed and sworn before me on this 7th day of October, 1988.

Carol A. DeLoer  
Notary Public

My Commission Expires Aug. 19, 1989

(Notary Seal Here)

6200 WEST 95th STREET

OAK LAWN, ILLINOIS 60453

(312) 430-8188  
(312) 430-8190

30040713961

EXHIBIT A

October 07, 1988

To: Egon Menker

Joseph J. McCarthy has received a \$20,000 (Twenty Thousand Dollar) personal loan from Egon Menker. I received the loan and agree to the provisions of repayment which are as follows:

6 Month Repayment  
(October 1988 to March 1989)

Provision for partial payments and renewal agreement of payment if unmet by the sixth month

Total repayment not to exceed one calendar year

No interest payments for the first six months, 10% annual rate for unpaid balance from month seven to twelve.

This agreement between Menker and McCarthy represents the total proceeds of the personal loan to be used for whatever purposes Joseph J. McCarthy deems appropriate.

Joseph J. McCarthy  
Joseph J. McCarthy

Egon J. Menker  
Egon J. Menker

Signed and sworn before me on this 7<sup>th</sup> day of October, 1988

[Signature]  
Notary Public

(Notary Seal Here)

EXHIBIT B

330407 / 3462

NORTHERN DISTRICT OF ILLINOIS - EASTERN DIVISION

CHAPTER: 07

CASE NUMBER  
89 B 07889

39 B 07889  
U. S. BANKRUPTCY COURT  
219 S. DEARBORN ST  
CHICAGO, IL 60604-1702

JOSEPH JEREMIAH MCCARTHY 319-36-6148  
9535 SOUTHWEST HIGHWAY  
OAK LAWN, IL 60453-2854  
AKA MCCARTHY & ASSOCIATES LTD,

ORDER FIXING TIMES FOR FILING OBJECTIONS TO DISCHARGE AND FOR FILING COMPLAINTS TO DETERMINE DISCHARGEABILITY OF CERTAIN DEBTS, COMBINED WITH NOTICE THEREOF AND OF MEETING OF CREDITORS AND OF AUTOMATIC STAY

TO THE DEBTOR, HIS/HER CREDITORS, AND OTHER PARTIES IN INTEREST:

AN ORDER FOR RELIEF UNDER 11 U.S.C. CHAPTER 7 HAVING BEEN ENTERED ON A PETITION FILED BY (OR AGAINST) THE ABOVE-NAMED DEBTOR(S) ON MAY 10, 1989 IT IS ORDERED AND NOTICE IS HEREBY GIVEN THAT

8907889 - 27 MENK  
EGON MENKER  
12040 CHEYENNE DRIVE  
PALOS HEIGHTS, IL 60463-1677

- 1. AUGUST 11, 1989 IS FIXED AS THE LAST DAY FOR THE FILING OF OBJECTIONS TO THE DISCHARGE OF THE DEBTOR PURSUANT TO 11 U.S.C. SECTION 727.
- 2. AUGUST 11, 1989 IS FIXED AS THE LAST DAY FOR THE FILING OF A COMPLAINT TO DETERMINE THE DISCHARGEABILITY OF ANY DEBT PURSUANT TO 11 U.S.C. SECTION 523(C).

YOU ARE FURTHER NOTIFIED THAT:

THE UNITED STATES TRUSTEE HAS CALLED A MEETING OF CREDITORS PURSUANT TO 11 U.S.C. SECTION 341(A) WHICH SHALL BE HELD AT: INSURANCE EXCHANGE BUILDING 175 W. JACKSON BLVD. ROOM A1151 CHICAGO, IL 60604-2601 ON JUNE 12, 1989 AT 1.00 P.M.

THE DEBTOR SHALL APPEAR IN PERSON AT THAT TIME AND PLACE FOR THE PURPOSE OF BEING EXAMINED.

THE MEETING MAY BE CONTINUED OR ADJOURNED FROM TIME TO TIME BY NOTICE AT THE MEETING, WITHOUT FURTHER WRITTEN NOTICE TO CREDITORS.

AT THE MEETING THE CREDITORS MAY ELECT A TRUSTEE AS PERMITTED BY LAW, (IF APPROPRIATE) DESIGNATE A PERSON TO SUPERVISE THE MEETING, ELECT A COMMITTEE OF CREDITORS, EXAMINE THE DEBTOR, AND TRANSACT SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING.

AS A RESULT OF THE FILING OF THE PETITION, CERTAIN ACTS AND PROCEEDINGS AGAINST THE DEBTOR AND HIS/HER PROPERTY ARE STAYED AS PROVIDED IN 11 U.S.C. SECTION 362(A).

IF NO OBJECTION TO THE DISCHARGE OF THE DEBTOR IS FILED ON OR BEFORE THE LAST DATE FIXED THEREFORE AS STATED IN SUBPARAGRAPH 1 ABOVE, THE DEBTOR WILL BE GRANTED HIS/HER DISCHARGE. IF NO COMPLAINT TO DETERMINE THE DISCHARGEABILITY OF A DEBT UNDER CLAUSE (2), (4) OR (6) OF 11 U.S.C. SECTION 523(A) IS FILED WITHIN THE TIME FIXED THEREFORE AS STATED IN SUBPARAGRAPH 2 ABOVE, THE DEBT MAY BE DISCHARGED.

IT APPEARS FROM THE SCHEDULES OF THE DEBTOR THAT THERE ARE NO ASSETS FROM WHICH ANY DIVIDENDS CAN BE PAID TO THE CREDITORS, IT IS UNNECESSARY FOR ANY CREDITOR TO FILE HIS/HER CLAIM AT THIS TIME IN ORDER TO SHARE IN ANY DISTRIBUTION FROM THE ESTATE. IF IT SUBSEQUENTLY APPEARS THAT THERE ARE ASSETS FROM WHICH A DIVIDEND MAY BE PAID, CREDITORS WILL BE SO NOTIFIED AND GIVEN AN OPPORTUNITY TO FILE THEIR CLAIMS.

UNLESS THE COURT EXTENDS THE TIME, ANY OBJECTION TO THE DEBTOR'S CLAIM OF EXEMPT PROPERTY (SCHEDULE B-4) MUST BE FILED WITHIN 30 DAYS AFTER THE CONCLUSION OF THE MEETING OF CREDITORS.

PHILLIP D LEVEY ESQ OF 135 SOUTH LASALLE STREET SUITE 1527 CHICAGO, IL 60603-4155 (312-726-4475) HAS BEEN APPOINTED INTERIM TRUSTEE OF THE ESTATE OF THE ABOVE-NAMED DEBTOR.

DATED: MAY 19, 1989

DEBTOR'S ATTORNEY: FRANCIS M LYNCH  
3318 WEST 95TH STREET

BY THE COURT:

EVERGREEN PARK, IL 60642-2233  
312-857-8600

ROBERT E GINSBERG  
BANKRUPTCY JUDGE

EXHIBIT C

89 AUG -9 AM 10: 04

**SENSITIVE**

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Joseph McCarthy )  
McCarthy Election Committee, and )  
Craig Westberg as treasurer )

MUR 2904

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On June 16, 1989, the Commission found reason to believe that the McCarthy Election Committee and Craig Westberg, as treasurer (the "Committee") and Joseph McCarthy violated 2 U.S.C. § 441a(f), and that Egon Menker violated 2 U.S.C. § 441a(a). The findings were based on information provided by the Reports Analysis Division indicating that the Committee, through the candidate, had accepted a contribution in the form of a \$20,000 loan from Mr. Menker on October 7, 1988, after having already received the maximum permissible contribution from Menker. The Committee has made one payment of \$1000 on the loan, on January 20, 1989. A total of \$19,000 plus interest remains unpaid.

The Commission's findings and factual and legal analyses were sent to the respondents on June 23, 1989. The candidate, by letter of counsel received on July 11, 1989, admitted to the facts constituting the violation and requested pre-probable cause conciliation. (Attachment 1). The answer states that

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the candidate has filed for personal bankruptcy. In a telephone conversation with counsel, this Office learned that Dr. McCarthy's bankruptcy proceeding, #89B-07889, N.D. Ill., is complete except for the receipt of the discharge order of the Trustee in Bankruptcy.

On July 13, 1989, the Office of the General Counsel likewise received a reply from the Committee, which admitted to the violation and requested pre-probable cause conciliation. (Attachment 2). The response notes that the candidate has been unsuccessful in raising additional monies because of his loss of both the congressional campaign and, subsequently, a local campaign. The Committee's response also notes that the candidate has petitioned for personal bankruptcy and has listed the debt to Mr. Menker accordingly.

Counsel for Mr. Menker has responded separately. (Attachment 3). According to that answer and documents produced with it, the loan to McCarthy was originally expressly intended to be for McCarthy's campaign. McCarthy subsequently learned that such a loan would be an illegal contribution and, in an apparent attempt to correct the violation, persuaded Menker to substitute a note making the loan owed by McCarthy personally. As discussed in the First General Counsel's Report in this matter, even if it were a personal loan, the fact that it was used for the campaign makes it a contribution within the meaning of the Act. See Advisory Opinions 1985-33, 1982-64. We note that Menker has not yet

39040773465

requested pre-probable cause conciliation.

II. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

3 9 0 4 0 7 / 5 4 5 6

III. RECOMMENDATIONS

1. Enter into conciliation with Joseph McCarthy prior to a finding of probable cause to believe.

2. Enter into conciliation with the McCarthy Election Committee prior to a finding of probable cause to believe.

3. Approve the attached proposed conciliation agreements and letters.

Lawrence M. Noble  
General Counsel

8/8/82  
Date

BY:   
Lois G. Lerner  
Associate General Counsel

**Attachments**

- 1. Request for conciliation-McCarthy
- 2. Request for conciliation-Committee
- 3. Response from Menker
- 4. Proposed Conciliation Agreements and letters

Staff assigned: C. Miller

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Joseph McCarthy ) MUR 2904  
McCarthy Election Committee, and )  
Craig Westberg as treasurer )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 11, 1989, the Commission decided by a vote of 5-0 to take the following actions in MUR 2904:

1. Enter into conciliation with Joseph McCarthy prior to a finding of probable cause to believe.
2. Enter into conciliation with the McCarthy Election Committee prior to a finding of probable cause to believe.
3. Approve the proposed conciliation agreements and letters as recommended in the General Counsel's Report dated August 8, 1989.

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

Attest:

8-11-89

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary of the Commission

Received in the Secretariat:	Wednesday, August 9, 1989	10:04 a.m.
Circulated to the Commission:	Wednesday, August 9, 1989	4:00 p.m.
Deadline for vote:	Friday, August 11, 1989	4:00 p.m.

30040713458



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 17, 1989

Burton S. Odelson  
Odelson and Sterk  
3318 West 95th Street  
Evergreen Park, IL 60642

RE: MUR 2904  
Joseph McCarthy

Dear Mr. Odelson:

On June 16, 1989, the Federal Election Commission found reason to believe that Joseph McCarthy violated 2 U.S.C. § 441a(f). At your request, on August 11, 1989, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

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

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

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
Conciliation Agreement

30040716459



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 17, 1989

Craig Westberg, Treasurer  
McCarthy Election Committee  
60 Orland Square Drive  
Orland Park, IL 60462

RE: MUR 2904  
McCarthy Election Committee,  
and Craig Westberg, as  
treasurer

Dear Mr. Westberg:

On June 16, 1989, the Federal Election Commission found reason to believe that the McCarthy Election Committee violated 2 U.S.C. § 441a(f). At your request, on August 11, 1989, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

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

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

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
Conciliation Agreement

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89 AUG 30 PH 2:34

BEFORE THE FEDERAL ELECTION COMMISSION

**SENSITIVE**

In the Matter of  
Egon Menker

)  
)  
)

MUR 2904

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On June 16, 1989, the Commission found reason to believe that Egon Menker violated 2 U.S.C. § 441a(a). The findings were based on information provided by the Reports Analysis Division indicating that Menker, on October 7, 1988, made a \$20,000 loan to candidate Joseph McCarthy and, through the candidate, to the McCarthy Election Committee and Craig Westberg, as treasurer (the "Committee").<sup>1</sup> Reason to believe findings were also made with regard to Joseph McCarthy and the Committee.

The Commission's findings and factual and legal analyses were sent to the respondents on June 23, 1989. The candidate and the Committee have made separate requests for pre-probable cause conciliation, which the Commission voted to enter into on August 11, 1989. Negotiations are ongoing with both of those respondents.

Counsel for Menker has responded separately. (Attachment 1). According to that answer and documents produced with it,

1. Menker made the loan after having made the maximum permissible contribution to the Committee. The Committee has made one payment of \$1000 on the loan, on January 20, 1989. A total of \$19,000 plus interest remains unpaid.

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the \$20,000 loan to McCarthy was originally expressly intended to be for McCarthy's campaign. McCarthy subsequently learned that such a loan would be an illegal contribution and advised Menker to substitute a note making the loan owed by McCarthy personally, apparently in an attempt to correct the violation. As discussed in the First General Counsel's Report in this matter, even if it were a personal loan, the fact that it was used for the campaign makes it a contribution within the meaning of the Act. See Advisory Opinions 1985-33, 1982-64.

Menker's response, as do those of the other respondents, notes that the candidate has filed for personal bankruptcy. In a telephone conversation with the candidate's counsel, this Office learned that Dr. McCarthy's bankruptcy proceeding, #89B-07889, N.D. Ill., is complete except for the receipt of the discharge order of the Trustee in Bankruptcy. Menker is one of the creditors in that proceeding.

Menker's response asks that the Commission take no further action against Menker. Counsel for Menker, on August 18, 1989, stressed that his client would prefer to pursue pre-probable cause conciliation if the Commission should decide that taking no further action is inappropriate.

## II. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

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**III. RECOMMENDATIONS**

- 1. Enter into conciliation with Egon Menker prior to a finding of probable cause to believe.
- 2. Approve the attached proposed conciliation agreement and letter.

Lawrence M. Noble  
General Counsel

8/30/89  
Date

BY:   
Lois G. Lerner  
Associate General Counsel

**Attachments**

- 1. Response from Menker
- 2. Proposed Conciliation Agreement and letter

Staff assigned: C. Miller

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Egon Menker ) MUR 2904  
)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on September 5, 1989, the Commission decided by a vote of 5-0 to take the following actions in MUR 2904:

1. Enter into conciliation with Egon Menker prior to a finding of probable cause to believe, as recommended in the General Counsel's Report dated August 30, 1989.
2. Approve the proposed conciliation agreement and letter, as recommended in the General Counsel's Report dated August 30, 1989.

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

Attest:

9/5/89  
Date

Hilda Arnold  
for Marjorie W. Emmons  
Secretary of the Commission

Received in the Secretariat:	Wednesday, August 30, 1989	2:34 p.m.
Circulated on 48 hour tally basis:	Thursday, August 31, 1989	11:00 a.m.
Deadline for vote:	Tuesday, September 5, 1989	11:00 a.m.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 12, 1989

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Burton S. Odelson  
Odelson and Sterk  
3318 West 95th Street  
Evergreen Park, IL 60642

RE: MUR 2904  
Joseph McCarthy

Dear Mr. Odelson:

On August 17, 1989, you were notified that, at your request, the Federal Election Commission 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. To date, you have not responded to the proposed agreement. The 30 day period for negotiations will soon expire. Unless we receive a 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 Colleen Miller, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

300407 / 3475



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 12, 1989

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Craig Westberg, Treasurer  
McCarthy Election Committee  
60 Orland Square Drive  
Orland Park, IL 60462

RE: MUR 2904  
McCarthy Election Committee,  
and Craig Westberg, as  
treasurer

Dear Mr. Westberg:

On August 17, 1989, you were notified that, at your request, the Federal Election Commission 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. To date, you have not responded to the proposed agreement. The 30 day period for negotiations will soon expire. Unless we receive a 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 Colleen Miller, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

30040713470



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 13, 1989

Robert J. Hennessy  
Reda & Hennessy  
205 W. Wacker Drive  
Chicago, IL 60606

RE: MUR 2904  
Egon Menker

Dear Mr. Hennessy:

On June 16, 1989, the Federal Election Commission found reason to believe that Egon Menker violated 2 U.S.C. § 441a(a)(1)(A). At your request, on September 5, 1989, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

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

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

Sincerely,

Lawrence M. Noble  
General Counsel

A handwritten signature in black ink, appearing to be "L. G. Lerner", written over a horizontal line.

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
Conciliation Agreement

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RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

89 SEP 11 AM 9:35

CRAIG WESTBERG

7620 WEST 135TH STREET

ORLAND PARK, ILLINOIS 60462

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE CLERK  
WASHINGTON, DC 20463  
89 SEP 14 AM 9:56

September 7, 1989

Ms. Colleen Miller  
c/o Federal Election Commission  
Washington, D.C. 20463

RE: MUR 2904  
McCarthy Election Committee and  
Craig Westberg, Treasurer

Dear Colleen:

Enclosed please find a signed Conciliation Agreement relating to the  
McCarthy Election Committee along with my check in the amount of \$750.00  
for the civil penalty, per Article Six.

Hoping this will conclude this matter.

Sincerely,

*Craig Westberg*  
Craig Westberg

CW:nj  
enclosures

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DGC 4237

BURTON S. ODELSON  
MARK H. STERK  
DENISE K. FILAN  
MATHIAS W. DELORT  
PATRICK J. RALEIGH

RECEIVED  
LAW OFFICES FEDERAL ELECTION COMMISSION  
MAIL ROOM  
**ODELSON & STERK, LTD.**  
3318 WEST 95th STREET  
EVERGREEN PARK, ILLINOIS 60642  
09 OCT 10 AM 10:05  
(312) 424-5678  
FAX: 425-1898

OF COUNSEL:  
RANDOLPH C. GREUNE  
JEAN ROCHE  
MICHAEL R. DONAHUE

October 6, 1989

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE CLERK  
89 OCT 10 PM 3:00

Ms. Lois G. Lerner  
Associate General Counsel  
Federal Election Commission  
999 East Street, NW  
Washington, D.C. 20463

Re: MUR 2904 - Joseph McCarthy

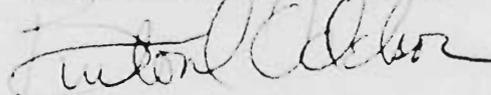
Dear Ms. Lerner:

Enclosed herein is the executed Conciliation Agreement and check in the amount of \$750.00 for the civil penalty. Mr. McCarthy has decided to pay the penalty in one check rather than in six installments. Please send me a copy of the Conciliation Agreement after it has been reviewed and signed by the Commission.

Thank you for your help with this matter. If you have any questions, please do not hesitate to contact me.

Very truly yours,

ODELSON & STERK, LTD.



Burton S. Odelson

BSO/kr  
Enclosure

cc: Ms. Colleen Miller  
Attorney at Law

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20461

October 11, 1989

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Robert J. Hennessy  
Reda & Hennessy  
205 W. Wacker Drive  
Chicago, IL 60606

RE: MUR 2904  
Egon Menker

Dear Mr. Hennessy:

On September 13, 1989, you were notified that, at your request, the Federal Election Commission 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. To date, you have not responded to the proposed agreement. The 30 day period for negotiations will soon expire. Unless we receive a 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 Colleen Miller, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

**SENSITIVE**

In the Matter of	)	
	)	
Joseph McCarthy	)	MUR 2904
The McCarthy Election Committee	)	
and Craig Westberg, as treasurer	)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On June 16, 1989, the Commission found reason to believe that the McCarthy Election Committee and Craig Westberg, as treasurer (the "Committee") and Joseph McCarthy violated 2 U.S.C. § 441a(f) and that Egon Menker violated 2 U.S.C. § 441a(a). The findings were based on information provided by the Reports Analysis Division indicating that Menker, on October 7, 1988, made a \$20,000 loan to McCarthy and, through the candidate, to the Committee.<sup>1</sup>

The candidate, the Committee, and Menker each have made separate requests for pre-probable cause conciliation, which the Commission voted to enter into on August 11, 1989 and September 5, 1989. On September 14, 1989, the Commission received a personal check from the treasurer for the full amount of the penalty assessed against the Committee, \$750, along with the signed conciliation agreement. Attachment #1.

1. Menker made the loan after having made the maximum permissible contribution to the Committee. The Committee has made one payment of \$1000 on the loan, on January 20, 1989. A total of \$19,000 plus interest remains unpaid.

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Therefore, we recommend that the Commission accept the conciliation agreement, and approve the attached letter notifying the Committee that the matter is closed with respect to them.

Active negotiations are ongoing both with the candidate and with Menker. This Office anticipates that the negotiations will produce acceptable agreements in the near future.

II. RECOMMENDATION

Accept the conciliation agreement and approve the attached letter to the McCarthy Election Committee and Craig Westberg, as treasurer and close the file as it pertains to them.

Lawrence M. Noble  
General Counsel

Date

10/3/89

BY:

Lois G. Lerner  
Lois G. Lerner  
Associate General Counsel

Attachments

1. Signed conciliation agreement and check from Westberg
2. Letter to Westberg

Staff Assigned: C. Miller

390407/3492

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Joseph McCarthy ) MUR 2904  
The McCarthy Election Committee )  
and Craig Westberg, as treasurer )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 6, 1989, the Commission decided by a vote of 5-0 to accept the conciliation agreement and approve the letter to the McCarthy Election Committee and Craig Westberg, as treasurer and close the file as it pertains to them, as recommended in the General Counsel's Report dated October 3, 1989.

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

Attest:

Oct. 3, 1989

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary of the Commission

Received in the Secretariat: Wednesday, October 4, 1989 9:27 a.m.  
Circulated to the Commission: Wednesday, October 4, 1989 11:00 a.m.  
Deadline for vote: Friday, October 6, 1989 11:00 a.m.

390407 / 3485



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 11, 1989

Craig Westberg, Treasurer  
McCarthy Election Committee  
60 Orland Square Drive  
Orland Park, IL 60462

RE: MUR 2904  
McCarthy Election Committee,  
and Craig Westberg, as treasurer

Dear Mr. Westberg:

On October 5, 1989, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your behalf in settlement of a violation of 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to the McCarthy Election Committee and you, as treasurer. This matter will become a part of the public record within 30 days after it has been closed with respect to all other respondents involved. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Colleen Miller, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
Conciliation Agreement

370407/3494

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
The McCarthy Election Committee, ) MUR 2904  
and Craig Westberg, as )  
treasurer )

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that the McCarthy Election Committee and Craig Westberg, as treasurer, ("Respondents") violated 2 U.S.C. § 441a(f).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

III. Respondents enter voluntarily into this agreement with the Commission.

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

1. The McCarthy Election Committee is a political

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committee within the meaning of 2 U.S.C. § 431(4).

2. Craig Westberg is the treasurer of the McCarthy Election Committee.

3. The Committee accepted a loan from an individual in the amount of \$20,000.

4. Respondents repaid \$1,000 of the loan on January 20, 1989.

5. On May 10, 1989, the candidate, Joseph McCarthy, petitioned for an order for relief in bankruptcy, which will discharge, inter alia, the remaining debt owed to the individual.

6. Pursuant to 2 U.S.C. § 431(8)(A)(i), the term "contribution" includes any loan or advance.

7. Section 441a(f) of Title 2 states that no candidate or political committee shall knowingly accept any contribution from a person in excess of \$1000 per election.

V. Respondents accepted a \$20,000 contribution in the form of a loan from an individual, in violation of 2 U.S.C. § 441a(f).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of seven hundred fifty dollars (\$750), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement

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or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

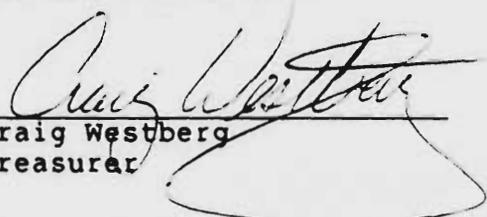
FOR THE COMMISSION:

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

Date 10-11-89

FOR THE RESPONDENTS:

  
Craig Westberg  
Treasurer

Date 9/6/89

89040713487



WILLIAM F. MAHAR  
Honorary Chairman

**McCARTHY**

**'88**

**CONGRESS**

October 9, 1989

Office of the General Counsel  
Federal Election Commission  
999 E Street NW  
Washington, DC 20463

RE: McCarthy Election Committee  
FEC Identification No: 125164

*MUR 2904*

Dear Sir:

In an effort to prepare a final report on behalf of the McCarthy Election Committee, I ask that you give me some guidelines as to whether or not our final debts of the Election Committee have been satisfied.

Dr. McCarthy has petitioned the courts for personal bankruptcy, at which time he listed all of the outstanding obligations of the Election Committee.

My questions is whether or not, in your opinion, the obligations have in fact been satisfied and if we are able to file a final report.

Thanking you in advance for your assistance in this matter.

Sincerely,

Craig Westberg  
Treasurer

CW:nj

P.S: Could you please send your written opinion to me at the following address: (Should you need to contact me by phone -- (312) 349-6400)

Craig Westberg  
Sixty Orland Square Drive, Suite 300  
Orland Park, Illinois 60462

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM  
89 OCT 12 AM 10:31

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE GENERAL COUNSEL  
89 OCT 12 AM 11:28

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6200 WEST 95th STREET

OAK LAWN, ILLINOIS 60453

(312) 430-8188  
(312) 430-8190

OGC 4258

**Reda & Hennessy, P.C.**  
Attorneys

205 W. Wacker Drive, Suite 1040 • Chicago, Illinois 60606 • (312) 236-8580  
4857 W. Belmont Avenue • Chicago, Illinois • (312) 685-1001  
14450 Long Avenue • Midlothian, Illinois 60445 • (312) 388-3472 & 388-4453

Robert J. Hennessy  
Edward E. Reda, Jr.  
John W. Billhorn

October 9, 1989

Federal Election Commission  
Washington, D.C. 20463

ATTN: LOIS G. LERNER

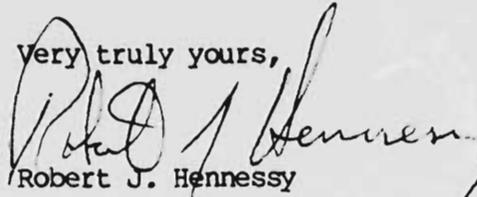
Re: MUR 2904  
Egon Menker

Dear Ms. Lerner:

Pursuant to your letter of September 13, 1989, I have reviewed the proposed conciliation agreement with my client and have had him execute the same. A signed copy of the agreement is enclosed. Once the agreement has been accepted, please forward a copy to my office. Our escrow check for \$750.00 is also enclosed.

Thank you for your assistance.

Very truly yours,

  
Robert J. Hennessy

RJH/rf

Enclosures

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE CLERK  
89 OCT 13 PM 5:12

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM  
89 OCT 12 AM 10:41

890407/3499

89 OCT 18 AM 11:29

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Joseph McCarthy )  
The McCarthy Election Committee, )  
and Craig Westberg as treasurer )  
Egon Menker )

MUR 2904

**SENSITIVE**

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On June 16, 1989, the Commission found reason to believe that the McCarthy Election Committee and Craig Westberg, as treasurer (the "Committee") and Joseph McCarthy violated 2 U.S.C. § 441a(f) and that Egon Menker violated 2 U.S.C. § 441a(a). The findings were based on information provided by the Reports Analysis Division indicating that Menker, on October 7, 1988, made a \$20,000 loan to McCarthy and, through the candidate, to the Committee.<sup>1</sup>

The candidate, the Committee, and Menker each have made separate requests for pre-probable cause conciliation, which the Commission voted to enter into on August 11, 1989 and September 5, 1989. On October 6, 1989, the Commission accepted a conciliation agreement with the Committee and closed the file with respect to that respondent. On October 10, 1989, the Commission received a personal check from the candidate for the

1. Menker made the loan after having made the maximum permissible contribution to the Committee. The Committee has made one payment of \$1000 on the loan, on January 20, 1989. A total of \$19,000 plus interest remains unpaid.

890407 / 3490

full amount of the penalty assessed against him, \$750, along with the signed conciliation agreement. Attachment #1.

On October 13, 1989, the Commission received a check on behalf of Egon Menker for the full amount of the penalty assessed against him, \$750, along with the signed conciliation agreement. Attachment #2. Therefore, we recommend that the Commission accept the conciliation agreements, approve the attached letters, and close the file.

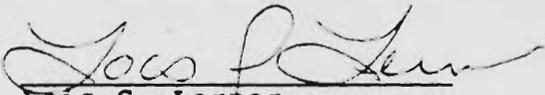
II. RECOMMENDATIONS

1. Accept the conciliation agreement with Joseph McCarthy.
2. Accept the conciliation agreement with Egon Menker.
3. Approve the attached letters to Joseph McCarthy, Egon Menker, and the McCarthy Election Committee and Craig Westberg, as treasurer.
4. Close the file.

Lawrence M. Noble  
General Counsel

10-17-89  
Date

BY:

  
Lois G. Lerner  
Associate General Counsel

Attachments

1. Signed conciliation agreement and check from McCarthy
2. Signed conciliation agreement and check from Menker
3. Letters to McCarthy, Menker and Westberg

Staff Assigned: C. Miller

39040713491

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Joseph McCarthy	)	MUR 2904
The McCarthy Election Committee,	)	
and Craig Westberg as treasurer	)	
Egon Menker	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 20, 1989, the Commission decided by a vote of 4-0 to take the following actions in MUR 2904:

1. Accept the conciliation agreement with Joseph McCarthy, as recommended in the General Counsel's Report dated October 17, 1989.
2. Accept the conciliation agreement with Egon Menker, as recommended in the General Counsel's Report dated October 17, 1989.
3. Approve the letters to Joseph McCarthy, Egon Menker, and the McCarthy Election Committee and Craig Westberg, as treasurer, as recommended in the General Counsel's Report dated October 17, 1989.
4. Close the file.

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

Attest:

10-23-89

Date

*Marjorie W. Emmons*

Marjorie W. Emmons  
Secretary of the Commission

Received in the Secretariat:	Wednesday, October 18, 1989 11:28 a.m.
Circulated to the Commission:	Wednesday, October 18, 1989 4:00 p.m.
Deadline for vote:	Friday, October 20, 1989 4:00 p.m.

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FEDERAL ELECTION COMMISSION

WASHINGTON DC 20463

October 26, 1989

Craig Westberg, Treasurer  
McCarthy Election Committee  
60 Orland Square Drive  
Orland Park, IL 60462

RE: MUR 2904  
McCarthy Election Committee,  
and Craig Westberg, as treasurer

Dear Mr. Westberg:

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

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

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

3 2 0 4 0 7 / 3 4 9 3



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 26, 1989

Robert J. Hennessy  
Reda & Hennessy  
205 W. Wacker Drive  
Chicago, IL 60606

RE: MUR 2904  
Egon Menker

Dear Mr. Hennessy:

On October 20, 1989, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 441a(a), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to Egon Menker. This matter will become a part of the public record within 30 days. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Colleen Miller, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
Conciliation Agreement

89040713494

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Egon Menker ) MUR 2904

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that the Egon Menker ("Respondent") violated 2 U.S.C. § 441a(a)(1)(A).

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

III. Respondent enters voluntarily into this agreement with the Commission.

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

1. Egon Menker is a "person" within the meaning of 2 U.S.C. § 431(11).

390407 / 0495

2. The McCarthy Election Committee is a political committee within the meaning of 2 U.S.C. § 431(4).

3. Respondent Menker made a loan to the McCarthy Election Committee in the amount of \$20,000, after having made the maximum permissible contribution to the committee.

4. The McCarthy Election Committee repaid \$1,000 of the loan on January 20, 1989.

5. On May 10, 1989, the candidate, Joseph McCarthy, petitioned for an order for relief in bankruptcy, which will discharge, inter alia, the remaining debt owed to the Respondent.

6. Pursuant to 2 U.S.C. § 431(8)(A)(i), the term "contribution" includes any loan or advance.

7. Section 441a(a)(1)(A) of Title 2 states that no person shall make a contribution to a candidate's political committee in excess of \$1000 per election.

V. Respondent made a \$20,000 contribution to the McCarthy Election Committee in the form of a loan, in violation of 2 U.S.C. § 441a(a)(1)(A).

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of seven hundred fifty dollars (\$750), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement

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or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

10-24-89  
Date

FOR THE RESPONDENT:

  
Egon Menker

10/21/89  
Date

890407/0997



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 26, 1989

Burton S. Odelson  
Odelson and Sterk  
3318 West 95th Street  
Evergreen Park, IL 60642

**CLOSED**

RE: MUR 2904  
Joseph McCarthy

Dear Mr. Odelson:

On October 20, 1989, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to Joseph McCarthy. This matter will become a part of the public record within 30 days. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Colleen Miller, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
Conciliation Agreement

390407 / 0998

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Joseph McCarthy ) MUR 2904  
)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Joseph McCarthy ("Respondent") violated 2 U.S.C. § 441a(f).

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

III. Respondent enters voluntarily into this agreement with the Commission.

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

1. Joseph McCarthy was, at all relevant times, a candidate within the meaning of 2 U.S.C. § 431(2).

390407 / 3497

2. Respondent accepted a loan from an individual in the amount of \$20,000, for use in his election.

3. Respondent's authorized committee repaid \$1,000 of the loan on January 20, 1989.

4. On May 10, 1989, respondent petitioned for an order for relief in bankruptcy, which will discharge, inter alia, the remaining debt owed to the individual.

5. Pursuant to 2 U.S.C. § 431(8)(A)(i), the term "contribution" includes any loan or advance.

6. Pursuant to 2 U.S.C. § 432(e)(2), a candidate who receives a loan or contribution for use in his election shall be considered to have accepted such as agent for his authorized committee.

7. Section 441a(f) of Title 2 states that no candidate or political committee shall knowingly accept any contribution from a person in excess of \$1000 per election.

V. Respondent, as agent for his authorized committee, accepted a \$20,000 contribution in the form of a loan from an individual, in violation of 2 U.S.C. § 441a(f).

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of seven hundred fifty dollars (\$750), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement

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or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble  
General Counsel

BY: *Lois G. Lerner* 10/26/89  
Lois G. Lerner Date  
Associate General Counsel

FOR THE RESPONDENT:

*Joseph McCarthy* 10/31/89  
Joseph McCarthy Date

890407/3501



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2904

DATE FILMED 11/29/89 CAMERA NO. 4

CAMERAMAN AS

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