FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 3549.

1/3/94

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FEDERAL ELECTION COMMISSION
MAIL ROOM

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FEDERAL ELECTION COMMISSION

93 DEC 28 AM 11:53

DEC 28 11 19 AM '93

December 20, 1993

Federal Election Commission
Washington, D.C. 20463

Re: MUR 3549

Dear Sir:

In response to your letter of Dec. 10, 1993 the only comment I wish made part of the record is "any and all funds recieved by the Yatron for Congress Committee were disposed of as ordered by. Gus, Mildred or George Yatron better known as the Yatron for Congress Committee".

Thank You.

Elwood J Brood

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

THIS IS THE BEGINNING OF MUR # 3549

DATE FILMED 10/28/93 CAMERA NO. 2

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February 24, 1992

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

92 FEB 28 AM 11:26

Lois Lerner, Esquire
Associate General Council
Enforcement
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

Dear Attorney Lerner:

In April of 1990, a discrepancy was noted between the bank balance and the FEC report filed March 31, 1990 for the Yatron for Congress Committee. When confronted, Mr. Elwood Broad, who was treasurer of the Committee, came forward and admitted there was indeed a shortage, and that he would make it up. Shortly thereafter, Mr. Broad admitted himself to the hospital claiming heart problems. On June 6, 1990, he made a cash repayment of $ 900.00, and deposited $ 5902.10 on 7/18/90 and $ 7000.00 on 7/19/90 into the Yatron for Congress Committee bank account.

At that time, it was thought that all the funds missing had been returned. There was a small discrepancy due to the fact that outstanding checks had not been taken into account when the payback took place.

Mr. Broad subsequently filed for bankruptcy and disability benefits. It was at this time that our accountant found many errors that were made in his previously filed FEC reports. It was also discovered that Mr. Broad has cashed many contribution checks and had also made deposits into the account that were not listed on the FEC reports.

Arising out of his bankruptcy filing, Broad made certain allegations that Congressman Yatron, rather than Broad had misappropriated the $13,800 in campaign funds. During the course of discovery in the lawsuit filed by Broad against Congressman Yatron, it was definitively determined that Mr. Broad had, in fact, misappropriated the $13,800 from the account. On November 11, 1991, shortly after a deposition was taken of a key witness which revealed Mr. Broad's misapplication of funds, Mr. Broad dismissed his lawsuit against Congressman Yatron with prejudice.

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We are in the process of trying to amend and clarify our records to the best of our ability using the FEC reports and our bank statements. To aid in this undertaking, we have retained Paul T. McDevitt, Certified public Accountant, with McDevitt & Co.,P.C. in Reading, Pennsylvania. On February 3, 1992, at the Request of the Yatron for Congress Committee, Mr. McDevitt conducted a review of the financial records and determined that the following FEC reports will have to be amended.

4/26/90 - 6/30/90
7/01/90 - 9/30/90
10/1/90 - 10/17/90
10/18/90 - 11/26/90
11/27/90 - 12/31/90
1/01/91 - 6/30/91
7/01/91 - 12/31/91

Additionally, it is impossible for us to know how many contributors' checks never were deposited or who the contributors might have been.

We have found several copies of checks with deposit slips that were never deposited. We requested copies of the backs of these checks from the individual contributors and found that the checks had been cashed and not deposited.

Mr. Joseph Gemmell and I met with Attorney N. Bernard Litchfield on January 10, 1991 at the FEC office in Washington. At that time he indicated that the Commission would be able to print out a copy of all contributors to the Yatron for Congress Committee made within the past. We are especially interested in the years from 1987 forward, and would very much appreciate a copy of this print- out in order that we can check it against our reports.

Again, thank you for any assistance you can provide us in order that we can reconcile our records.

Sincerely,

Catherine L. Matz

Catherine L. Matz
Treasurer
Yatron for Congress Committees

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

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

Pre-MUR # 256
STAFF MEMBER: Tony Buckley

SOURCE: INTERNALLY GENERATED

RESPONDENTS: Elwood Broad

RELEVANT STATUTES: 2 U.S.C. § 432(b)(3)
2 U.S.C. § 434(b)

INTERNAL REPORTS CHECKED: None

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

On February 27, 1992, this Office received a letter from Catherine L. Matz, treasurer of the Yatron for Congress Committee (the "Committee"), requesting a print-out of all contributors to the Committee from 1987 to the present. Attachment 1. Ms. Matz stated that in April 1990, a discrepancy was noted between the Committee's bank balance and an amount recorded on the Committee's report filed on March 31, 1990. Ms. Matz further noted that Elwood Broad, the Committee's former treasurer, later admitted that there was a shortage, and paid a total of $13,802.10 back to the Committee. After the repayments, Ms. Matz asserts, the Committee's accountant discovered that Mr. Broad had made numerous errors on Committee reports filed with the Commission; had cashed

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some contribution checks instead of depositing them into the Committee's account; and had made deposits into the Committee's account without reporting them to the Commission.

Ms. Matz goes on to state that the Committee is in the process of trying to amend and clarify its records to the best of its ability using Commission reports and the Committee's bank statements. She maintains that the Committee has retained a certified public accountant, and that he has determined that the following reports will have to be amended: 1990 July Quarterly, 1990 October Quarterly, 1990 Pre-General, 1990 Post-General, 1990 Year-End, 1991 Mid-Year, and 1991 Year End Reports.

Ms. Matz further asserts that "it is impossible for [the Committee] to know how many contributors' checks never were deposited or who the contributors might have been." She maintains that the Committee has found several copies of checks with deposit slips that were never deposited, and that they discovered that the checks had been cashed and not deposited.

Ms. Matz also mentions that Mr. Broad filed a lawsuit against Congressman Yatron in which he alleged that Congressman Yatron, not he, had "misappropriated" the funds. Ms. Matz states that, during the course of discovery in the lawsuit, "it was definitively determined that Mr. Broad had, in fact, misappropriated the $13,800 from the account," and that "[o]n

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November 11, 1991, shortly after a deposition was taken of a key witness which revealed Mr. Broad's misapplication of funds, Mr. Broad dismissed his lawsuit against Congressman Yatron with prejudice."[1]

II. FACTUAL AND LEGAL ANALYSIS

Pursuant to 2 U.S.C. § 432(b)(3), no funds of a political committee may be commingled with the personal funds of any individual. Pursuant to 2 U.S.C. § 434(b), each report of receipts and disbursements filed by a political committee must accurately disclose and itemize the committee's financial activity.

It appears that Elwood Broad transferred to himself at least $13,800 in funds belonging to the Committee. Moreover, it further appears that during his tenure as treasurer of the Committee, Elwood Broad deliberately falsified information on reports which the Committee was required to file, in order to disguise the fact that such improper transfers were being made. Accordingly, this Office recommends that the Commission find reason to believe Elwood Broad knowingly and willfully violated 2 U.S.C. § 432(b)(3)

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1. An April 16, 1992 article from Roll Call discusses an investigation by a federal grand jury into "allegations of financial irregularities" involving the Committee. The Roll Call article quotes an article which appeared in The Philadelphia Inquirer, and which states that the grand jury is investigating whether "'Yatron or his former campaign treasurer cashed and pocketed contribution checks to Yatron's past campaigns.'" The article also quotes sections of the complaint filed and subsequently withdrawn by Broad, alleging improper activity by Congressman Yatron with regard to campaign funds.

and knowingly and willfully violated 2 U.S.C. § 434(b), and that it approve the attached factual and legal analysis.

Mr. Broad's allegations against Congressman Yatron suggest that the Congressman himself may have also converted campaign funds to his personal use and, in the process, commingled such campaign funds with personal funds. However, pursuant to 2 U.S.C. § 439a, no person who is a representative in Congress may convert campaign contributions in excess of amounts necessary to defray expenditures to his personal use, except that persons who were representatives on January 8, 1980 are exempt from this restriction. Congressman Yatron was a representative in Congress on January 8, 1980, and is thus exempt from this prohibition. Thus, even if Congressman Yatron did commingle funds, section 439a appears to absolve him of any liability. Accordingly, this Office is making no recommendation against Congressman Yatron.

Ms. Matz admits in her letter that reports filed by the Committee during her tenure as treasurer need to be amended due to inaccurate information. Normally, such a failure to file accurate reports would subject the offending committee and its treasurer to liability. However, the Commission has generally not proceeded against, or gone beyond findings of reason to believe as to, committees where inaccurate reporting resulted from fraudulent activity. See, e.g., MURs 3015, 2152 and 2137; but cf. MUR 2316 (where the Commission conciliated after a finding of reason to believe with a committee which had failed to timely file a report

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in a situation where fraudulent activity was involved). While Mr. Broad's allegations regarding Congressman Yatron also suggest that other committee officials may have been aware of the commingling and the inaccuracy of the reports, and thus would not have been victims of fraudulent activity, such evidence is not presently in hand. Accordingly, this Office is making no recommendation against the Committee and its current treasurer.

This Office believes that discovery directed to Mr. Broad will clarify any lingering questions, and that this can best be accomplished through an order and subpoena to answer questions and produce documents. Information to be requested from him will be documents relating to his suit against Congressman Yatron, and more detailed information regarding when and in what amounts he diverted Committee funds. While this Office thinks it unlikely that additional discovery will be required after a review of the information to be submitted by Mr. Broad, this Office believes that depositions of both Mr. Broad and Congressman Yatron may be appropriate should discovery responses of Mr. Broad prove inadequate for a full understanding of this matter. Accordingly, this Office recommends that the Commission approve the attached subpoena and order to Elwood Broad to answer questions and produce documents, and that it approve the attached subpoena for depositions to Elwood Broad and Gus Yatron.

III. RECOMMENDATIONS

1. Open a MUR.

2. Find reason to believe that Elwood Broad knowingly and willfully violated 2 U.S.C. § 432(b)(3) and knowingly and willfully violated 2 U.S.C. § 434(b).

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3. Approve the attached Factual and Legal Analysis, the Order to Answer Questions and Subpoena to Produce Documents to Elwood Broad, the Subpoenas for Depositions to Elwood Broad and Gus Yatron, and the appropriate letters.

Lawrence M. Noble
General Counsel

6/5/92
Date

BY: _____
Lois G. Lerner
Associate General Counsel

Attachments:
1. Referral Materials
2. Factual and Legal Analysis
3. Order to Answer Questions and Subpoena to Produce Documents
4. Subpoenas for Depositions (2)

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/BONNIE J. ROSS
COMMISSION SECRETARY

DATE: JUNE 11, 1992

SUBJECT: PRE-MUR 256 - FIRST GENERAL COUNSEL'S REPORT DATED JUNE 5, 1992.

The above-captioned document was circulated to the Commission on Tuesday, June 9, 1992 at 11:00 a.m.

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

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

This matter will be placed on the meeting agenda for Tuesday, June 16, 1992.

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

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) Pre-MUR 256
Elwood Broad)

(Rec 3549)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on June 16, 1992, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions with respect to Pre-MUR 256:

1. Open a MUR.

2. Find reason to believe that Elwood Broad knowingly and willfully violated 2 U.S.C § 432(b)(3) and knowingly and willfully violated 2 U.S.C. § 434(b).

3. Approve the Factual and Legal Analysis, the Order to Answer Questions and Subpoena to Produce Documents to Elwood Broad, the Subpoenas for Depositions to Elwood Broad and Gus Yatron, and the appropriate letters as recommended in the General Counsel's report dated June 5, 1992.

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

Attest:

6-17-92
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 23, 1992

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Elwood Broad
746 N. 13th St.
Reading, PA 19604

RE: MUR 3549

Dear Mr. Broad:

On June 16, 1992, the Federal Election Commission found that there is reason to believe you knowingly and willfully violated 2 U.S.C. §§ 432(b)(3) and 434(b), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Statements should be submitted under oath. All responses to the enclosed Order to Submit Written Answer Questions and Subpoena to Produce Documents must be submitted within 30 days of your receipt of this order and subpoena. Any additional materials or statements you wish to submit should accompany the response to the order and subpoena.

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

In the absence of any additional information which demonstrates that no further action should be taken against you, 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

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declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation will not be entertained after briefs on probable cause have been mailed to the respondent.

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

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Tony Buckley, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Joan D. Aikens

Joan D. Aikens
Chairman

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

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
	)	MUR 3549
	)	

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Elwood Broad
746 N. 13th St.
Reading, PA 19604

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

Such answers must be submitted under oath and must be forwarded to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, along

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with the requested documents within 30 days of receipt of this Order and Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand in Washington, D.C. on this 22nd, day of June, 1992.

Joan D. Aikens
Joan D. Aikens, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Attachments
Instructions
Definitions
Questions
Documents to be Produced

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INSTRUCTIONS

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

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

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

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

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

Unless otherwise indicated, the discovery request shall refer to the time period from January 1986 to the present.

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

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DEFINITIONS

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

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

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

"Committee" shall refer to the Yatron for Congress Committee.

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

QUESTIONS

1. State the total amount of funds intended for the Committee which were diverted by you to other purposes.

2. State the date on which each diversion took place, and the amount diverted on each date. Include in your description the number of checks which were converted, the amount of each check, and the author of each check.

3. Describe how reports required to be filed on behalf of the Committee were falsified in order to conceal the amounts which were diverted. Identify each report which was falsified.

4. Identify any bank account into which monies intended for the Committee were deposited.

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5. Identify any other officer or employee of the Committee who was aware at the time of any diversion of funds that such diversion was taking place.

6. State the dates on which repayments of these funds were made to the Committee. State the amount, if any, that has not been reimbursed to the Committee.

DOCUMENTS TO BE PRODUCED

1. All documents which relate to your suit against Congressman Yatron including, but not limited to, the complaint, the answer to the complaint, and all deposition transcripts.

2. All personal bank records which reflect deposits of Committee funds.

3. All canceled checks reflecting Committee funds improperly diverted by you.

4. All canceled checks reflecting repayments of improperly diverted funds to the Committee.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Elwood Broad **MUR:** 3549

In the ordinary course of carrying out its supervisory responsibilities, the Commission has received information that Elwood Broad may have violated the Federal Election Campaign Act of 1971, as amended. Specifically, according to Catherine L. Matz, treasurer of the Yatron for Congress Committee (the "Committee"), Elwood Broad, the Committee's former treasurer, paid a total of $13,802.10 to the Committee to make up for a shortage in the Committee's funds. Further, Mr. Broad allegedly had made numerous errors on Committee reports filed with the Commission; had cashed some contribution checks instead of depositing them into the Committee's account; and had made deposits into the Committee's account without reporting them to the Commission. All of these activities were apparently done in an effort to conceal the fact that Mr. Broad had diverted Committee funds to his own benefit.

Pursuant to 2 U.S.C. § 434(b), each report of receipts and disbursements filed by a political committee must accurately disclose and itemize the committee's financial activity. Pursuant to 2 U.S.C. § 432(b)(3), no funds of a political committee may be commingled with the personal funds of any individual. It appears that Elwood Broad transferred to himself at least $13,800 in funds belonging to the Committee. Moreover, it further appears that during his tenure as treasurer of the Committee, Elwood Broad

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deliberately falsified information on reports which the Committee was required to file, in order to disguise the fact that such improper transfers were being made. Therefore, there is reason to believe that Elwood Broad knowingly and willfully violated 2 U.S.C. § 432(b)(3), and knowingly and willfully violated 2 U.S.C. § 434(b).

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Elmood J. Broad

1237 MULBERRY STREET
READING, PENNA. 19604
PHONE 374-1606

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
92 JUL 29 AM 11:50

July 25, 1992

Federal Election Commission
Joan D. Aikens
Chairman
Washington, D.C. 20463

RE: MUR 3549

Dear Ms. Aikens:

The following is in reply to your letter of June 23. 1992 rec'd June 27, 1992.

First of all I would like to congratulate you on becoming the latest pawn in the campaign by U. S. Representative Gus Yatron, his family and his paid employees to attempt to discredit me. By that I mean that this is just the latest in a series of attempts to prevent me from exposing the Yatron organization for the corrupt group that they are. As you will see from the enclosed photocopy of a letter and questionaire I and a group speaking out on my behalf brought this information to your attention in December of 1990...more than 18 months ago, but our voices and concerns fell on deaf ears since there was no reply from you what so ever.

This all began with my retirement after 7 years part time and 14 years full time as an employee of the office of Congressman Gus Yatron which included being the Reading District Office Manager/Administrative Aide and also the treasurer of the Yatron for Congress Committee. When I announced that I would be retiring due to the second hospital visit for heart related problems, I was told by the Congressman that I would need to bring the books and the bank accounts into order since I was the treasurer or my retirement papers would not be signed and submitted. After I replaced the approx. $13.000.00 that was in the hands of the Yatrons I was then informed that my paperwork would not be signed until after the election to see that I kept my mouth shut. After I informed the Congressman that I would not wait he

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filed the papers through his Administrative Aide Joseph Gemmell but the report was false. Gemmell claimed that he was my supervisor, but he was not. Gemmell claimed that I was an unfit employee for the last 12 months of my employment, however he backtracked after he couldn't explain why I had just 3 months earlier rec'd a $2,000.00 cost of living increase and also a $3,000.00 merit pay increase. He claimed that Mrs. Yatron was not using campaign funds to support her drug and alcohol abuse problems since she didn't have one according to them, however after they felt the coast was clear she was admitted to a drug rehab center. They claimed my bankrumpcy was a fraud and got my own brother to give them a statement to that effect however, once it was shown that he was given a job the day the statement was made and fired the day after the statement was made they withdrew their claims. I could go on and on but what purpose would be served doing so at this time?

I am also enclosing a number of notorized affidavits pointing out a number of issues that we have filed against the Congressman and associates so that you will better understand how important it is to the Yatrons that I be discredited at all costs before I am able to get action on my charges.

Secondly I would like to assure you that I have never knowingly and/or willfully violated 2 USC 432 (b)(3) or 2 USC 434(b). Also that I have never deliberately falsified information on reports that were required to be filed with the FEC. That I never diverted Committee funds to my benefit. As for allegedly making numerous errors on Committee reports filed with the FEC I can only state that I am only human and there may have been unknowingly or unintentional errors made, however without knowing specifics I can't even acknowlege that there were mistakes.

And while someone has gotten your attention I would formally question the legal basis for the Yatron for Congress Committee using approx. $80.000 of campaign funds in 1991 to pay lawyers to defend the Congressman and his wife.

Sincerely,

Elwood J. Broad

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Definition

To understand the workings of the Yatron for Congress Committee I feel that you must first know who the Committee is.

Stratton Yatron- Chairman of the Yatron for Congress Comittee is the brother of Congressman Gus Yatron and is Chairman in name only. In the 21 years that I have been associated with the Yatron organization Stratton has never taken any part in any way in any fund raising or other campaign duties. In fact the only contact I have ever had with Stratton was when I was instructed by the Congressman to issue a check to Stratton and another to his wife Molly in the amount of $200.00 each for the purpose of assisting them in making travel plans to go to Florida to visit their son who was fatally ill with the AIDS virus.

Gus Yatron- U. S. Congressman and candidate for who the so called committee acted.

Mildred L. Yatron- wife of U. S. Rep. and candidate Gus Yatron.

George C. Yatron- son of Rep. Gus Yatron and District Attorney of Berks County, PA

Elwood J. Broad- employee in the Reading District Office of Rep. Gus Yatron and treasurer of the Yatron for Congress Committee.

The Yatron for Congress Committee never has had any meetings. There are no minutes or records of who ordered who to do what or who did it since there were no meetings. Any and all actions on the Yatron for Congress Committee treasury directed by the Congressman, His wife or his son. There was a standing order from the Congressman that when his wife or son spoke it was the same as him speaking and their orders were to be followed.

As for Catherine Matz, she is a paid employee of the office of Congressman Gus Yatron and is a former school mate of the Congressman and his wife. Mrs. Matz attended the office for 3 hours per week

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at a yearly salary in excess of $30,000 per year with the understanding that she would do the campaign media layouts for the Yatron Campaigns. She did so from the Congressmans District office using federal equipment and federal employees to do so.

When it comes to Mrs. Matz credibility, I don't believe she has had any since she and her husband were found to be guilty of Federal Income Tax evasion.

Edward Stern

93040984128

July 25, 1992

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

RE: MUR 3549

REPLY TO QUESTIONS

#1. Any and all actions on the treasury of the Yatron for Congress Committee were ordered by the "committee", that being the Congressman, his wife and or his son. As for a dollar amount of funds used for other than campaign purposes it is impossible for me to give such a figure since the Congressman or his paid employees are in possession of all committee records. He sent a secretary to my hospital room while I was recovering from a heart condition to obtain the keys to the committee file cabinet that located in the Reading District Congressional office. They were never returned.

I can state that the Congressman and or his wife rec'd approx. $13,000.00 in cash from the campaign over a period of several years. The reason I am aware of this figure is because when I retired from my job I was required to make up this amount to put the bank account in line with the FEC reports.

The difference occured since I reported, to the best of my knowlege, all funds rec'd and monies expended by the committee. When the Congressman or his wife would instruct that a check or part of a check be turned over to them in cash I would still list the entire amount rec'd to the FEC and enter the same in the committee books. I did not list the cash as an expense since I was never informed that the money had been spent...what it was spent on...or never rec'd a reciept.

I believe this is no different than when I would be instructed to issue a blank, signed check to the Congressman or his son George. The check would not be listed as being issued until I rec'd

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the information of what the check was used for, the amount and to whom.

Therefore, I believed that the $13,000.00 was still available to the committee and therefore it was listed as such.

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Elwood J. Broad
MUR 3549

Question #2

As stated in question #1 since the records and books are not available to me I can not give you the information needed to respond to this question.

I would go one step futher to say that even with the books it would be difficult if not impossible for me to respond to this question as I said prior the amount of the contributions were reported. Therefore you already are aware of all checks and their authors to the best of my knowlege.

There was a Polka Dance fund raiser held at St. Catherine Roman Catholic Church in Mt. Penn, PA where the cash box was taken from the hall by Edward Sabalski, father in law of George C. Yatron, who was brought back to the hall by the Congressman after both of them had left the affair. After the affair had ended I went to the Yatron home and was informed that the money would be turned over to the committee the following day...according to George C, Yatron " there was only about $1,300 in cash there". The box or the money was never seen by me again.

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Elwwod J. Broad
MUR 3549

QUESTION #3

I again deny that I in anyway knowingly or willingly falsified any reports.

To the best of my knowlege I reported, as required, the information called for on FEC reports. The report called for income and it was reported. The report called for expenses and any expenses I was aware of were reported as they occured.

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Elwood J. Broad
MUR 3549

Question # 4

To the best of my knowlege the only bank account funds of the Yatron for Congress Committee were deposited in is:

Yatron for Congress Committee
Meridian Bank
Reading, PA
0966 0844

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Elwood J. Broad
MUR 3549

Question #5

Congressman Gus Yatron, his wife and their son George C. Yatron were all aware of any and all transactions since one or more of them issued the instructions as the "Committee" for each and every transaction.

Also as the enclosed photocopy will show all bank statements and cancelled checks were mailed by the bank to the home of Congressman and Mrs. Gus Yatron each month and was gone over with a fine tooth comb before being turned over to me. There were times that one or more of the "committee" would question a cancelled check or an amount before turning the statement over to me.

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Elwood J. Broad
MUR 3549

Question #6

The amount rec'd, and reported to the FEC, by the "committee" which was turned over to the Congressman or his wife on their orders acting as the "committee" was repaid by me to make the bank account and the FEC reports match when I retired since I was informed by the Congressman that my pension papers would not be signed until the funds were replaced by me even though I didn't rec. them.

In view of the fact that the Congressman was charging me a $700.00 a month cash kickback from my paycheck and since my pension would amount to several thousand dollars over the rest of my life, I replaced the funds in return for his signature.

I was informed on more than one ocassion reminded that I should keep my mouth shut and do what I was told since the Congressman's son was the District Attorney.

The Congressman instructed that the approx. $13,000.00 be repaid in two seperate deposits since he had some hang up about a bank regulation about not being able to deposit more than $10,000.00 cash at one time with questions being raised.

Therefore on and the sum of approx. $13,000.00 was deposited in the committee account by me.

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Elwood J. Broad
MUR 3549

Documents To Be Produced

#1. I do not have the information that you are requesting. I have forwarded a copy of this letter to my attorney at 5the time of the action which was:

Dexter Case, Esquire
541 Court Street
Reading, PA 19601

However since I still owe him money and he no longer represents me in any actions I do not have any claim on him or his time.

I went from a $51,000.00 per year job to a bankrupt $8,600.00 a year self employeed cab driver who can't afford anything.

#2. I do not have access of any Yatron records since my hospital stay and therefore can't supply them.

#3. Since no funds were improperly diverted by me I have no records to produce to you. If you have reference to the funds the Yatrons rec'd from the committee and I was forced to repay, you are already aware of them since they were contained on the FEC reports when rec'd. If you have interest in the funds the Yatrons diverted to personal and family uses in the forms of checks issued to people I again have no access to the records, however I can and will identify these checks for you if you can get the records.

#4. The approx. $13,000.00 that was repaid by me in order to get my pension papers signed was deposited in cash.

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Sorry I could not be much help in this section however the Congressman and his $80,000 attorneys which Committee funds were used to pay were very good at getting all the records and information during the discovery period.

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Elwood J. Broad
MUR 3549

And so in closing I hope that you understand thaT I am and always have been more than willing to cooperate in any way that I can and that I in fact asked you to investigate a long time ago. Not just after I felt heat on the back of my neck as the Congressman has attempted to.

After reading the enclosed I am sure that you will see that this " matter under review" has all the ear marks of a best selling book or Hollywood movie.

We have a powerful man in the Congressman and his son the District Attorney who along with their school teacher wife/mother have used and abused employees, federal office accounts, and campaign accounts over the years for personal gain.

We have a gay man who has since died of AIDs being visited by his parents with campaign funds. we have a Congressional wife who is a drug and alcohol abuser on campaign funds. We have the Congressman giving his in-laws funds from the campaign account each year for no known reason. We have the Congressman and his son using the committee accounts as if they were their own and even using the same to purchase candy and flowers for his sons mistress, not to mention Mrs. Yatron using the fund to support her drug and alcohol addiction.

When you have the resources that the Congressman thinks he has you don't need public financing of campaigns since he uses his federal office accounts to purchase every stamp every used in his and his sons fund raising events, to mail Christmas cards, ect.. he uses the office personnel to address the invitations, and write the letters thanking the contributors. all the while using federal office equipment, time, and supplies.

We have a man who is using all the power he can get together and all the resources of the federal government to discredit the one who can put an end to his rein of corruption.

Sincerely

Elwood J. Broad

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MUR # 3549

ADDITIONAL DOCUMENTS WILL BE ADDED TO THIS FILE AS THEY BECOME AVAILABLE. PLEASE CHECK FOR ADDITIONAL MICROFILM LOCATIONS.

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

THIS IS THE END OF MUR # 3549

DATE FILMED 10/28/93 CAMERA NO. 2

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

✓ Microfilm

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THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 3549.

12/10/93

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THE READER IS REFERRED TO ADDITIONAL MICROFILM LOCATIONS

FOR THE FOLLOWING DOCUMENTS PERTINENT TO THIS CASE

1. Memo, General Counsel to the Commission, dated September 22, 1992, Subject: Priority System Report. See Reel 354, pages 1590-94.

2. Memo, General Counsel to the Commission, dated April 14, 1993, Subject: Enforcement Priority System. See Reel 354, pages 1595-1620.

3. Certification of Commission vote, dated April 28, 1993. See Reel 354, pages 1621-22.

4. General Counsel's Report, In the Matter of Enforcement Priority, dated December 3, 1993. See Reel 354, pages 1623-1740.

5. Certification of Commission vote, dated December 9, 1993. See Reel 354, pages 1741-1746.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 10 1993

Elwood J. Broad
1237 Mulberry Street
Reading, PA 19604

RE: MUR 3549

Dear Mr. Broad:

On June 23, 1992, you were notified that the Federal Election Commission had found reason to believe you knowingly and willfully violated 2 U.S.C. §§ 432(b)(3) and 434(b). On July 25, 1992, you submitted a response to the Commission's reason to believe findings.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no further action against you. See attached narrative. Accordingly, the Commission closed its file in this matter.

The Commission reminds you, however, that 2 U.S.C. § 432(b)(3) prohibits the commingling of the funds of a political committee with the personal funds of any individual. Therefore, you should take steps to ensure future compliance with this statutory provision.

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

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before receipt of your additional materials, any permissible submissions will be added to the public record when they are received.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Tony Buckley
Attorney

Attachment
Narrative

Date the Commission voted to close the file: DEC 09 1993

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MUR 3549
ELWOOD BROAD

This matter arose as a result of a request from the current treasurer of Yatron for Congress for a print-out of recent contributors. This print-out was requested because, the current treasurer alleged, the previous treasurer, Elwood Broad, had converted campaign contributions to his own use. The Commission made knowing and willful findings against Mr. Broad on June 16, 1992. The treasurer's response to the RTB notification was rambling and, at times, incoherent.

This matter was stale at the outset. Moreover, the principal actor is being prosecuted for the transactions at issue; he was recently indicted for embezzling more than $60,000 in campaign contributions between 1986 and 1990.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 10 1992

The Honorable Gus Yatron, Treasurer
Yatron for Congress Committee
1908 Hessian Road
Reading, PA 19602

RE: MUR 3549

Dear Congressman Yatron:

On July 28, 1992, the Federal Election Commission received a letter from Catherine L. Matz, then-treasurer of the Yatron for Congress Committee. Ms. Matz's letter requested certain information, and described activity which suggested that certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), had occurred. On June 23, 1992, the Commission found reason to believe that Elwood Broad knowingly and willfully violated 2 U.S.C. §§ 432(b)(3) and 434(b).

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no further action against Mr. Broad. See attached narrative. Accordingly, the Commission closed its file in this matter. The Commission has admonished Mr. Broad to take immediate steps to ensure future compliance with 2 U.S.C. § 432(b)(3). This matter will become part of the public record within 30 days.

Sincerely,

Tony Buckley
Attorney

Attachment
Narrative

Date the Commission voted to close the file: DEC 09 1992

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MUR 3549
ELWOOD BROAD

This matter arose as a result of a request from the current treasurer of Yatron for Congress for a print-out of recent contributors. This print-out was requested because, the current treasurer alleged, the previous treasurer, Elwood Broad, had converted campaign contributions to his own use. The Commission made knowing and willful findings against Mr. Broad on June 16, 1992. The treasurer's response to the RTB notification was rambling and, at times, incoherent.

This matter was stale at the outset. Moreover, the principal actor is being prosecuted for the transactions at issue; he was recently indicted for embezzling more than $60,000 in campaign contributions between 1986 and 1990.

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