



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3347

DATE FILMED 1/8/93 CAMERA NO. 4

CAMERAMAN J.J.B.

93040924432

FEDERAL ELECTION COMMISSION

CAMPAIGN FINANCE ELECTION LAW COMPLAINT

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FEDERAL ELECTION COMMISSION  
MAN ROOM  
91 JUN 26 PM 1-20

Mark A. Stemniski )  
319 East Main Street, H-11 )  
Marlboro, Massachusetts 01752 )  
 )  
COMPLAINANT )

June 19, 1991

vs.

MUR 3347

LaRouche For President )  
a/k/a Schiller Institute, Inc. )  
a/k/a Hamilton System Distrib- )  
utors Inc. )  
 )  
DEFENDANT )

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
91 JUN 24 PM 3:52

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I am pointing out to the Office of General Counsel of the Federal Election Commission that the above-named defendant may have committed and may be currently committing campaign finance violations. (NOTE: This complaint is also being filed with the Massachusetts Attorney General, since it appears that the Schiller Institute is soliciting in violation of the public charities laws.)

SUMMARY

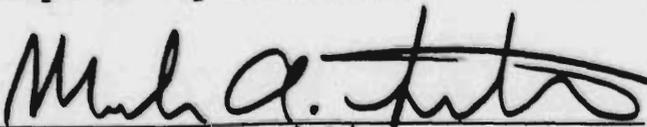
The complainant has been asked to give money and volunteer time for the LaRouche Presidential campaign. After reading the material, the complainant doesn't know if he is being asked to aid (a) a Presidential campaign, (b) a for-profit book distribution company, or (c) a charitable organization. It appears that all three activities may be intermingled and that commingling of funds and expenses may be occurring.

FACTS

1. In late May 1991, Hamilton System Distributors Inc. cold-called the complainant, asking him to subscribe the LaRouche magazine at a subscription price of \$396 per year. The sales rep's name was Hal.
2. The complainant sent Hamilton System Distributors \$10 for a sample issue out of curiosity just to see what type of magazine warrants a \$396 price tag.

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3. On June 10, 1991, the complainant again received an unsolicited call asking him to pay \$396 for the LaRouche magazine. The caller's name was Marian Black. During the course of the conversation, the LaRouche person mentioned a campaign to save the children of Iraq. The complainant said he was interested in seeing something about that.
  4. On Thursday, June 13, 1991, the LaRouche material arrived in the complainants mail. The material included: (a) the latest LaRouche magazine issue, (b) information on the "Committee To Save The Children In Iraq," and (c) information on organizational meetings for LaRouche's 1992 Presidential campaign.
  5. The LaRouche Presidential campaign flyer does not have a proper "paid for..." disclaimer on it. The complainant does not know who is actually responsible for the flyer's content. According to New England Telephone directory assistance, The Schiller Institute does not have the phone number listed on the flyer.
  6. According to the Massachusetts Secretary of State's corporation records, Hamilton System Distributors Inc. is a New Jersey corporation which has never paid its annual fees to the Commonwealth of Massachusetts.
  7. According to the Massachusetts Secretary of State's corporation records, The Schiller Institute is not licensed as either a domestic or foreign corporation in Massachusetts.
  8. According to the Massachusetts Secretary of State Public Records Office, the LaRouche Presidential committees have never sent that office copies of their FEC reports as they are required to do. Consequently, the complainant was not able to view those records.

Respectfully Submitted,



Mark A. Steniski

Date: June 19, 1991

The Commonwealth of Massachusetts

MARLBOROUGH,

Date: JUNE 19, 1991

MIDDLESEX ss.

Personally appeared before me the above named, Mark A. Stemniski, residing at 319 East Main Street, H-11, Marlboro, Massachusetts and made oath that: He has reason to believe that campaign finance violations have been committed; and that the foregoing statement, along with all the following attachments, is true to the best of his knowledge and belief.

*Juanita R Brodeur*

NOTARY PUBLIC  
JUANITA R. BRODEUR

P.OBOX # 414/MARLBORO, MA. 01752

Title  
MY COMM. EXP. MAY 17, 1996

My Commission Expires: \_\_\_\_\_

93040924435

SUMMARY OF ATTACHMENTS

- Page 1      A copy of the LaRouche Presidential Campaign meeting flyer.
- Page 2      A copy of the Schiller Institute's Committee To Save The Children in Iraq promotional material. On page 3, it lists the Schiller Institute's Massachusetts address and phone number.
- Page 3      A copy of the face of the envelope used to send the material to the complainant.

93040924436

# LaRouche's 1992 Campaign

On March 18, 1991, Democratic presidential candidate Lyndon LaRouche was interviewed at the federal medical center in Rochester, Minnesota, where he recently began his third year of incarceration as a political prisoner of the Bush administration. In that interview, he stated, in part:

"What do we have today? We have George Bush, who represents a Yale-based Freemasonic cult, properly known as the Skull and Bones chapter of Yale, who, all his life, like his mentors Henry Stimson, Averall Harriman, and so forth, who are all from the Skull and Bones chapter types of circles, has been committed to neo-malthusianism, has been committed to an Anglo-American world empire, an American-dominated New Age. One sees from the Justice Department proclamations and so forth, the actions in Panama, the actions in the Gulf, that Bush conceives of himself as an Imperial President. It would not be considered entirely absurd to spread the rumor that he's about to send down to the Congress a bill establishing himself as a god, in the tradition of Cæsar Augustus. Bush does project the image of a parody of Cæsar Augustus. He wants a world dominated by the Anglo-Americans, which is American brawn and British brains, running a world empire. The Americans will be content to be allowed to express their brawn, and will submit to British brains...

"Now, we're in a much more dangerous situation. I don't know exactly how to assess it. There are too many factors -- we're dealing with the human equation. I don't know if there's enough left in the American people to resist it, but it's not for me to say there isn't. It's for me to say, "Well, I'll do all I can to facilitate the resistance," and I hope we can resist. I hope we still have enough of us, who have the morals and the guts to fight this, from the inside."

Don't make a virtue of being uninformed. If you begin to think, you will be able to move others to do so as well. Plan to attend one of our political briefings, which occur monthly, in the following areas:

Every first Thursday, 7:30 PM:

NEWTON, MA; Days Inn  
399 Grove Street  
Exit #22, Off Route 128  
(.5 mile south of Mass Pike)

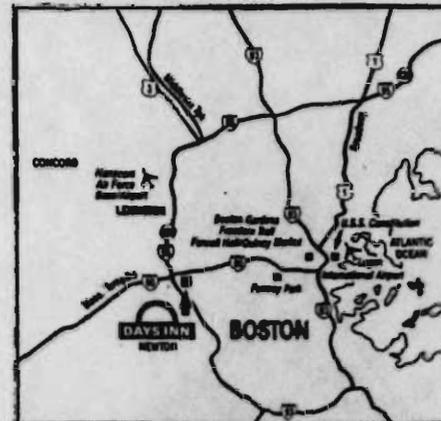
Every Third Wednesday, 7:30 PM:

NEW BEDFORD, MA; Days Inn  
500 Hathaway Road  
Exit #13B Off Interstate-195,  
Take Route 140 to Hathaway Road Exit.

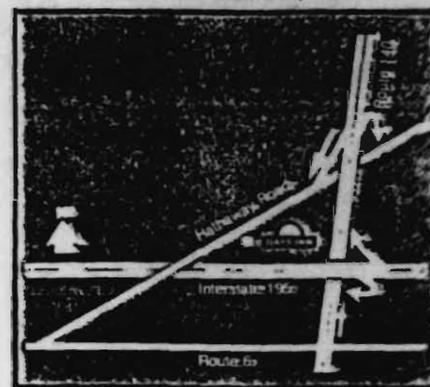
Every Fourth Thursday, 7:30 PM:

SALEM, NEW HAMPSHIRE; Econo Lodge  
One Keewaydin Drive  
Exit #2, Interstate-93,

In NEWTON, MA:



In NEW BEDFORD, MA:



In SALEM, NEW HAMPSHIRE:



NOTE: This exhibit has been photo-reduced by the complainant.

The Schiller Institute  
For More Information, Call:  
(617) 380 - 4008

93040924437

## COMMITTEE TO SAVE THE CHILDREN IN IRAQ

c/o Schiller Institute, Inc.  
P.O. Box 66082  
Washington, D.C. 20035-6082  
202-628-0272

# Committee to Save the Children in Iraq Plan of Action

9 3 0 4 0 9 2 4 4 3 8

The Committee to Save the Children in Iraq has been founded as a non-partisan coalition of doctors, intellectuals, leaders in the religious community, human rights and right-to-life activists, politicians, relief workers, prominent citizens, trade unionists, farmers, and all those who cherish the sacredness of human life. We have come together out of a shared concern that, unless immediate steps are taken, a tragedy of apocalyptic proportions will play itself out in Iraq, annihilating an entire population. Especially threatened are the children of Iraq, who represent the country's future.

We are committed to mobilizing public opinion and responsible government and international bodies to act on three levels to stop genocide in Iraq: 1) immediate relief, through shipments of food, medicines and other emergency items, particularly required for children; 2) equipment, such as generators and hospital equipment, to start activity needed to save lives; 3) reconstruction of basic infrastructure.

Reports from the United Nations, the Physicians for Human Rights, the International Red Cross, the Gulf Peace Team, and scores of others document the devastation caused by over 120,000 US-led air strikes against Iraq's infrastructure. The precision bombing methods utilized succeeded in paralyzing the nervous system of the entire country, destroying communications, transportation, basic utilities such as electricity and water, as well as homes, schools, factories, farms, distribution outlets and places of worship. The "near-apocalyptic results" of which United Nations emissary Martti Ahtisaari spoke following his March 10-18 tour of Iraq, are visible in reported cases of cholera, typhus, and other epidemic diseases. Most endangered are the elderly and children. According to a more recent UNICEF report 5 million children in the region as a whole are threatened by death due to food and water shortages, and disease. As of late February, the calories available to Iraqis

averaged between 750 and 1000 a day—less than what a 5-year-old child needs.

### Immediate Needs

Individuals and organizations working with the Committee have identified the following needs, corresponding to the three levels of intervention mentioned above.

1) Approximately 3.9 million tons of staple foods are required over the course of the coming year, in order to close the gap between 750/1000 calories a day, to 2500 calories a day on average. The emphasis must be on items that do not need refrigeration as that is no longer possible due to the bombing. Food items most needed are rice, tea, coffee, flour, powdered milk, canned meat (not pork) and canned vegetables. Approximately 21,900 tons of dried milk powder are required over the coming year to provide for infants.

Medicines urgently required include those to regulate blood pressure and cardiotonics; anaesthetics (for local anaesthesia as well as for surgery), disinfectants (to purify water, to wash vegetables, to disinfect wounds, for hospital use); insulin for diabetics; antibiotics of a wide variety; and throw-away syringes.

2) Hospital equipment is required to set up functional operating rooms. Electric generators, not less than 10 kw, are urgently needed, as well as material to repair existing generators. Generators are now being moved about in cities and from village to village, because of their scarcity; massive amounts are required, as refrigerators can run only a few hours and freezers, not at all. Emergency power equipment, fuel to run it, and chemicals for water treatment must be provided. While the UN estimates needs at 40 litres per person per day, we believe that 150 litres per person per day must be brought on as soon as possible. Before the war,

the population was getting 450 litres per day on average. 150 litres is the minimum given the special demands created by the present sharp increase in diarrheal diseases.

To get to 150 liters a day in Baghdad, 6.75 thousand tons of fuel will be needed to run water purification facilities, plus 16 tons of chlorine, and 5.6 thousand tons of alum. For sewage treatment, 3.3 thousand tons of diesel fuel would be needed to operate sewage treatment equipment, in addition to 16 more generators for emergency use.

Vehicles of all types are needed, especially ambulances, jeeps, bulldozers, dump trucks and spare parts like batteries, tires.

3) Basic infrastructure for gathering and stocking food must be provided, in order that the wheat crop sown last fall be harvested. Seed stocks must be replenished by October 1991, that enough fruits and vegetables may be planted.

To rebuild Iraq's infrastructure, a major effort involving governments must mobilize civilian engineering corps to build bridges across the Tigris and Euphrates and restore transport capabilities. A Gulf Peace Team report (April 17) emphasizes the importance of regenerating the Iraqi distribution system, in cooperation with the Iraqi government, so as to ensure that all relief efforts reach the people in need. Emergency measures must also be taken to provide at least 25 percent of the pre-war civilian fuel consumption.

Beyond the emergency phase of restoration of basic infrastructure, a vast project for infrastructure development in the entire Gulf and Mideast region, through cooperative governmental efforts, is required.

## Lifting the Sanctions

The first step toward implementing this emergency program must be to mobilize the political will to make available the necessary resources. The precondition for averting genocide in Iraq is the lifting of the UN embargo against the country, to allow it to sell its oil and therefore be able to purchase necessary goods for the population. A country which was dependent on imports for 70% of its food before the war cannot survive the embargo. Indeed, more deaths are expected through famine and epidemics in the wake of the war than during hostilities themselves. As the cited Gulf Peace Team report moots, "One is led to conclude that the continuation of the sanctions serves more insidious purposes, such as driving the Iraqi people to despair and, ultimately, rebellion." Among others demanding the lifting of the embargo were the representatives of the Christian churches in Iraq, in their meeting with Pope John Paul II in the Vatican May 5. His Holiness indicated he would act through international channels to remove the embargo, according to press reports.

Secondly, governments must be forced to mobilize a large-scale relief and reconstruction effort, in cooperation

with the Iraqi authorities and other cooperating governments in the region.

Finally, the Bush administration policy of "retribution" and technological apartheid (denying life-saving technology to the Third World) must be stopped.

The world-wide mobilization to defeat famine and disease, starting with the dire state of Iraq, can not only solve that problem, but provide the impetus for reversing the immoral IMF economic policies of the last 20 years.

The Committee to Save the Children in Iraq has been brought into being by the following individuals: (affiliation for identification purposes only)

Rev. James Bevel, U.S. civil rights leader

His Beatitude Patriarch Raphael I Bidawid, Patriarch of the Chaldean Church, Baghdad

Amelia Boynton Robinson, U.S. civil rights leader, Author

Jacques Cheminade, Schiller Institute, Paris

Jutta Dinkerman, Club of Life, Germany

Dr. A. Hassan-Halboos, M.D., Haan, Germany

Katharine Kanter, Journalist, Germany

Muriel Mirak-Weissbach, Author, Germany

Richard Nikodaim, Berlin

Fiorella Operto, Schiller Institute, Rome

Dr. Reza Sabri-Tabrizi, Edinburgh, Scotland

Ulf Sandmark, Anti-Drug Coalition, Stockholm

Helga Zepp-LaRouche, Schiller Institute

### *People working with the Committee:*

Irrngard Ehrenberger, Middle East Action Network, Vienna

Prof. Dr. Hans Koechler, International Progress Organization, Vienna

The Committee to Save the Children in Iraq collaborates with relief organizations and private groups dedicated to collecting needed goods, and organizations and groups which transport and deliver them. The Committee serves as a coordinating link between the two. While open to collaboration with all such oriented organizations, the Committee currently works through the following:  
Letter of James-Food for Peace, Sweden, which collects food, clothing and medicine.

International Progress Organization, Vienna, which organizes transportation of food and medicines to children in Iraq, via Amman.

Middle East Action Network, Vienna, which organizes transportation of food and medicines to Iraq, via Amman. It is currently rebuilding and re-equipping a hospital in Kerbala.

Patriarchate of Baghdad, which coordinates distribution of food and medical supplies.

The activities of the Committee are supported by the following: (affiliation for identification purposes only)

Dr. Beatrice Boctor, Psychiatrist, Cambridge, England

Keith Bovey, Solicitor, Edinburgh, Scotland

Msg. Robert Callahan, STL, JCL - US Catholic Relief Mission

Dr. Janet Cameron, formerly Gulf Peace Team, Ayrshire, Scotland

Alan Clayton, Schoolteacher, Glasgow, Scotland

Dr. Andrew Dobson, Keele University, Lecturer in Politics

Mary Catherine Donnelly, Regent, Catholic Daughters of America

Prof. M. Dummett, New College, Oxford

Dr. James Elgorn, The Flying Physicians, USA

Sr. Rosa Esposito, Daughters of Charity of St. Vincent de Paul

Sammer Ghoulch, Union of Palestinian-American Women

Toby John Grainger, London

Dr. Ahmed Hakim, Arab-American Physicians Association

David Hargreaves, Editor, Surrey, England

Donald Lowry, Primary School Principal, Dublin, Ireland

Adelgunde Mertensacker, Bundesvorsitzende, Christliche Mitte Deutschland

John Morrison, District Manager, Edinburgh, Scotland

A.C. Robb, Catholic writer, Dundee, Scotland

Prof. Hermann Schneider

Nancy Spannaus, Club of Life, USA

Joyce Turner, Save the Children, Philadelphia

Herr Wuermeling, General Secretary, Union der Nationen Europaeischer Christen, Paris

PLEASE FAX- 201-641-0453

SCHILLER INSTIT.

86 HANCOCK STR.

BRAINTREE.

MA

Please send the following to:

**Muriel Mirak-Weissbach • Committee to Save the Children in Iraq**

c/o Schiller-Institut • Vereinigung für Staatskunst e.V. • Postfach 121380 • W-3014 Laatzen 2 Germany

I support the Committee to Save the Children in Iraq.

Please inform me of how I can help concretely.

NAME

TELEPHONE

ADDRESS

ZIP CODE, CITY

COUNTRY

MY ORGANIZATION

CAN DO THE FOLLOWING:

35240723441  
Marian Black  
HSDI  
86 Hancock St.  
Braintree, Mass 02184



Compliments Comment  
Meter # 953408

Mark Stemanski  
319 East Main St H-4  
Marlboro, Mass 01752

FIRST CLASS



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 27, 1991

Mark A. Stenniski  
319 East Main Street, H-11  
Marlboro, Massachusetts 01752

RE: MUR 3347

Dear Mr. Stenniski:

This letter acknowledges receipt on June 24, 1991, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by LaRouche for President a/k/a Schiller Institute, Inc. a/k/a Hamilton System Distributors Inc. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 3347. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

If you have any questions, please contact Retha Dixon, Docket Chief, at (202) 376-3110.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:

*Lois G. Lerner*  
Lois G. Lerner  
Associate General Counsel

Enclosure  
Procedures

93040924442



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 27, 1991

Schiller Institute, Inc.  
P.O. Box 66082  
Washington, D.C. 20035-6082

RE: MUR 3347

Dear Ladies and Gentlemen:

The Federal Election Commission received a complaint which alleges that the Schiller Institute, Inc. may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3347. Please refer to this number in all future correspondence.

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

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

93040924443

If you have any questions, please contact Noriega James, the staff member assigned to this matter, at (202) 376-6200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner*

BY:

Lois G. Lerner *by [Signature]*  
Associate General Counsel

Enclosures

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

93040924444



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 27, 1991

Committee to Save the Children in Iraq  
c/o Schiller Institute, Inc.  
P.O. Box 66082  
Washington, D.C. 20035-6082

RE: MUR 3347

Dear Ladies and Gentlemen:

The Federal Election Commission received a complaint which alleges that the Committee to Save the Children in Iraq may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3347. Please refer to this number in all future correspondence.

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

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

93040924445

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

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner*

BY:

Lois G. Lerner *by [Signature]*  
Associate General Counsel

Enclosures

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

93040924446



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 27, 1991

Marian Black  
86 Hancock Street  
Braintree, MA 02184

RE: MUR 3347

Dear Mr. Black:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3347. Please refer to this number in all future correspondence.

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

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

93040924447

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

Sincerely,

Lawrence M. Noble  
General Counsel

BY:

*Lois G. Lerner*  
Lois G. Lerner  
Associate General Counsel

Enclosures

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

93040924448



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 27, 1991

Charles E. Hughes, President  
Hamilton System Distributors Inc.  
469 Lincoln Street  
Palisades Park, NJ 07650

RE: MUR 3347

Dear Mr. Hughes:

The Federal Election Commission received a complaint which alleges that Hamilton System Distributors Inc. may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3347. Please refer to this number in all future correspondence.

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

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

93040924449

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

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner*

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

Enclosures

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

93040924450



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 27, 1991

Kathy A. Magraw, Treasurer  
Democrats for Economic Recovery-LaRouche in 92  
P.O. Box 690 Downtown Station  
Leeburg, VA 22075

RE: MUR 3347

Dear Ms. Magraw:

The Federal Election Commission received a complaint which alleges that Democrats for Economic Recovery-LaRouche in 92 ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3347. Please refer to this number in all future correspondence.

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

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93040924451

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

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner*

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

Enclosures

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

cc: Lyndon H. LaRouche, Jr.

93040924452

**Schiller Institute, Inc.**

06C 1856  
RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE SERVICES BRANCH

91 JUL 12 AM 11:09

Federal Election Commission  
Office of General Counsel  
Ms. Lois Lerner & Mr. Noreiga James  
999 E Street, N.W.  
Washington, D.C. 20463

July 10, 1991

Re: MUR 3347

Dear Ms. Lerner & Mr. James:

As an officer of the United States branch of the Schiller Institute I make the following response on behalf of the Institute which you have included as respondent to a complaint by Mr. Mark Stemniski.

In the Matter of MUR 3347:

I, Marianna Wertz, being duly sworn do depose and say:

1. I am the vice-president of the Schiller Institute.
2. The Schiller Institute has not contributed and does not contribute to electoral campaigns.
3. The first attachment to Mr. Stemniski's complaint was not produced or paid for by the Schiller Institute.
4. The Schiller Institute has numerous informal collaborators and supporters across the United States. Many of these individuals take various types of initiatives, including holding meetings at their own expense, to promote the goals and policy perspectives of the Institute. The first attachment to the Stemniski complaint which I will call a "flyer," appears to be an example of such individual initiative.

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
91 JUL 12 PM 3:16

93040924453

5. The flyer reports on an interview given by Mr. Lyndon LaRouche in which he identifies the danger posed by President Bush's adherence to a "neo-malthusianism" policy. The Schiller Institute has spent many years exposing how the neo-malthusian world view promotes the Anglo-American alliance at the expense of the strategic and national security interests of the United States throughout the world.

6. So while the Schiller Institute did not produce this flyer, even so, on its face it does not take an advocacy position vis-a-vis the candidacy of Mr. LaRouche--it merely reports on a quote from an interview of him. This is in keeping with the Schiller Institute's charter and policy of not supporting or contributing to electoral campaigns.

7. Furthermore, there is nothing in this flyer which says that the meetings announced on it are "organizational meetings for LaRouche's 1992 Presidential campaign" as Mr. Stemniski states in paragraph 4 of his complaint.

8. The second attachment to the Stemniski complaint, entitled "Committee to Save the Children of Iraq - Plan of Action," was produced and paid for by the Schiller Institute. The Institute is a member of this newly formed international coalition to Save the Children of Iraq, and as a coalition partner has participated in sponsoring some of the coalition's activities in the United States.

9. This second attachment discusses the dire plight of the children and citizens of Iraq in the aftermath of President Bush's deadly Gulf war. The leaflet not only does not advocate for or against Mr. LaRouche's 1992 presidential candidacy, it nowhere even mentions him.

10. Considering all of the facts detailed above, it is clear that the Schiller Institute has not violated the Federal Election Campaign Act of 1971, as amended. I, therefore, hereby request that you close this matter against the Schiller Institute and take no further action.

COMMONWEALTH OF VIRGINIA

COUNTY OF LOUDOUN

ss:

Marianna Wertz  
MARIANNA WERTZ

Signed and sworn to before me this

10th day of July, 1991.

Alborado A. Aris  
Notary Public

My Commission Expires:

May 31, 1994

93040924455

**COMMITTEE TO SAVE THE CHILDREN IN IRAQ**

c/o Schiller Institute, Inc.  
P.O. Box 66082  
Washington, D.C. 20035-6082  
202-628-0272

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE SERVICES BRANCH

91 JUL 12 AM 11:15

06C 1854

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

July 9, 1991

Reply to MUR 3347

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
91 JUL 12 PM 3:16

Dear Ms. Lerner:

I have volunteered to be the United States coordinator for the Committee to Save the Children of Iraq, an international coalition of persons and organizations committed to stopping the holocaust of innocent Iraqi citizens in the aftermath of President George Bush's genocidal Gulf war. As the U.S. coordinator, I am responding to your letter dated June 27, 1991 concerning a complaint by Mr. Mark Stemniski.

**AFFIDAVIT**

I, Nancy Spannaus, being duly sworn do depose and say:

1. I am currently the U.S. coordinator for the newly formed international coalition, The Committee to Save the Children of Iraq.

2. As stated in our "Plan of Action" which is attached to Mr. Stemniski's complaint, we are a group of citizens from around the world and all walks of life, committed to stopping the annihilation of the entire population of Iraq as a result of President George Bush's disasterous Gulf war.

3. Our "Plan of Action" is a fact sheet intended to inform the U.S. population of the magnitude of devastation which has resulted inside Iraq as a result of the Gulf war as well as what measures must be taken to reverse this situation.

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4. The fact sheet does not discuss presidential candidates at all. As a coalition member, I personally wish that all candidates for the 1992 presidential elections would speak out on this disaster and put their support behind the coalition's initiatives. The coalition has no political platform.

5. One of our coalition participants, the Schiller Institute, was kind enough to pay for the printing of our Plan of Action fact sheet.

6. Our Plan of Action is distributed by volunteers and people of good will who wish to see an end to the holocaust now unfolding in the wake of George Bush's dirty little war.

7. As there is nothing in our Plan of Action which has anything to do with presidential candidates or calls for the support or defeat of any federal candidate, I see no reason for your agency to pursue this matter any further against the coalition. I therefore request that you immediately dismiss this complaint against the Committee to Save the Children of Iraq.

COMMONWEALTH OF VIRGINIA

COUNTY OF LOUDOUN

ss:

*Nancy Spannaus*  
NANCY SPANNAUS

Signed and sworn to before me this

10 day of July, 1991.

*Beth Campbell*  
Notary Public

My Commission Expires: Apr 5, 1993

93040924457

00-1855

DEMOCRATS FOR ECONOMIC RECOVERY

# LaRouche in '92



P.O. Box 690 Leesburg, VA 22075

July 10, 1991

Lawrence M. Noble  
General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

RE: MUR 3347

Dear Mr. Noble:

Enclosed please find an affidavit executed by Kathy A. Magraw, Treasurer of Democrats for Economic Recovery - LaRouche in 92 ("L92"), in response to the above captioned complaint from Mark A. Stemniski.

Based on the facts stated therein, L92 requests that no further action be taken on this matter and that the file be closed forthwith.

Sincerely yours,

*Kathy A. Magraw*  
Kathy A. Magraw  
Treasurer

Affidavit enclosed

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
91 JUL 12 PM 3:16

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE SERVICES BRANCH  
91 JUL 12 AM 11:12

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COMMONWEALTH OF VIRGINIA

COUNTY OF LOUDOUN

ss:

AFFIDAVIT

1. I, Kathy A. Magraw, being duly sworn, do depose and say:

2. I am the treasurer of Democrats for Economic Recovery - LaRouche in 92 ("L92"), the principal campaign committee for Lyndon H. LaRouche's campaign for the Democratic Party nomination for President of the United States, and have been since the committee's inception.

3. As treasurer, I am familiar with the disbursements and incurred costs of L92. I base the following statements of fact on both my general familiarity with the campaign's finances, and a review of its financial records.

4. L92 did not authorize, pay for, or in any other way produce or circulate the flyer attached at page 1 of the attachments to Mr. Stemniski's complaint. Nor does the flyer on its face purport to be issued by L92. Similarly, L92 neither organized nor paid for the meetings announced in the flyer.

5. The first time this flyer came to the committee's attention was upon receipt of your June 27, 1991 reason to believe letter. For these reasons, no L92 disclaimer was required. Thus, Mr. Stemniski mischaracterizes his complaint exhibit as a "LaRouche Presidential Campaign meeting flyer."

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6. Moreover, the complaint, while sworn to, cites no facts which define a violation of the Federal Election Campaign Act. Neither the "facts" as stated nor the attached exhibits support the allegations put forward in the complainant's "Summary" section.

7. Based upon my review of L92 records the complainant is not a contributor to L92. If, as he states in his "Summary" but fails to document as "Fact," some supporter of Mr. LaRouche's campaign asked him to volunteer time for "the LaRouche Presidential campaign," that is neither here nor there as concerns any possible violation of the FECA.

8. Whoever produced the flyer, it is not a campaign document by any stretch of the imagination, insofar as it does not advocate the election or defeat of any candidate for federal office. This applies both to declared candidates, such as Lyndon LaRouche, and potential if as yet undeclared candidates such as George Bush. The only citation of Mr. LaRouche's candidacy is an identification of the fact that he is a candidate.

Rather than electoral advocacy, this flyer is clearly concerned with more general policy issues, including inter alia, a purported quotation of Mr. LaRouche, which quotation itself makes no reference to Mr. LaRouche's presidential campaign. The concluding statement of the flyer is solely that those reading it should inform themselves concerning those policy issues. There is no appeal for campaign contributions, volunteer work, or any other kind of electoral support. There

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is no indication that the cited monthly meetings are campaign meetings, or anything other than meetings oriented to issues of general public concern.

Production or distribution of the flyer therefore cannot be construed as an in-kind contribution to the campaign.

This is not the first time that the FEC's Office of General Counsel has attempted to confuse general advocacy forms of free political speech with electoral activity, imposing the Commission's enforcement authority on domains from which it is Constitutionally and statutorily excluded.

9. Funds of L92 are not commingled with those of any other organization. Although the complainant suggests this "may be occurring" in his "Summary," it is again the case that none of the subsequently alleged "facts" back up that false allegation.

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COMMONWEALTH OF VIRGINIA  
COUNTY OF LOUDOUN

ss:

*Kathy A. Magraw*  
KATHY A. MAGRAW

Signed and sworn to before me this  
10<sup>th</sup> day of July, 1991.

*Emily S. C. Palmer*  
Notary Public

My Commission Expires: July 22, 1992

2067 1887

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE SERVICES BRANCH

Marian Black  
86 Hancock Street  
Braintree, Ma. 02184

91 JUL 15 PM 2:35

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

July 10, 1991

Response to MUR 3347

To Whom it May Concern:

I make this response to your letter dated June 27, 1991 notifying me of a complaint filed by a Mr. Mark Stenniski.

I am a political activist who has been a supporter of Mr. LaRouche's policies and philosophy for well over a decade and a half. As a volunteer for Mr. LaRouche's presidential campaigns, whenever I have the opportunity to inform people of his ideas and policies I do so.

Ironically, however, the material attached to Mr. Stenniski's complaint was not about Mr. LaRouche's presidential campaign. Rather, it was informational material concerning political issues of the day. The two attachments of Mr. Stenniski's do not promote Mr. LaRouche's presidential campaign, but rather identify the fact that he is a candidate for president who actually has something to say.

The local meetings announced on the first leaflet attached to Mr. Stenniski's complaint are meetings which discuss a wide range of political, cultural, philosophical and scientific issues of our day, and have been in existence long before Mr. LaRouche announced his bid for the 1992 presidential elections. These meetings are not, as Mr. Stenniski claims in his complaint, "organizational meetings for LaRouche's 1992 presidential campaign."

The leaflet I sent Mr. Stenniski is not and was not intended to be a promotional for Mr. LaRouche's campaign. It only was intended to report on what LaRouche had to say about President George Bush's actions in Panama and the conduct of the Gulf war. Even if you were to construe the leaflet I sent Mr. Stenniski as somehow to fall within the purview of election material, the total amount of dollars involved in the cutting and pasting, photocopying and mailing might add up to \$120.

91 JUL 16 AM 11:13

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

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Thus, I did not intend the mailing to be for the purpose of furthering an electoral campaign. If the FEC, however, determines that sending Mr. Stemmiski this material did constitute an electoral expenditure, I will be glad to take whatever action is required to bring this action into compliance with the election law, whether this be reporting a contribution-in-kind, seeking reimbursement from Mr. LaRouche's campaign for the relevant amount of money (whether \$2.00 or \$20.00), or whatever other treatment is required.

I've recently read about the FEC's deferential handling of a complaint filed by Mr. LaRouche's 1988 campaign treasurer against the Anti-Defamation League (ADL). There, the ADL spent tens of thousands of dollars to explicitly call for the defeat of LaRouche's presidential campaign as well as other citizens who ran for federal office as LaRouche Democrats. Yet, you at the FEC deemed this to be an inconsequential expenditure and let the ADL off the hook. They sent their filthy lies about Mr. LaRouche to over 1500 representatives of the media and to all of the Congress. And that material advocated the defeat of LaRouche. But, you found no wrong. I can only think back on what I've read about McCarthyism when I find you pursuing this complaint by Mr. Stemmiski.

All in all, I personally am a supporter of Mr. LaRouche's campaign for the presidency and as I said, any chance I get to tell people about the good that would come were he to be elected, I do. It is more than likely that I discussed the campaign with Mr. Stemmiski. However, the material attached to his complaint does not advocate LaRouche's election.

I swear that the foregoing facts are true and correct to the best of my knowledge.

Signed, Marian A Black  
Marian Black

Commonwealth of Massachusetts

County of Norfolk ss:

Before me came Marian Black, who so identified herself to me and did swear to the above statement on this 11<sup>th</sup> day of July, 1991.

Mary J. Reynolds  
Notary Public

My Commission Expires: \_\_\_\_\_

Mary J. Reynolds  
Notary Public

My Commission Expires December 5, 1997

93040924463

HAMILTON SYSTEM DISTRIBUTORS, INC.  
P.O. BOX 42  
RIDGEFIELD PARK, NJ 07660

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM  
OBC 2007

91 JUL 29 AM 11:44

July 24, 1991

Office of General Counsel  
Attn: Noriega James  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

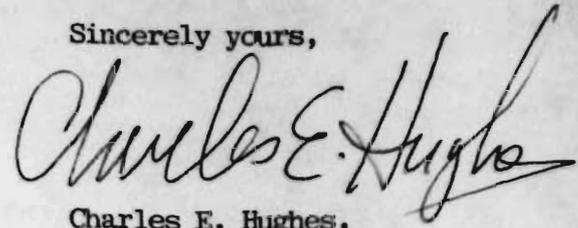
RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
91 JUL 30 AM 9:07

Dear Mr. James:

This in reply to MUR 3347, letter dated June 27, 1991, which we received on July 13, 1991, arising from a complaint from Mark A. Stemmiksi. The two affidavits enclosed with this letter state the relevant facts as they are known to Hamilton System Distributors, Inc.

Based on the facts and circumstances described therein, HSDI sees no cause for further action, and requests that this investigation be closed.

Sincerely yours,



Charles E. Hughes,  
President

93040924464

HAMILTON SYSTEM DISTRIBUTORS, INC.

P.O. BOX 42  
RIDGEFIELD PARK, NJ 07660

AFFIDAVIT

1. I, Charles E. Hughes, being duly sworn do depose and say:
2. I am the president of Hamilton System Distributors, Inc. ("HSDI").
3. HSDI is a New Jersey corporation, formed for the purpose of selling and distributing literature, which activity includes promoting and publicizing the ideas contained therein.
4. HSDI maintains a branch office and has employees at 86 Hancock Street, Braintree, Massachusetts 02184. The employees at this office perform functions in the New England area in furtherance of the purposes of the corporation identified in paragraph 3.
5. HSDI at its corporate headquarters, and in the persons of all of its officers, was neither consulted about nor informed of the flyer accompanying Mr. Stemmiski's complaint prior to or after its production and distribution. I became aware of its existence upon receipt of the FEC's "MUR 3347" notification. I have subsequently determined that it was produced by employees of HSDI's Braintree Office (see affidavit of Richard Black).
6. HSDI contributes neither funds nor paid employee time to the furthering of any person's electoral campaign for federal office. Individual employees of HSDI may volunteer their unpaid time to the political campaigns of Lyndon LaRouche or any other candidate. HSDI neither hinders nor requires such volunteer activity on the part of its employees.
7. HSDI asserts that neither the flyer nor the meetings referenced therein constitute contributions to the presidential campaign of Lyndon LaRouche. Should the Federal Election Commission deem otherwise, then HSDI will seek compensation from the presidential campaign in an amount sufficient to cover the costs of production and distribution of the flyer plus a reasonable markup. A figure of \$25.00 would be reasonable (see affidavit of Richard Black).

*Charles E. Hughes*  
Charles E. Hughes, President  
Hamilton System Distributors, Inc.

Signed before me this 24<sup>th</sup> day  
of July 1991

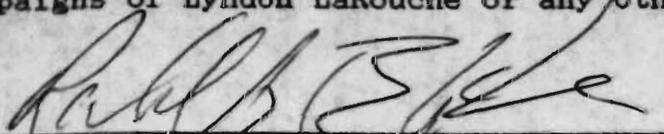
*Matthew M. McCarow*

MATHEW M. McCAROW  
Notary Public of New Jersey  
My Commission Expires April 24, 1994

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AFFIDAVIT

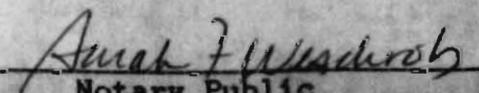
1. I, Richard A. Black, being duly sworn do depose and say:
2. I am an employee of Hamilton Systems Distributors, Inc. ("HSDI"), a New Jersey corporation, working at HSDI's office in Braintree, Massachusetts. I am personally familiar with the circumstances and facts stated below.
3. HSDI's New England office has been arranging public meetings in the Greater Boston - Central New England area continuously since 1987, at frequencies varying from weekly to monthly, at a variety of locations. These meetings are on matters of general public concern, in the areas of philosophy, culture, science, history, music, law, and international and domestic affairs, as developed further in the various periodicals and other publications marketed by HSDI at these meetings, and through other means.
4. The meetings described in paragraph 3 were never created or constituted as "organizational meetings for LaRouche's 1992 Presidential campaign," as falsely asserted in Mr. Stenniski's complaint, at any time throughout their four-year history.
5. The flyer enclosed with the complaint of Mark A. Stenniski, which announces a series of meetings at three locations, was written, typed, and reproduced by the Braintree office of HSDI, as part of the process of conducting the meetings described in paragraphs 3 and 4. Neither the specific meetings referenced in the flyer, nor the flyer itself, were intended to be contributions to or efforts on behalf of Lyndon LaRouche's presidential campaign.
6. Approximately 500 of these flyers were produced, at a cost of \$.03 (3 cents) per copy.
7. Prior to the creation of the Federal Election Commission's MUR 3347, no Braintree employee of HSDI consulted with the corporation's officers or with any other HSDI employees at HSDI's corporate headquarters concerning the flyer in question, nor informed any of these persons of the flyer's existence.
8. HSDI's Braintree office contributed neither funds nor paid employee time to the furthering of any person's electoral campaign for federal office. Individual employees of HSDI may volunteer their unpaid time to the political campaigns of Lyndon LaRouche or any other candidate.

  
 \_\_\_\_\_  
 Richard A. Black

Commonwealth of Massachusetts  
 County of Norfolk

Signed and subscribed to, before me, this 25<sup>th</sup> day of July, 1991.



  
 \_\_\_\_\_  
 Notary Public  
 My Commission Expires Aug. 30, 1996

My commission expires \_\_\_\_\_

RECEIVED  
F.E.C.  
SECRETARIAT

92 NOV -5 PM 3:03

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

FIRST GENERAL COUNSEL'S REPORT

**SENSITIVE**

MUR #3347  
DATE COMPLAINT RECEIVED  
BY OGC: June 27, 1991  
DATE OF NOTIFICATION TO  
RESPONDENT: June 27, 1991  
STAFF MEMBER: Veronica Gillespie

COMPLAINANT: Mark A. Stemniski

RESPONDENTS: Democrats for Economic Recovery-LaRouche in '92  
and Kathy A. Magraw, as treasurer  
Schiller Institute, Inc.  
Hamilton System Distributors, Inc. and Charles  
E. Hughes, as president  
Committee to Save the Children in Iraq  
Richard A. Black  
Marian Black

RELEVANT STATUTES: 2 U.S.C. § 441d(a)  
11 C.F.R. § 110.11

INTERNAL REPORTS CHECKED: None

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

Mark A. Stemniski filed a complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by LaRouche For President a/k/a Schiller Institute, Inc. a/k/a Hamilton System Distributors, Inc. See Attachment 1. Responses have been received from Democrats for Economic Recovery-LaRouche in '92; Schiller Institute, Inc.; Hamilton System Distributors, Inc.; Committee to Save the Children in Iraq; Richard A. Black; and Marian Black. See Attachments 2-7.

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II. FACTUAL AND LEGAL ANALYSIS

A. BACKGROUND

According to Stenniski's complaint, in late May of 1991, he received a telephone inquiry from Hal, a sales representative from Hamilton System Distributors, Inc. ("HSDI"), asking Stenniski to buy an annual LaRouche magazine subscription for \$396.00. As a result, Stenniski sent \$10 to HSDI for a sample issue.

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Stenniski contends that on June 10, 1991, he received a second unsolicited telephone call from Marian Black with regard to the subscription and she also "mentioned a campaign to save the children in Iraq." Subsequently, on June 13, 1991, he received in the mail one issue of the LaRouche magazine; information on the Committee to Save the Children in Iraq";<sup>1</sup> and a flyer with the caption title "LaRouche's 1992 Campaign." The gravamen of Stenniski's allegation is that the "LaRouche's 1992 Campaign" flyer expressly promotes Mr. LaRouche's 1992 candidacy and therefore violates 2 U.S.C. § 441d(a) because it lacks the required disclaimer.

B. LAW

The Act requires that whenever any person makes an expenditure for the purpose of financing a communication which

1. Although Stenniski's complaint includes a copy of the document, "Committee to Save the Children in Iraq--Plan of Action," this Office concludes that the document does not require a Section 441d(a) disclaimer because it does not expressly advocate the election or defeat of a clearly identified candidate nor does it solicit any contribution through direct mailing or any other type of general public political advertising.

expressly advocates the election or defeat of a clearly identified candidate or solicits any contribution through any direct mailing or any other type of general public political advertising, the communication must carry certain disclaimers. 2 U.S.C. § 441d(a). "Person" includes political committees. 2 U.S.C. § 431(11). If the communication is paid for and authorized by a candidate, an authorized political committee of a candidate, or its agents, it shall clearly state that the communication has been paid for by such authorized political committee. 2 U.S.C. § 441d(a)(1) and 11 C.F.R. § 110.11(a)(1)(i). If the communication is paid for by other persons but authorized by a candidate, an authorized political committee of a candidate, or its agents, it shall clearly state that the communication is paid for by such other persons and authorized by such candidate, political committee, or agent. 2 U.S.C. § 441d(a)(2) and 11 C.F.R. § 110.11(a)(1)(ii). Finally, if the communication is not authorized by a candidate, an authorized political committee of a candidate, or its agents, but paid for by others, it shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee. 2 U.S.C. § 441d(a)(3) and 11 C.F.R. § 110.11(a)(1)(iii).

C. ANALYSIS

Stemniski's complaint names three respondents: LaRouche For President, a/k/a Schiller Institute, Inc., a/k/a Hamilton Systems Distributors, Inc. Stemniski contends that he is not

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sure which of the three is responsible for the production and distribution of the "LaRouche's 1992 Campaign" flyer.

Responses to the complaint have been received from all named respondents. From these responses, it appears that the flyer was produced and distributed by an employee of HSDI. The corporate respondents and the LaRouche's campaign committee deny any involvement with the preparation and dissemination of the flyer at issue. Kathy A. Magraw, treasurer of the Democrats for Economic Recovery-LaRouche in '92 ("L92"), for example, asserts in an affidavit that "L92 did not authorize, pay for, or in any way produce or circulate the flyer.... L92 neither organized nor paid for the meetings announced in the flyer." See Attachment 2 at p. 2. Similarly, Marianna Wertz, Vice-President of Schiller Institute, avers that "[t]he Schiller Institute has not contributed and does not contribute to electoral campaigns." She further notes that "[t]he first attachment to Mr. Stemniski's complaint was not produced or paid for by the Schiller Institute." See Attachment 3 at p. 1. Additionally, Charles E. Hughes, President of HSDI, contends that nobody at the corporate headquarters or elsewhere was "consulted about nor informed of the flyer accompanying Mr. Stemniski's complaint prior to or after its production and distribution." Hughes also contends that HSDI "contributes neither funds nor paid employee time to the furthering of any person's electoral campaign for federal office." Hughes further "asserts that neither the flyer nor the meetings referenced therein constitute [HSDI] contributions to the presidential campaign of Lyndon LaRouche."

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See Attachment 4 at p. 2.

Richard A. Black, an employee of HSDI's branch office in Braintree, Massachusetts, acknowledges involvement in producing this flyer. He submitted an affidavit stating that HSDI's New England Branch office has arranged public meetings continuously since 1987, but contrary to the allegations in the complaint, such meetings "were never created or constituted as 'organizational meetings for LaRouche's 1992 Presidential campaign'." He further avers that the flyer "was written, typed, and reproduced by the Braintree office of HSDI, as part of the process of conducting the meetings...." However, he notes that employees did not consult with HSDI's corporate headquarters concerning the flyer nor did HSDI contribute funds or pay employees time to work on the political campaign of Lyndon LaRouche. Richard A. Black also notes that approximately 500 flyers were produced at a cost of \$.03 (3 cents) per copy.

See Attachment 6 at p. 1.

With regard to the unsolicited call concerning the annual subscription to the LaRouche magazine and other materials, Marian Black avers that "[t]he leaflet [i.e., "LaRouche's 1992 Campaign" flyer] I sent Mr. Stemniski is not and was not intended to be a promotional for Mr. LaRouche's campaign".<sup>2</sup> She further contends that "the total amount of dollars involved in

2. Although Marian Black describes herself as a "political activist," she fails to identify her organizational affiliation, if any, with the LaRouche For '92 campaign or The Schiller Institute. However, Ms. Black's affidavit contains the same post-office address as that used by The Schiller Institute, which would suggest an affiliation of some type.

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the cutting and pasting, photocopying and mailing might add up to \$20." See Attachment 7 at p. 1. Moreover, she states that she will be glad to take whatever steps are necessary to bring her actions within compliance of the Act. See Attachment 7 at p. 2.

It is evident that the "LaRouche's 1992 Campaign" flyer expressly advocates the election of Lyndon LaRouche for President, a clearly identified federal candidate. The flyer contains a quote by Mr. LaRouche and provides information on when and where "political briefings" will be conducted. The flyer invites the reader "to attend one of our political briefings, which occur monthly," at specified meeting places. The flyer also contains the name of "The Schiller Institute" accompanied by a telephone number in italicized print, stating "For More Information, Call: (617) 380-4000". See Attachment 1 at p. 5. Yet the flyer in question does not indicate who paid for it, or whether it was authorized by any candidate or committee, as required by Section 441d(a). Therefore, it is clear that the "LaRouche's 1992 Campaign" flyer lacks the appropriate disclaimer required under the Act and the Commission's regulations.

Based on the available evidence, it is unclear what roles, if any, the Democrats for Economic Recovery-LaRouche in '92, The Schiller Institute, Inc., Hamilton System Distributors, Inc., or the Committee to Save the Children in Iraq, had in the production and dissemination of the "LaRouche's 1992 Campaign"

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flyer.<sup>3</sup> Despite the fact that The Schiller Institute's name appears on the flyer, the Institute apparently did not produce, distribute, nor pay for the flyer in question. Similarly, neither the Democrats for Economic Recovery-LaRouche in '92, HSDI, nor the Committee to Save the Children in Iraq produced, distributed or paid for the flyer. It does appear, however, that Richard A. Black and Marian Black, based on their own statements, produced and distributed the "LaRouche's 1992 Campaign" flyer, without consultation or approval from their corporate officers or authorization from the candidate or the candidate's committee.

Based on the foregoing, the Office of the General Counsel recommends that the Commission find no reason to believe that the Democrats for Economic Recovery-LaRouche in '92, Schiller Institute, Inc., Hamilton System Distributors, Inc., or the Committee to Save the Children in Iraq, violated 2 U.S.C. § 441d(a) or any other provisions of the Act on the basis of the complaint filed in this matter.

This Office also recommends that the Commission find reason

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3. Stenniski also contends that after reading all the LaRouche materials, he does not know whether he is being asked to contribute to LaRouche's 1992 presidential campaign, to a for-profit book distribution company (HSDI), or to a charitable organization (Committee to Save the Children in Iraq). Based on this lack of clarity, complainant surmises, without any evidentiary support, that the organizations may be intermingled and that commingling of funds and expenses may be occurring. Although it appears that there may be some connection among these entities, the General Counsel makes no recommendation with regard to them due to the small amount of money involved in this matter, the lack of evidentiary support presented and competing priorities for agency resources.

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to believe that both Richard A. Black and Marian Black violated 2 U.S.C. § 441d(a) by failing to include the appropriate disclaimer on the "LaRouche's 1992 Campaign" flyer that explicitly advocates the election of Lyndon LaRouche for President. However, given the minimal cost involved and the relatively small circulation (i.e., approximately 500 flyers were produced and distributed at a cost of less than \$20.00) and in light of the agency's priorities and resources, this Office further recommends that the Commission exercise its prosecutorial discretion and take no further action and close the file in this matter. See Heckler v. Chaney, 407 U.S. 821 (1985). This Office will include an admonishment in the closing letters to Richard A. Black and Marian Black.

IV. RECOMMENDATIONS

1. Find no reason to believe that Democrats for Economic Recovery-LaRouche in '92 and Kathy A. Magraw, as treasurer; Schiller Institute, Inc.; Hamilton System Distributors, Inc.; and the Committee to Save the Children in Iraq, violated 2 U.S.C. § 441d(a) on the basis of the complaint filed in this matter.
2. Find reason to believe that Richard A. Black and Marian Black violated 2 U.S.C. § 441d(a), but take no further action.
3. Approve the appropriate letters.
4. Close the file.

Lawrence M. Noble  
General Counsel

November 5, 1992  
Date

BY:

Lois G. Lerner (AL)  
Lois G. Lerner  
Associate General Counsel

93040924474



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE  
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/BONNIE J. ROSS *[Signature]*  
COMMISSION SECRETARY

DATE: NOVEMBER 10, 1992

SUBJECT: MUR 3347 - FIRST GENERAL COUNSEL'S REPORT  
DATED NOVEMBER 5, 1992.

The above-captioned document was circulated to the Commission on Friday, November 6, 1992 at 12:00 p.m.

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

Commissioner Aikens	_____
Commissioner Elliott	_____
Commissioner McDonald	_____ XXX _____
Commissioner McGarry	_____
Commissioner Potter	_____
Commissioner Thomas	_____

This matter will be placed on the meeting agenda for Tuesday, November 17, 1992.

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

93040924475

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
)  
Democrats for Economic Recovery- ) MUR 3347  
LaRouche in '92 and Kathy A. Magraw, )  
as treasurer; )  
Schiller Institute, Inc.; )  
Hamilton System Distributors, Inc. )  
and Charles E. Hughes, as president; )  
Committee to Save the Children in )  
Iraq; )  
Richard A. Black; )  
Marian Black. )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on November 12, 1992, the Commission decided by a vote of 6-0 to take the following actions in MUR 3347:

1. Find no reason to believe that Democrats for Economic Recovery-LaRouche in '92 and Kathy A. Magraw, as treasurer; Schiller Institute, Inc.; Hamilton System Distributors, Inc.; and the Committee to Save the Children in Iraq, violated 2 U.S.C. § 441d(a) on the basis of the complaint filed in this matter.
2. Find reason to believe that Richard A. Black and Marian Black violated 2 U.S.C. §441d(a), but take no further action.

(continued)

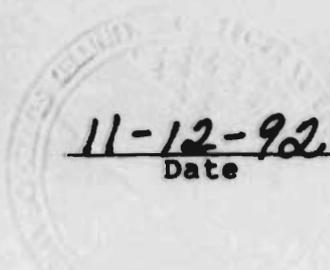
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3. Approve the appropriate letters, as recommended in the General Counsel's Report dated November 5, 1992.
4. Close the file.

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

Attest:

11-12-92  
Date

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

Received in the Secretariat:	Thurs., Nov., 05, 1992	3:03 p.m.
Circulated to the Commission:	Fri., Nov., 06, 1992	12:00 p.m.
Deadline for vote:	Thurs., Nov., 12, 1992	4:00 p.m.
Received Objection:	Tues., Nov., 10, 1992	2:59 p.m.
Placed on Agenda for:	Tues., Nov., 17, 1992	
Objection Withdrawn:	Thurs., Nov., 12, 1992	2:59 p.m.
Withdrawn from Agenda		

bjr

93040924477



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 30, 1992

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

Mr. Mark A. Stemmiski  
319 East Main Street, H-11  
Marlboro, Massachusetts 01752

RE: MUR 3347

Dear Mr. Stemmiski:

This is in reference to the complaint you filed with the Federal Election Commission on June 24, 1991, concerning Democrats for Economic Recovery--LaRouche in '92 and Kathy A. Magraw, as treasurer; Schiller Institute, Inc.; Hamilton System Distributors, Inc., and Charles E. Hughes, as president; Committee to Save the Children in Iraq; Richard A. Black; and Marian Black.

Based on that complaint, on November 12, 1992, the Federal Election Commission reviewed the allegations of your complaint and found that on the basis of the information provided in your complaint, and information provided by the Democrats for Economic Recovery--LaRouche in '92; Schiller Institute, Inc.; Committee to Save the Children in Iraq; and Hamilton System Distributors, Inc., there is no reason to believe that these entities violated 2 U.S.C. § 441d(a), a provision of the Federal Election Campaign Act of 1971, as amended. Additionally, on November 12, 1992, the Commission found that there was reason to believe Richard A. Black and Marian Black violated 2 U.S.C. § 441d(a).

However, after considering the circumstances of this matter, the Commission determined to take no further action against Richard A. Black and Marian Black and closed the file in this matter on November 12, 1992. This matter will become part of the public record within 30 days.

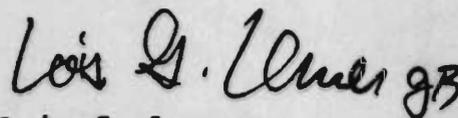
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Mr. Mark A. Stemmiski  
Page 2

The Federal Election Campaign Act of 1971, as amended ("the Act") allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Lawrence M. Noble  
General Counsel



BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
General Counsel's Report

93040924479



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 30, 1992

Mr. Richard A. Black  
Hamilton System Distribution, Inc.  
P.O. Box 42  
Ridgefield Park, New Jersey 07660

RE: MUR 3347

Dear Mr. Black:

On November 12, 1992, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441d(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act."). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file. The General Counsel's report, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that communications expressly advocating the election or defeat of a clearly identified candidate must contain the appropriate disclaimer pursuant to 2 U.S.C. § 441d(a). You should take immediate steps to insure that this activity does not occur in the future.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

If you have any questions, please direct them to Veronica M. Gillespie, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

*Joan D. Aikens*

Joan D. Aikens  
Chairman

Enclosure  
General Counsel's Report

93040924480



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 30, 1992

Ms. Marian Black  
86 Hancock Street  
Braintree, Massachusetts 02184

RE: MUR 3347

Dear Ms. Black:

On November 12, 1992, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441d(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act."). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file. The General Counsel's report, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that communications expressly advocating the election or defeat of a clearly identified candidate must contain the appropriate disclaimer pursuant to 2 U.S.C. § 441d(a). You should take immediate steps to insure that this activity does not occur in the future.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

If you have any questions, please direct them to Veronica M. Gillespie, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

*Joan D. Aikens*

Joan D. Aikens  
Chairman

Enclosure  
General Counsel's Report

93040924481



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 30, 1992

Kathy A. Magraw, Treasurer  
Democrats for Economic  
Recovery-LaRouche in '92  
P.O. Box 690  
Leesburg, Virginia 22075

RE: MUR 3347

Dear Ms. Magraw:

On June 27, 1991, the Federal Election Commission notified the Democrats for Economic Recovery-LaRouche in '92 ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On November 12, 1992, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe that the Committee and you, as treasurer, violated 2 U.S.C. § 441d(a). Accordingly, the Commission closed its file in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
General Counsel's Report

93040924482



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 30, 1992

Ms. Nancy Spannaus  
Committee to Save the Children in Iraq  
c/o Schiller Institute, Inc.  
P.O. Box 66082  
Washington, D.C. 20035-6082

RE: MUR 3347

Dear Ms. Spannaus:

On June 27, 1991, the Federal Election Commission notified the Committee to Save the Children in Iraq of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On November 12, 1992, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe that the Committee to Save the Children in Iraq violated 2 U.S.C. § 441d(a). Accordingly, the Commission closed its file in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
General Counsel's Report

93040924483



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 30, 1992

Marianna Wertz, Vice-President  
Schiller Institute, Inc.  
P.O. Box 66082  
Washington, D.C. 20035-6082

RE: MUR 3347

Dear Ms. Wertz:

On June 27, 1991, the Federal Election Commission notified the Schiller Institute, Inc., of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On November 12, 1992, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe that the Schiller Institute, Inc., violated 2 U.S.C. § 441d(a). Accordingly, the Commission closed its file in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner JB*

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
General Counsel's Report

93040924484



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 30, 1992

CLOSED

Charles E. Hughes, President  
Hamilton System Distributors, Inc.  
P.O. Box 42  
Ridgefield Park, New Jersey 07660

RE: MUR 3347

Dear Mr. Hughes:

On June 27, 1991, the Federal Election Commission notified Hamilton System Distributors, Inc., of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On November 12, 1992, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe that Hamilton System Distributors, Inc., violated 2 U.S.C. § 441d(a). Accordingly, the Commission closed its file in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner* gfl

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
General Counsel's Report

93040924485



FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

THIS IS THE END OF MUR # 3347  
DATE FILMED 1-8-93 CAMERA NO. 4  
CAMERAMAN JLA

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